

No. 56
STATE OF MICHIGAN
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REGULAR SESSION OF 2014

Senate Chamber, Lansing, Wednesday, June 11, 2014.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator Tonya Schuitmaker.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Ananich—present
Anderson—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Caswell—present
Colbeck—present
Emmons—present
Green—present
Gregory—present
Hansen—present
Hildenbrand—present

Hood—present
Hopgood—present
Hune—present
Hunter—present
Jansen—present
Johnson—present
Jones—present
Kahn—present
Kowall—present
Marleau—present
Meekhof—present
Moolenaar—present
Nofs—present

Pappageorge—present
Pavlov—present
Proos—present
Richardville—present
Robertson—present
Rocca—present
Schuitmaker—present
Smith—present
Walker—present
Warren—present
Whitmer—present
Young—present

Pastor Tim Wessell of Brighton Nazarene Church of Brighton offered the follow invocation:

Dear Heavenly Father, we come to You today as Creator and Sustainer of life. You are the giver of every good thing. You are our deliverer, strong tower, our refuge, and our strength. You are our life. You own the cattle on a thousand hills. You are our provider. You are omnipotent, omnipresent, and omniscient. You are truth. You are life. You are justice. You are the authority above all authority. You are the King of kings and the Lord of lords and the Alpha and Omega.

We come to You today, most gracious Heavenly Father, and we humbly invite Your Spirit to lead and transform every heart of every man and woman who leads this state today. We thank You for the amazing gifts and passions given to each one to lead this state, but we also acknowledge that our wisdom, our strength, and our righteousness are nothing apart from You.

We invite You to lead us by Your strong right hand into all truth. You tell us the greatest commandment is to love the Lord our God with all our heart, soul, mind, and strength and to love our neighbor as ourself. We love You today by giving You authority over this process, by asking for the wisdom like King Solomon which starts with fear of the Lord to lead us. We ask for Your strength and courage to guide us, and we ask for Your will to be done and not our own. We want to serve today in a way that treats our neighbors as ourselves.

Father God, as these men and women from across this state meet to lead us into the future, we pray for hearts united by one vision, one love, and one compassion for the people of this great state. We pray that there would be unity that brings us together for a common goal for a better tomorrow. We don't ask for riches of gold and silver, but we ask You today for the riches of stronger families, healthier communities, stronger purpose in the lives of our people, reduced crime rates and mental illness, reduced incarcerations, stronger volunteerism, community pride, and communities that would rear the children in the knowledge of You and Your plan and provision for their lives.

We pray for an abundant harvest of fruit—the fruit of Your Spirit in every home—love, peace, patience, kindness, goodness, faithfulness, gentleness, and self-control. When we give You Your right place in our lives and our communities, You cause growth and You give life more abundantly.

Lord, we pray for real work to get done these coming days before the summer break. We pray there would be respect for all sides of the issues and that in the end Your will would be done, and unity and respect would prevail. We ask for Your strength, wisdom, courage, and that Your perseverance would carry them through the end of the day today. We ask that each man and woman would flourish under the leadership of this group of representatives, and they would be remembered for their bravery and real change they brought to our state. We pray that they would be blessed for their service to our families, and one day they would look their grandchildren in the eyes and be proud of the state they helped to lead.

Now, Lord, as these men and women take a summer break to be with their families, I pray that they would seek You with all of their hearts and draw near to You as You draw near to them. I pray that You would exponentially bless their time with their families, as they spend so many days away from them. I pray that they would humble themselves, and pray and repent from any sin they may struggle with; that You would draw them out to be leaders with integrity and honor. Most importantly, Lord, I pray that they would lead their families with tenderness, compassion, and mercy. I pray that You will give them the desires of their hearts as they follow after You. Fill them with renewed strength, renewed wisdom, renewed vision, and renewed passion for their calling.

Thank You for filling us today with Your presence. May everything said and done today in our lives bring You glory and honor. We ask all of these things today in the precious name of Jesus, our Savior and our coming King. Amen.

The President pro tempore, Senator Schuitmaker, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Senators Brandenburg, Jansen, Emmons, Hildenbrand and Hopgood entered the Senate Chamber.

The following communication was received and read:
Office of the Auditor General

June 6, 2014

Enclosed is a copy of the following audit report:
Performance audit of Member Data of the Michigan Public School Employees' Retirement System, Office of Retirement Services, Department of Technology, Management, and Budget.

Sincerely,
Thomas H. McTavish, C.P.A.
Auditor General

The audit report was referred to the Committee on Government Operations.

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, June 10:
House Bill Nos. 4573 4874 5491 5497 5498 5506 5615

The Secretary announced that the following bills were printed and filed on Tuesday, June 10, and are available at the Michigan Legislature website:

Senate Bill Nos. 972 973 974 975 976

Senator Hopgood moved that Senators Hunter, Johnson and Young be temporarily excused from today's session.
The motion prevailed.

Senator Meekhof moved that Senators Kahn, Proos and Green be temporarily excused from today's session.
The motion prevailed.

Senator Meekhof moved that rule 2.106 be suspended to allow committees to meet during Senate session.
The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that rule 3.902 be suspended to allow the guests of Senator Bieda admittance to the Senate floor, including the center aisle.

The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that rule 3.901 be suspended to allow photographs to be taken from the Senate floor.
The motion prevailed, a majority of the members serving voting therefor.

Senators Kahn and Proos entered the Senate Chamber.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 10:09 a.m.

10:14 a.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

During the recess, Senator Bieda introduced Public Service Chaplains James Friedman, Jordena Swofford, and Juan Blythe; and presented to them Senate Resolution No. 120, recognizing Public Service Chaplains Appreciation Day.

During the recess, Senators Green and Young entered the Senate Chamber.

Senators Kahn and Nofs asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Kahn's statement is as follows:

I have the pleasure of introducing to the body Jamie Lynn Swanson and the sadness to report that she is leaving. This accomplished young lady is on her way to law school, and, by the way, the president is an attorney as well. We have a tribute prepared for her that says:

"It is with great appreciation for the tremendous effort of Jamie Lynn Swanson that we wish her well as she embarks on a new journey in life that begins with John Marshall as a student of law.

Jamie began with Senator Kahn's office as an intern, fresh from Michigan State University with her bachelor's degree. Through her internship, she had grown into a superb team member in the Senate, and she has become an integral part of the office. Her willingness to work hard and achieve the very best results in every task requested of her led to a position in Senator Kahn's office and has enabled her to excel in many aspects of the Legislature.

Throughout her time in the Senate, Jamie has grown in a number of ways. It has been a pleasure to introduce her to all aspects of the Legislature, including, but not limited to, constituent relations and the legislative process. Jamie's participation in important issues, topics, and assignments with Senator Kahn has been commendable.

IN SPECIAL TRIBUTE, Therefore, This document is signed and presented to Jamie Lynn Swanson as a token of gratitude and representation of that appreciation on behalf of the Michigan Senate and the 32nd Senate District. May she know of these sentiments as she begins the next chapter of her life and carries these life lessons with her."

Senator Nofs' statement is as follows:

It is my pleasure to introduce the 33rd class of the Michigan Youth ChalleNGe Academy, along with the academy's staff and Director Jim Luce. This class will graduate on Saturday during ceremonies at Marshall High School in my district, but there are many other districts represented by the cadets. They are in the north and east Galleries, and I would ask my colleagues to help me welcome the 33rd class of the Michigan Youth ChalleNGe Academy.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 10:20 a.m.

12:01 p.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

By unanimous consent the Senate proceeded to the order of

Resolutions

Senator Meekhof moved that consideration of the following resolutions be postponed for today:

Senate Resolution No. 34

Senate Resolution No. 123

House Concurrent Resolution No. 31

Senate Resolution No. 127

Senate Resolution No. 147

Senate Resolution No. 150

Senate Resolution No. 151

Senate Concurrent Resolution No. 15

Senate Concurrent Resolution No. 16

Senate Concurrent Resolution No. 17

The motion prevailed.

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 159

Senate Resolution No. 160

Senate Resolution No. 161

The resolution consent calendar was adopted.

Senators Anderson, Bieda, Hopgood, Kowall, Meekhof, Brandenburg, Colbeck and Moolenaar offered the following resolution:

Senate Resolution No. 159.

A resolution to commemorate the 200th Anniversary of "The Star-Spangled Banner."

Whereas, In 1813, Major George Armistead, the American commander at Fort McHenry in Baltimore Harbor, requested two large 15-star flags for the fort, a large 30-feet by 42-feet great garrison flag and smaller 17-feet by 25-feet storm flag, to be flown in inclement weather; and

Whereas, Mary Young Pickersgill, a Baltimore seamstress, was commissioned to create both flags at a cost of \$405.90 for the garrison flag and \$168.54 for the storm flag; and

Whereas, The British attack on Fort McHenry on September 13 and 14 of 1814 inspired Francis Scott Key to write the lyrics for "Defence of Fort M'Henry" to the tune of "To Anacreon in Heaven." Key's lyrics were quickly printed and then re-named "The Star-Spangled Banner" and performed publicly in the Baltimore area; and

Whereas, President Herbert Hoover signed the act of Congress designating “The Star-Spangled Banner” as the national anthem of the United States of America on March 3, 1931; now, therefore, be it

Resolved by the Senate, That the members of this legislative body commemorate the 200th Anniversary of “The Star-Spangled Banner.” We urge local communities, elected officials, civic and religious leaders, educators, local historians, and the general public to organize and hold special events in their communities in mid-September to help commemorate this important chapter in American and Michigan history.

Senators Ananich, Booher, Gregory, Hansen, Hildenbrand, Hune, Jansen, Jones, Marleau, Pappageorge, Pavlov, Proos, Robertson, Rocca, Schuitmaker, Warren, Young, Emmons, Green, Nofs and Richardville were named co-sponsors of the resolution.

Senator Schuitmaker offered the following resolution:

Senate Resolution No. 160.

A resolution to commemorate President Gerald R. Ford and the invaluable impact of his service to the United States of America in honor of the 40th Anniversary of his presidency.

Whereas, On August 9, 1974, Vice President Gerald R. Ford took the oath of office in the East Room of the White House, becoming the 38th President of the United States; and

Whereas, On August 22, 1974, President Gerald R. Ford, along with First Lady Betty Ford, announced his support for the Equal Rights Amendment; and

Whereas, On September 8, 1974, President Gerald R. Ford granted “a full, free and absolute pardon unto Richard Nixon” for all crimes he committed or may have committed as President. President Ford put the country’s needs before his own so the nation could begin its healing process after the constitutional crisis of Watergate; and

Whereas, On September 26-28, 1974, President Gerald R. Ford stood strong by his beloved wife First Lady Betty Ford as she courageously and openly battles breast cancer; and

Whereas, On November 23-24, 1974, President Gerald R. Ford and General Secretary Leonid Brezhnev meet in Vladivostok, U.S.S.R., to sign a joint communiqué on the limitation of strategic offensive arms that eventually led to the SALT II accord; and

Whereas, On December 19, 1974, following a vote of 287-128, the United States House of Representatives confirmed President Gerald R. Ford’s selection of Nelson Rockefeller as the 41st Vice President of the United States; and

Whereas, In April 1975, President Gerald R. Ford ordered the emergency evacuation of Vietnamese children in Operation Babylift and American civilians in Operation Frequent Wind; and

Whereas, On July 26, 1975, President Gerald R. Ford signed the Final Act of the Conference on Security and Co-operation in Europe, or the Helsinki Agreement, supporting human rights in Europe; and

Whereas, On December 22, 1975, President Gerald R. Ford signed the Energy Policy Conservation Act to increase energy production and supply and reduce energy demand; and

Whereas, On May 12, 1976, President Gerald R. Ford signed the law creating the Consumer Product Safety Commission, protecting millions by enforcing safety regulations on products sold in the United States; and

Whereas, On July 4, 1976, President Gerald R. Ford and the nation celebrated America’s bicentennial, welcoming heads of state, including Queen Elizabeth II, to the White House for a state dinner; and

Whereas, On January 12, 1977, President Gerald R. Ford gave his final State of the Union address and is recognized a week later in President Jimmy Carter’s inaugural address: “For myself and for our Nation, I want to thank my predecessor for all he has done to heal our land”; now, therefore, be it

Resolved by the Senate, That the members of this legislative body commemorate the presidency of Gerald R. Ford and the extraordinary contributions he made to the United States of America; and be it further

Resolved, That a copy of this resolution be transmitted to the Gerald R. Ford Presidential Foundation.

Senators Bieda, Booher, Brandenburg, Emmons, Green, Hansen, Hopgood, Jones, Marleau, Nofs, Pavlov, Proos, Richardville, Rocca and Warren were named co-sponsors of the resolution.

Senator Richardville offered the following resolution:

Senate Resolution No. 161.

A resolution to declare July 11-18, 2014, as Arteriovenous Malformation (AVM) Awareness Week in the state of Michigan.

Whereas, Arteriovenous malformation (AVM) is defined as an abnormal connection between arteries and veins which bypass the capillary system. AVM is a rare condition that affects approximately 300,000 American citizens. Although many AVMs are asymptomatic, they can cause intense pain or bleeding in addition to other serious medical problems; and

Whereas, This vascular anomaly is widely known because of its occurrence in the central nervous system, but it can appear in any location. It may also cause abnormal sensations such as numbness, tingling, or spontaneous pain; difficulties with movement or coordination, including muscle weakness and even paralysis; vertigo, difficulties of speech, communication, and challenges with everyday activities; and

Whereas, A team of researchers has initiated research on AVM, with the goal of identifying a drug therapy to cure the disease. The objectives of this research include determining the mechanism of progression of AVM in humans; developing tools for testing potential pharmacotherapy; and developing drug treatment for humans with AVM; and

Whereas, The efforts of Kelleigh's Cause, a not-for-profit organization founded by Kelleigh Gustafson, a 16-year-old girl originally from Haslett, Michigan, in conjunction with the Sparrow Hospital Foundation, have been instrumental in raising attention and funds to support the research and treatment of AVM in the state of Michigan; and

Whereas, There exists a great need for public awareness surrounding this rare condition and increased attention to efforts to support opportunities for advancement in AVM research and treatment; now, therefore, be it

Resolved by the Senate, That we hereby declare July 11-18, 2014, as Arteriovenous Malformation (AVM) Awareness Week in the state of Michigan; and be it further

Resolved, That copies of this resolution be transmitted to the Sparrow Hospital Foundation, Kelleigh Gustafson, and Kelleigh's Cause as a token of our appreciation.

Senators Ananich, Booher, Casperson, Hansen, Jansen, Jones, Kowall, Marleau, Meekhof, Pappageorge, Proos, Robertson, Rocca, Schuitmaker, Warren, Whitmer, Anderson, Bieda, Brandenburg, Emmons, Green, Hopgood, Nofs and Pavlov were named co-sponsors of the resolution.

Senator Meekhof moved that consideration of the following concurrent resolution be postponed temporarily:

Senate Concurrent Resolution No. 14.

The motion prevailed.

Senator Hunter entered the Senate Chamber.

Senator Richardville offered the following concurrent resolution:

Senate Concurrent Resolution No. 18.

A concurrent resolution of tribute offered as a memorial for Connie Berube Binsfeld, former Lieutenant Governor and member of the Senate and House of Representatives.

Whereas, The members and staff of the Michigan Legislature were saddened to learn of the passing of Connie Berube Binsfeld. For nearly 25 years, she served as a leader in Michigan government, the first and only woman to hold leadership posts in the House, Senate, and executive branch. Kind, hardworking, thoughtful, but also tough when she needed to be, she will be remembered not only for her manner, but her remarkable achievements; and

Whereas, A native of Munising, Connie Binsfeld earned her bachelor's degree and a teaching certificate from Siena Heights College in Adrian and engaged in graduate studies at Wayne State University while she lived in the Detroit area. In 1947, she married John Binsfeld and raised five children with him. She was named Michigan Mother of the Year in 1977. An active community member in the Grand Traverse area, she served two terms as a Leelanau County commissioner prior to her election to the House of Representatives in 1974; and

Whereas, For the next 16 years, Connie Binsfeld represented with pride her northwest Michigan home in the House and the Senate. For eight of those years, she served as assistant minority leader in the House and assistant majority leader in the Senate. She was a champion for women, children, and the environment during her tenure. Notably, she sponsored legislation that would safeguard Michigan's sand dunes, provide funding for environmental cleanups, and protect women from domestic violence. She would serve as chair of a number of appropriations subcommittees. In 1990, she was elected Lieutenant Governor; and

Whereas, As Lieutenant Governor, Connie Binsfeld continued to fight for the issues in which she believed, leading the Commission on Adoption and then the Binsfeld Children's Commission that led to numerous reforms of Michigan's child welfare system. In addition, she served 10 years on the Great Lakes Commission representing Michigan's interests and helped to establish the Chance at Childhood Foundation. As president of the Senate, she will be remembered for the gentle, but firm, manner as she presided over Senate proceedings. In 1998, she was inducted into the Michigan Women's Hall of Fame; and

Whereas, Connie Binsfeld's achievements are a reflection of her deep dedication to the state of Michigan and its people and her generous spirit. Her legacy will live on long after we have stopped mourning her passing; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we offer this expression of our highest tribute to honor the memory of Connie Berube Binsfeld, a member of the House of Representatives from 1975 to 1982, a member of the Senate from 1983 to 1990, and Lieutenant Governor and president of the Senate from 1991 to 1998; and be it further

Resolved, That copies of this resolution be transmitted to the Binsfeld family as evidence of our lasting esteem for her memory.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations,

Senator Meekhof moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The concurrent resolution was adopted by a unanimous standing vote of the Senate.

Senator Meekhof moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the concurrent resolution.

The motion prevailed, a majority of the members serving voting therefor.

A moment of silence was observed in memory of Connie Berube Binsfeld, former Lieutenant Governor and member of the Senate and House of Representatives.

Recess

Senator Meekhof moved that the Senate recess until 2:00 p.m.

The motion prevailed, the time being 12:10 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Schuitmaker.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 2:01 p.m.

2:21 p.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Meekhof moved that the Committee on Finance be discharged from further consideration of the following bill:

Senate Bill No. 847, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 522 (MCL 206.522), as amended by 2013 PA 206.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Meekhof moved that the Committee on Appropriations be discharged from further consideration of the following joint resolution:

Senate Joint Resolution A, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to increase the sales tax rate and to dedicate that revenue to the comprehensive transportation fund.

The motion prevailed, a majority of the members serving voting therefor, and the joint resolution was placed on the order of General Orders.

Senator Meekhof moved that the Committee on Infrastructure Modernization be discharged from further consideration of the following bills:

House Bill No. 4251, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," (MCL 220.1 to 239.6) by adding section 19c to chapter IV.

House Bill No. 5167, entitled

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending sections 11 and 11c (MCL 247.661 and 247.661c), section 11 as amended by 2002 PA 639 and section 11c as amended by 2002 PA 498.

House Bill No. 5460, entitled

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending sections 11, 12, 13, and 14 (MCL 247.661, 247.662, 247.663, and 247.664), section 11 as amended by 2002 PA 639, sections 12 and 13 as amended by 2012 PA 298, and section 14 as amended by 1987 PA 234.

The motion prevailed, a majority of the members serving voting therefor, and the bills were placed on the order of General Orders.

Senator Meekhof moved that the rules be suspended and that the following bills and joint resolution, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

Senate Bill No. 847

Senate Joint Resolution A

House Bill No. 4251

House Bill No. 5167

House Bill No. 5460

The motion prevailed, a majority of the members serving voting therefor.

Senator Casperson asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Casperson's statement is as follows:

I have a special guest with me today whom I would like my colleagues to help me recognize. Jessica Young has been an intern in our office for quite some time now and has done a great job. I would like to read a tribute for her:

"LET IT BE KNOWN, That it is with deep appreciation for her service to the residents of Michigan's 38th Senate District that we honor Jessica Young. She has been a valuable asset to the 38th District office, and we are sincerely grateful for her contributions.

A resident of Lansing, Michigan, and a student of economics at Michigan State University, Jessica began serving with us as an intern in the spring of 2014. Throughout the past month, she has shown an admirable spirit of workplace camaraderie, even if the task or assignment was tedious or mundane. She has assisted with a wide variety of research projects on topics as diverse as current and past economic conditions, legislative committee records, natural resources and regulation, and she has created numerous files for our future use. In addition, she performed detailed analyses of the 38th District's demographics, as well as voting records on the State Legislature. The tasks that she has shouldered have enabled our office to accomplish more during her time with us. It is our privilege to show her a measure of our gratitude by offering this tribute to her.

IN SPECIAL TRIBUTE, Therefore, this document is signed and dedicated to honor Jessica Young. We applaud her for the commitment she has shown and the work done for us and with us."

We wish her continued success in her studies and future career.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 2:30 p.m.

3:02 p.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

By unanimous consent the Senate proceeded to the order of

General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Calley, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following joint resolution:

Senate Joint Resolution A, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to increase the sales tax rate and to dedicate that revenue to the comprehensive transportation fund.

Substitute (S-1).

The following is the amendment to the substitute recommended by the Committee of the Whole:

1. Amend page 3, line 5, after "CONSTITUTION." by inserting "THE ALLOCATION OF SALES TAX REVENUE REQUIRED OR AUTHORIZED BY SECTIONS 9, 10, AND 11 OF THIS ARTICLE DOES NOT APPLY TO THE REVENUE FROM THE SALES TAX IMPOSED AT THE ADDITIONAL RATE OF 1% UNDER THIS PARAGRAPH."

The Senate agreed to the substitute as amended recommended by the Committee of the Whole, and the joint resolution as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 847, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 522 (MCL 206.522), as amended by 2013 PA 206.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 752, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 520 (MCL 206.520), as amended by 2011 PA 273.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
House Bill No. 4251, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," (MCL 220.1 to 239.6) by adding section 19c to chapter IV.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
House Bill No. 5460, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 11, 12, 13, and 14 (MCL 247.661, 247.662,

247.663, and 247.664), section 11 as amended by 2002 PA 639, sections 12 and 13 as amended by 2012 PA 298, and section 14 as amended by 1987 PA 234.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5167, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 11 and 11c (MCL 247.661 and 247.661c), section 11 as amended by 2002 PA 639 and section 11c as amended by 2002 PA 498.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 3:10 p.m.

3:26 p.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Meekhof moved that the Committee on Infrastructure Modernization be discharged from further consideration of the following bill:

House Bill No. 5452, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 725 (MCL 257.725), as amended by 1998 PA 247.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Meekhof moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

House Bill No. 5452

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schuitmaker, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

House Bill No. 5452, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 725 (MCL 257.725), as amended by 1998 PA 247.

The bill was placed on the order of Third Reading of Bills.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 3:30 p.m.

3:41 p.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

Senator Johnson entered the Senate Chamber.

Senators Moolenaar, Emmons, Booher, Green, Meekhof, Hildenbrand, Pavlov, Marleau, Jones, Robertson, Colbeck, Hune and Pappageorge introduced

Senate Bill No. 977, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices; to prohibit the buying, selling, or carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices without a license or other authorization; to provide for the forfeiture of firearms and electro-muscular disruption devices under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 51 (MCL 28.4251), as amended by 2012 PA 32.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senator Kahn introduced

Senate Bill No. 978, entitled

A bill to amend 1855 PA 105, entitled "An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies," by amending section 1 (MCL 21.141), as amended by 2012 PA 287.

The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senator Hildenbrand introduced

Senate Bill No. 979, entitled

A bill to amend 1990 PA 319, entitled "An act to prohibit local units of government from imposing certain restrictions on the ownership, registration, purchase, sale, transfer, transportation, or possession of pistols or other firearms, ammunition for pistols or other firearms, or components of pistols or other firearms," by amending sections 1, 2, 3, and 4 (MCL 123.1101, 123.1102, 123.1103, and 123.1104).

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Bieda, Jones, Robertson and Johnson introduced

Senate Bill No. 980, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 227 and 316 (MCL 600.227 and 600.316).

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Jones, Bieda, Robertson and Johnson introduced

Senate Bill No. 981, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 914.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senator Booher introduced

Senate Bill No. 982, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 221a (MCL 18.1221a), as added by 2012 PA 430.

The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senator Booher introduced

Senate Bill No. 983, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 103, 316, and 2404b (MCL 339.103, 339.316, and 339.2404b), section 103 as amended by 1994 PA 257, section 316 as amended by 1998 PA 90, and section 2404b as amended by 2013 PA 169, and by adding section 604a and article 14A; and to repeal acts and parts of acts.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

Senator Booher introduced

Senate Bill No. 984, entitled

A bill to amend 1968 PA 330, entitled "Private security business and security alarm act," by amending the title and sections 2, 3, 4, 5, 6, 8, 9, 11, 13, 14, 15, 16, 17, 18, 22, 25, 26, 29, 31, and 33 (MCL 338.1052, 338.1053, 338.1054, 338.1055, 338.1056, 338.1058, 338.1059, 338.1061, 338.1063, 338.1064, 338.1065, 338.1066, 338.1067, 338.1068, 338.1072, 338.1075, 338.1076, 338.1079, 338.1081, and 338.1083), the title and sections 3, 4, 8, 9, 14, 17, 25, and 29 as amended by 2010 PA 68, section 2 as amended by 2012 PA 581, section 6 as amended by 2012 PA 419, section 11 as amended by 2004 PA 270, sections 13, 18, and 31 as amended by 2002 PA 473, and sections 22 and 33 as amended by 2000 PA 411, and by adding section 15a; and to repeal acts and parts of acts.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

Senator Booher introduced

Senate Bill No. 985, entitled

A bill to amend 2012 PA 580, entitled "Security alarm systems act," by amending section 2 (MCL 338.2182).

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

Senator Johnson introduced

Senate Bill No. 986, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," (MCL 338.2201 to 338.2277) by adding section 33.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

Senators Pappageorge, Nofs, Colbeck, Robertson, Caswell, Hune and Marleau introduced
Senate Bill No. 987, entitled

A bill to amend 1985 PA 87, entitled "William Van Regenmorter crime victim's rights act," by amending sections 44 and 45 (MCL 780.794 and 780.795), section 44 as amended by 2013 PA 139 and section 45 as amended by 1996 PA 562. The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Pappageorge, Nofs, Colbeck, Robertson, Caswell, Hune and Marleau introduced
Senate Bill No. 988, entitled

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending sections 18, 30, and 31 of chapter XIIA (MCL 712A.18, 712A.30, and 712A.31), section 18 as amended by 2011 PA 295 and sections 30 and 31 as amended by 1996 PA 561.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Pappageorge, Nofs, Jones, Brandenburg, Colbeck, Robertson, Caswell, Hune and Marleau introduced
Senate Bill No. 989, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 1 of chapter IX (MCL 769.1), as amended by 1999 PA 87.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Pappageorge, Brandenburg, Colbeck and Hune introduced

Senate Bill No. 990, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 49 (MCL 750.49), as amended by 2006 PA 129.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Pappageorge, Nofs, Jones, Brandenburg, Colbeck, Kahn, Robertson and Marleau introduced

Senate Bill No. 991, entitled

A bill to authorize access to and use of experimental treatments for patients with a terminal illness; to establish conditions for use of experimental treatment; to prohibit sanctions of health care providers solely for recommending or providing experimental treatment; to clarify duties of a health insurer with regard to experimental treatment authorized under this act; to prohibit certain actions by state officials, employees, and agents; and to restrict certain causes of action arising from experimental treatment.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

House Bill No. 4573, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 525 and 529 (MCL 436.1525 and 436.1529), section 525 as amended by 2013 PA 236.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

House Bill No. 4874, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 11708 and 11715 (MCL 324.11708 and 324.11715), section 11708 as amended by 2004 PA 381 and section 11715 as amended by 2012 PA 41.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Natural Resources, Environment and Great Lakes.

House Bill No. 4958, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 26a, 42, and 43 (MCL 421.26a, 421.42, and 421.43), section 26a as added by 2011 PA 268, section 42 as amended by 2011 PA 269, and section 43 as amended by 2004 PA 243.

The House of Representatives has passed the bill.

The bill was read a first and second time by title and referred to the Committee on Reforms, Restructuring and Reinvesting.

House Bill No. 5491, entitled

A bill to amend 1993 PA 23, entitled "Michigan limited liability company act," by amending section 1101 (MCL 450.5101), as amended by 2012 PA 310.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Veterans, Military Affairs and Homeland Security.

House Bill No. 5497, entitled

A bill to amend 1956 PA 217, entitled "Electrical administrative act," by amending sections 3 and 3d (MCL 338.883 and 338.883d), section 3 as amended by 2012 PA 313 and section 3d as amended by 2012 PA 379.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Veterans, Military Affairs and Homeland Security.

House Bill No. 5498, entitled

A bill to amend 1982 PA 162, entitled "Nonprofit corporation act," by amending section 1060 (MCL 450.3060), as amended by 2012 PA 309.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Veterans, Military Affairs and Homeland Security.

House Bill No. 5506, entitled

A bill to amend 1984 PA 192, entitled "Forbes mechanical contractors act," by amending section 10 (MCL 338.980), as amended by 2012 PA 312.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Veterans, Military Affairs and Homeland Security.

House Bill No. 5615, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 159g (MCL 750.159g), as amended by 2012 PA 351.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title.

Senator Meekhof moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the order of General Orders.

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Meekhof moved that the rules be suspended and that the following joint resolution and bills, now on the order of Third Reading of Bills, be placed on their immediate adoption and passage:

Senate Joint Resolution A**Senate Bill No. 847****Senate Bill No. 752****House Bill No. 4251****House Bill No. 5460****House Bill No. 5167****House Bill No. 5452**

The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that the following joint resolution and bills be placed at the head of the Third Reading of Bills calendar:

Senate Joint Resolution A**Senate Bill No. 847****Senate Bill No. 752**

House Bill No. 4251

House Bill No. 5460

House Bill No. 5167

House Bill No. 5452

House Bill No. 4630

House Bill No. 5493

House Bill No. 5477

The motion prevailed.

The following joint resolution was read a third time:

Senate Joint Resolution A, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to increase the sales tax rate and to dedicate that revenue to transportation purposes.

The question being on the adoption of the joint resolution,

The joint resolution was not adopted, 2/3 of the members serving not voting therefor, as follows:

Roll Call No. 414

Yeas—14

Booher
Brandenburg
Casperson
Caswell

Emmons
Hunter
Jansen
Jones

Kahn
Kowall
Nofs

Pappageorge
Richardville
Walker

Nays—24

Ananich
Anderson
Bieda
Colbeck
Green
Gregory

Hansen
Hildenbrand
Hood
Hopgood
Hune
Johnson

Marleau
Meekhof
Moolenaar
Pavlov
Proos
Robertson

Rocca
Schuitmaker
Smith
Warren
Whitmer
Young

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved to reconsider the vote by which the joint resolution was not adopted.

The question being on the motion to reconsider,

Senator Meekhof moved that further consideration of the joint resolution be postponed for today.

The motion prevailed.

Protests

Senators Colbeck, Warren, Smith, Whitmer, Ananich and Meekhof, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of Senate Joint Resolution A.

Senators Colbeck, Warren and Meekhof moved that the statements they made during the discussion of the joint resolution be printed as their reasons for voting “no.”

The motion prevailed.

Senator Colbeck's statement is as follows:

This joint resolution proposes an increase to the state sales tax, dedicating that money to roads. I think we can all agree, I think we have talked about this before—we all need to fix the roads. The key is how? I don't know about you, but we will find out here shortly, but I didn't come up here to raise taxes. I have gone beyond saying no. I have also provided road funding alternatives for the last year and a half.

It is true that if this joint resolution passes, it will go to a vote of the people. It will eventually be up to them to decide whether or not they want to increase taxes in this state in order to pay for roads; if they think that this is a solution we should be pursuing.

My question is what will the voters be told at the time of passage? What will they be told in all the ads throughout their districts? Will they be told that Michigan already spends 53 percent more dollars per mile than the national average? Are they going to be told that while 90 percent of this is pushed toward fixing our roads and potholes, another 10 percent is earmarked to comprehensive transportation, not the transportation fund? I don't think people are really benefiting, especially in the outer portions of this state, from a mass transit system down in Detroit.

We have had a plan to fix our roads, and we have had one that doesn't require raising taxes. It has largely been ignored in favor of pathways that depend upon more taxes; pathways that increase the size of government; pathways that increase the burden on our taxpayers, a burden that we already have featuring higher costs for gas. There are higher prices of groceries and a higher cost of health care, thanks to a lot of our federal reforms.

We need to promote solutions that don't look at increasing the burden on our taxpayers. When we increase the burden on our taxpayers, we decrease the economic freedom for each of us. Our voters are looking for principled leadership.

The recent primary election in Virginia is a pretty good indicator of what happens when you take your eyes off the ball of core Republican values. Now, for Republicans, this means we have to get our eyes back on target and back on the principles that we hold true. It is not just a matter of talking the talk during the campaign. It is a matter of walking the walk when you are actually elected to office.

This joint resolution strays so far from core Republican principles of lower taxes that I truly do urge all of my colleagues to vote "no" on this, and pursue solutions that truly do address the road funding problem in a manner that respects the burdens that our taxpayers already face.

Senator Warren's statement, in which Senators Smith, Whitmer and Ananich concurred, is as follows:

For the entire eight years that I have been in the Michigan Legislature, I have served on the Tax Policy Committee in the chamber I have been in. I have had the chance to look at a lot of ways to raise revenue in this state. As consistently one of the most liberal members of this Legislature, I am comfortable raising revenue to pay for the things I care about.

I have a lot of constituents who have asked me for a very long time to find a solution to our crumbling infrastructure. Our roads, our bridges, and our public transit need our support, and I want to be part of the solution. The sales tax is the most regressive vehicle that we have to raise revenue. It is absolutely the wrong revenue stream for our roads, bridges, and public transit.

A study that was done by the Institute on Taxation and Economic Policy in January 2013 shows that already our lowest-earning Michigan citizens' tax burdens from sales taxes are nearly 7 percent of their total household incomes. I have had colleagues in this chamber and across the dome who haven't had as much time, I think, to study tax policy say that the sales tax is something where you can choose to buy less of something. Michigan's Constitution only exempts two things from sales tax—food and medicine. Every other everyday item, every household item, diapers for children, all of those things have a sales tax; they are not exempt. So for our lowest-earning Michiganders, an increase in the sales tax isn't just something they pay at the pump. It is something they pay every day, all day long, on everything they buy.

We have to find a solution, and we have to work together. The sales tax is too regressive. I can't support a sales tax increase for roads.

Senator Meekhof's statement is as follows:

I don't think there is any dispute that the roads in Michigan are an embarrassment. Providing adequate funding for our infrastructure is a core function of government, and we have not treated it as such for the last decade. For much of that period of time, that was an understandable decision. Our state was in trouble. We were cutting spending left and right, and it was a good decision to put off investing in our roads and bridges until things improved. Now is the time to make that investment. Thanks to the leadership of this body, the House, and the Governor, our state is back on track. It's time to invest in roads.

Unfortunately, I cannot support the plan that is before us. I believe that whenever possible, a user fee is the most fair way to fund governmental functions. That is what we have now, and that is what should continue. Right now, money collected through the gas tax and money collected through vehicle registration pay for the roads. This is the most fair way to do things. Those who buy gas use the roads, and they are the ones who pay for the roads through the gas tax.

We need to raise new revenue to pay for roads, and it should be done by repealing the current per-gallon gas tax and replacing it with a tax on the wholesale price of fuel that will slowly increase over several years. Right now, the gas tax does not bring in enough money to adequately fund our roads. To put it another way, user fees that currently fund roads

are no longer enough. There have been many proposed solutions, but I think it is unfortunate that the one before us has come to a vote. Increasing the sales tax and dedicating the new revenue to roads would move us away from the user-fee model and force everyone who makes a purchase in Michigan—even if they don't use the roads regularly—to pay for the roads.

Furthermore, Michigan is a manufacturing state. If we increase the sales tax, the things that are manufactured in Michigan—office furniture, cars, and everything else—will be more expensive.

Our constituents sent us to Lansing to lead and take action. They didn't send us here so we could turn around and ask them to make the decision for us. Asking the public to do our job for us and raise money for roads is, in my opinion, an abdication of responsibility and a failure of leadership. We were sent here to be leaders. The way to lead is to take action and solve a problem.

Senators Kahn, Jones and Pappageorge asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Kahn's statement is as follows:

Mr. President, our roads are deplorable. We have had excess deaths and damages to our vehicles over and above an increase that the cost of gas might be. We have job loss, because we can't properly transport materials in the state. Not in this century has there been an increase in funding for roads, yet the cost of materials, like asphalt, rises year after year, so with the funding we have can only buy less. The same is true with our General Fund. I was a little surprised to recently see that the purchasing power in our General Fund is now back to about \$1,967. In absolute dollars, it is less than it was at the turn of the century.

So what we look to purchase for our people, what we look to provide in terms of core functions is damaged. What are those core functions? Public safety, schools, and roads. We are losing the ability to perform the functions that differentiate a developed society from one that is Second World or Third World. This proposal before us gives our people the opportunity to weigh in on how we will meet our core responsibilities. It doesn't demand that they choose to fund roads in this fashion. It offers them the ability to say yea or nay. In terms of core functions of a democracy, this is one—a vote of the people.

I believe that this is the proper function of this body, to bring choices to our people and leadership to our people as well. Bringing this joint resolution forward does both. I urge the members to vote for it.

Senator Jones' statement is as follows:

Through you to the previous speaker, get out and talk to some real people. Go to a restaurant and talk to a waitress who is a single mother struggling to provide for her family. Go and talk to a retired guy living on a very small pension and Social Security and ask him what he wants. Ask all of them how they want their roads fixed, and they will tell you almost unanimously—50 to 1—please raise the sales tax, not the gas tax or license plate fees. Because, where does most of their money go? Food and rent.

I had a single mom tell me that this is extremely important; don't raise the gas tax. Put the one penny sales tax on there and the people will accept it and fix our roads.

Senator Pappageorge's statement is as follows:

You know, a lot of people do not realize that all of that sales tax money they pay at the pump, not a penny of it goes to roads. It raises \$1.2 billion and that money instead, by the Constitution, is distributed this way: \$770 million goes to K-12, our first priority in this state; \$110 million goes to revenue sharing, which is police and fire, another high priority; \$150 million is scattered over a dozen budgets, and most of it is in safety nets, the health safety nets; then, \$50 million does get back to transportation, which is for rail and bus.

Now, if you want to also fund roads, the simplest thing to do is to figure out a way to keep that money we pay at the pump in the transportation budget. It comes to \$1.2 billion, which is what we are looking for. What about that other \$1.2 billion that is now empty? Coincidentally, at this time in our history, those numbers I gave you total \$1.2 billion. The fact is roads do not make money; they cost money. When you step out of the front door of your house and you see the car parked in the street, that street is not making a penny. It is costing. If it wasn't there, you would be driving in mud. That is the way that we are heading unless we do something one way or another.

All this joint resolution is saying is if you want us to or if you want to because we can't, it's a general tax. If you think it is a good idea to add a one cent increase to the sales tax, we can take care of our first priorities—schools, police and fire, and the safety net. If you don't want to do it that way, that is OK. We just want to know. That is all this is. If you want to do it that way, then we are done. If you don't, we are not done and we will have to figure out another way.

By the way, I have all of these people who keep saying that we can solve this with toll roads. You can't put a toll road on a one-way street. We are two peninsulas. Toll roads make money for states because people drive through and don't want to live there. That is where a toll road pays off. It doesn't pay off in my city of Troy. We use I-75 to go to the grocery store.

So, again, listen to what we are doing here. We are not advocating a one cent raise in the gas tax. We are simply saying do you want to leave it on the table while we consider all the other ways to do this, because we would just as soon have you take it off the table. If you don't want to take it off the table, we are done. It is that simple.

The notion that this problem is just about roads and in a silo doesn't make sense to me. If I walk to the grocery store, the road is still important because somebody had to get there with the groceries I am looking for. If your roads don't work, you will have a rather small selection of what is available. So don't tell me that just people in a car or truck use the roads; we all do.

So, again, don't make a big deal about raising the gas tax; we are just asking. If you want us to use the sales tax, it is your call, not ours.

The following bill was read a third time:

Senate Bill No. 847, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 522 (MCL 206.522), as amended by 2013 PA 206.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 415

Yeas—37

Ananich	Gregory	Jones	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green			

Nays—1

Kahn

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Senator Hildenbrand asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Hildenbrand's statement is as follows:

Current law allows for an income tax credit to Michigan homeowners with a total household income under \$40,000. It is based on a formula that calculates how much in property taxes a homeowner pays over a percentage of their household income. Senate Bill Nos. 752 and 847 expand the availability of this credit to household incomes up to \$70,000 and also increases the amount some homeowners would receive, up to the maximum credit of \$120 annually.

These individuals and families make up our hardworking Michiganders, many raising families, working long hours, and paying their bills, often with very little disposable income left over. This credit will help a great deal to put some tax dollars back in their pockets. It is legislation that I introduced earlier this year and have worked on for several months as part of the budget process.

The bills, if enacted into law, would return as much as \$200 million back to our low- and middle-income individuals and families. I urge my colleagues to support Senate Bill Nos. 752 and 847.

The following bill was read a third time:

Senate Bill No. 752, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 520 (MCL 206.520), as amended by 2011 PA 273.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 416

Yeas—37

Ananich	Gregory	Jones	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green			

Nays—1

Kahn

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

Protest

Senator Kahn, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill Nos. 847 and 752.

Senator Kahn's statement is as follows:

My "no" vote explanation is simple—we can't afford it.

The following bill was read a third time:

House Bill No. 4251, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private

roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies,” (MCL 220.1 to 239.6) by adding section 19c to chapter IV.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 417

Yeas—37

Ananich	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker
Casperson	Hune	Moolenaar	Smith
Caswell	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Anderson

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5460, entitled

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to

authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 11, 12, 13, and 14 (MCL 247.661, 247.662, 247.663, and 247.664), section 11 as amended by 2002 PA 639, sections 12 and 13 as amended by 2012 PA 298, and section 14 as amended by 1987 PA 234.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 418

Yeas—37

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Caswell

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5167, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck

safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 11c (MCL 247.661c), as amended by 2002 PA 498.

The question being on the passage of the bill,

Senator Hildenbrand offered the following amendment:

1. Amend page 3, line 5, after “**EXCLUDING**” by striking out “**ROUTINE**”.

The amendment was adopted, a majority of the members serving voting therefor.

Senator Meekhof moved to reconsider the vote by which the amendment was adopted.

The question being on the motion to reconsider,

Senator Meekhof moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

The following bill was read a third time:

House Bill No. 5452, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 725 (MCL 257.725), as amended by 1998 PA 247.

The question being on the passage of the bill,

Senator Hopgood offered the following amendment:

1. Amend page 4, following line 21, by inserting:

“(10) TEN PERCENT OF THE REVENUE GENERATED SHALL BE ALLOCATED TO THE MICHIGAN STATE POLICE MOTOR CARRIER DIVISION FOR THE INCREASED ENFORCEMENT OF THIS SECTION.”
and renumbering the remaining subsection.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 419

Yeas—16

Ananich	Hansen	Johnson	Smith
Anderson	Hood	Jones	Warren
Bieda	Hopgood	Rocca	Whitmer
Gregory	Hunter	Schuitmaker	Young

Nays—22

Booher	Green	Marleau	Pavlov
Brandenburg	Hildenbrand	Meekhof	Proos
Casperson	Hune	Moolenaar	Richardville
Caswell	Jansen	Nofs	Robertson

Colbeck
Emmons

Kahn
Kowall

Pappageorge

Walker

Excused—0

Not Voting—0

In The Chair: President

The question being on the passage of the bill,
The bill was defeated, a majority of the members serving not voting therefor, as follows:

Roll Call No. 420

Yeas—16

Ananich
Anderson
Bieda
Brandenburg

Gregory
Hood
Hopgood
Hunter

Johnson
Jones
Marleau
Schuitmaker

Smith
Warren
Whitmer
Young

Nays—22

Booher
Casperson
Caswell
Colbeck
Emmons
Green

Hansen
Hildenbrand
Hune
Jansen
Kahn
Kowall

Meekhof
Moolenaar
Nofs
Pappageorge
Pavlov

Proos
Richardville
Robertson
Rocca
Walker

Excused—0

Not Voting—0

In The Chair: President

Senator Hunter moved to reconsider the vote by which the bill was defeated.
The question being on the motion to reconsider,
Senator Hunter moved that further consideration of the bill be postponed for today.
The motion prevailed.

Senator Hopgood asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Hopgood's statement is as follows:

Colleagues, I rise to offer an amendment to this bill that will strengthen the enforcement of truck weight violations. This legislation before us would increase the fees for overweight trucks. It's a move that's long overdue and necessary in ensuring our heavy trucks are contributing to the improvement of our roads as well as our customers.

This amendment would provide the necessary teeth to enforce these increased fees. It will require increased monitoring of truck weight limits and enforcement of violations. Michigan consumers are not going to be able to shirk paying this increased gas tax, and we shouldn't be letting our overweight trucks off the hook either.

This amendment will make sure that this bill before us is not for show. It will make sure that truck weight limit fees are not only increased on paper, but out on the roads where they're doing the most damage. Increasing truck weight fees will do nothing for funding road improvements if we don't strengthen the enforcement of weight limits.

I urge you all to support my amendment and ensure these truck weight fee changes are backed up by real repercussions.

The following bill was read a third time:

House Bill No. 4630, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217, 224, 226, 234, 255, 256, 312c, 801, 801b, 801e, 801g, 801j, 802, 803, 803a, 803b, 803e, 803g, 806, 809, 811, and 812 (MCL 257.217, 257.224, 257.226, 257.234, 257.255, 257.256, 257.312c, 257.801, 257.801b, 257.801e, 257.801g, 257.801j, 257.802, 257.803, 257.803a, 257.803b, 257.803e, 257.803g, 257.806, 257.809, 257.811, and 257.812), sections 217 and 801 as amended and section 801j as added by 2012 PA 498, section 224 as amended by 2013 PA 179, section 226 as amended by 2004 PA 163, section 234 as amended by 2002 PA 552, section 255 as amended by 2003 PA 9, section 256 as amended by 1987 PA 34, section 312c as amended by 2003 PA 103, section 801b as amended by 1986 PA 311, section 801e as amended by 1983 PA 91, sections 801g, 802, 803b, 806, and 809 as amended by 2011 PA 159, section 803 as amended by 2002 PA 490, section 803a as amended by 1996 PA 404, section 803e as amended by 2011 PA 46, section 803g as added by 1987 PA 151, section 811 as amended by 2006 PA 589, and section 812 as amended by 2005 PA 142; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Warren offered the following amendment:

- 1. Amend page 70, following line 8, by inserting:

"Enacting section 4. This amendatory act does not take effect unless House Bill No. 5452 of the 97th Legislature is enacted into law."

The question being on the adoption of the amendment,

Senator Meekhof moved that further consideration of the amendment be postponed temporarily.

The motion prevailed.

By unanimous consent the Senate proceeded to consideration of the following substitute offered by Senator Richardville: Substitute (S-3)

The question being on the adoption of the substitute,

Senator Hansen offered the following amendment to the substitute:

- 1. Amend page 39, line 7, after "EMERGENCIES" by inserting "OR TRANSPORTATION OF PATIENTS OR MEDICAL EQUIPMENT".

The amendment to the substitute was adopted.

Senator Marleau offered the following amendments to the substitute:

- 1. Amend page 40, line 27, by striking out "INCLUDING A TRAILER COACH ATTACHED TO A MOTOR VEHICLE,".

- 2. Amend page 41, line 2, by striking out the balance of the subdivision and inserting:

"Empty weights	Tax
0 to 2,499 pounds.....	\$ 75.00
2,500 to 9,999 pounds.....	200.00
10,000 pounds and over.....	300.00

The registration plate issued under this subdivision expires only when the secretary of state reissues a new registration plate for all trailers. Beginning October 1, 2005, if the secretary of state reissues a new registration plate for all trailers, a person who has once paid the tax as increased by 2003 PA 152 for a vehicle under this subdivision is not required to pay the tax for that vehicle a second time, but is required to pay only the cost of the reissued plate at the rate provided in section 804(2) for a standard plate. A registration plate issued under this subdivision is nontransferable."

The amendments to the substitute were adopted.

Senators Hood and Bieda offered the following amendment to the substitute:

- 1. Amend page 32, line 1, by inserting:

"Sec. 722. (1) Except as otherwise provided in this section, the maximum axle load shall not exceed the number of pounds designated in the following provisions that prescribe the distance between axles:

- (a) If the axle spacing is 9 feet or more between axles, the maximum axle load shall not exceed 18,000 pounds for vehicles equipped with high pressure pneumatic or balloon tires.

(b) If the axle spacing is less than 9 feet between 2 axles but more than 3-1/2 feet, the maximum axle load shall not exceed 13,000 pounds for high pressure pneumatic or balloon tires.

(c) If the axles are spaced less than 3-1/2 feet apart, the maximum axle load shall not exceed 9,000 pounds per axle.

(d) Subdivisions (a), (b), and (c) shall be known as the normal loading maximum.

(2) When normal loading is in effect, the state transportation department, or a local authority with respect to highways under its jurisdiction, may designate certain highways, or sections of those highways, where bridges and road surfaces are adequate for heavier loading, and revise a designation as needed, on which the maximum tandem axle assembly loading shall not exceed 16,000 pounds for any axle of the assembly, if there is no other axle within 9 feet of any axle of the assembly.

(3) On a legal combination of vehicles, only 1 tandem axle assembly is permitted on the designated highways at the gross permissible weight of 16,000 pounds per axle, if there is no other axle within 9 feet of any axle of the assembly, and if no other tandem axle assembly in the combination of vehicles exceeds a gross weight of 13,000 pounds per axle. On a combination of truck tractor and semitrailer having not more than 5 axles, 2 consecutive tandem axle assemblies are permitted on the designated highways at a gross permissible weight of 16,000 pounds per axle, if there is no other axle within 9 feet of any axle of the assembly.

(4) Notwithstanding subsection (3), on a combination of truck tractor and semitrailer having not more than 5 axles, 2 consecutive sets of tandem axles may carry a gross permissible weight of not to exceed 17,000 pounds on any axle of the tandem axles if there is no other axle within 9 feet of any axle of the tandem axles and if the first and last axles of the consecutive sets of tandem axles are not less than 36 feet apart and the gross vehicle weight does not exceed 80,000 pounds to pick up and deliver agricultural commodities between the national truck network or special designated highways and any other highway. This subsection is not subject to the maximum axle loads of subsections (1), (2), and (3). For purposes of this subsection, a "tandem axle" means 2 axles spaced more than 40 inches but not more than 96 inches apart or 2 axles spaced more than 3-1/2 feet but less than 9 feet apart. This subsection does not apply during that period when reduced maximum loads are in effect under subsection (8).

(5) The seasonal reductions described under subsection (8) to the loading maximums and gross vehicle weight requirement of subsection (12) do not apply to a person hauling agricultural commodities if the person who picks up or delivers the agricultural commodity either from a farm or to a farm notifies the county road commission for roads under its authority not less than 48 hours before the pickup or delivery of the time and location of the pickup or delivery. The county road commission shall issue a permit to the person and charge a fee that does not exceed the administrative costs incurred. The permit shall contain all of the following:

(a) The designated route or routes of travel for the load.

(b) The date and time period requested by the person who picks up or delivers the agricultural commodities during which the load may be delivered or picked up.

(c) A maximum speed limit of travel, if necessary.

(d) Any other specific conditions agreed to between the parties.

(6) The seasonal reductions described under subsection (8) to the loading maximums and gross vehicle weight requirements of subsection (12) do not apply to public utility vehicles under the following circumstances:

(a) For emergency public utility work on restricted roads, as follows:

(i) If required by the county road commission, the public utility or its subcontractor shall notify the county road commission, as soon as practical, of the location of the emergency public utility work and provide a statement that the vehicles that were used to perform the emergency utility work may have exceeded the loading maximums and gross vehicle weight requirements of subsection (12) as reduced under subsection (8). The notification may be made via facsimile or electronically.

(ii) The public utility vehicle travels to and from the site of the emergency public utility work while on a restricted road at a speed not greater than 35 miles per hour.

(b) For nonemergency public utility work on restricted roads, as follows:

(i) If the county road commission requires, the public utility or its subcontractor shall apply to the county road commission annually for a seasonal truck permit for roads under its authority before seasonal weight restrictions are effective. The county road commission shall issue a seasonal truck permit for each public utility vehicle or vehicle configuration the public utility or subcontractor anticipates will be utilized for nonemergency public utility work. The county road commission may charge a fee for a seasonal truck permit that does not exceed the administrative costs incurred for the permit. The seasonal truck permit shall contain all of the following:

(A) The seasonal period requested by the public utility or subcontractor during which the permit is valid.

(B) A unique identification number for the vehicle and any vehicle configuration to be covered on the seasonal truck permit requested by the public utility or subcontractor.

(C) A requirement that travel on restricted roads during weight restrictions will be minimized and only utilized when necessary to perform public utility work using the public utility vehicle or vehicle configuration and that nonrestricted roads shall be used for travel when available and for routine travel.

(D) A requirement that in the case of a subcontractor the permit is only valid while the subcontractor vehicle is being operated in the performance of public utility work.

(E) A requirement that a subcontractor vehicle or vehicle configuration shall display signage on the outside of the vehicle to identify the vehicle as operating on behalf of the public utility.

(ii) If the county road commission requires notification, the county road commission shall provide a notification application for the public utility or its subcontractor to use when requesting access to operate on restricted roads and the public utility or its subcontractor shall provide notification to the county road commission, via facsimile or electronically, not later than 24 hours before the time of the intended travel. A subcontractor using a vehicle on a restricted road shall have a copy of any notification provided to a county road commission in the subcontractor's possession while performing the relevant nonemergency work. Notwithstanding this subsection or an agreement under this subsection, if the county road commission determines that the condition of a particular road under its jurisdiction makes it unusable, the county road commission may deny access to all or any part of that road. The denial shall be made and communicated via facsimile or electronically to the public utility or its subcontractor within 24 hours after receiving notification that the public utility or subcontractors intends to perform nonemergency work that requires use of that road. Any notification that is not disapproved within 24 hours after the notice is received by the county road commission is considered approved. The notification application required under this subparagraph may include all of the following information:

(A) The address or location of the nonemergency work.

(B) The date or dates of the nonemergency work.

(C) The route to be taken to the nonemergency work site.

(D) The restricted road or roads intended to be traveled upon to the nonemergency work site or sites.

(E) In the case of a subcontractor, the utility on whose behalf the subcontractor is performing services.

(7) The normal size of tires shall be the rated size as published by the manufacturers, and the maximum wheel load permissible for any wheel shall not exceed 700 pounds per inch of width of tire.

(8) Except as provided in this subsection and subsection (9), during the months of March, April, and May in each year, the maximum axle load allowable on concrete pavements or pavements with a concrete base is reduced by 25% from the maximum axle load as specified in this chapter, and the maximum axle loads allowable on all other types of roads during these months are reduced by 35% from the maximum axle loads as specified. The maximum wheel load shall not exceed 525 pounds per inch of tire width on concrete and concrete base or 450 pounds per inch of tire width on all other roads during the period the seasonal road restrictions are in effect. Subject to subsection (5), this subsection does not apply to vehicles transporting agricultural commodities or, subject to subsection (6), public utility vehicles on a highway, road, or street under the jurisdiction of a local road agency. In addition, this subsection does not apply to a vehicle delivering propane fuel to a residence if the vehicle's propane tank is filled to not more than 50% of its capacity and the vehicle is traveling at not more than 35 miles per hour. The state transportation department and each local authority with highways and streets under its jurisdiction to which the seasonal restrictions prescribed under this subsection apply shall post all of the following information on the homepage of its website or, if a local authority does not have a website, then on the website of a statewide road association of which it is a member:

(a) The dates when the seasonal restrictions are in effect.

(b) The names of the highways and streets and portions of highways and streets to which the seasonal restrictions apply.

(9) The state transportation department for roads under its jurisdiction and a county road commission for roads under its jurisdiction may grant exemptions from seasonal weight restrictions for milk on specified routes when requested in writing. Approval or denial of a request for an exemption shall be given by written notice to the applicant within 30 days after the date of submission of the application. If a request is denied, the written notice shall state the reason for denial and alternate routes for which the permit may be issued. The applicant may appeal to the state transportation commission or the county road commission. These exemptions do not apply on county roads in counties that have negotiated agreements with milk haulers or haulers of other commodities during periods of seasonal load limits before April 14, 1993. This subsection does not limit the ability of these counties to continue to negotiate such agreements.

(10) The state transportation department, or a local authority with respect to highways under its jurisdiction, may suspend the restrictions imposed by this section when and where conditions of the highways or the public health, safety, and welfare warrant suspension, and impose the restricted loading requirements of this section on designated highways at any other time that the conditions of the highway require.

(11) For the purpose of enforcing this act, the gross vehicle weight of a single vehicle and load or a combination of vehicles and loads shall be determined by weighing individual axles or groups of axles, and the total weight on all the axles shall be the gross vehicle weight. In addition, the gross axle weight shall be determined by weighing individual axles or by weighing a group of axles and dividing the gross weight of the group of axles by the number of axles in the group. For purposes of subsection (12), the overall gross weight on a group of 2 or more axles shall be determined by weighing individual axles or several axles, and the total weight of all the axles in the group shall be the overall gross weight of the group.

(12) The loading maximum in this subsection applies to interstate highways, and the state transportation department, or a local authority with respect to highways under its jurisdiction, may designate a highway, or a section of a highway, for the operation of vehicles having a gross vehicle weight of not more than 80,000 pounds that are subject to the following load maximums:

- (a) Twenty thousand pounds on any 1 axle, including all enforcement tolerances.
- (b) A tandem axle weight of 34,000 pounds, including all enforcement tolerances.
- (c) An overall gross weight on a group of 2 or more consecutive axles equaling:

$$W=500[(LN)/(N-1)+12N+36]$$

where W = overall gross weight on a group of 2 or more consecutive axles to the nearest 500 pounds, L = distance in feet between the extreme of a group of 2 or more consecutive axles, and N = number of axles in the group under consideration; except that 2 consecutive sets of tandem axles may carry a gross load of 34,000 pounds each if the first and last axles of the consecutive sets of tandem axles are not less than 36 feet apart. The gross vehicle weight shall not exceed 80,000 pounds including all enforcement tolerances. Except for 5 axle truck tractor, semitrailer combinations having 2 consecutive sets of tandem axles, vehicles having a gross weight in excess of 80,000 pounds or in excess of the vehicle gross weight determined by application of the formula in this subsection are subject to the maximum axle loads of subsections (1), (2), and (3). As used in this subsection, "tandem axle weight" means the total weight transmitted to the road by 2 or more consecutive axles, the centers of which may be included between parallel transverse vertical planes spaced more than 40 inches but not more than 96 inches apart, extending across the full width of the vehicle. Except as otherwise provided in this section, vehicles transporting agricultural commodities shall have weight load maximums as set forth in this subsection.

(13) The axle loading maximums under subsections (1), (2), (3), and (4) are increased by 10% for vehicles transporting agricultural commodities or raw timber, excluding farm equipment and fuel, from the place of harvest or farm storage to the first point of delivery on a road in this state. However, the axle loading maximums as increased under this subsection do not alter the gross vehicle weight restrictions set forth in this act. This subsection does not apply to either of the following:

- (a) A vehicle utilizing an interstate highway.
- (b) A vehicle utilizing a road that is subject to seasonal weight restrictions under subsection (8) during the time that the seasonal weight restrictions are in effect.

(14) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION AND CONTINUING ONCE EACH YEAR FOR THE 2 IMMEDIATELY FOLLOWING CALENDAR YEARS, THE MAXIMUM ALLOWABLE GROSS VEHICLE WEIGHT ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY 10,000 POUNDS EACH YEAR.

(15) ~~(14)~~As used in this section:

(a) "Agricultural commodities" means those plants and animals useful to human beings produced by agriculture and includes, but is not limited to, forages and sod crops, grains and feed crops, field crops, dairy and dairy products, poultry and poultry products, cervidae, livestock, including breeding and grazing, equine, fish, and other aquacultural products, bees and bee products, berries, herbs, fruits, vegetables, flowers, seeds, grasses, nursery stock, mushrooms, fertilizer, livestock bedding, farming equipment, and fuel for agricultural use. The term does not include trees or lumber.

(b) "Emergency public utility work" means work performed to restore public utility service or to eliminate a danger to the public due to a natural disaster, an act of God, or an emergency situation, whether or not a public official has declared an emergency.

(c) "Farm storage" means any of the following:

(i) An edifice, silo, tank, bin, crib, interstice, or protected enclosed structure, or more than 1 edifice, silo, tank, bin, crib, interstice, or protected enclosed structure located contiguous to each other.

(ii) An open environment used for the purpose of temporarily storing a crop.

(d) "Public utility" means a public utility under the jurisdiction of the public service commission or a transmission company.

(e) "Public utility vehicle" means a vehicle owned or operated by a public utility or operated by a subcontractor on behalf of a public utility.

(f) "Transmission company" means either an affiliated transmission company or an independent transmission company as those terms are defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562."

The amendment to the substitute was not adopted.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment to the substitute was not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 421

Yeas—15

Ananich
Anderson

Hood
Hopgood

Robertson
Rocca

Warren
Whitmer

Bieda
Gregory

Hunter
Johnson

Schuitmaker
Smith

Young

Nays—23

Booher
Brandenburg
Casperson
Caswell
Colbeck
Emmons

Green
Hansen
Hildenbrand
Hune
Jansen
Jones

Kahn
Kowall
Marleau
Meekhof
Moolenaar
Nofs

Pappageorge
Pavlov
Proos
Richardville
Walker

Excused—0

Not Voting—0

In The Chair: President

Senator Anderson offered the following amendment to the substitute:

1. Amend page 43, line 6, by striking out all of line 6 through “**804.**” on line 17 and inserting “**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, BEGINNING ON JANUARY 1, 2015, A REGISTRATION PLATE ISSUED UNDER THIS SUBDIVISION EXPIRES 5 YEARS AFTER THE DATE OF ISSUANCE. A REGISTRATION PLATE ISSUED UNDER THIS SUBDIVISION BEFORE JANUARY 1, 2015 EXPIRES ON JANUARY 1, 2020.**”.

The amendment to the substitute was not adopted.

Senator Anderson requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment to the substitute was not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 422

Yeas—13

Ananich
Anderson
Bieda
Gregory

Hood
Hopgood
Hunter

Johnson
Kahn
Smith

Warren
Whitmer
Young

Nays—25

Booher
Brandenburg
Casperson
Caswell
Colbeck
Emmons
Green

Hansen
Hildenbrand
Hune
Jansen
Jones
Kowall

Marleau
Meekhof
Moolenaar
Nofs
Pappageorge
Pavlov

Proos
Richardville
Robertson
Rocca
Schuitmaker
Walker

Excused—0

Not Voting—0

In The Chair: President

The substitute as amended was adopted, a majority of the members serving voting therefor.
The question being on the passage of the bill,
The bill was defeated, a majority of the members serving not voting therefor, as follows:

Roll Call No. 423

Yeas—18

Ananich	Hansen	Marleau	Richardville
Bieda	Hunter	Meekhof	Schuitmaker
Booher	Jansen	Nofs	Warren
Casperson	Kahn	Pappageorge	Whitmer
Gregory	Kowall		

Nays—20

Anderson	Green	Johnson	Robertson
Brandenburg	Hildenbrand	Jones	Rocca
Caswell	Hood	Moolenaar	Smith
Colbeck	Hopgood	Pavlov	Walker
Emmons	Hune	Proos	Young

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved to reconsider the vote by which the bill was defeated.
The question being on the motion to reconsider,
Senator Meekhof moved that further consideration of the bill be postponed temporarily.
The motion prevailed.

Senator Young asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Young’s statement is as follows:

I don’t understand why every time we try to have a debate on an issue that it always has to come down to them not agreeing with our side or having the facts on their side. They have to bring it down to emotion. This has nothing to do with emotion; it’s facts. You have trucks that carry heavier weight. They are on the roads, and they are going to damage the roads. That is a fact. It is like arguing whether birds exist, owls can fly, or if mammals breathe or drink water. Why are we debating facts?

Listen, we are not against the trucking industry; nobody is. We are just saying that if we are going to go to hardworking Michiganians and ask them to pay their tax dollars for this gas tax, then everybody else should pay too. This is an issue of fairness and equality. In the end, government is supposed to be about justice at its core. That is what this is—justice. The problem is you have folks who have been drinking the special interest Kool-Aid for so long they can’t tell what is

right and what is wrong. They have been bamboozled; they have been led astray; they have been run amuck; they have been had; they have been rope-a-doped; they have been honkey-tonked. They were the card in the card game; they were the shell in the shell game. These are the same folks who got punked by Ashton Kutcher. These are the same folks who got put in a trance by Rosario Dawson. These are the same folks who got hypnotized by Biggie Smalls. Do you think these folks are going to stand up and do what is right? No. This isn't about facts; it isn't about numbers or statistics; it isn't even about emotion. It is about folks who have been bought. If you have been bought, say that.

I would just like it, at some point in time, in this governmental body that we actually stood up for the people instead of selling them out.

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 5167, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 11c (MCL 247.661c), as amended by 2002 PA 498.

(This bill was read a third time earlier today, amendment adopted and motion to reconsider the vote postponed. See p. 1044.)

The question being on the motion to reconsider the vote by which the amendment offered by Senator Hildenbrand was adopted,

Senator Meekhof withdrew the motion.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 424

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect. The motion prevailed, 2/3 of the members serving voting therefor. The Senate agreed to the title of the bill.

Recess

Senator Meekhof moved that the Senate recess until 5:45 p.m. The motion prevailed, the time being 5:12 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Schuitmaker.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 5:46 p.m.

7:09 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hansen.

By unanimous consent the Senate returned to the order of

General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator Hansen, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

House Bill No. 5089, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 7340c.

House Bill No. 5090, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 13m of chapter XVII (MCL 777.13m), as amended by 2013 PA 124.

House Bill No. 5363, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17766c (MCL 333.17766c), as amended by 2011 PA 86.

House Bill No. 5553, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 72107 and 72109 (MCL 324.72107 and 324.72109), as added by 1995 PA 58.

House Bill No. 5559, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1301 and 72108 (MCL 324.1301 and 324.72108), section 1301 as amended by 2013 PA 87 and section 72108 as amended by 2004 PA 325.

House Bill No. 5600, entitled

A bill to amend 1978 PA 566, entitled "An act to encourage the faithful performance of official duties by certain public officers and public employees; to prescribe standards of conduct for certain public officers and public employees; to prohibit the holding of incompatible public offices; and to provide certain judicial remedies," by amending section 3 (MCL 15.183), as amended by 2011 PA 196.

House Bill No. 5612, entitled

A bill to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending section 6m (MCL 460.6m), as added by 1982 PA 304.

House Bill No. 5039, entitled

A bill to amend 1994 PA 204, entitled "The children's ombudsman act," by amending sections 4, 6, and 10 (MCL 722.924, 722.926, and 722.930), sections 4 and 10 as amended by 2004 PA 560 and section 6 as amended by 2013 PA 38.

House Bill No. 4688, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by repealing sections 16346, 18351, 18353, 18355, 18357, 18358, 18359, 18361, and 18363 (MCL 333.16346, 333.18351, 333.18353, 333.18355, 333.18357, 333.18358, 333.18359, 333.18361, and 333.18363).

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4379, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 50703, 50706, 51101, and 51103 (MCL 324.50703, 324.50706, 324.51101, and 324.51103), sections 50703 and 50706 as added by 1995 PA 57 and sections 51101 and 51103 as amended by 2006 PA 383.

Substitute (S-4).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4380, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7jj (MCL 211.7jj[1]), as added by 2006 PA 378.

Substitute (S-3).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 12, line 27, by striking out all of subparagraph (i) and renumbering the remaining subparagraphs.
2. Amend page 14, following line 25, by inserting:

“(iv) IS A FORESTER WHO WAS REGISTERED UNDER FORMER ARTICLE 21 OF THE OCCUPATIONAL CODE, 1980 PA 299, ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBPARAGRAPH. THIS SUBPARAGRAPH DOES NOT APPLY BEGINNING 7 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBPARAGRAPH.”

The Senate agreed to the substitute as amended recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5069, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending sections 2918, 5711, and 5714 (MCL 600.2918, 600.5711, and 600.5714), section 2918 as amended by 2013 PA 127 and section 5714 as amended by 2012 PA 139.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5070, entitled

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by adding section 553.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5071, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 16bb of chapter XVII (MCL 777.16bb), as added by 2007 PA 20.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4003, entitled

A bill to amend 1941 PA 122, entitled “An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments, and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act,” by amending section 28 (MCL 205.28), as amended by 2010 PA 313, and by adding section 23a.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

House Bill No. 4567, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 625 (MCL 257.625), as amended by 2013 PA 23.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 17, line 25, after “effect” by striking out the balance of the enacting section and inserting “90 days after the date it is enacted into law.”.

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

House Bill No. 4568, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 12f of chapter XVII (MCL 777.12f), as amended by 2003 PA 134.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 3, line 7, after “effect” by striking out the balance of the enacting section and inserting “90 days after the date it is enacted into law.”.

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 890, entitled

A bill to amend 1939 PA 280, entitled “The social welfare act,” by amending sections 115f, 115g, 115h, 115i, 115j, 115l, 115m, 115r, and 115s (MCL 400.115f, 400.115g, 400.115h, 400.115i, 400.115j, 400.115l, 400.115m, 400.115r, and 400.115s), section 115f as amended by 2004 PA 193, sections 115g and 115i as amended by 2009 PA 17, section 115h as added by 1994 PA 238, section 115j as amended by 2011 PA 230, and sections 115l and 115m as amended and sections 115r and 115s as added by 2002 PA 648.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 5261, entitled

A bill to amend 1937 PA 94, entitled “Use tax act,” (MCL 205.91 to 205.111) by adding section 4bb.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 891, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 20101, 20107a, 20114, 20114c, 20114d, 20116, 20118, 20120a, 20120b, 20120d, and 20126 (MCL 324.20101, 324.20107a, 324.20114, 324.20114c, 324.20114d, 324.20116, 324.20118, 324.20120a, 324.20120b, 324.20120d, and 324.20126), section 20101 as amended by 2013 PA 141, section 20107a as amended by 2010 PA 233, sections 20114, 20114c, 20114d, 20120a, 20120b, and 20126 as amended by 2012 PA 446, sections 20116 and 20118 as amended by 1995 PA 71, and section 20120d as amended by 2010 PA 228, and by adding section 20121.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 910, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 5512 (MCL 324.5512), as amended by 2012 PA 102, and by adding section 5514.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 948, entitled

A bill to amend 1978 PA 113, entitled "An act to regulate the depositing, storing, or both, of radioactive waste," by amending the title and section 1 (MCL 325.491), the title as amended by 1987 PA 202 and section 1 as amended by 1989 PA 12, and by adding section 2; and to repeal acts and parts of acts.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of
Motions and Communications

Senator Meekhof moved that the rules be suspended and that the following bills, now on Committee Reports, be placed on the General Orders calendar for consideration today:

Senate Bill No. 695

Senate Bill No. 696

Senate Bill No. 697

House Bill No. 5168

House Bill No. 5169

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of
General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Calley, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

Senate Bill No. 695, entitled

A bill to amend 1867 PA 35, entitled "Nonprofit street railway act," by amending section 7 (MCL 472.7), as amended by 2008 PA 481.

Senate Bill No. 697, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.155) by adding section 7tt.

House Bill No. 5168, entitled

A bill to amend 2012 PA 387, entitled "Regional transit authority act," by amending section 6 (MCL 124.546).

House Bill No. 5169, entitled

A bill to amend 2012 PA 387, entitled "Regional transit authority act," by amending section 2 (MCL 124.542).

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
Senate Bill No. 696, entitled

A bill to amend 1867 PA 35, entitled "Nonprofit street railway act," by amending sections 13 and 15 (MCL 472.13 and 472.15), as amended by 2008 PA 481.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of
Motions and Communications

Senator Meekhof moved that the rules be suspended and that the following bills, now on Committee Reports, be placed on the General Orders calendar for consideration today:

House Bill No. 5478

House Bill No. 5479

House Bill No. 5480

House Bill No. 5481

House Bill No. 5483

House Bill No. 5484

House Bill No. 5485

House Bill No. 5486

House Bill No. 5487

House Bill No. 5488

House Bill No. 5489

House Bill No. 5490

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of
General Orders

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Calley, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

House Bill No. 5478, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 501 (MCL 418.501), as amended by 1993 PA 198.

House Bill No. 5479, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 501a.

House Bill No. 5480, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 538.

House Bill No. 5481, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 356 (MCL 418.356), as amended by 1994 PA 271.

House Bill No. 5483, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 501b.

House Bill No. 5484, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 515 (MCL 418.515).

House Bill No. 5485, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 553 (MCL 418.553).

House Bill No. 5486, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 561 (MCL 418.561).

House Bill No. 5487, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 551 (MCL 418.551), as amended by 2002 PA 25.

House Bill No. 5488, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 555 (MCL 418.555).

House Bill No. 5489, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 537 (MCL 418.537), as amended by 1992 PA 269.

House Bill No. 5490, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 541 (MCL 418.541).

The bills were placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 4630, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217, 224, 226, 234, 255, 256, 312c, 801, 801b, 801e, 801g, 801j, 802, 803, 803a, 803b, 803e, 803g, 806, 809, 811, and 812 (MCL 257.217, 257.224, 257.226, 257.234, 257.255, 257.256, 257.312c, 257.801, 257.801b, 257.801e, 257.801g, 257.801j, 257.802, 257.803, 257.803a, 257.803b, 257.803e, 257.803g, 257.806, 257.809, 257.811, and 257.812), sections 217 and 801 as amended and section 801j as added by 2012 PA 498, section 224 as amended by 2013 PA 179, section 226 as amended by 2004 PA 163, section 234 as amended by 2002 PA 552, section 255 as amended by 2003 PA 9, section 256 as amended by 1987 PA 34, section 312c as amended by 2003 PA 103, section 801b as amended by 1986 PA 311, section 801e as amended by 1983 PA 91, sections 801g, 802, 803b, 806, and 809 as amended by 2011 PA 159, section 803 as amended by 2002 PA 490, section 803a as amended by 1996 PA 404, section 803e as amended by 2011 PA 46, section 803g as added by 1987 PA 151, section 811 as amended by 2006 PA 589, and section 812 as amended by 2005 PA 142; and to repeal acts and parts of acts.

(This bill was defeated earlier today and the motion to reconsider the vote postponed. See p. 1047.)

The question being on the motion to reconsider the vote by which the bill was defeated,

The motion prevailed.

The question being on the passage of the bill,

Senator Meekhof moved to reconsider the vote by which the substitute offered by Senator Richardville was adopted.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the substitute,

Senator Walker offered the following amendments to the substitute:

1. Amend page 43, line 25, by striking out "FOR" and inserting:

"(i) Except as otherwise provided in this subdivision, for".

2. Amend page 43, line 27, by striking out "AND EACH SUBSEQUENT REGISTRATION,".

3. Amend page 44, line 1, after “809,” by inserting “**AND, BEGINNING ON JANUARY 1, 2016, FOR EACH SUBSEQUENT REGISTRATION OF A VEHICLE THAT WAS NOT REGISTERED UNDER THIS SUBSECTION BEFORE JANUARY 1, 2016,**”.

4. Amend page 45, following line 6, by inserting:

“(ii) ~~For~~ **UNTIL JANUARY 1, 2016, FOR** the second registration, 90% of the tax assessed under subparagraph (i).

(iii) ~~For~~ **UNTIL JANUARY 1, 2016, FOR** the third registration, 90% of the tax assessed under subparagraph (ii).

(iv) ~~For~~ **UNTIL JANUARY 1, 2016, FOR** the fourth and subsequent registrations, 90% of the tax assessed under subparagraph (iii).

THE REGISTRATION TAX FOR A VEHICLE THAT HAD A VALID REGISTRATION ON JANUARY 1, 2016 SHALL BE THE SAME AS THE MOST RECENTLY PAID REGISTRATION TAX FOR THAT VEHICLE.”.

The amendments to the substitute were adopted.

The substitute as amended was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 425

Yeas—21

Ananich	Hansen	Kowall	Richardville
Bieda	Hunter	Marleau	Schuitmaker
Booher	Jansen	Meekhof	Walker
Casperson	Johnson	Nofs	Warren
Caswell	Kahn	Pappageorge	Whitmer
Gregory			

Nays—15

Anderson	Green	Jones	Robertson
Brandenburg	Hildenbrand	Moolenaar	Rocca
Colbeck	Hopgood	Pavlov	Young
Emmons	Hune	Proos	

Excused—0

Not Voting—2

Hood	Smith
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In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator Richardville offered to amend the title to read as follows:

A bill to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation

of this act; to provide for civil liability of manufacturers, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 217, 224, 226, 234, 255, 256, 312c, 312e, 801, 801b, 801e, 801g, 801j, 802, 803, 803a, 803b, 803e, 803g, 806, 807, 809, 811, and 812 (MCL 257.217, 257.224, 257.226, 257.234, 257.255, 257.256, 257.312c, 257.312e, 257.801, 257.801b, 257.801e, 257.801g, 257.801j, 257.802, 257.803, 257.803a, 257.803b, 257.803e, 257.803g, 257.806, 257.807, 257.809, 257.811, and 257.812), sections 217 and 801 as amended and section 801j as added by 2012 PA 498, section 224 as amended by 2013 PA 179, section 226 as amended by 2004 PA 163, section 234 as amended by 2002 PA 552, section 255 as amended by 2003 PA 9, section 256 as amended by 1987 PA 34, section 312c as amended by 2003 PA 103, sections 312e, 801g, 802, 803b, 806, and 809 as amended by 2011 PA 159, section 801b as amended by 1986 PA 311, section 801e as amended by 1983 PA 91, section 803 as amended by 2002 PA 490, section 803a as amended by 1996 PA 404, section 803e as amended by 2011 PA 46, section 803g as added by 1987 PA 151, section 807 as amended by 2003 PA 152, section 811 as amended by 2006 PA 589, and section 812 as amended by 2005 PA 142; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Senator Meekhof moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

House Bill No. 4380
House Bill No. 5069
House Bill No. 5070
House Bill No. 5071
House Bill No. 4003
House Bill No. 4567
House Bill No. 4568
Senate Bill No. 890
House Bill No. 5089
House Bill No. 5090
House Bill No. 5363
House Bill No. 5553
House Bill No. 5559
House Bill No. 5600
House Bill No. 5612
House Bill No. 5039
House Bill No. 5261
Senate Bill No. 891
Senate Bill No. 910
Senate Bill No. 948
House Bill No. 4688
Senate Bill No. 695
Senate Bill No. 696
Senate Bill No. 697
House Bill No. 5168
House Bill No. 5169

The motion prevailed, a majority of the members serving voting therefor.

Senator Meekhof moved that the following bills be placed at the head of the Third Reading of Bills calendar:

Senate Bill No. 748
House Bill No. 4380
House Bill No. 5069
House Bill No. 5070
House Bill No. 5071
House Bill No. 4567
House Bill No. 4568
Senate Bill No. 890

- House Bill No. 5089**
 - House Bill No. 5090**
 - House Bill No. 5363**
 - House Bill No. 5553**
 - House Bill No. 5559**
 - House Bill No. 5600**
 - House Bill No. 5612**
 - House Bill No. 5039**
 - House Bill No. 5261**
 - Senate Bill No. 891**
 - Senate Bill No. 910**
 - Senate Bill No. 948**
 - House Bill No. 4688**
 - Senate Bill No. 695**
 - Senate Bill No. 696**
 - Senate Bill No. 697**
 - House Bill No. 5168**
 - House Bill No. 5169**
- The motion prevailed.

The following bill was read a third time:

Senate Bill No. 748, entitled

A bill to amend 1990 PA 271, entitled “Limousine transportation act,” by amending sections 7 and 31 (MCL 257.1907 and 257.1931), section 7 as amended by 2000 PA 487.

The question being on the passage of the bill,

Senator Smith offered the following substitute:

Substitute (S-2).

The substitute was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 426

Yeas—30

Ananich	Hood	Marleau	Rocca
Anderson	Hopgood	Meekhof	Schuitmaker
Booher	Hunter	Nofs	Smith
Casperson	Jansen	Pappageorge	Walker
Green	Johnson	Pavlov	Warren
Gregory	Jones	Richardville	Whitmer
Hansen	Kahn	Robertson	Young
Hildenbrand	Kowall		

Nays—8

Bieda	Caswell	Emmons	Moolenaar
Brandenburg	Colbeck	Hune	Proos

Excused—0

Not Voting—0

Senator Smith offered to amend the title to read as follows:

A bill to amend 1990 PA 271, entitled “Limousine transportation act,” by amending section 7 (MCL 257.1907), as amended by 2000 PA 487.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

The following bill was read a third time:

House Bill No. 4380, entitled

A bill to amend 1893 PA 206, entitled “The general property tax act,” by amending section 7jj (MCL 211.7jj[1]), as amended by 2013 PA 42.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 427

Yeas—24

Booher	Hansen	Kowall	Pavlov
Brandenburg	Hildenbrand	Marleau	Proos
Caswell	Hune	Meekhof	Richardville
Colbeck	Hunter	Moolenaar	Robertson
Emmons	Jansen	Nofs	Rocca
Green	Kahn	Pappageorge	Schuitmaker

Nays—14

Ananich	Gregory	Jones	Warren
Anderson	Hood	Smith	Whitmer
Bieda	Hopgood	Walker	Young
Casperson	Johnson		

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts.”.

The Senate agreed to the full title.

Senator Meekhof moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage at the head of the Third Reading of Bills calendar:

House Bill No. 4379

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

House Bill No. 4379, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 50703, 50706, and 51101 (MCL 324.50703, 324.50706, and 324.51101), sections 50703 and 50706 as added by 1995 PA 57 and section 51101 as amended by 2006 PA 383.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 428

Yeas—23

Booher	Hansen	Kowall	Pavlov
Brandenburg	Hildenbrand	Marleau	Proos
Caswell	Hune	Meekhof	Richardville
Colbeck	Jansen	Moolenaar	Robertson
Emmons	Jones	Nofs	Rocca
Green	Kahn	Pappageorge	

Nays—15

Ananich	Gregory	Johnson	Warren
Anderson	Hood	Schuitmaker	Whitmer
Bieda	Hopgood	Smith	Young
Casperson	Hunter	Walker	

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5069, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 2918, 5711, and 5714 (MCL 600.2918, 600.5711, and 600.5714), section 2918 as amended by 2013 PA 127 and section 5714 as amended by 2012 PA 139.

The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 429**Yeas—32**

Ananich	Gregory	Kahn	Proos
Booher	Hansen	Kowall	Richardville
Brandenburg	Hildenbrand	Marleau	Robertson
Casperson	Hopgood	Meekhof	Rocca
Caswell	Hune	Moolenaar	Schuitmaker
Colbeck	Hunter	Nofs	Smith
Emmons	Jansen	Pappageorge	Walker
Green	Jones	Pavlov	Warren

Nays—5

Anderson	Hood	Johnson	Young
Bieda			

Excused—0**Not Voting—1**

Whitmer

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of the courts, and of the judges and other officers of the courts; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in the courts; pleading, evidence, practice, and procedure in civil and criminal actions and proceedings in the courts; to provide for the powers and duties of certain state governmental officers and entities; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

Senator Hopgood moved that Senator Whitmer be temporarily excused from the balance of today’s session.
The motion prevailed.

By unanimous consent the Senate returned to the order of

Conference Reports

Senator Whitmer entered the Senate Chamber.

Senator Meekhof moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

House Bill No. 5314

The motion prevailed, a majority of the members serving voting therefor.

House Bill No. 5314, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147b, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 207, 209, 210, 213, 222, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747b, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1807, 388.1809, 388.1810, 388.1813, 388.1822, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, and 107 as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 31b and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 147b, 152a, 201, 201a, 206, 209, 210, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 207, 213, 222, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 20h, 31g, 64b, 95a, 97, 102b, 104c, 207a, and 207b; and to repeal acts and parts of acts.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5314, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147b, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 207, 209, 210, 213, 222, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747b, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1807, 388.1809, 388.1810, 388.1813, 388.1822, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, and 107 as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 31b and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 147b, 152a, 201, 201a, 206, 209, 210, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 207, 213, 222, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 20h, 31g, 64b, 95a, 97, 102b, 104c, 207a, and 207b; and to repeal acts and parts of acts.

Recommends:

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

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

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21b, 21f, 22a, 22b, 22c, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621b, 388.1621f, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, 107, and 147a as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 25f and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 152a, 201, 201a, 206, 209, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 22c, 210b, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 21b as amended by 2004 PA 351, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 217, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 31g, 43, 64b, 64c, 74a, 95a, 99b, 104c, 147d, 164f, 207a, 207b, 207c, and 271a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 6. (1) “Center program” means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) “District and high school graduation rate” means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

(3) “District and high school graduation report” means a report of the number of pupils, excluding adult participants, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into or out of the district or high school, who leave high school with a diploma or other credential of equal status.

(4) “Membership”, except as otherwise provided in this article, means for a district, a public school academy, the education achievement system, or an intermediate district 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 pupil membership count day for the current school year, plus the product of .10 times the final audited count from the supplemental count day for the current school year. A district’s, public school academy’s, or intermediate district’s membership shall be adjusted as provided under section 25-25E for pupils who enroll in the district, public school academy, or intermediate district after the pupil membership count day. 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. For the purposes of this section and section 6a, for 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, a pupil’s participation in the cyber school’s educational program is considered regular daily attendance; for the education achievement system, a pupil’s participation in an online educational program of the education achievement system or of an achievement school is considered regular daily attendance; and for a district a pupil’s participation in an online course as defined in section 21f is considered regular daily attendance. 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, the education achievement system, 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) A pupil enrolled in an achievement school shall be counted in membership in the education achievement system.

(i) For a new district or public school academy beginning its operation after December 31, 1994, or for the education achievement system or an achievement school, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(i) 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.

(ii) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(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) In a district, a public school academy, the education achievement system, or an intermediate district operating 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.

(l) 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 homeless pupils, ~~and that is located in a city with a population of more than 175,000.~~

(B) Had dropped out of school for more than 1 year and has re-entered 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 obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership unless the individual is a pupil 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 Michigan strategic fund, 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 or the education achievement system 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 or the education achievement system 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). However, for pupils receiving instruction in both a public school academy or the education achievement system 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 or the education achievement system provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy or the education achievement system 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 or the education achievement system provides divided by the number of hours specified in subdivision (q) 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 or the education achievement system provides instruction for less than 1/2 of the class hours specified in subdivision (q), 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 specified in subdivision (q) 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 or the education achievement system.

(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(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, 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, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Beginning in 2012-2013, 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, a public school academy, or the education achievement system that has pupils enrolled in a grade level that was not offered by the district, the public school academy, or the education achievement system 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 specified in subdivision (q) 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) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district, the public school academy, or the education achievement system that is educating the pupil.~~

~~(V) (w) 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 or the education achievement system within 45 days after the pupil membership count day, the department shall adjust the district's or the education achievement system's pupil count for the pupil membership count day to include the pupil in the count.~~

~~(W) (x) 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) (y) 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.~~

~~(z) 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 the education achievement system in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or the education achievement system receives the same amount of membership aid for the pupil as if the pupil were counted in the district or the education achievement system on the supplemental count day of the preceding school year.~~

~~(Y) (aa) 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 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) (bb) 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) (cc) 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 was counted 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 purposes of determining the district's membership.~~

~~(BB) (dd) A district, a public school academy, or the education achievement system 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) (ee) 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 or the education achievement system.~~

~~(DD) (ff) 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, a pupil counted under this subdivision shall not be counted as more than 1.0 FTE in a fiscal year. 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 25F. 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 the tenth day of the next 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.

(5) "Public school academy" means that term as defined in **SECTION 5 OF** the revised school code, **MCL 380.5**.

(6) "Pupil" means a person 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 1 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 or the education achievement system.

(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.

~~(v) The pupil is enrolled in an alternative or disciplinary education program described in section 25.~~

(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.

(p) An online learning pupil enrolled in a district other than the pupil's district of residence as an eligible pupil under section 21f.

However, 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, an intermediate district, a public school academy, or the education achievement system 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, public school academy, or education achievement system 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 or legally qualified substitute teacher 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 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 ~~60,000~~ **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 (p), 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 or, for an achievement school, by the chancellor of the achievement authority 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 all of the provisions of this article.

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 ~~act~~ **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 ~~act~~ **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 ~~act~~ **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 8-7 for the public school academies in excess of 100.

Sec. 11. (1) For the fiscal year ending September 30, 2014, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~\$11,115,232,300.00~~ **\$11,200,232,300.00** from the state school aid fund, the sum of \$156,000,000.00 from the MPSERS retirement obligation reform reserve fund created under section 147b, and the sum of ~~\$234,900,000.00~~ **\$149,900,000.00** from the general fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$11,929,262,900.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF \$18,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED UNDER SECTION 147B, AND THE SUM OF \$114,900,000.00 FROM THE GENERAL FUND.** In addition, all other available federal funds are appropriated **EACH FISCAL YEAR** for the fiscal year ending September 30, 2014 **AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015.**

(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.

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 ~~2013-2014,~~ **2014-2015**, 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.

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, 2014 and 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.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$131,660,000.00 for 2013-2014~~ **\$126,000,000.00 FOR 2014-2015** 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.

Sec. 11k. For ~~2013-2014~~, **2014-2015**, 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.

Sec. 11m. From the appropriations in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$2,500,000.00~~ **\$4,000,000.00** 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.

SEC. 11R. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$4,000,000.00 TO BE DEPOSITED INTO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND CREATED UNDER THIS SECTION FOR THE PURPOSE OF FUNDING GRANTS UNDER THIS SECTION.

(2) THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND. THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AND SHALL CREDIT TO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND INTEREST AND EARNINGS FROM THE FUND.

(3) SUBJECT TO SUBSECTION (4), A DISTRICT IS ELIGIBLE TO RECEIVE A GRANT FROM THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND IF EITHER OF THE FOLLOWING APPLIES:

(A) THE DISTRICT HAS ADOPTED A RESOLUTION AUTHORIZING THE VOLUNTARY DISSOLUTION OF THE DISTRICT APPROVED BY THE STATE TREASURER UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, BUT THE DISSOLUTION HAS NOT YET TAKEN EFFECT UNDER THAT SECTION.

(B) THE DISTRICT IS A RECEIVING DISTRICT UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, AND THE DISTRICT ENROLLS PUPILS WHO WERE PREVIOUSLY ENROLLED IN A DISTRICT THAT WAS DISSOLVED UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, IN THE IMMEDIATELY PRECEDING SCHOOL YEAR.

(4) A DISTRICT RECEIVING FUNDS UNDER SECTION 20G IS NOT ELIGIBLE TO RECEIVE FUNDS UNDER THIS SECTION.

(5) THE AMOUNT OF A GRANT UNDER THIS SECTION SHALL BE DETERMINED BY THE STATE TREASURER AFTER CONSULTATION WITH THE SUPERINTENDENT OF PUBLIC INSTRUCTION, BUT SHALL NOT EXCEED THE ESTIMATED AMOUNT OF REMAINING DISTRICT COSTS IN EXCESS OF AVAILABLE REVENUES, INCLUDING, BUT NOT LIMITED TO, PAYROLL, BENEFITS, RETIREMENT SYSTEM CONTRIBUTIONS, PUPIL TRANSPORTATION, FOOD SERVICES, SPECIAL EDUCATION, BUILDING SECURITY, AND OTHER COSTS NECESSARY TO ALLOW THE DISTRICT TO OPERATE SCHOOLS DIRECTLY AND PROVIDE PUBLIC EDUCATION SERVICES UNTIL THE END OF THE CURRENT SCHOOL FISCAL YEAR. FOR A DISTRICT THAT MEETS THE ELIGIBILITY CRITERIA UNDER SUBSECTION (3)(B), THE AMOUNT OF THE GRANT SHALL BE DETERMINED IN THE SAME MANNER AS TRANSITION COSTS UNDER SECTION 20G.

(6) BEFORE DISBURSING FUNDS UNDER THIS SECTION, THE STATE TREASURER SHALL NOTIFY THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES. THE NOTIFICATION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE DISTRICT RECEIVING FUNDS UNDER THIS SECTION, THE AMOUNT OF THE FUNDS AWARDED UNDER THIS SECTION, AN EXPLANATION OF THE DISTRICT CONDITIONS THAT NECESSITATE FUNDING UNDER THIS SECTION, AND THE INTENDED USE OF FUNDS DISBURSED UNDER THIS SECTION.

(7) MONEY IN THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AT THE CLOSE OF A FISCAL YEAR SHALL REMAIN IN THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND.

Sec. 12. It is the intent of the legislature to appropriate and allocate for the fiscal year ending September 30, ~~2015-2016~~ the same amounts of money from the same sources for the same purposes as are appropriated and allocated under this article for the fiscal year ending September 30, ~~2014-2015~~, as adjusted for changes in pupil membership, taxable values, special education costs, interest costs, **RETIREMENT COSTS**, and available revenue. These adjustments will be determined after the January ~~2014-2015~~ consensus revenue estimating conference.

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 4 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 the receipt of new or updated data, ~~INFORMATION RECEIVED BY THE DEPARTMENT~~, the department determines during a fiscal year 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, ~~under the law in effect for that year, the department may~~ **SHALL** make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. **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 ~~improper~~ **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 3 FISCAL YEARS OF ALL RECORDS RELATED TO A PROGRAM FOR WHICH A DISTRICT OR INTERMEDIATE DISTRICT HAS RECEIVED FUNDS UNDER THIS ARTICLE.

(5) ~~(4)~~ 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) ~~(5)~~ In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2013-2014~~ **2014-2015** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

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 ~~act~~ **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,** 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.** Amounts withheld shall be used to pay, on behalf of the district or intermediate district, unpaid amounts or subsequently due amounts, or both, of principal and interest on the outstanding obligation upon which the district or intermediate district defaulted.

(2) The state treasurer may withhold all or part of any payment that a district or intermediate district is entitled to receive under this ~~act~~ **ARTICLE** to the extent authorized or required under section 15 of the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1935, **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, OR OTHER STATUTORY AUTHORITY.**

(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 ~~act~~ **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 ~~has been appointed pursuant to~~ **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 section 102, 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 later of the effective date of this subsection or 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 ~~act~~ **ARTICLE** for distributions under this ~~act~~ **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.

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 ~~this article~~ **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) Within ~~30~~**15** days after a board adopts its annual operating budget for the following school fiscal year, or after a board adopts a subsequent revision to that budget, the district shall make all of the following available through a link on its website home page, or may make the information available through a link on its intermediate district’s website home page, 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 pie charts:
 - (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 employee health benefits act, 2007 PA 106, MCL 124.75.
- (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 THIS ARTICLE.

(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 ~~purpose~~**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 15, ~~each year~~**2014 FOR REPORTING 2013-2014 DATA DURING 2014-2015, AND NOT LATER THAN OCTOBER 15 FOR REPORTING THE PRIOR FISCAL YEAR DATA FOR ALL SUBSEQUENT FISCAL YEARS:**

(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 15, ~~of each year~~**2014 FOR 2014-2015 AND BY OCTOBER 15 FOR ALL SUBSEQUENT FISCAL YEARS**, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data 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 department the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the department.

(7) By October 7 of each year, each district and intermediate district shall file with the center the transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center.

(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), and (7), 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), and (7). **HOWEVER, THE DEPARTMENT SHALL NOT WITHHOLD THE PAYMENT DUE ON OCTOBER 20 DUE TO THE OPERATION OF THIS SUBSECTION.** If the district or intermediate district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(11) Not later than ~~September~~ **NOVEMBER 1, 2014**, if a district or intermediate district offers online learning **UNDER SECTION 21F**, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the online learning **BY VENDOR TYPE**. The report shall include at least all of the following information concerning the operation of online learning for the school fiscal year ending June 30, 2014:

- (a) The name of the district operating the online learning and of each district that enrolled students in the online learning.
- (b) The total number of students enrolled in the online learning and the total number of membership pupils enrolled in the online learning.
- (c) For each pupil who is enrolled in a district other than the district offering online learning, the name of that district.
- (d) The district in which the pupil was enrolled before enrolling in the district offering online learning.
- (e) The number of participating students who had previously dropped out of school.
- (f) The number of participating students who had previously been expelled from school.
- (g) The total cost to enroll a student in the program. This cost shall be reported on a per-pupil, per-course, per-semester or trimester basis **BY VENDOR TYPE**. The total shall include costs broken down by cost for **CONTENT DEVELOPMENT, CONTENT LICENSING**, training, **ONLINE INSTRUCTION AND INSTRUCTIONAL SUPPORT**, personnel, hardware and software, payment to each online learning provider, and other costs associated with operating online learning.
- (h) The name of each online education provider contracted by the district and the state in which each online education provider is headquartered.

(12) NOT LATER THAN MARCH 31, 2015, 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 ONLINE COURSES AVAILABLE UNDER SECTION 21F.

(13) AS USED IN SUBSECTIONS (11) AND (12), "VENDOR TYPE" MEANS THE FOLLOWING:

- (A) ONLINE COURSES PROVIDED BY THE MICHIGAN VIRTUAL UNIVERSITY.**
- (B) ONLINE COURSES PROVIDED BY A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.**
- (C) ONLINE COURSES PROVIDED BY THIRD PARTY VENDORS NOT AFFILIATED WITH A MICHIGAN PUBLIC SCHOOL.**
- (D) ONLINE COURSES CREATED AND OFFERED BY A DISTRICT OR INTERMEDIATE DISTRICT.**

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 June 30 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. 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 (6).

(3) By the first business day in December and by June 30 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.

(4) By June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to safety practices and criminal incidents as necessary for reporting required by state and federal law.

(5) 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.

(6) 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, the department shall allow a school or district to appeal that determination. 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.

(7) It is the intent of the legislature to implement not later than ~~2014-2015~~, **2016-2017**, 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 develop recommendations on the implementation of this policy change. A district or intermediate district shall implement the statewide standard reporting requirements not later than 2014-2015 or when a district or intermediate district updates its education data reporting system, whichever is later.

Sec. 20. (1) For ~~2013-2014, the~~ **2014-2015, BOTH OF THE FOLLOWING APPLY:**

(A) THE basic foundation allowance is ~~\$8,049.00.~~ \$8,099.00.

(B) THE MINIMUM FOUNDATION ALLOWANCE IS \$7,126.00.

(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) ~~For~~ **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 sum of ~~\$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts,~~ **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 greater of \$6,966.00 or the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from~~ **DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND BASIC FOUNDATION ALLOWANCE FOR** the immediately preceding state fiscal year ~~to the current state fiscal year made in the basic foundation allowance minus \$10.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts)~~ **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 sum of ~~\$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts].~~ For 2011-2012, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of ~~\$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts,~~ 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 district's foundation allowance for 2010-2011, minus ~~\$470.00.~~ **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year. **FOR THE PURPOSES OF THIS SUBDIVISION, FOR 2014-2015, THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR SHALL BE CONSIDERED TO BE \$7,076.00. FOR 2014-2015, 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 DISTRICT'S FOUNDATION ALLOWANCE FOR 2013-2014 PLUS \$50.00.**

(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 at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for ~~2011-2012~~ **2014-2015** in an amount equal to the district's ~~BASIC foundation allowance for 2010-2011, minus \$470.00.~~ **2014-2015.**

(c) ~~Except as otherwise provided in subdivision (d), for~~ **FOR** a district that in the 1994-95 state fiscal year had a foundation allowance ~~FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR THAT WAS~~ greater than ~~\$6,500.00,~~ **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. ~~Except as otherwise provided in subdivision (d), for 2011-2012,~~ for a district that in the 1994-1995 state fiscal year had a foundation allowance greater than ~~\$6,500.00,~~ the district's foundation allowance is an amount equal to the district's foundation allowance for the 2010-2011 fiscal year minus ~~\$470.00.~~

(d) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than ~~\$6,500.00~~ and that had a foundation allowance for the 2009-2010 state fiscal year, as otherwise calculated under this section, that was less than the basic foundation allowance, the district's foundation allowance for 2011-2012 and each succeeding fiscal year shall be considered to be an amount equal to the basic foundation allowance.

(D) ~~(e)~~ 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.

~~(f)~~ For a district that received a payment under section 22c as that section was in effect for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under section 22c as that section was in effect for 2001-2002:

(E) ~~(g)~~ For a district that received a payment under section 22c as that section was in effect for 2006-2007, **2013-2014**, the district's ~~2006-2007~~ **2013-2014** foundation allowance shall be considered to have been an amount equal to the sum of the district's actual ~~2006-2007~~ **2013-2014** foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for ~~2006-2007~~ **2013-2014** under section 22c as that section was in effect for ~~2006-2007~~ **2013-2014**.

~~(h)~~ For 2012-2013, for a district that had a foundation allowance for the 2011-2012 state fiscal year of less than \$6,966.00, the district's foundation allowance is an amount equal to \$6,966.00.

(4) Except as otherwise provided in this subsection, 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 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 **LOCAL PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE** divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), 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 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 **LOCAL PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE** divided by the district's membership excluding special education pupils. 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.

(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.

(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. 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 attending an achievement school and in membership in the education achievement system, other than special education pupils, the allocation calculated under this section is an amount per membership pupil other than special education pupils equal to the foundation allowance of the district in which the achievement school is located, not to exceed the basic foundation allowance. Notwithstanding section 101, for an achievement school that begins operation 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 achievement school 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. For the purposes of this subsection, if a public school is transferred from a district to the state school reform/redesign district or the achievement authority under section 1280c of the revised school code, MCL 380.1280c, that public school is considered to be an achievement school within the education achievement system and not a school that is part of a district, and a pupil attending that public school is considered to be in membership in the education achievement system and not in membership in the district that operated the school before the transfer.

(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.

(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) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. All of the following apply to districts receiving a foundation allowance adjustment under this subsection:~~

~~(a) Except as otherwise provided in this subdivision, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002. For an individual school or schools operated by a district qualifying for a foundation allowance adjustment under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subdivision. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.~~

(b) A district receiving an adjustment under this subsection shall not receive as a result of this adjustment an amount that exceeds 68.5% of the amount the district received as a result of this adjustment for 2010-2011.

(c) Notwithstanding subsection (8), for a district that is formed or reconfigured by consolidation of 2 or more districts, 1 of which received an adjustment under this subsection for 2012-2013, the resulting district's foundation allowance for 2013-2014 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the resulting district's foundation allowance as calculated under subsection (8) excluding any adjustment calculated under this subsection plus [(the original district's adjustment under this subsection in 2012-2013 times the number of pupils in the original district's membership for 2012-2013) divided by the number of pupils in the resulting district's membership for 2013-2014].

(d) Beginning in 2013-2014, for a district that received an adjustment for the immediately preceding fiscal year and that had a foundation allowance as adjusted by this subsection for the immediately preceding fiscal year equal to \$6,966.00, the district shall not receive an adjustment under this section for the current fiscal year.

(12) ~~(13)~~ Payments to districts, public school academies, or the education achievement system 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) ~~(14)~~ 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) ~~(15)~~ 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) (g)~~ "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) (h)~~ "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) (i)~~ "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 dollar amount of the adjustment from **AMOUNT OF THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND THE BASIC FOUNDATION FOR** the immediately preceding state fiscal year ~~to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from~~ **AMOUNT OF THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND THE BASIC FOUNDATION FOR** the immediately preceding state fiscal year ~~to the current state fiscal year made in the basic foundation allowance minus \$10.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies)~~ **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 sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies]. **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR]. FOR THE PURPOSES OF THIS SUBDIVISION,**

FOR 2014-2015, THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR SHALL BE CONSIDERED TO BE \$7,076.00. FOR 2014-2015, THE MAXIMUM PUBLIC SCHOOL ACADEMY ALLOCATION IS \$7,218.00.

(K) ~~(j)~~ "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) ~~(k)~~ "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

(M) ~~(l)~~ "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) ~~(m)~~ "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) ~~(n)~~ "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) ~~(o)~~ "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) ~~(p)~~ "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.

(R) ~~(q)~~ "Taxable value per membership pupil" means taxable value, as certified by the ~~department of treasury, 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.

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 ~~2013-2014, 2014-2015~~, 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 article 5, 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.

Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$6,000,000.00 for ~~2013-2014, 2014-2015~~ for payments to eligible districts under this section. A district is eligible for funding under this section **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 ~~is~~ **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 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.

(2) The amount allocated to each eligible district under this section is an amount per membership pupil equal to ~~\$5.00 minus the sum of the following:~~ **THE AMOUNT PER MEMBERSHIP PUPIL THE DISTRICT RECEIVED IN 2013-2014**.

(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 section 22c.

(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) 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 PER-PUPIL BASIS.

Sec. 20g. (1) From the money appropriated under section 11, the following amounts are allocated for 2013-2014:

(a) ~~From the general fund money,~~ **THERE IS ALLOCATED** an amount not to exceed \$2,200,000.00 for ~~2013-2014~~ **2014-2015** for grants to eligible districts **THAT FIRST RECEIVED PAYMENTS UNDER THIS SECTION IN 2013-2014** for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). ~~It is the intent of the legislature to continue this transition funding~~ **PAYMENTS UNDER THIS SECTION SHALL CONTINUE** for a total of 4 fiscal years following the dissolution of a district, **AFTER WHICH THE PAYMENTS SHALL CEASE.**

(b) ~~From the state school aid fund money,~~ an amount not to exceed \$5,000,000.00 for reimbursements to eligible districts for costs incurred by the eligible district associated with the transfer of property from a dissolved school district to the eligible district, allocated as provided under subsection (4).

(2) A receiving school district, as that term is defined in section 12 of the revised school code, MCL 380.12, is an eligible district under this section.

(3) The amount allocated to each eligible district under ~~subsection (1)(a)~~ **THIS SECTION** is an amount equal to the product of the number of membership pupils enrolled in the eligible district who were previously enrolled in the dissolved **SCHOOL** district in the school year immediately preceding the dissolution, or who reside in the geographic area of the dissolved **SCHOOL** district and are entering kindergarten, times 10.0% of the lesser of the foundation allowance of the eligible district as calculated under section 20 or the basic foundation allowance under section 20(1).

(4) ~~To allocate funds under subsection (1)(b), the department shall develop a reimbursement application process and a reimbursement distribution process. Reimbursable costs shall include, but are not limited to, the costs of maintenance, utilities, security, or insurance associated with, or the demolition of, buildings transferred from a dissolved school district to the eligible district. However, the reimbursement made to eligible districts for all of the property transferred from a single dissolved school district shall not exceed the total cumulative sum of \$2,500,000.00 for all of the eligible districts to which property was transferred from that dissolved school district.~~

(5) ~~The funds allocated under subsection (1)(b) are considered work project appropriations and any unexpended funds for 2013-2014 are carried forward into 2014-2015. The purpose of the work project is as described in subsection (1)(b). The total estimated cost of the work project is \$5,000,000.00. The tentative estimated completion date for the work project is September 30, 2015.~~

(4) ~~(6)~~ As used in this section, "dissolved school district" means a school district that has been declared dissolved under section 12 of the revised school code, 1976 PA 451, MCL 380.12.

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) ~~To the extent required under subsection (3), a district shall pay tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. A district also shall pay any late fees charged by an eligible postsecondary institution due to the district's failure to make a required payment according to the timetable prescribed by 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. 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 shall pay to the eligible postsecondary institution on behalf of an eligible student an amount equal to the lesser of the amount of the eligible charges described in subsection (2) or the prorated percentage of the state portion of the foundation allowance paid or calculated, as applicable, on behalf of that eligible student under section 20, with the proration based on the proportion of the school year that the eligible student attends the postsecondary institution. A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under this section and 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 this section and 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 course~~”, “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.

Sec. 21f. (1) A pupil enrolled in a district in any of grades 5-6 to 12 is eligible to enroll in an online course as provided for in this section. ~~However, this section does not apply to a pupil enrolled in a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551.~~

(2) With the consent of the pupil’s parent or legal guardian, a district shall enroll an eligible pupil in up to 2 online courses as requested by the pupil during an academic term, semester, or trimester. ~~It is the intent of the legislature to consider increasing the limit on the number of online courses that a pupil may enroll in beginning in 2014-2015 for pupils who have demonstrated previous success with online courses.~~ **UNLESS THE PUPIL IS NEWLY ENROLLED IN THE DISTRICT, THE REQUEST FOR ONLINE COURSE ENROLLMENT MUST BE MADE IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE ENROLLMENT. A DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS THAT WOULD PROHIBIT A PUPIL FROM TAKING AN ONLINE COURSE. IF A PUPIL HAS DEMONSTRATED PREVIOUS SUCCESS WITH ONLINE COURSES AND THE SCHOOL LEADERSHIP AND THE PUPIL’S PARENT OR LEGAL GUARDIAN DETERMINE THAT IT IS IN THE BEST INTEREST OF THE PUPIL, A PUPIL MAY BE ENROLLED IN MORE THAN 2 ONLINE COURSES IN A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER.** Consent of the pupil’s parent or legal guardian is not required if the pupil is at least age 18 or is an emancipated minor.

(3) An eligible pupil may enroll in an online course published in the pupil’s educating district’s catalog of online courses described in subsection (7)(a) or the statewide catalog of online courses maintained by the Michigan virtual university pursuant to section 98.

(4) A district shall determine whether or not it has capacity to accept applications for enrollment from nonresident applicants in online courses and may use that limit as the reason for refusal to enroll an applicant. If the number of nonresident applicants eligible for acceptance in an online course does not exceed the capacity of the district to provide the online course, the district shall accept for enrollment all of the nonresident applicants eligible for acceptance. If the number of nonresident applicants exceeds the district’s capacity to provide the online course, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders.

(5) A district may deny a pupil enrollment in an online course if any of the following apply, as determined by the district:

- (a) The pupil has previously gained the credits provided from the completion of the online course.
- (b) The online course is not capable of generating academic credit.
- (c) The online course is inconsistent with the remaining graduation requirements or career interests of the pupil.
- (d) The pupil does not possess the prerequisite knowledge and skills to be successful in the online course or has demonstrated failure in previous online coursework in the same subject.
- (e) The online course is of insufficient quality or rigor. A district that denies a pupil enrollment for this reason shall make a reasonable effort to assist the pupil to find an alternative course in the same or a similar subject that is of acceptable rigor and quality.

(F) THE COST OF THE ONLINE COURSE EXCEEDS THE AMOUNT IDENTIFIED IN SUBSECTION (8), UNLESS THE PUPIL’S PARENT OR LEGAL GUARDIAN AGREES TO PAY THE COST THAT EXCEEDS THIS AMOUNT.

(G) THE ONLINE COURSE ENROLLMENT REQUEST DOES NOT OCCUR WITHIN THE SAME TIMELINES ESTABLISHED BY THE DISTRICT FOR ENROLLMENT AND SCHEDULE CHANGES FOR REGULAR COURSES.

(6) If a pupil is denied enrollment in an online course by a district, the pupil may appeal the denial by submitting a letter to the superintendent of the intermediate district in which the pupil’s educating district is located. The letter of appeal shall include the reason provided by the 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 district shall allow the pupil to enroll in the online course.

(7) To offer or provide an online course **UNDER THIS SECTION**, a district or intermediate district shall do all of the following:

(a) Provide the Michigan virtual university with the course syllabus in a form and method prescribed by the Michigan virtual university for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan virtual university.

(b) Offer the online course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.

(C) NOT LATER THAN OCTOBER 1, 2014, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE DISTRICT OR INTERMEDIATE DISTRICT OFFERED TO PUPILS PURSUANT TO THIS SECTION IN 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 ONLINE COURSE.

(8) For a pupil enrolled in 1 or more online courses published in the pupil's educating district's catalog of online courses under subsection (7) or in the statewide catalog of online courses maintained by the Michigan virtual university, the district shall use foundation allowance or per pupil funds calculated under section 20 to pay for the expenses associated with the online course or courses. The district shall pay 80% of the cost of the online course upon enrollment and 20% upon completion as determined by the district. A district is not required to pay toward the cost of an online course an amount that exceeds ~~4/12~~ **8.33%** of the district's ~~MINIMUM~~ foundation allowance ~~or per pupil payment~~ **FOR THE CURRENT FISCAL YEAR** as calculated under section 20, ~~per semester or an amount that exceeds 1/18 of the district's foundation allowance or per pupil payment as calculated under section 20 per trimester.~~

(9) An online learning pupil shall have the same rights and access to technology in his or her educating ~~PRIMARY~~ district's school facilities as all other pupils enrolled in the ~~educating~~ **PUPIL'S PRIMARY** district.

(10) If a pupil successfully completes an online 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 online course title as it appears in the online course syllabus.

(11) The enrollment of a pupil in 1 or more online courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this ~~act~~ **ARTICLE**.

(12) THE PORTION OF THE FULL-TIME EQUATED PUPIL MEMBERSHIP FOR WHICH A PUPIL IS ENROLLED IN 1 OR MORE ONLINE COURSES UNDER THIS SECTION SHALL NOT BE TRANSFERRED UNDER THE PUPIL TRANSFER PROCESS UNDER SECTION 25E.

(13) ~~(12)~~ As used in this section:

(a) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher who holds a valid Michigan teaching certificate is responsible for determining appropriate 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.

(b) "Online course syllabus" means a document that includes all of the following:

(i) The state academic standards addressed in an online course.

(ii) The online course content outline.

(iii) The online course required assessments.

(iv) The online course prerequisites.

(v) Expectations for actual instructor contact time with the online learning pupil and other pupil-to-instructor communications.

(vi) Academic support available to the online learning pupil.

(vii) The online course learning outcomes and objectives.

(viii) The name of the institution or organization providing the online content.

(ix) The name of the institution or organization providing the online instructor.

(x) The course titles assigned by the district or intermediate district and the course titles and course codes from the national center for education statistics (NCES) school codes for the exchange of data (SCED).

(xi) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.

(xii) The results of the online course quality review using the guidelines and model review process published by the Michigan virtual university.

(c) "Online learning pupil" means a pupil enrolled in 1 or more online courses.

(D) "PRIMARY DISTRICT" MEANS THE DISTRICT THAT ENROLLS THE PUPIL AND REPORTS THE PUPIL AS A FULL-TIME EQUATED PUPIL FOR PUPIL MEMBERSHIP PURPOSES.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,526,000,000.00~~ **\$5,393,000,000.00** for ~~2013-2014-2015~~ 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.

(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 for forwarding to 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 25F.

(7) ~~(6)~~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, and commercial personal property 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, or commercial personal property.

(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, and commercial personal property 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, and commercial personal 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, 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.

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$3,335,000,000.00~~ **\$3,492,000,000.00** for ~~2013-2014~~ **2014-2015** for discretionary nonmandated payments to districts 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 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, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections 22a and 51c.

(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.

(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 1396v.

(12) PAYMENTS UNDER THIS SECTION ARE SUBJECT TO SECTION 25F.

Sec. 22c. From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$36,000,000.00~~ **\$103,000,000.00** to make equity payments to districts that have a foundation allowance or per pupil payment as calculated under section 20 for ~~2013-2014~~ **2014-2015** of less than ~~\$7,076.00~~ **\$7,251.00**. The equity payment for a district shall be an amount per membership pupil equal to the lesser of ~~\$50.00~~ **\$125.00** or the difference between ~~\$7,076.00~~ **\$7,251.00** and the district's ~~2013-2014~~ **2014-2015** foundation allowance or per pupil payment as calculated under section 20.

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed \$2,584,600.00 is allocated for ~~2013-2014~~ **2014-2015** for supplemental payments to rural districts under this section.

(2) From the allocation under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** 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 ~~2013-2014~~ **2014-2015** an amount not to exceed \$1,627,300.00 for payments under this subsection to districts that meet all of the following:

- (a) The district has 5.0 or fewer pupils per square mile as determined by the department.
- (b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts that have consolidated transportation services and have a combined total square mileage greater than 200.0.
- (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).

Sec. 22f. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$80,000,000.00~~ **\$75,000,000.00** to provide incentive payments to districts that meet best practices under this section. Payments received under this section may be used for any purpose for which payments under sections 22a and 22b may be used.

(2) The amount of the incentive payment under this section is an amount equal to ~~\$52.00~~ **\$50.00** per pupil. A district shall receive an incentive payment under this section if the district satisfies at least 7 of the following requirements not later than June 1, ~~2014~~ **2015**:

(a) If a district provides medical, pharmacy, dental, vision, disability, long-term care, or any other type of benefit that would constitute a health care services benefit, to employees and their dependents, the district is the policyholder for each of its insurance policies that covers 1 or more of these benefits. A district that does not directly employ its staff or a district with a voluntary employee beneficiary association that pays no more than the maximum per employee contribution amount and that contributes no more than the maximum employer contribution percentage of total annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.

(b) The district has obtained competitive bids on the provision of pupil transportation, food service, custodial, or 1 or more other noninstructional services for ~~2013-2014~~ **2014-2015**. In comparing competitive bids to the current costs of providing 1 or more of these services, a district shall exclude the unfunded accrued liability costs for retirement and other benefits from the district's current costs.

(c) The district accepts applications for enrollment by nonresident applicants under section 105 or 105c. A public school academy is considered to have met this requirement.

~~(d) The district monitors individual pupil academic growth in each subject area at least twice during the school year using competency-based online assessments and reports those results to the pupil and his or her parent or guardian, or provides the department with a plan and is able to show progress toward developing the technology infrastructure necessary for the implementation of pupil academic growth assessments by 2014-2015.~~

(e) The district supports opportunities for pupils to receive postsecondary credit while attending secondary school, by doing at least 1 of the following, and makes all eligible pupils and their parents or guardians aware of these opportunities:

(i) Supports attendance of district pupils under the postsecondary enrollment options act, MCL 388.511 to 388.524, or under the career and technical preparation act, MCL 388.1901 to 388.1913, consistent with provisions under section 21b.

(ii) Offers college-level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(iii) Participates in a middle college. For the purposes of this subparagraph, "middle college" means a series of courses and other requirements and conditions that allow a pupil to graduate with a high school diploma and a certificate or degree from a community college or state public university.

(iv) Provides other opportunities to pupils that allow those pupils to graduate with a high school diploma and also complete coursework that a postsecondary institution normally applies toward satisfaction of degree requirements.

(v) If a district does not offer any high school grades, the district informs all pupils and parents of the opportunities that are available for postsecondary options during high school.

(D) ~~(f)~~ The district offers online courses or blended learning opportunities to all eligible pupils. In order to satisfy this requirement, a district must make all eligible pupils and their parents or guardians aware of these opportunities and must publish an online course syllabus as described in section 21f for each online course that the district offers. For the purposes of this subdivision:

(i) "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.

(ii) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher with a valid Michigan teaching certificate is responsible for determining appropriate 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.

(E) ~~(g)~~ The district provides to parents and community members a dashboard or report card demonstrating the district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the district for fiscal year ~~2013-2014~~ and fiscal year 2014-2015 **AND FISCAL YEAR 2015-2016**, a listing of all debt service

obligations, detailed by project, including anticipated fiscal year ~~2013-2014~~ **2014-2015** payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

- (i) Graduation and dropout rates.
- (ii) Average class size in grades kindergarten to 3.
- (iii) College readiness as measured by Michigan merit examination test scores.
- (iv) Elementary and middle school MEAP scores.
- (v) Teacher, principal, and superintendent salary information including at least minimum, average, and maximum pay levels.
- (vi) General fund balance.
- (vii) The total number of days of instruction provided.
- ~~(h) The district provides physical education or provides health education.~~

(F) THE DISTRICT COMPLIES WITH A METHOD OF COMPENSATION FOR TEACHERS AND SCHOOL ADMINISTRATORS THAT INCLUDES JOB PERFORMANCE AND ACCOMPLISHMENTS AS A SIGNIFICANT FACTOR IN DETERMINING COMPENSATION, AS REQUIRED UNDER SECTION 1250 OF THE REVISED SCHOOL CODE, MCL 380.1250.

(G) THE DISTRICT'S COLLECTIVE BARGAINING AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, APPENDICES, ADDENDA, LETTERS OF AGREEMENT, OR ANY OTHER DOCUMENTS REFLECTING AGREEMENTS WITH COLLECTIVE BARGAINING REPRESENTATIVES, DO NOT CONTAIN ANY PROVISIONS PERTAINING TO, RELATING TO, OR THAT ARE OTHERWISE CONTRARY TO THE PROHIBITED SUBJECTS OF BARGAINING ENUMERATED IN SECTION 15(3) OF 1947 PA 336, MCL 423.215.

(H) THE DISTRICT IMPLEMENTS A COMPREHENSIVE GUIDANCE AND COUNSELING PROGRAM.

(I) THE DISTRICT OFFERS PUPILS IN GRADES K TO 8 THE OPPORTUNITY TO COMPLETE COURSEWORK OR OTHER LEARNING EXPERIENCES THAT ARE SUBSTANTIALLY EQUIVALENT TO 1 CREDIT IN A LANGUAGE OTHER THAN ENGLISH.

(3) If the department determines that a district has intentionally submitted false information in order to qualify for an incentive payment under this section, the district forfeits an amount equal to the amount it received under this section from its total state school aid for ~~2014-2015~~ **2015-2016**.

(4) If the department determines that funds allocated under this section will remain unexpended after the initial allocation of ~~\$52.00~~ **\$50.00** per pupil to eligible districts under subsection (2), the remaining unexpended amount is allocated on an equal per pupil basis to districts that meet the requirements of subsection (2) and that have a foundation allowance, as calculated under section 20, in an amount that is less than the basic foundation allowance under that section.

Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** only an amount not to exceed ~~\$5,000,000.00~~ **\$2,000,000.00** for competitive assistance grants to districts and intermediate districts.

(2) Funds received under this section may be used for reimbursement of transition costs associated with the consolidation of operations or services between 2 or more districts, intermediate districts, or other local units of government, **THE CONSOLIDATION OR SHARING OF TECHNOLOGY AND DATA OPERATIONS OR SERVICES BETWEEN 50 OR MORE DISTRICTS OR 5 OR MORE INTERMEDIATE DISTRICTS**, or the consolidation of districts or intermediate districts. Grant funding shall be available for consolidations that occur on or after June 1, ~~2013~~ **2014**. The department shall develop an application process and method of grant distribution. **THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICANTS THAT PROPOSE INCLUDING AT LEAST 1 OF THE FOLLOWING STATEWIDE ACTIVITIES:**

(A) A COMPREHENSIVE, RESEARCH-BASED ACADEMIC EARLY WARNING INDICATOR AND DROPOUT PREVENTION SOLUTION.

(B) A DATA-DRIVEN SYSTEM FOR IDENTIFYING EARLY READING CHALLENGES AND ESTABLISHING INDIVIDUAL READING DEVELOPMENT PLANS FOR EVERY STUDENT BY THE END OF GRADE 3.

Sec. 22i. (1) From the ~~state school aid fund money~~ **FUNDS** appropriated in section 11, there is allocated for 2013-2014 an amount not to exceed \$45,000,000.00 **AND THERE IS ALLOCATED FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$41,500,000.00** for the technology infrastructure grant program for districts or intermediate districts on behalf of their constituent districts. Funds received under this subsection shall be used for the development or improvement of a district's technology infrastructure, the shared services consolidation of technology and data, and hardware in preparation for the planned implementation in 2014-2015 of online ~~growth~~ **assessments**.

(2) The department shall develop a competitive application process and method of grant distribution to eligible districts and intermediate districts that demonstrate need for grants under subsection (1). The department may consult with the department of technology, management, and budget during the grant process and grant distribution. Grants to districts shall not exceed \$2,000,000.00 per district. A grant to an intermediate district on behalf of its constituent districts shall not exceed \$2,000,000.00 per constituent district. To receive a grant under subsection (1), an intermediate district shall demonstrate that a grant awarded to the intermediate district on behalf of its constituent districts would provide savings compared to providing grants to individual districts.

(3) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$5,000,000.00 for 2013-2014 to be awarded through a competitive bid process to a single provider of whole-school technology as described in this subsection. The department shall issue a single request for proposal with application rules written and administered by the

department, and with a focus on economic and geographic diversity. To be eligible to receive the grant under this section, a provider shall meet all of the following:

- (a) Agrees to submit evaluation criteria in a form and manner determined by the department.
- (b) Provides at least all of the following:
 - (i) One-to-one mobile devices.
 - (ii) Laptop or desktop computers for each classroom.
 - (iii) On- and off-campus filtering.
 - (iv) Wireless networks and peripherals.
 - (v) Wireless audio equipment.
 - (vi) Operating software.
 - (vii) Instructional software.
 - (viii) Repairs and replacements.
 - (ix) Professional development.
 - (x) Ongoing support.

(4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) ARE A WORK PROJECT APPROPRIATION. ANY UNEXPENDED FUNDS FOR 2013-2014 ARE CARRIED FORWARD INTO 2014-2015 AND ANY UNEXPECTED FUNDS FOR 2014-2015 ARE CARRIED FORWARD INTO 2015-2016. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2016.

Sec. 22j. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$46,400,000.00~~ **\$51,100,000.00** to provide separate incentive payments to districts that meet student academic performance funding goals under subsections (2) to (5). Payments received under this section may be used for any purpose for which payments under sections 22a and 22b may be used.

(2) The maximum amount of the incentive payment for student academic performance is an amount equal to \$100.00 per pupil. Payments calculated and awarded to qualifying districts under subsections (3) to (5) shall be calculated and awarded separately, and a district may receive a payment under any or all of subsections (3) to (5).

(3) An amount not to exceed 30% of the maximum per pupil amount allocated under subsection (2) shall be used to make performance incentive payments to qualifying districts under this subsection based on pupil performance on state assessments in mathematics in grades 3 to 8. The amount of a payment under this subsection is an amount equal to \$30.00 per pupil for all pupils in membership in a qualifying district. The department shall determine the qualifying districts under this subsection as follows:

(a) Using a model determined by the department that incorporates the most recent cut scores adopted for the Michigan educational assessment program for each pupil in grades 3 to 8 in the ~~2011-2012~~ **2012-2013** school year, the department shall calculate a point score using a metric that assigns points to each of those pupils as follows:

(i) For each pupil who began the school year not performing proficiently in mathematics and who declines in proficiency, as determined by the department, over the school year, 0 points.

(ii) For each pupil who began the school year performing proficiently in mathematics and declines in proficiency, as determined by the department, over the school year, 0 points.

(iii) For each pupil who began the school year not performing proficiently in mathematics and who maintains his or her level of proficiency, as determined by the department, over the school year, 1 point.

(iv) For each pupil who began the school year performing proficiently in mathematics and who maintains his or her level of proficiency, as determined by the department, over the school year, 2 points.

(v) For each pupil who began the school year not performing proficiently in mathematics and who improves in proficiency, as determined by the department, over the school year, 3 points.

(vi) For each pupil who began the school year performing proficiently in mathematics and who improves in proficiency, as determined by the department, over the school year, 2 points.

(b) The department shall then calculate a district average for this metric for the ~~2011-2012~~ **2012-2013** school year by totaling the number of points for all pupils in grades 3 to 8 under subdivision (a) and dividing that total by the number of those pupils.

(c) A district is a qualifying district for the payment under this subsection if the district average for the ~~2011-2012~~ **2012-2013** school year under subdivision (b) is at least equal to a factor of 1.5, and the district tested at least 95% of its pupils in mathematics, and the district had at least 30 full academic year pupils in grades 3 to 8 with a performance level change designation in mathematics.

(4) An amount not to exceed 30% of the maximum per pupil amount allocated under subsection (2) shall be used to make performance incentive payments to qualifying districts under this subsection based on pupil performance on state assessments in reading in grades 3 to 8. The amount of a payment under this subsection is an amount equal to \$30.00 per pupil for all pupils in membership in the district. The department shall determine the qualifying districts under this subsection as follows:

(a) Using a model determined by the department that incorporates the most recent cut scores adopted for the Michigan educational assessment program for each pupil in grades 3 to 8 in the ~~2011-2012~~ **2012-2013** school year, the department shall calculate a point score using a metric that assigns points to each of those pupils as follows:

(i) For each pupil who began the school year not performing proficiently in reading and who declines in proficiency, as determined by the department, over the school year, 0 points.

(ii) For each pupil who began the school year performing proficiently in reading and declines in proficiency, as determined by the department, over the school year, 0 points.

(iii) For each pupil who began the school year not performing proficiently in reading and who maintains proficiency, as determined by the department, over the school year, 1 point.

(iv) For each pupil who began the school year performing proficiently in reading and who maintains proficiency, as determined by the department, over the school year, 2 points.

(v) For each pupil who began the school year not performing proficiently in reading and who improves in proficiency, as determined by the department, over the school year, 3 points.

(vi) For each pupil who began the school year performing proficiently in reading and who improves in proficiency, as determined by the department, over the school year, 2 points.

(b) The department shall then calculate a district average for this metric for the ~~2011-2012~~ **2012-2013** school year by totaling the number of points for all pupils in grades 3 to 8 under subdivision (a) and dividing that total by the number of those pupils.

(c) A district is a qualifying district for the payment under this subsection if the district average for the ~~2011-2012~~ **2012-2013** school year under subdivision (b) is at least equal to a factor of 1.5, and the district tested at least 95% of its pupils in reading, and the district had at least 30 full academic year pupils in grades 3 to 8 reading with a performance level change designation in reading.

(5) An amount not to exceed 40% of the maximum per pupil amount allocated under subsection (2) shall be used to make performance incentive payments to qualifying districts under this subsection for high school improvement using a metric based on the positive trend over a 4-year period in the percentage of high school pupils in the district testing as proficient in all tested subject areas on the state assessments of high school pupils. The amount of a payment under this subsection is an amount equal to \$40.00 per pupil for all pupils in membership in the district. The department shall determine the qualifying districts under this subsection as follows:

(a) Calculate a linear regression of the percentage of high school pupils in the district testing as proficient in all tested subject areas on state assessments of high school pupils on school year over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year as adjusted for changes in cut scores most recently adopted for the Michigan merit examination.

(b) Calculate a statewide average for all districts operating a high school of the linear regression of the percentage of high school pupils testing as proficient in all tested subject areas on state assessments of high school pupils on school year over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year, as adjusted for changes in cut scores most recently adopted for the Michigan merit examination as the base year for all comparisons.

(c) A district is a qualifying district for the payment under this subsection if the district's linear regression over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year under subdivision (a) is at least equal to the statewide average linear regression over the 4-year period ending with the base year under subdivision (b), and the district's linear regression over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year under subdivision (a) is positive, and the district tested 95% of high school pupils in each tested subject on state assessments, and the district had at least 20 full academic year pupils take all tested subjects on state assessments of high school pupils over each of the most recent 4 years.

(6) 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.

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of 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 human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of 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.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$2,167,500.00~~ **\$2,195,500.00** for ~~2013-2014~~ **2014-2015** for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of 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 human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of 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 human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed \$1,500,000.00 for ~~2013-2014~~ **2014-2015** 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.

Sec. 25e. (1) ~~The center shall work with the department, districts, and intermediate districts to develop a~~ **THE** pupil membership transfer application and a pupil transfer process **ADMINISTERED BY THE CENTER** under this section **SHALL BE USED FOR PROCESSING PUPIL TRANSFERS**. ~~The center shall complete development of this pupil membership transfer application not later than November 1, 2013.~~

(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 ~~sixth Wednesday after the pupil membership count day~~, **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 ~~approve or~~ **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 is 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 foundation allowance or 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) NOT LATER THAN DECEMBER 1, 2014, THE CENTER IN CONJUNCTION WITH THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE DATA RELATED TO THE IMPLEMENTATION OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO, THE NUMBER OF TRANSFER TRANSACTIONS AND THE NET CHANGE IN PUPIL MEMBERSHIPS IN 2013-2014 BY DISTRICT AND INTERMEDIATE DISTRICT.

(7) THE PORTION OF THE FULL-TIME EQUATED PUPIL MEMBERSHIP FOR WHICH A PUPIL IS ENROLLED IN 1 OR MORE ONLINE COURSES UNDER SECTION 21F SHALL NOT BE COUNTED OR TRANSFERRED UNDER THE PUPIL TRANSFER PROCESS UNDER THIS SECTION.

~~(8) (6) As used in this section: “educating-~~

(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.

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$2,000,000.00 for ~~2013-2014~~ **2014-2015** 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 **AND FOR THE PURPOSES DESCRIBED IN SUBSECTION (5).**

(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) Not later than June 30, ~~2014,~~ **2015**, a strict discipline academy shall report to the center and to the department, in a manner prescribed by the center and the department, the following information for ~~2013-2014:~~ **2014-2015:**

(a) The number of pupils enrolled and in attendance at the strict discipline academy.

(b) The number of days each pupil enrolled was in attendance at the strict discipline academy, not to exceed 180.

(4) The amount of the payment to a strict discipline academy under this section shall be an amount equal to the difference between the product of 1/180 of the per-pupil payment as calculated under section 20 for the strict discipline academy multiplied by the number of days of pupil attendance reported under subsection (3)(b) minus the product of the per-pupil payment as calculated under section 20 for the strict discipline academy multiplied by the pupils in membership at the strict discipline academy as calculated under section 6 and as adjusted by section 25e.

(5) 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.

~~(6) (5) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection~~ **SUBSECTIONS (4) AND (5), payments to eligible strict discipline academies UNDER THIS SECTION** shall be prorated on an equal per-pupil basis.

(7) PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE MADE ACCORDING TO THE PAYMENT SCHEDULE UNDER SECTION 17B.

Sec. 26a. ~~(1) From the state school aid fund appropriation~~ **FUNDS APPROPRIATED** in section 11, there is allocated an amount not to exceed \$26,300,000.00 for ~~2013-2014~~ **2014-2015** 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 ~~2013-~~ **2014**. 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.

~~(2) 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 \$3,200,000.00 for 2013-2014 to reimburse public libraries pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2013. 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.~~

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$4,009,500.00~~ **\$4,210,000.00** 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 pursuant to 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.

Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$209,400.00 for 2012-2013~~ and an amount not to exceed ~~\$266,200.00 for 2013-2014~~ **\$293,100.00 FOR 2014-2015** to the promise zone fund created in subsection (3).

(2) Funds allocated to the promise zone fund under this section shall be used solely for payments to eligible districts and intermediate districts 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.

(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.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$317,695,500.00 for payments to eligible districts, eligible public school academies, and the education achievement system under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy or the education achievement system who 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 1769i, and reported to the department not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year in the form and manner prescribed by the center. However, for a public school academy that began operations as a public school academy, or for an achievement school that began operations as an achievement school, after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act and reported to the department not later than the fifth Wednesday after the pupil membership count day. **FOR THE PURPOSES OF ENSURING THAT PUPILS ARE PROFICIENT IN READING BY THE END OF GRADE 3 AND THAT HIGH SCHOOL GRADUATES ARE CAREER AND COLLEGE READY AND FOR THE PURPOSES UNDER SUBSECTIONS (6) AND (7).**

(2) ~~To~~ **FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM, TO** be eligible to receive funding under this section, other than funding under subsection (6) or (7), ~~a district or public school academy that has not been previously determined to be eligible or the education achievement system shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy or the education achievement system must meet all of the following:~~

(a) ~~The~~ **THE** sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, ~~is~~ **MUST BE** less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(b) ~~The district or public school academy or the education achievement system agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section:~~

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met 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 1769**, and as reported to the department **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT** not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or the public school academy's or the education achievement system's per pupil amount calculated under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year. ~~A~~ **HOWEVER, A** public school

academy that began operations as a public school academy, or an achievement school that began operations as an achievement school, 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 or in the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, 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 (5), (6), ~~or (7)~~, **OR (10)**. 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 met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection ~~(4)~~, **(3)**, or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs, ~~or to supplant another program or other funds, except for funds allocated to the district or public school academy or the education achievement system under this section in the immediately preceding year and already being used by the district or public school academy or the education achievement system for at-risk pupils.~~ 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, ~~and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.~~

(5) ~~Except as otherwise provided in subsection (12), a~~ 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, or the education achievement system if it operates a school breakfast program, 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 or the education achievement system receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. 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.

(7) From the funds allocated under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** 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 community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section and the education achievement system 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 or the education achievement system of funds under this section, which report shall include ~~at least a~~ brief description of each program conducted **OR SERVICES PERFORMED** by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs, ~~the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and~~ **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 HUMAN SERVICES TO VERIFY MATCHING FUNDS FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.** If a

district or public school academy or the education achievement system 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 or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system 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.

(9) In order to receive funds under this section, a district or public school academy or the education achievement system 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 or the education achievement system shall reimburse the state for all disallowances found in the audit.

(10) Subject to subsections (5), (6), **AND** (7), ~~(12), and (13)~~, a district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-12, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), ~~(12), and (13)~~, a district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-12, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. **TO IMPLEMENT SCHOOLWIDE REFORM IN SCHOOLS WITH 40% OR MORE OF THEIR PUPILS IDENTIFIED AS AT-RISK PUPILS BY PROVIDING SUPPLEMENTAL INSTRUCTIONAL OR NONINSTRUCTIONAL SERVICES CONSISTENT WITH THE SCHOOL IMPROVEMENT PLAN.**

~~(11) A district or public school academy or the education achievement system may use funds received under this section for adult high school completion, general educational development (G.E.D.) test preparation, adult English as a second language, or adult basic education programs described in section 107.~~

~~(12) For an individual school or schools operated by a district or public school academy receiving funds under this section or the education achievement system that have been determined by the department to meet the adequate yearly progress standards of the no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy or the education achievement system may use not more than 20% of the funds it receives under this section for specific alternative purposes identified by the district or public school academy or the education achievement system that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. If a district or public school academy or the education achievement system uses funds for alternative purposes allowed under the flexibility provisions under this subsection, the district or public school academy or the education achievement system shall maintain documentation of the amounts used for those alternative purposes and shall make that information available to the department upon request.~~

~~(13) A district or public school academy that receives funds under this section or the education achievement system may use funds it receives under this section to implement and operate an early intervening program for pupils in grades K to 3 that meets either or both of the following:~~

~~(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils 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) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is 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.~~

~~(11) (14) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection ~~(1)~~(3).~~

~~(12) (15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. **IN ADDITION, 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 MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS DESCRIBED UNDER SUBSECTION (3), 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.

(13) ~~(16)~~ As used in this section, “at-risk pupil” means a pupil for whom the district has documentation that the pupil meets at least 2 ANY of the following criteria: is-

(A) IS a victim of child abuse or neglect. ; is below grade level in English language arts or mathematics; is-

(B) IS a pregnant teenager or teenage parent. ; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has-

(C) HAS a family history of school failure, incarceration, or substance abuse. At-risk pupil also includes all pupils in a priority school as defined in the elementary and secondary education act of 2001 flexibility request approved by the United States department of education. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, science test, or social studies for which results for the pupil have been received.

(D) For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes IS a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading, writing, mathematics, science, or social studies components of the most recent Michigan merit examination for which results for the pupil have been received.

(E) For pupils in grades K-3, at-risk pupil also includes IS a pupil who is at risk of not meeting the district’s core academic curricular objectives in English language arts or mathematics.

(F) **THE PUPIL IS ENROLLED IN A PRIORITY OR PRIORITY-SUCCESSOR SCHOOL, AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 2001 FLEXIBILITY WAIVER APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION.**

(G) **THE PUPIL DID NOT ACHIEVE A SCORE OF AT LEAST PROFICIENT ON 2 OR MORE STATE-ADMINISTERED ASSESSMENTS FOR ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES.**

(H) **FOR HIGH SCHOOL PUPILS IN GRADES NOT ASSESSED BY THE STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE ON 2 OR MORE END-OF-COURSE EXAMINATIONS THAT ARE ALIGNED WITH STATE STANDARDS IN ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES. FOR MIDDLE SCHOOL PUPILS IN GRADES NOT ASSESSED BY THE STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE ON 2 OR MORE END-OF-SEMESTER OR END-OF-TRIMESTER EXAMINATIONS THAT ARE ALIGNED WITH STATE STANDARDS IN SCIENCE OR SOCIAL STUDIES. FOR PUPILS IN THE ELEMENTARY GRADES IN GRADES AND SUBJECTS NOT ASSESSED BY THE STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE OR DID NOT HAVE A SATISFACTORY OUTCOME ON 2 OR MORE INTERIM ASSESSMENTS IN ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES.**

(I) **IN THE ABSENCE OF STATE OR LOCAL ASSESSMENT DATA, THE PUPIL MEETS AT LEAST 2 OF THE FOLLOWING CRITERIA, AS DOCUMENTED IN A FORM AND MANNER APPROVED BY THE DEPARTMENT:**

(i) **THE PUPIL IS ELIGIBLE FOR FREE BREAKFAST, LUNCH, OR MILK.**

(ii) **THE PUPIL IS ABSENT MORE THAN 10% OF ENROLLED DAYS OR 10 SCHOOL DAYS DURING THE SCHOOL YEAR.**

(iii) **THE PUPIL IS HOMELESS.**

(iv) **THE PUPIL IS A MIGRANT.**

(v) **THE PUPIL IS AN ENGLISH LANGUAGE LEARNER.**

(vi) **THE PUPIL IS AN IMMIGRANT WHO HAS IMMIGRATED WITHIN THE IMMEDIATELY PRECEDING 3 YEARS.**

(vii) **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.**

(14) **BEGINNING IN 2014-2015, IF A DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM DOES NOT DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3 AS MEASURED BY THE STATE ASSESSMENT AND DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT IMPROVEMENT OVER 3 CONSECUTIVE YEARS IN THE PERCENTAGE OF AT-RISK PUPILS THAT ARE CAREER- AND COLLEGE-READY AS MEASURED BY THE PUPIL’S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G(2)(A) OF THE REVISED SCHOOL CODE, MCL**

380.1279G, THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR EDUCATION ACHIEVEMENT SYSTEM SHALL ENSURE ALL OF THE FOLLOWING:

(A) THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL DETERMINE THE PROPORTION OF TOTAL AT RISK PUPILS THAT REPRESENTS THE NUMBER OF PUPILS IN GRADE 3 THAT ARE NOT READING AT GRADE LEVEL BY THE END OF GRADE 3, AND THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/2 OF ITS TOTAL AT RISK FUNDS UNDER THIS SECTION ON TUTORING AND OTHER METHODS OF IMPROVING GRADE 3 READING LEVELS.

(B) THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL DETERMINE THE PROPORTION OF TOTAL AT RISK PUPILS THAT REPRESENT THE NUMBER OF PUPILS IN GRADE 11 THAT ARE NOT CAREER- AND COLLEGE-READY AS MEASURED BY THE STUDENT'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G(2)(A) OF THE REVISED SCHOOL CODE, MCL 380.1279G, AND THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/2 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.

(15) AS USED IN SUBSECTION (14), "TOTAL AT RISK PUPILS" MEANS THE SUM OF THE NUMBER OF PUPILS IN GRADE 3 THAT ARE NOT READING AT GRADE LEVEL BY THE END OF THIRD GRADE AND THE NUMBER OF PUPILS IN GRADE 11 THAT ARE NOT CAREER- AND COLLEGE-READY AS MEASURED BY THE STUDENT'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G(2)(A) OF THE REVISED SCHOOL CODE, MCL 380.1279G.

(16) ~~(17)~~-A district or public school academy that receives funds under this section or the education achievement system may use funds received under this section to provide an anti-bullying or crisis intervention program.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 for ~~2013-2014~~ **2014-2015** 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, Michigan supreme court docket no. 104458-104492.

(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 ~~2013-2014~~ **2014-2015** all available federal funding, estimated at ~~\$460,000,000.00~~ **\$510,000,000.00** 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.

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$5,625,000.00 for ~~2013-2014~~ **2014-2015** 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.

SEC. 31G. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 THE AMOUNT OF \$1,200,000.00 FOR A CONTRACT WITH A SINGLE PROVIDER TO PROVIDE AN ONLINE, RESEARCH-BASED, SECURE, PERSONAL USER HEALTH AND NUTRITION EDUCATION SOFTWARE PLATFORM IN A REPRESENTATIVE SAMPLE OF PILOT SCHOOLS IN THIS STATE, TO INCLUDE SCHOOLS OPERATED BY DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND INTERMEDIATE DISTRICTS, FOR 2 SCHOOL YEARS. THE CONTRACT SHALL INCLUDE PLATFORM AND CONTENT DEVELOPMENT AND EVALUATION. THE DEPARTMENT SHALL OVERSEE A COMPETITIVE REQUEST FOR PROPOSALS PROCESS FOR THE CONTRACT, AND THE REQUEST FOR PROPOSALS SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL OF THE FOLLOWING REQUIREMENTS:

(A) A MICHIGAN-BASED, PLATFORM-NEUTRAL, TECHNOLOGY-DRIVEN ONLINE PLATFORM THAT DOES NOT REQUIRE ADDITIONAL INFORMATION TECHNOLOGY RESOURCES BEYOND INTERNET ACCESS.

(B) A SUSTAINABLE, INTERACTIVE HEALTH AND NUTRITION EDUCATION PLATFORM AND PERSONAL RESPONSIBILITY HEALTH BEHAVIOR RECORD THAT IS COST-NEUTRAL TO ALL PARTICIPANTS, INCLUDING PUPILS, PARENTS, GUARDIANS, AND SCHOOLS, AND THAT REQUIRES AN OPT-IN FROM THE PARENT OR LEGAL GUARDIAN OF EACH PUPIL PARTICIPANT.

(C) PERSONAL USE HEALTH BEHAVIOR DATA THAT ARE CUMULATIVE AND ACCESSIBLE IN REAL TIME ONLY TO THE USER AND THOSE AUTHORIZED BY THE USER THROUGH A SECURE ONLINE DASHBOARD THAT MEETS ALL FEDERAL, STATE, AND LOCAL HEALTH INFORMATION AND CHILD ONLINE PRIVACY REQUIREMENTS, INCLUDING, BUT NOT LIMITED TO, BEING IN COMPLIANCE WITH THE CHILDREN'S ONLINE PRIVACY PROTECTION ACT OF 1998, 5 USC 6501 TO 6505, AND THE KIDSAFE SEAL PROGRAM.

(D) A PROGRAM THAT PROVIDES FOR AGE- AND DEVELOPMENTALLY APPROPRIATE SELF-MONITORING THROUGH THE RECORDING OF HEALTH HABITS, INCLUDING, BUT NOT LIMITED TO, DIETARY INTAKE AND PHYSICAL ACTIVITY, THAT IS CONSISTENT WITH CURRENT, ESTABLISHED STANDARDS FOR WELL-CHILD PREVENTIVE HEALTH CARE, AND THAT PROVIDES A PERSONAL RESPONSIBILITY HEALTH RECORD.

(E) A PROGRAM THAT PROMOTES A HEALTHY LIFESTYLE AND REINFORCES POSITIVE HEALTH OUTCOMES WHILE ALIGNING WITH CURRENTLY ESTABLISHED SCHOOL HEALTH CURRICULA, PHYSICAL EDUCATION AND PHYSICAL ACTIVITY CURRICULA, FEDERAL SCHOOL MEAL PROGRAMS, SCHOOL-BASED HEALTH PROGRAMS, CURRENT UNITED STATES DIETARY GUIDELINES FOR AMERICANS, AND ESTABLISHED STATE-FUNDED AND FEDERALLY FUNDED FOOD, NUTRITION, AND HEALTH PROMOTION PROGRAMS. THE OVERALL GOAL OF THE PROGRAM SHALL BE IMPROVED DIETARY INTAKE AND INCREASED PHYSICAL ACTIVITY.

(2) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE TO BE SPENT OVER 2 YEARS AND SHALL BE CONSIDERED A WORK PROJECT APPROPRIATION. ANY UNEXPENDED FUNDS FOR 2014-2015 ARE CARRIED FORWARD INTO 2015-2016. THE PURPOSE OF THE WORK PROJECT IS AS DESCRIBED UNDER SUBSECTION (1). THE TOTAL ESTIMATED COST OF THESE PROJECTS IS \$1,200,000.00. THE TENTATIVE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2017.

(3) THE CONTRACT UNDER SUBSECTION (1) SHALL REQUIRE THE PROVIDER TO SUBMIT A PROGRESS REPORT TO THE LEGISLATURE BY SEPTEMBER 30, 2017. THE REPORT SHALL PROVIDE DETAILS ON THE PROGRAM'S PROGRESS AND IMPACT, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(A) INCREASE IN THE NUMBER OF ACTIVE REGISTRANTS IN THE PROGRAM AND IN THE LENGTH OF PARTICIPATION BY REGISTRANTS IN THE PROGRAM.

(B) IMPROVEMENT AND INCREASE IN THE NUMBER OF HEALTHY OPTIONS SERVED TO PUPILS BY SCHOOL LUNCH PROGRAMS.

(C) INCREASE IN PARTICIPATION BY PUPILS IN SCHOOL ATHLETIC AND PHYSICAL ACTIVITIES.

(D) CONTINUED ALIGNMENT WITH THE DEPARTMENT OF COMMUNITY HEALTH'S MICHIGAN HEALTH AND WELLNESS 4X4 PLAN.

(4) NOT LATER THAN 1 YEAR AFTER THE COMPLETION OF THE WORK PROJECT UNDER THIS SECTION, THE AUDITOR GENERAL SHALL PERFORM A PERFORMANCE POST-AUDIT OF THE PILOT PROJECT AND SUBMIT A REPORT TO THE LEGISLATURE ON THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING IMPROVEMENTS IN CHILD HEALTH.

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 ~~\$149,275,000.00~~ **\$214,275,000.00** for 2013-2014-**2014-2015**. In addition, from the funds appropriated in section 11, there is allocated to the great start readiness reserve fund created under subsection ~~(14)~~ **(19)** an amount not to exceed \$25,000,000.00 for ~~2013-2014-~~ **2014-2015**. 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. ~~Beginning in 2013-2014, for~~ **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 the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.

(2) Funds allocated under subsection (1) shall be 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 ~~2013-2014~~ **2014-2015** 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.

(c) Nutritional services for all program participants supported by federal, state, and local resources as applicable.

(d) ~~Health~~ **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 ~~multidistrict, multiagency~~, 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, ~~and make recommendations for changes to the great start readiness program for which it is an advisory committee.~~ **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) ~~Ensure~~ **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 ~~provider~~ **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 UNDER SECTION 39(1)(D) 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.**

(c) Ensure that the applicant only uses qualified personnel for this program, as follows:

(i) Teachers possessing proper training. ~~For programs managed directly by a district or intermediate district, a LEAD TEACHER MUST HAVE~~ a valid teaching certificate ~~and WITH~~ an early childhood (ZA or ZS) endorsement ~~are required.~~ This provision does not apply to an eligible child development program. In that situation, a teacher must have a valid Michigan teaching certificate with an early childhood (ZA or ZS) endorsement, a valid Michigan elementary teaching certificate with a

~~child development associate credential~~, or a bachelor's degree in child development **OR EARLY CHILD DEVELOPMENT** 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. 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 development, 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 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a school-day program.

(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 subsection (4). ~~and retain for administrative services an amount equal to not more than 7% of the grant amount. In addition, an~~

(9) FUNDS RECEIVED UNDER THIS SECTION MAY BE RETAINED FOR ADMINISTRATIVE SERVICES AS FOLLOWS:

(A) FOR THE PORTION OF THE TOTAL GRANT AMOUNT FOR WHICH SERVICES ARE PROVIDED DIRECTLY BY AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RETAIN AN AMOUNT EQUAL TO NOT MORE THAN 7% OF THAT PORTION OF THE GRANT AMOUNT.

(B) FOR THE PORTION OF THE TOTAL GRANT AMOUNT FOR WHICH SERVICES ARE CONTRACTED, THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING THE GRANT MAY RETAIN AN AMOUNT EQUAL TO NOT MORE THAN 2% OF THAT PORTION OF THE GRANT AMOUNT AND THE SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT TO PROVIDE PROGRAM SERVICES MAY RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT EQUAL TO NOT MORE THAN 5% OF THAT PORTION OF THE GRANT AMOUNT.

(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) (9) 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 ARE BEING SERVED AND THAT THERE ARE NO CHILDREN ON THE WAITING LIST UNDER SECTION 39(1)(D) 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.

(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 PAY TO THE EDUCATING INTERMEDIATE DISTRICT OR CONSORTIUM THE PER-CHILD AMOUNT ATTRIBUTABLE TO EACH CHILD ENROLLED PURSUANT TO THIS SENTENCE, AS DETERMINED UNDER SECTION 39.

(13) ~~(10)~~ 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 slot 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 SLOT 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 slot 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 slot allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocated slots as provided under this section. TO BE ABLE TO USE THIS EXEMPTION, THE INTERMEDIATE DISTRICT OR CONSORTIUM SHALL DEMONSTRATE TO THE DEPARTMENT THAT THE INTERMEDIATE DISTRICT OR CONSORTIUM INCREASED THE PERCENTAGE OF ITS TOTAL SLOT 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 SLOT 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 LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF THE INTERMEDIATE DISTRICT OR CONSORTIUM AT LEAST TWICE REGARDING THE CENTER'S ELIGIBILITY TO PARTICIPATE. ONE OF THESE NOTIFICATIONS MAY BE MADE ELECTRONICALLY, BUT AT LEAST 1 OF THESE NOTIFICATIONS SHALL BE MADE VIA HARD COPY THROUGH THE UNITED STATES MAIL. AT LEAST 1 OF THESE NOTIFICATIONS SHALL BE MADE WITHIN 7 DAYS AFTER THE INTERMEDIATE DISTRICT OR CONSORTIUM RECEIVES NOTICE FROM THE DEPARTMENT OF ITS SLOT ALLOCATIONS.

(B) THE INTERMEDIATE DISTRICT OR CONSORTIUM PROVIDED TO EACH 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 SLOT ALLOCATION, AS REQUIRED UNDER SUBSECTION (1), THE DEPARTMENT SHALL REDUCE THE SLOTS ALLOCATED 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 SLOT ALLOCATION AWARDED TO COMMUNITY-BASED PROVIDERS AND 30% OF ITS TOTAL SLOT 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 SLOT 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 NOVEMBER 1 OF EACH YEAR, COMPILER THE RESULTS OF THE INFORMATION REPORTED BY EACH INTERMEDIATE DISTRICT OR CONSORTIUM UNDER SUBSECTION (10) 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 SLOT 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) (~~11~~)A recipient of funds under this section shall report to the department in a form and manner prescribed by the department the number of children participating in the program who meet the income eligibility criteria under subsection (5)(b) and the total number of children participating in the program. For children participating in the program who meet the income eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(17) (~~12~~)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) (~~13~~)An intermediate district or consortium of intermediate districts receiving funds under this section shall establish 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. A grant recipient shall charge tuition according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the income eligibility requirements under this section.

(19) (~~14~~)The great start readiness reserve 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. Money available in the great start readiness reserve fund may not be expended for ~~2013-2014~~ **2014-2015** unless transferred by the legislature not later than ~~January 31,~~ **DECEMBER 15, 2014** to the allocation under subsection (1) for great start readiness programs. Money in the great start readiness reserve fund shall be expended only for purposes for which state school aid fund money may be expended. The state treasurer shall direct the investment of the great start readiness reserve fund. The state treasurer shall credit to the great start readiness reserve fund interest and earnings from fund investments. Money in the great start readiness reserve fund at the close of a fiscal year shall remain in the great start readiness reserve fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(20) 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, 2014, 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 THE LESSER OF THE PROJECTED TRANSPORTATION BUDGET OR \$150.00 MULTIPLIED BY THE NUMBER OF SLOTS 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 SLOT 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.

Sec. 32p. (1) From the school aid fund appropriation in section 11, there is allocated an amount not to exceed \$10,900,000.00 to intermediate districts for ~~2013-2014~~ **2014-2015** for the purpose of providing early childhood funding to intermediate school districts in block grants, supporting the activities under subsection (2), and providing early childhood programs for children from birth through age 8. ~~Beginning in 2013-2014, the~~ **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 a ~~workgroup to serve as a school readiness advisory committee as required under section 32d and shall~~ **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 and child advocacy.
- (e) Early education and care.

(4) 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. 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**. ~~The block grants allocated under this section implement legislative intent language for this purpose enacted in 2011 PA 62.~~

(5) 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 ~~in~~ **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.

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit a ~~preapplication~~, **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 ~~preapplication~~ **APPLICATION** shall include a comprehensive needs assessment using aggregated data from the applicant's entire service area and a community collaboration plan that is endorsed by the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

- (a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.
- (b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.
- (c) The number of children the applicant will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.
- (d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the applicant and community early childhood programs have met their funded enrollments. The applicant shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(2) ~~An~~ **AFTER NOTIFICATION OF FUNDING ALLOCATIONS, AN** applicant receiving funds under section 32d shall also submit a ~~final application~~ **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 number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each applicant in the following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all districts served by the applicant who are eligible for free lunch, as determined using the district's pupil membership count as of the pupil membership count day in the school year prior to the fiscal year for which the calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average kindergarten enrollment of the districts served by the applicant on the pupil membership count day of the 2 immediately preceding fiscal years.

(4) The initial allocation for each fiscal year to each eligible applicant under section 32d shall be determined by multiplying the number of children determined by the formula under subsection (3) or the number of children the applicant indicates it will be able to serve under subsection (1)(c), whichever is less, by \$3,625.00 and shall be distributed among applicants in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children an applicant indicates it will be able to serve under subsection (1)(c) includes children able to be served in a school-day program, then the number able to be served in a school-day program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined by the formula under subsection (3) and the number of children the applicant indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the applicant under section 32d. A district may contract with a head start agency to serve children enrolled in head start with a school-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds allocated for eligible applicants or to the great start readiness reserve fund under section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of children each district within the applicant's service area served in the immediately preceding fiscal year or the number of children the applicant indicates it will be able to serve under subsection (1)(c), whichever is less, minus the number of children for which the applicant received funding in subsection (4) by \$3,625.00.

(6) If funds allocated for eligible applicants or to the great start readiness reserve fund under section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children the applicant indicates it will be able to serve under subsection (1)(c) exceeds the number of children for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of children the applicant indicates it will be able to serve under subsection (1)(c) less the number of children for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are distributed.

(7) An applicant that offers supplementary child care funded by funds other than those received under section 32d and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under section 32d over other eligible applicants. As used in this subsection, "full-day program" means a program that provides supplementary child care that totals at least 10 hours of programming per day.

(8) 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.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$811,828,500.00~~, **\$807,969,900.00** for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at ~~\$10,808,600.00~~ **\$8,000,000.00** 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 \$111,111,900.00 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 \$12,200,000.00 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 \$10,286,500.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(e) An amount estimated at \$2,393,500.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(f) An amount estimated at \$591,500,000.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(g) An amount estimated at \$8,878,000.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(h) An amount estimated at ~~\$40,050,000.00~~ **\$39,000,000.00** for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(i) An amount estimated at \$24,600,000.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$31,700,000.00~~ **\$31,300,000.00** for the following programs that are funded by federal grants:

(a) An amount estimated at ~~\$600,000.00~~ **\$200,000.00** for acquired immunodeficiency syndrome education grants, funded from HHS - center for disease control, AIDS funding.

(b) An amount estimated at \$2,600,000.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at \$28,500,000.00 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

~~(3) To the extent allowed under federal law, the funds allocated under subsection (1)(f) and (i) may be used for 1 or more reading improvement programs that meet at least 1 of the following:~~

~~(a) A research-based, validated, structured reading program that aligns learning resources to state standards and includes continuous assessment of pupils and individualized education plans for pupils.~~

~~(b) A mentoring program that is a research-based, validated program or a statewide 1-to-1 mentoring program and is designed to enhance the independence and life quality of pupils who are mentally impaired by providing opportunities for mentoring and integrated employment.~~

~~(c) A cognitive development program that is a research-based, validated educational service program focused on assessing and building essential cognitive and perceptual learning abilities to strengthen pupil concentration and learning.~~

~~(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.~~

~~(3) (4)~~ 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) (5)~~ 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) (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-OVAE" means the DED office of vocational and adult education.

(d) "HHS" means the United States department of health and human services.

(e) "HHS-ACF" means the HHS administration for children and families.

Sec. 41. ~~(4)~~ From the appropriation in section 11, there is allocated an amount not to exceed \$1,200,000.00 **EACH FISCAL YEAR for 2013-2014 AND FOR 2014-2015** to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. ~~Subject to subsection (2); reimbursement~~ **REIMBURSEMENT** shall be on a per-pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

~~(2) A district or intermediate district shall not receive funds under this section if it allows pupils to participate in the program of instruction who are not residing in the United States legally.~~

SEC. 43. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$1,800,000.00 FOR UPDATING TEACHER CERTIFICATION TESTS. THE DEPARTMENT SHALL USE THESE FUNDS TO UPDATE THE SET OF TEACHER CERTIFICATION TESTS, INCLUDING CONTENT-SPECIFIC AND SUBJECT-RELEVANT TESTS, TO REFLECT CURRENT EDUCATION STANDARDS BY NOT LATER THAN SEPTEMBER 30, 2016.

Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$919,846,100.00~~ **\$938,946,100.00** for ~~2013-2014-2014-2015~~ 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 for ~~2013-2014, 2014-2015,~~ plus any carryover federal funds from previous year appropriations. 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 380.1766; 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 380.1766. ~~All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. 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, estimated at ~~\$247,000,000.00~~ **\$252,000,000.00** for ~~2013-2014~~, **2014-2015**, 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, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil calculated 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). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (11), and 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.

(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 ~~2013-2014~~ **2014-2015** an amount not to exceed \$1,000,000.00 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 for ~~2013-2014~~ **2014-2015** 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 for ~~2013-2014~~ **2014-2015** 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. This reimbursement shall not be made after 2014-2015.

(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 ~~\$3,500,000.00~~ **\$3,300,000.00** for ~~2013-2014, 2014-2015~~, 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 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, 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. 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 community health.

(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 enrolls pursuant to 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 provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for ~~2013-2014~~**2014-2015** the amount necessary, estimated at ~~\$613,200,000.00~~**\$630,500,000.00**, 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.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~**2014-2015**, all available federal funding, estimated at \$74,000,000.00, 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 ~~2013-2014~~**2014-2015**:

(a) An amount estimated at \$15,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at \$14,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at \$45,000,000.00 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.

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 380.1766, minus the district's foundation allowance calculated under section 20. 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.

(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 community health.

(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.

(3) 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.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than ~~\$13,500,000.00~~ **\$10,500,000.00** of the allocation for ~~2013-2014~~ **2014-2015** in section 51a(1) shall be allocated under this section.

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 ~~2013-2014~~ **2014-2015** in section 51a(1) shall be allocated under this section.

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 380.1743, 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 380.1743, 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 ~~2013-2014~~ **2014-2015** to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. 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 380.1766. 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 ~~2012-2013~~ **2013-2014** shall be made in ~~2013-2014~~ **2014-2015** at an amount per ~~2012-2013~~ **2013-2014** membership pupil computed by subtracting from ~~\$169,900.00~~ **\$172,200.00** the ~~2012-2013~~ **2013-2014** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2012-2013~~ **2013-2014** millage levied.

(4) The amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).

(5) 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.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$26,611,300.00 for ~~2013-2014~~ **2014-2015** 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 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 based on the type of career and technical education programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. 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) In addition to the funds allocated in subsection (1), from the appropriation in section 11, there is allocated an amount not to exceed \$1,000,000.00 for ~~2013-2014~~ **2014-2015** to districts or intermediate districts for area career and technical education centers for the purpose of integrating the Michigan merit curriculum content standards under sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b, into state-approved career and technical education instructional programs for the purpose of awarding academic credit. The department shall determine the allocation to each career and technical education center in a manner that provides for maximum integration of Michigan merit curriculum content standards statewide.

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 for ~~2013-2014~~ **2014-2015** 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 the millages levied in ~~2012-2013~~ **2013-2014** shall be made in ~~2013-2014~~ **2014-2015** at an amount per ~~2012-2013~~ **2013-2014** membership pupil computed by subtracting from ~~\$186,500.00~~ **\$188,100.00** the ~~2012-2013~~ **2013-2014** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2012-2013~~ **2013-2014** millage levied.

(4) The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

(5) 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.

SEC. 64B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,750,000.00 FOR 2014-2015 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).

(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 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 2014-2015 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 2014-2015 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.

SEC. 64C. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A STUDY UNDER THIS SECTION. THE DEPARTMENT SHALL COMMISSION AN INDEPENDENT THIRD PARTY TO CONDUCT A STUDY AND PREPARE A REPORT ANALYZING THE STATE'S CURRENT CAREER READINESS EDUCATION SYSTEM.

(2) THE PURPOSE OF THE STUDY UNDER THIS SECTION SHALL BE TO RESEARCH CURRENT HIGH SCHOOL AND POSTSECONDARY CURRICULA AND FACILITIES AND DEVELOP RECOMMENDATIONS FOR THE IMPLEMENTATION OF A STATEWIDE SYSTEM TO SUPPORT CAREER PATHWAYS THAT LEAD TO EDUCATION AND TRAINING OPPORTUNITIES TO LESSEN THE EXISTING TALENT GAP IN THE STATE.

(3) THE STUDY UNDER THIS SECTION SHALL, AT A MINIMUM, INCLUDE RECOMMENDATIONS THAT ADDRESS AT LEAST ALL OF THE FOLLOWING:

(A) IDENTIFICATION OF REDUNDANCY OF ROLES, PROGRAMS, AND CAPITAL INFRASTRUCTURE AMONG PUBLIC SCHOOLS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES, AND UNIVERSITIES IN PROVIDING HIGH-SKILLED DEGREES AND CREDENTIALS AND MAKE RECOMMENDATIONS TO BETTER COORDINATE THOSE ROLES, PROGRAMS, AND FACILITIES.

(B) DEVELOPMENT OF A STATEWIDE STRATEGY AND RELATED POLICIES THAT WILL RESULT IN MORE COORDINATED AND EXPEDITED PATHWAYS FOR STUDENTS TO OBTAIN HIGH-SKILLED COLLEGE DEGREES AND CREDENTIALS, REGARDLESS OF POINT OF ENTRY.

(C) PROPOSED METRICS THAT CAN BE USED TO MEASURE THIS STATE'S SUCCESS TOWARDS ACHIEVING THE DESIRED OUTCOMES.

(D) IDENTIFICATION OF SPECIFIC BARRIERS FOR STUDENTS AND POTENTIAL WAYS TO ADDRESS THOSE BARRIERS.

(4) THE DEPARTMENT SHALL ENSURE THAT EDUCATORS AND THE BUSINESS COMMUNITY ARE SOLICITED FOR THEIR INPUT AS PART OF THE STUDY.

(5) THE REPORT SUMMARIZING THE RESULTS OF THE STUDY UNDER THIS SECTION SHALL BE PRESENTED TO THE DEPARTMENT NO LATER THAN SEPTEMBER 30, 2015.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,299,000.00 for 2013-2014 \$3,316,500.00 FOR 2014-2015 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 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 ~~each fiscal year~~ **FOR 2014-2015 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 \$1,674,000.00 for 2013-2014 \$1,691,500.00 FOR 2014-2015 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.

SEC. 74A. FROM THE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR 2014-2015 FOR A PILOT PROJECT PROVIDING GRANTS TO DISTRICTS TO CONVERT BUSES FROM DIESEL FUEL TO NATURAL GAS. IN ORDER TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL PROVIDE THE DEPARTMENT WITH INFORMATION ON THE COST OF FUEL FOR THE CONVERTED BUSES, EXPRESSED IN DOLLARS PER MILE DRIVEN. GRANTS TO ELIGIBLE DISTRICTS SHALL NOT EXCEED \$8,000.00 PER BUS CONVERTED, WITH A MAXIMUM GRANT PER DISTRICT NOT TO EXCEED \$30,000.00. DISTRICTS SEEKING GRANTS UNDER THIS SECTION SHALL APPLY TO THE DEPARTMENT NOT LATER THAN NOVEMBER 1, 2014. THE DEPARTMENT SHALL RANK ORDER ALL DISTRICTS THAT APPLY FOR GRANTS BASED ON MILES DRIVEN IN THE PREVIOUS SCHOOL YEAR, AND SHALL AWARD GRANTS TO DISTRICTS WITH THE HIGHEST NUMBER OF MILES DRIVEN, UNTIL ALL FUNDING IS AWARDED.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated ~~each fiscal year for 2012-2013 and for 2013-2014~~ **FOR 2014-2015** to the intermediate districts the sum necessary, but not to exceed ~~\$64,115,100.00 each fiscal year,~~ **\$67,115,000.00** to provide state aid to intermediate districts under this section.

(2) From the allocation in subsection (1), there is allocated ~~FOR 2014-2015~~ an amount not to exceed ~~\$62,108,000.00~~ **\$65,108,000.00** for allocations to each intermediate district ~~for 2012-2013 in an amount equal to 100% of the amount allocated to the intermediate district under this subsection for 2011-2012. From the allocation in subsection (1), there is allocated an amount not to exceed \$62,108,000.00 for allocations to each intermediate district for 2013-2014 in an amount equal to 100.0%~~ **104.8%** of the amount allocated to the intermediate district under this subsection for ~~2012-2013.~~ **2013-2014.** 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 subsection (2) 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. From the allocation in subsection (1), there is allocated \$7,000.00 for purposes of this subsection for 2012-2013, for 2013-2014, and for 2014-2015, after which the payment under this subsection will cease.

(5) In order to receive funding under subsection (2), 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.

(f) Comply with section 761 of the revised school code, MCL 380.761.

(6) ~~From the allocation in subsection (1), there is allocated an amount not to exceed \$2,000,000.00 for 2012-2013 for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to 3.2% of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate district satisfies at least 4 of the following requirements not later than June 1, 2013:~~

~~(a) The intermediate district enters into an agreement with the department to do all of the following:~~

~~(i) Develop a service consolidation plan in 2012-2013 to reduce operating costs that is in compliance with guidelines that were developed by the department for former section 11d as that section was in effect for 2010-2011.~~

~~(ii) Implement the service consolidation plan in 2013-2014 and report to the department not later than February 1, 2014 on the intermediate district's progress in implementing the service consolidation plan.~~

~~(b) The intermediate district has obtained competitive bids on the provision of 1 or more noninstructional services for the intermediate district or its constituent districts with a value of at least \$50,000.00.~~

~~(c) The intermediate district develops a technology plan in accordance with department policy on behalf of all constituent districts within the intermediate district that integrates technology into the classroom and prepares teachers to use digital technologies as part of the instructional program of each of its constituent districts.~~

~~(d) The intermediate district provides to parents and community members a dashboard or report card demonstrating the intermediate district's efforts to manage its finances responsibly. The dashboard or report card shall include at least all of the following for the 3 most recent school years for which the data are available:~~

~~(i) A list of services offered by the intermediate district that are shared by other local or intermediate districts and a list of the districts or intermediate districts that participate.~~

~~(ii) The total cost savings to local or other intermediate districts that share services with the intermediate district.~~

~~(iii) The number and percentage of teachers in the intermediate district service area that are trained to integrate technology into the classroom.~~

~~(iv) The total funds received from levying special education and vocational education millages, and the number of special education and vocational education pupils served with those dollars.~~

~~(v) The number and percentage of individualized education programs developed for special education pupils that contain academic goals.~~

~~(e) The intermediate district works in a consortium with 1 or more other intermediate districts to develop information management system requirements and bid specifications that can be used as statewide models. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.~~

~~(6) (7) From the allocation in subsection (1), there is allocated an amount not to exceed \$2,000,000.00 for 2013-2014~~ **2014-2015** for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to ~~3.2%~~ **3.1%** of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate district satisfies at least 5 of the following requirements not later than June 1, ~~2014~~:**2015**:

~~(a) The intermediate district enters into an agreement with the department to comply with all of the following:~~

~~(i) If the intermediate district developed a service consolidation plan in 2012-2013,~~ **2013-2014**, implement the service consolidation plan in ~~2013-2014~~ **2014-2015** and report to the department not later than February 1, ~~2014~~ **2015** on the intermediate district's progress in implementing the service consolidation plan.

~~(ii) If the intermediate district did not develop a service consolidation plan in 2012-2013~~ **OR 2013-2014**, develop a service consolidation plan in ~~2013-2014~~ **2014-2015** to reduce operating costs that is in compliance with guidelines that were developed by the department for former section 11d as that section was in effect for 2010-2011.

~~(iii) If the intermediate district developed a service consolidation plan in 2013-2014, implement the service consolidation plan in 2014-2015 and report to the department not later than February 1, 2015 on the intermediate district's progress in implementing the service consolidation plan.~~

~~(iii) (iv) Make the intermediate district's service consolidation plan publicly available on the intermediate district's website.~~

~~(b) The intermediate district has obtained competitive bids on the provision of 1 or more noninstructional services for the intermediate district or its constituent districts with a value of at least \$50,000.00. The unfunded accrued liability costs for retirement and other benefits shall be excluded from the intermediate district's current costs for the purpose of comparing competitive bids to the current costs of providing services.~~

~~(c) The intermediate district develops a technology plan in accordance with department policy on behalf of all constituent districts within the intermediate district that integrates technology into the classroom and prepares teachers to use digital technologies as part of the instructional program of each of its constituent districts. An intermediate district that developed a technology plan in 2012-2013~~ **OR 2013-2014** shall ~~begin implementing~~ **CONTINUE TO IMPLEMENT** that technology plan in ~~2013-2014~~:**2014-2015**.

~~(d) The intermediate district provides to parents and community members a dashboard or report card demonstrating the intermediate district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the intermediate district for 2013-2014 and 2014-2015~~ **AND 2015-2016**, a listing of all debt service obligations, detailed by project, including anticipated ~~2013-2014~~ **2014-2015** payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

~~(i) A list of services offered by the intermediate district that are shared by other local or intermediate districts and a list of the districts or intermediate districts that participate.~~

~~(ii) The total cost savings to local or other intermediate districts that share services with the intermediate district.~~

~~(iii) The number and percentage of teachers in the intermediate district service area that are trained to integrate technology into the classroom.~~

(iv) The total funds received from levying special education and vocational education millages, and the number of special education and vocational education pupils served with those dollars.

(v) The number and percentage of individualized education programs developed for special education pupils that contain academic goals.

(e) The intermediate district works in a consortium with 1 or more other intermediate districts and the center to develop local information management system requirements and bid specifications that result in a recommended model information system that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data among districts, intermediate districts, and the center. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.

(f) If an intermediate district provides medical, pharmacy, dental, vision, disability, long-term care, or any other type of benefit that would constitute a health care services benefit, to employees and their dependents, the intermediate district is the policyholder for each of its insurance policies that covers 1 or more of these benefits. An intermediate district that does not directly employ its staff or an intermediate district with a voluntary employee beneficiary association that pays no more than the maximum per employee contribution amount and that contributes no more than the maximum employer contribution percentage of total annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for ~~2013-2014~~ **2014-2015** an amount not to exceed \$250,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs.

(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 for low-income pupils who take an advanced placement or an international baccalaureate test. Payments shall not exceed \$20.00 per test completed.

(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.

(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.

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 warehouses 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.
 - (j) For data elements related to preschool through grade 12 only, meets all of the following:
 - (i) 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.
 - (ii) Contains student-level transcript information, including information on courses completed and grades earned.
 - (iii) 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 ~~\$9,535,100.00 for 2013-2014~~ **\$12,022,800.00 FOR 2014-2015** 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 ~~2013-2014~~ **2014-2015** the amount necessary, estimated at \$193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system as provided under this section in compliance with the assurance provided to the United States department of education in order to receive state fiscal stabilization funds. 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), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$850,000.00 for competitive grants 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) From the funds allocated in subsection (5), there is allocated for 2013-2014 an amount not to exceed \$100,000.00 for the center to develop the pupil transfer application as required under section 25e.~~
- ~~(7) (8)~~ 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.
- ~~(9) It is the intent of the legislature that, beginning in 2014-2015, a district shall report to the center by June 30, in a manner prescribed by the center, the number of pupils in the district who have had 10 or more unexcused absences each school year. For pupils in grades 9 to 12, the report shall include both the total number of unexcused absences in any single course and the total number of unexcused absences in all courses. Each district shall define unexcused absence. It is the intent of the legislature that~~

~~a district that reports false information under this subsection shall forfeit an amount equal to 5% of its total state aid allocation under this act.~~

~~(8) (10)~~ 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) (11)~~ 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.

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 HOUSE BILL NOS. 5223 AND 5224 OF THE 97TH LEGISLATURE ARE ENACTED INTO LAW.

(6) FUNDS IN THE EDUCATOR EVALUATION RESERVE FUND SHALL NOT BE EXPENDED UNLESS THE STATE BUDGET OFFICE HAS APPROVED THE DEPARTMENT’S SPENDING PLAN.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$9,387,500.00 ~~for 2013-2014~~ **\$7,387,500.00 FOR 2014-2015** for the purposes described in this section.

(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 digital education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.

~~(iii) Research, design, and recommend competency-based online assessments.~~

~~(iii) (iv)~~ Research, develop, and recommend annually to the department criteria by which cyber schools and online course providers should be monitored and evaluated to ensure a quality education for their pupils.

~~(iv) (v)~~ Based on pupil completion and performance data reported to the department or the center for educational performance and information from cyber schools and other online course providers operating in this state, analyze the effectiveness of online 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 aid, the state budget director, the house and senate fiscal agencies, and the department not later than December 1, ~~2014~~ **2015**.

~~(v) (vi)~~ Before August 31, ~~2014~~ **2015**, provide an extensive professional development program to at least 500 educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of digital learning into curricula and instruction. Not later than December 1, ~~2014~~ **2015**, 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 and percentage 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 digital learning in the public education system.

~~(vi) (vii)~~ Identify and share best practices for planning, implementing, and evaluating online 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 digital 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 online learning in this state's schools.

(ii) Provide a clearinghouse for research reports, academic studies, evaluations, and other information related to online learning.

(iii) Promote and distribute the most current instructional design standards and guidelines for online teaching.

(iv) In collaboration with the department and interested colleges and universities in this state, ~~recommend to the superintendent guidelines and standards for a new teacher endorsement credential~~ **SUPPORT IMPLEMENTATION AND IMPROVEMENTS** related to effective digital learning instruction.

(v) Pursue public/private partnerships that include districts to study and implement competency-based technology-rich online learning models.

(vi) Convene focus groups and conduct annual surveys of teachers, administrators, pupils, parents, and others to identify barriers and opportunities related to online learning.

(vii) Produce an annual consumer awareness report for schools and parents about effective online education providers and education delivery models, performance data, cost structures, and research trends.

(viii) Research and establish an internet-based platform that educators can use to create student-centric learning tools and resources and facilitate a user network that assists educators in using the platform. As part of this initiative, the Michigan virtual university shall work collaboratively with districts and intermediate districts to establish a plan to make available online resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(ix) Create and maintain a public statewide catalog of online learning courses being offered by all public schools in this state. The Michigan virtual learning research institute shall identify and develop a list of nationally recognized best practices for online learning and use this list to ~~provide~~ **SUPPORT** reviews of online 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 online 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 ~~linked~~ **SHALL ALLOW THE ABILITY TO LINK IT** to each district's website as provided for in section 21f. Beginning in 2014-2015, the statewide catalog shall also contain all of the following:

(A) The number of ~~pupils enrolled~~ **ENROLLMENTS** in each online course in the ~~2012-2013~~ **IMMEDIATELY PRECEDING** school year.

(B) The number of ~~pupils who successfully completed~~ **ENROLLMENTS THAT EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR** each online course in the ~~2012-2013~~ **IMMEDIATELY PRECEDING** school year.

(C) The completion rate for each online course.

(x) **COLLABORATE WITH KEY STAKEHOLDERS TO EXAMINE THE NEED AND PROCESS FOR INCORPORATING REGISTRATION, PAYMENT SERVICES, AND TRANSCRIPT FUNCTIONALITY TO THE STATEWIDE CATALOG.**

(xi) **COLLABORATE WITH KEY STAKEHOLDERS TO EXAMINE DISTRICT LEVEL ACCOUNTABILITY AND TEACHER EFFECTIVENESS ISSUES RELATED TO ONLINE LEARNING UNDER SECTION 21F AND MAKE FINDINGS AND RECOMMENDATIONS PUBLICLY AVAILABLE.**

(3) In order for the Michigan virtual university to receive any funds allocated under this section, the Michigan virtual school must maintain its accreditation status from recognized national and international accrediting entities.

(4) If the course offerings are included in the statewide catalog of online courses under subsection (2)(b)(ix), the Michigan virtual school operated by the Michigan virtual university may offer online 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) General education development 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.

(5) 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.

(6) 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 online course titles available to districts.
- (c) The total number of online course enrollments and information on registrations and completions by course.
- (d) The overall course completion rate percentage.

(7) 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.

(8) Not later than November 1, ~~2013~~, **2014**, 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 the ~~2013-2014~~ **2014-2015** fiscal year that includes a breakdown on its projected costs to deliver online educational services to districts and a summary of the anticipated fees to be paid by districts for those services. Beginning in 2013-2014, not later than February 1, 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 online 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.

(9) 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 online courses for pupils that may or may not require attendance at a physical school location.

(c) "Digital learning" means instruction delivered via a web-based educational delivery system that uses various information technologies to provide a structured learning environment, including online and blended learning instructional methods.

(d) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher who holds a valid Michigan teaching certificate is responsible for determining appropriate 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.

Sec. 99. (1) From the funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$2,850,000.00~~ **\$2,750,000.00** from the state school aid fund and an amount not to exceed ~~\$375,000.00~~ **\$475,000.00** from the general fund to support the activities and programs of mathematics and science centers and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in the immediately preceding fiscal year shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for the immediately preceding fiscal year. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) From the ~~state school aid~~ **GENERAL** fund money allocated in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$100,000.00 ~~in a form and manner determined by the department to a single mathematics and science center that is a participant in~~ **TO** the Michigan STEM partnership, to be used to administer the grant process under this subsection. From the general fund money allocated in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to award competitive grants to organizations conducting student-focused, project-based programs and competitions, either in the classroom or extracurricular, in science, technology, engineering, and mathematics subjects such as, but not limited to, robotics, coding, and design-build-test projects, from pre-kindergarten through college level. Funding under this subsection is in addition to funding allocated under subsection (5) and shall be used for connecting mathematics and science centers for science, technology, engineering, and mathematics purposes **AND TO SUPPORT THE GOALS OF THE MICHIGAN STEM PARTNERSHIP**. A program receiving funds under section 99h may not receive funds under this subsection.

(8) In order to receive state or federal funds under this section, 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 such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(9) Not later than September 30, ~~2013,~~ **2018**, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(10) The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(11) In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

(12) Not later than July 1 of each year, a mathematics and science center that receives funds under this section shall report to the department in a form and manner prescribed by the department on the following performance measures:

(a) Statistical change in pre- and post-assessment scores for students who enrolled in mathematics and science activities provided to districts by the mathematics and science center.

(b) Statistical change in pre- and post-assessment scores for teachers who enrolled in professional development activities provided by the mathematics and science center.

(13) 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.

SEC. 99B. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$330,000.00 FOR 2014-2015 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR TEACHERS IN A DEPARTMENT-APPROVED TRAINING PROGRAM FOR SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) INSTRUCTION.

(2) ANY DISTRICT MAY APPLY FOR FUNDING UNDER THIS SECTION FOR 2014-2015 BY A DATE DETERMINED BY THE DEPARTMENT. BEGINNING IN 2014-2015, IN AWARDING GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, TO APPLICANT DISTRICTS WITH TEACHERS WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING IN PROGRAMS FUNDED UNDER THIS SECTION.

(3) FOR A TRAINING PROGRAM TO BE APPROVED BY THE DEPARTMENT FOR THE PURPOSES OF THIS SECTION, THE PROGRAM SHALL MEET ALL OF THE FOLLOWING CRITERIA:

(A) UTILIZES AN INTEGRATIVE STEM APPROACH TO CONTENT ORGANIZATION AND DELIVERY. THE INTEGRATIVE STEM APPROACH SHALL INCLUDE CONTENT DERIVED FROM SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS.

(B) OFFERS EVIDENCE THAT THE PROGRAM OUTCOMES ADDRESS MATHEMATICS, SCIENCE, AND TECHNOLOGICAL LITERACY STANDARDS IN AN EXPLORATORY MIDDLE SCHOOL OR HIGH SCHOOL OFFERING.

(C) OFFERS EVIDENCE THAT THE PROGRAM POSITIVELY INFLUENCES STUDENT CAREER CHOICES ALONG STEM CAREER PATHS AND INCREASES STUDENT ENGAGEMENT THROUGH PEER-REVIEWED RESEARCH.

(D) PRESENTS EVIDENCE OF THE PERIODIC IMPROVEMENT OF THE CURRICULUM.

(E) UTILIZES OUTCOME MEASURES FOR TEACHER PROFESSIONAL DEVELOPMENT.

(F) PROVIDES PEER-REVIEWED EVIDENCE THAT THE PROGRAM IS EFFECTIVE WITH DISADVANTAGED STUDENTS AND THOSE WITH LANGUAGE BARRIERS.

(4) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS IN AN AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$3,200.00 PER PARTICIPANT.

(5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS ONLY FOR DEPARTMENT-APPROVED TRAINING PROGRAMS UNDER THIS SECTION.

Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$3,000,000.00~~ **\$2,000,000.00** for ~~2013-2014~~ **2014-2015** for competitive grants to districts that provide pupils in grades 7 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.

(2) A district applying for a FIRST tech challenge or FIRST robotics competition program grant shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership for the purposes of the FIRST 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 FIRST ROBOTICS PROGRAM.**

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) ~~Except as otherwise provided in subparagraph (iii), an amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to districts to pay for stipends of \$1,500.00 for 1 coach per team, distributed as follows:

(i) Not more than 500 stipends for coaches of high school teams, including existing teams.

(ii) Not more than 100 stipends for coaches of middle school or junior high teams, including existing teams.

(iii) If the requests for stipends exceed the numbers of stipends allowed under subparagraphs (i) and (ii), and if there is funding remaining unspent under subdivisions (b) and (c), the department shall use that remaining unspent funding for grants to districts to pay for additional stipends in a manner that expands the geographical distribution of teams.

(b) ~~An amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at FIRST tech challenge and FIRST robotics 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. The department shall set maximum grant amounts under this subdivision in a manner that maximizes the number of teams that will be able to receive funding.

(c) ~~An amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to 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) The funds allocated under this section are a work project appropriation, and any unexpended funds for ~~2013-2014~~ **2014-2015** are carried forward into ~~2014-2015-~~ **2015-2016**. The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, ~~2016-~~ **2017**.

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 2012-2013, the required minimum number of days of pupil instruction is 170.~~ 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) ~~Except as otherwise provided in subparagraph (ii), a district shall not provide fewer days of pupil instruction than the district provided for 2009-2010.~~

(ii) ~~For 2013-2014 only, if a district is scheduled to provide more than 174 days of instruction, the district shall provide at least 174 days of instruction and 1,098 hours of pupil instruction.~~

~~(iii)~~ If a collective bargaining agreement that provides for at least 170 days but less than 175 days, and at least 1,098 hours, of pupil instruction is in effect for employees of a district as of June 13, 2013, then until the school year that begins after the expiration of that collective bargaining agreement the district shall provide at least the number of days of pupil instruction identified in the collective bargaining agreement, and at least 1,098 hours of pupil instruction:

(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)~~ ~~(iv)~~ 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 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, 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)~~ ~~(b)~~ 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 certify to the department the number of hours and days of pupil instruction in the previous school year. 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)~~ ~~(e)~~ Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction.

~~(E)~~ ~~(d)~~ 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)~~ ~~(e)~~ Except as otherwise provided in subdivisions ~~(f)~~ ~~(g)~~ ~~(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.

~~(G)~~ ~~(f)~~ If a district adds 1 or more days of pupil instruction to the end of its instructional calendar for a school year to comply with subdivision (a) because the district otherwise would fail to provide the required minimum number of days of pupil instruction even after the operation of subsection (4) due to conditions not within the control of school authorities, then subdivision ~~(e)~~ ~~(F)~~ does not apply for any day of pupil instruction that is added to the end of the instructional calendar. Instead, for any of those days, if the district does not have at least 60% of the district's membership in attendance on that day, the district shall receive state aid in that proportion of 1/180 that the actual percentage 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)~~ ~~(g)~~ 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 may grant a waiver from the requirements of subdivision ~~(e)~~ ~~(F)~~. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision ~~(e)~~ ~~(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)~~ ~~(h)~~ All of the following apply to a waiver granted under subdivision ~~(g)~~ ~~(H)~~:

~~(i)~~ 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) ~~(I)~~ 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, shall be counted as hours and days of pupil instruction. 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 6 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year 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 may 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 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.

(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.

(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 ~~June 13, 2013~~, **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.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 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 ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$26,694,400.00~~ **\$41,394,400.00** 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 for ~~2013-2014~~ **2014-2015** an amount estimated at ~~\$8,250,000.00~~, **\$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.

(2) The results of each test administered as part of the Michigan educational assessment program, 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.

(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) 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.

(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$8,500,000.00 FOR THE FOLLOWING PURPOSES:

(A) CONVERTING EXISTING STUDENT ASSESSMENTS TO ONLINE ASSESSMENTS.

(B) PROVIDING PAPER AND PENCIL TEST VERSIONS TO DISTRICTS NOT PREPARED TO IMPLEMENT ONLINE ASSESSMENTS.

(C) EXPANDING WRITING ASSESSMENTS TO ADDITIONAL GRADE LEVELS.

(D) PROVIDING AN INCREASED NUMBER OF CONSTRUCTED RESPONSE TEST QUESTIONS SO THAT PUPILS CAN DEMONSTRATE HIGHER-ORDER SKILLS SUCH AS PROBLEM SOLVING AND COMMUNICATING REASONING.

(6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,200,000.00 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.

(7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF IMPLEMENTING A SUMMATIVE ASSESSMENT SYSTEM PURSUANT TO SECTION 104C.

(8) (5) 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.

Sec. 104b. (1) In order to receive state aid under this ~~act~~, **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.

(2) For the purposes of this section, the department of **TECHNOLOGY**, management, and budget shall contract with 1 or more providers 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 colleges and universities in this state for entrance or placement purposes. This shall include ~~a writing component in which the pupil produces an extended writing sample. The Michigan merit examination shall not require any other extended writing sample.~~ **1 OR MORE WRITING COMPONENTS.**

(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.

(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 noncompliance with these deadlines.

(d) The superintendent shall ensure that the Michigan merit examination meets all of the following:

(i) Is designed to test pupils on grade level content expectations or course content expectations, as appropriate, in all subjects tested.

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

(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, including scaling and merging of test items for the different subject area components. 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 ~~each year after March 1 and before June 1 to pupils in grade 11.~~ **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 did not qualify for a Michigan promise grant under section 6 of the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's performance on the complete Michigan merit examination.

(c) 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.

(d) 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.

(e) 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 grade level content expectations or course content expectations, as appropriate. Not later than July 1, 2008, the department shall identify specific grade level content expectations to be taught before and after the middle of grade 11, so that teachers will know what content will be covered within the Michigan merit examination.

(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 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.

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 FOR USE IN THE SPRING OF 2014-2015 NEW MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) 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 BEGINNING IN THE 2015-2016 SCHOOL YEAR 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 10, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

(C) THE SUMMATIVE ASSESSMENTS FOR SCIENCE SHALL BE ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN AT LEAST GRADES 4 AND 7, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

(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 ELEMENTARY AND SECONDARY EDUCATION ACT.

(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 ASSESSMENTS SHALL BE CAPABLE OF BEING IMPLEMENTED STATEWIDE IN A FULLY OPERATIONAL MANNER NO LATER THAN THE 2015-2016 SCHOOL YEAR.

(L) 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 ACT OF 1974.

(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.

(M) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT THE ASSESSMENTS ARE PILOT TESTED BEFORE STATEWIDE IMPLEMENTATION.

(N) 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.

(O) 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.

(4) TO BEGIN THE PROCESS REQUIRED UNDER SUBSECTION (3), NOT LATER THAN SEPTEMBER 1, 2014, THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR THE SUMMATIVE ASSESSMENT SYSTEM DESCRIBED IN THAT SUBSECTION.

(5) THIS SECTION DOES NOT PROHIBIT DISTRICTS FROM ADOPTING INTERIM ASSESSMENTS.

(6) THE DEPARTMENT SHALL SEEK A WAIVER OR AMENDMENT TO AN EXISTING WAIVER FOR FEDERAL APPROVAL OF THE ASSESSMENT FRAMEWORK UNDER THIS SECTION AND SHALL NOTIFY THE UNITED STATES DEPARTMENT OF EDUCATION ABOUT THE PROVISIONS OF THIS SECTION AND TAKE NECESSARY STEPS TO ASSURE THE UNITED STATES DEPARTMENT OF EDUCATION THAT THIS STATE IS ON TRACK TO DEVELOP AND IMPLEMENT A SUMMATIVE ASSESSMENT SYSTEM AS REQUIRED BY FEDERAL LAW.

(7) AS USED IN THIS SECTION, "ENGLISH LANGUAGE ARTS" MEANS THAT TERM AS DEFINED IN SECTION 104B.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$22,000,000.00 for ~~2013-2014~~ **2014-2015** for adult education programs authorized under this section. 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, a program 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, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job- or employment-related program, or a high school completion program, that meets the requirements of this section, **AND FOR WHICH INSTRUCTION IS PROVIDED**, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job- or employment-related program through a referral by an employer **OR BY A MICHIGAN WORKFORCE AGENCY.**

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) Except as otherwise provided in subsection (5), the money allocated under this section shall be distributed as follows:

(a) For districts and consortia that received payments for 2012-2013 under this section, the amount allocated to each for 2013-2014 shall be based on the number of participants served by the district or consortium for 2013-2014, using the amount allocated per full-time equated participant under subsection (7), up to a maximum total allocation under this subsection in an amount equal to the amount the district or consortium received for 2012-2013 under this section before any reallocations made for 2012-2013 under subsection (5):

(b) A district or consortium that received funding in 2012-2013 under this section may operate independently of a consortium or join or form a consortium for 2013-2014. The allocation for 2013-2014 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2012-2013. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2013-2014 by October 1, 2013.

(5) A district that operated an adult education program in 2012-2013 and does not intend to operate a program in 2013-2014 shall notify the department by October 1, 2013 of its intention. The money intended to be allocated under this section to a district that does not operate a program in 2013-2014 and the unspent money originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (4) and any other unallocated money under this section shall instead be proportionately reallocated to the other districts described in subsection (4)(a) that are operating an adult education program in 2013-2014 under this section.

(4) 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 10 PROSPERITY REGIONS 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. THE DEPARTMENT SHALL ENSURE THAT THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2014-2015 WILL PROVIDE SERVICES IN 2014-2015 TO AT LEAST THE SAME NUMBER OF INDIVIDUALS AS THE NUMBER OF INDIVIDUALS WHO WERE ENROLLED IN PROGRAMS FUNDED UNDER THIS SECTION IN 2013-2014. FOR 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 IN 2013-2014, AND 33% SHALL BE ALLOCATED BASED ON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). FOR 2015-2016, 33% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT SHALL BE BASED UPON 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). FOR 2016-2017, 100% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT SHALL BE BASED ON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). 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, 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, 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, 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 AS DESCRIBED IN THIS SECTION.

(B) COLLABORATE WITH EDUCATION ADVISORY GROUPS OF THE WORKFORCE DEVELOPMENT BOARDS LOCATED IN THE PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGY THAT ALIGNS ADULT EDUCATION PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY SYSTEM FOR ADULT EDUCATION LEARNERS.

(C) COLLABORATE WITH EDUCATION ADVISORY GROUPS OF THE WORKFORCE DEVELOPMENT BOARDS LOCATED IN THE PROSPERITY REGION 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, AND COST TO PROVIDE INSTRUCTIONAL SERVICES. ALL LOCAL PROCESSES, CRITERIA, AND PROVIDER DETERMINATIONS MUST BE APPROVED BY THE DEPARTMENT BEFORE FUNDS MAY BE DISTRIBUTED TO THE FISCAL AGENT.

(D) REPORT ADULT EDUCATION PROGRAM AND PARTICIPANT DATA AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

(6) The amount allocated under this section per full-time equated participant ~~is~~ **SHALL NOT EXCEED** \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) An adult basic 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 ninth 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 funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (11) 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.

(8) A general educational development (G.E.D.) 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.

(b) The program shall administer a ~~G.E.D.-pre-test~~ approved by the department before enrolling an individual to determine the individual's **LITERACY LEVELS, SHALL ADMINISTER A G.E.D. PRACTICE TEST TO DETERMINE THE INDIVIDUAL'S** potential for success on the G.E.D. 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 (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant ~~passes~~ **OBTAINS** the G.E.D. test.

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(9) 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 (11) 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.

(10) A job- or employment-related adult education 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 referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the department-approved assessment policy.

(c) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by department-approved assessment instruments.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) ~~Ninety SEVENTY-FIVE~~ percent for enrollment of eligible participants.

(b) ~~Ten TWENTY-FIVE~~ percent for **PARTICIPANT** completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; **EDUCATIONAL GAIN AS DETERMINED BY THE NATIONAL REPORTING SYSTEM LEVELS**; for achieving basic English proficiency; ~~as defined by the department in the adult education guidebook~~; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; ~~or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course~~. **FOR ENROLLMENT IN A POSTSECONDARY INSTITUTION, OR FOR ENTRY INTO OR RETENTION OF EMPLOYMENT**, as applicable.

~~(12) As used in this section, "participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).~~

~~(12)~~ (13) 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 (7), (8), (9), or (10) 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.

~~(13)~~ (14) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

~~(14)~~ (15) A ~~district~~ **FUNDING RECIPIENT** shall not commingle money received under this section or from another source for adult education purposes with any other funds of the ~~district~~. ~~A district receiving adult education funds~~ **AND** shall establish a separate ledger account for those 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.

~~(15)~~ (16) A ~~district or intermediate district~~ **FUNDING RECIPIENT** receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A ~~district or intermediate district~~ **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 ~~district or intermediate district~~ **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.

~~(16)~~ (17) In order to receive funds under this section, a ~~district~~ **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.

~~(17)~~ (18) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

~~(19) It is the intent of the legislature to study allocating funds under this section on a competitive basis beginning for 2014-2015.~~

~~(18)~~ (20) As used in this section: ~~,"department"~~

(A) **"DEPARTMENT"** means the Michigan strategic fund.

(B) **"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.

(C) **"PARTICIPANT"** MEANS THE SUM OF THE NUMBER OF FULL-TIME EQUATED INDIVIDUALS ENROLLED IN AND ATTENDING A DEPARTMENT-APPROVED ADULT EDUCATION PROGRAM UNDER THIS SECTION, USING QUARTERLY PARTICIPANT COUNT DAYS ON THE SCHEDULE DESCRIBED IN SECTION 6(7)(B).

Sec. 147. (1) The allocation each fiscal year for 2013-2014 and for 2014-2015 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, 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 2013-2014 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 29.35%, with 24.79% 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 29.12%, with 24.56% 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 pension plus plan and in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 28.19%, with 23.63% 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 25.52%, 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 26.45%, with 21.89% 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 25.52%, 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 28.42%, with 23.86% paid directly by the employer.

(2) (3) The annual level percentage of payroll contribution rates for the 2014-2015 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 33.10%, **33.41%**, with 25.78% 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 32.02%, **32.33%**, with 24.70% 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 31.51%, **31.82%**, with 24.19% 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 28.28%, **28.59%**, 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 28.79%, **29.10%**, with 21.47% 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 28.28%, **28.59%**, 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 32.59%, **32.90%**, with 25.27% paid directly by the employer.

(3) (4) In addition to the employer payments described in subsections (2) and (3), **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 38.1408.

(4) (5) The contribution rates in subsection (2) reflect an amortization period of 25-24 years for 2013-2014-**2014-2015**. 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.

Sec. 147a. From the appropriation in section 11, there is allocated for 2013-2014-**2014-2015** an amount not to exceed \$100,000,000.00 for payments to participating districts. A district that receives money under this section 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 section 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 section, "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 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

Sec. 147c. (1) From the appropriation in section 11, there is allocated for 2013-2014-**2014-2015** an amount not to exceed ~~\$249,500,000.00~~ **\$656,700,000.00** from the state school aid fund, and there is appropriated for 2013-2014-**2014-2015** an amount not to exceed ~~\$156,000,000.00~~ **\$18,000,000.00** from the MPSERS retirement obligation reform reserve fund, for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system.

(2) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated for payments to district libraries that are participating entities of the retirement system an amount not to exceed ~~\$1,300,000.00~~ for 2013-2014.

(2) FOR 2014-2015, THE AMOUNTS ALLOCATED UNDER SUBSECTION (1) ARE ESTIMATED TO PROVIDE AN AVERAGE MPSERS RATE CAP PER PUPIL AMOUNT OF \$441.00 AND ARE ESTIMATED TO PROVIDE A RATE CAP PER PUPIL FOR DISTRICTS RANGING BETWEEN \$4.00 AND \$1,400.00.

(3) Payments made under this section for ~~2013-2014~~ **2014-2015** 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.

(4) The amount allocated to each participating entity under this section 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 section shall use the funds solely for the purpose of retirement contributions as specified in subsection (5).

(5) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (4) to the retirement system in a form, manner, and time frame determined by the retirement system.

(6) Funds allocated under this section should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(7) NOT LATER THAN OCTOBER 20, 2014, THE DEPARTMENT SHALL PUBLISH AND POST ON ITS WEBSITE AN ESTIMATED MPSERS RATE CAP PER PUPIL FOR EACH DISTRICT.

(8) ~~(7)~~-As used in this section:

(A) "MPSERS RATE CAP PER PUPIL" MEANS AN AMOUNT EQUAL TO THE QUOTIENT OF THE DISTRICT'S PAYMENT UNDER THIS SECTION DIVIDED BY THE DISTRICT'S PUPILS IN MEMBERSHIP.

(B) (a)-"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.

(C) (b)-"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.

(D) (c)-"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.

SEC. 147D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2014-2015 ONLY AN AMOUNT NOT TO EXCEED \$108,000,000.00 FOR PAYMENTS TO PARTICIPATING ENTITIES.

(2) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. A PARTICIPATING ENTITY THAT RECEIVES FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR PURPOSES OF THIS SECTION.

(3) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE SUM OF THE AMOUNT ALLOCATED UNDER THIS SECTION AND THE AMOUNT ALLOCATED UNDER SECTION 147C TO THE RETIREMENT SYSTEM IN A FORM, MANNER, AND TIME FRAME PRESCRIBED BY THE RETIREMENT SYSTEM.

(4) PAYMENTS UNDER THIS SECTION SHALL BE USED BY THE RETIREMENT SYSTEM SPECIFICALLY FOR THE PAYMENT OR PREPAYMENT OF THE FINAL YEARS OR PARTIAL YEARS OF ANY ADDITIONAL COSTS TO THE RETIREMENT SYSTEM DUE TO THE OPERATION OF SECTION 81B OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1381B, WITHOUT REGARD TO THE AMORTIZATION OF THOSE COSTS UNDER SECTION 81B(5) OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1381B, AND IN A MANNER AND FORM AS DETERMINED BY THE OFFICE OF RETIREMENT SERVICES.

(5) AS USED IN THIS SECTION:

(A) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE, 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.

(B) "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.

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for ~~2013-2014~~ **2014-2015** 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.

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.**

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) A noncertificated teacher to teach in an elementary or secondary school or in an adult basic education or high school completion program.

(b) A noncertificated counselor to provide counseling services to pupils in an elementary or secondary school or in an adult basic education or high school completion program.

(2) Except as provided in the revised school code, a district or intermediate district employing teachers or counselors not legally certificated shall have deducted the sum equal to the amount paid the teachers or counselors for the period of noncertificated or illegal employment. Each intermediate superintendent shall notify the department of the name of the noncertificated teacher or counselor, and the district employing that individual and the amount of salary the noncertificated teacher or counselor was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing a nonapproved noncertificated teacher or counselor in violation of this section and knowingly continues to employ that teacher or counselor, 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.**

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.

Sec. 168. In order to receive funds under this ~~act~~, **ARTICLE**, a district, intermediate district, grant recipient, contractor, or other entity that directly or indirectly receives funds under this ~~act~~ **ARTICLE** shall allow access for the department or the department's designee to audit all records related to a program for which it receives ~~such~~ 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 ~~the audit~~. **ANY AUDIT CONDUCTED UNDER THIS ARTICLE.**

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsections (2), (4), (5), (6), and (7)~~ **THIS SECTION** are appropriated for community colleges for the fiscal year ending September 30, ~~2014~~, **2015**, from the funds indicated in this section. The following is a summary of the appropriations in ~~subsections (2), (4), (5), (6), and (7)~~: **THIS SECTION:**

(a) The gross appropriation is ~~\$335,977,600.00~~. **\$364,724,900.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$335,977,600.00~~. **\$364,724,900.00**.

(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, \$197,614,100.00.

(v) State general fund/general purpose money, ~~\$138,363,500.00~~. **\$167,110,800.00**.

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$298,244,000.00~~. **\$307,191,300.00**, allocated as follows:

(a) **THE APPROPRIATION FOR** Alpena Community College ~~;~~ ~~\$5,221,100.00~~. **IS \$5,390,700.00, \$5,236,500.00 FOR OPERATIONS AND \$154,200.00 FOR PERFORMANCE FUNDING.**

(b) **THE APPROPRIATION FOR** Bay de Noc Community College ~~;~~ ~~\$5,263,800.00~~. **IS \$5,419,500.00, \$5,279,300.00 FOR OPERATIONS AND \$140,200.00 FOR PERFORMANCE FUNDING.**

(c) **THE APPROPRIATION FOR** Delta College ~~;~~ ~~\$14,022,200.00~~. **IS \$14,498,900.00, \$14,063,500.00 FOR OPERATIONS AND \$435,400.00 FOR PERFORMANCE FUNDING.**

(d) **THE APPROPRIATION FOR** Glen Oaks Community College ~~;~~ ~~\$2,434,300.00~~. **IS \$2,516,100.00, \$2,441,500.00 FOR OPERATIONS AND \$74,600.00 FOR PERFORMANCE FUNDING.**

(e) **THE APPROPRIATION FOR** Gogebic Community College ~~;~~ ~~\$4,317,500.00~~. **IS \$4,451,400.00, \$4,330,300.00 FOR OPERATIONS AND \$121,100.00 FOR PERFORMANCE FUNDING.**

(f) **THE APPROPRIATION FOR Grand Rapids Community College , ~~\$17,403,500.00~~ IS \$17,947,500.00, \$17,454,900.00 FOR OPERATIONS AND \$492,600.00 FOR PERFORMANCE FUNDING.**

(g) **THE APPROPRIATION FOR Henry Ford Community College , ~~\$20,997,900.00~~ IS \$21,623,800.00, \$21,060,000.00 FOR OPERATIONS AND \$563,800.00 FOR PERFORMANCE FUNDING.**

(h) **THE APPROPRIATION FOR Jackson Community College , ~~\$11,723,600.00~~ IS \$12,087,300.00, \$11,758,200.00 FOR OPERATIONS AND \$329,100.00 FOR PERFORMANCE FUNDING.**

(i) **THE APPROPRIATION FOR Kalamazoo Valley Community College , ~~\$12,086,900.00~~ IS \$12,503,100.00, \$12,122,500.00 FOR OPERATIONS AND \$380,600.00 FOR PERFORMANCE FUNDING.**

(j) **THE APPROPRIATION FOR Kellogg Community College , ~~\$9,494,000.00~~ IS \$9,813,500.00, \$9,522,000.00 FOR OPERATIONS AND \$291,500.00 FOR PERFORMANCE FUNDING.**

(k) **THE APPROPRIATION FOR Kirtland Community College , ~~\$3,046,800.00~~ IS \$3,167,700.00, \$3,055,700.00 FOR OPERATIONS AND \$112,000.00 FOR PERFORMANCE FUNDING.**

(l) **THE APPROPRIATION FOR Lake Michigan College , ~~\$5,162,900.00~~ IS \$5,342,900.00, \$5,178,100.00 FOR OPERATIONS AND \$164,800.00 FOR PERFORMANCE FUNDING.**

(m) **THE APPROPRIATION FOR Lansing Community College , ~~\$29,935,300.00~~ IS \$30,877,600.00, \$30,023,700.00 FOR OPERATIONS AND \$853,900.00 FOR PERFORMANCE FUNDING.**

(n) **THE APPROPRIATION FOR Macomb Community College , ~~\$31,837,200.00~~ IS \$32,816,600.00, \$31,931,200.00 FOR OPERATIONS AND \$885,400.00 FOR PERFORMANCE FUNDING.**

(o) **THE APPROPRIATION FOR Mid Michigan Community College , ~~\$4,504,700.00~~ IS \$4,682,000.00, \$4,517,900.00 FOR OPERATIONS AND \$164,100.00 FOR PERFORMANCE FUNDING.**

(p) **THE APPROPRIATION FOR Monroe County Community College , ~~\$4,329,900.00~~ IS \$4,492,900.00, \$4,342,600.00 FOR OPERATIONS AND \$150,300.00 FOR PERFORMANCE FUNDING.**

(q) **THE APPROPRIATION FOR Montcalm Community College , ~~\$3,112,000.00~~ IS \$3,226,700.00, \$3,121,200.00 FOR OPERATIONS AND \$105,500.00 FOR PERFORMANCE FUNDING.**

(r) **THE APPROPRIATION FOR C.S. Mott Community College , ~~\$15,202,200.00~~ IS \$15,686,100.00, \$15,247,100.00 FOR OPERATIONS AND \$439,000.00 FOR PERFORMANCE FUNDING.**

(s) **THE APPROPRIATION FOR Muskegon Community College , ~~\$8,628,000.00~~ IS \$8,901,000.00, \$8,653,500.00 FOR OPERATIONS AND \$247,500.00 FOR PERFORMANCE FUNDING.**

(t) **THE APPROPRIATION FOR North Central Michigan College , ~~\$3,055,400.00~~ IS \$3,172,400.00, \$3,064,400.00 FOR OPERATIONS AND \$108,000.00 FOR PERFORMANCE FUNDING.**

(u) **THE APPROPRIATION FOR Northwestern Michigan College , ~~\$8,799,300.00~~ IS \$9,078,800.00, \$8,825,300.00 FOR OPERATIONS AND \$253,500.00 FOR PERFORMANCE FUNDING.**

(v) **THE APPROPRIATION FOR Oakland Community College , ~~\$20,422,900.00~~ IS \$21,123,300.00, \$20,483,100.00 FOR OPERATIONS AND \$640,200.00 FOR PERFORMANCE FUNDING.**

(w) **THE APPROPRIATION FOR St. Clair County Community College , ~~\$6,839,900.00~~ IS \$7,061,600.00, \$6,860,100.00 FOR OPERATIONS AND \$201,500.00 FOR PERFORMANCE FUNDING.**

(x) **THE APPROPRIATION FOR Schoolcraft College , ~~\$12,076,700.00~~ IS \$12,513,700.00, \$12,112,200.00 FOR OPERATIONS AND \$401,500.00 FOR PERFORMANCE FUNDING.**

(y) **THE APPROPRIATION FOR Southwestern Michigan College , ~~\$6,385,400.00~~ IS \$6,576,400.00, \$6,404,300.00 FOR OPERATIONS AND \$172,100.00 FOR PERFORMANCE FUNDING.**

(z) **THE APPROPRIATION FOR Washtenaw Community College , ~~\$12,573,900.00~~ IS \$13,077,300.00, \$12,610,800.00 FOR OPERATIONS AND \$466,500.00 FOR PERFORMANCE FUNDING.**

(aa) **THE APPROPRIATION FOR Wayne County Community College , ~~\$16,146,700.00~~ IS \$16,727,600.00, \$16,194,300.00 FOR OPERATIONS AND \$533,300.00 FOR PERFORMANCE FUNDING.**

(bb) **THE APPROPRIATION FOR West Shore Community College , ~~\$2,342,900.00~~ IS \$2,414,900.00, \$2,349,800.00 FOR OPERATIONS AND \$65,100.00 FOR PERFORMANCE FUNDING.**

(cc) Local strategic value, \$877,100.00.

(3) The amount appropriated in subsection (2) for community college operations is appropriated from the following:

(a) State school aid fund, \$195,880,500.00.

(b) State general fund/general purpose money, ~~\$102,363,500.00~~ **\$111,310,800.00.**

(4) From the appropriations described in subsection (1), there ~~is~~ **SUBJECT TO SECTION 207A, THE AMOUNT** appropriated for fiscal year 2013-2014 ~~an amount not to exceed \$1,733,600.00 for payments to community colleges from the state school aid fund. A community college 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 college for the fiscal year ending September 30, 2014. The amount allocated to each participating community college under this section shall be based on each participating college's total payroll covered by the retirement system-covered payroll for all participating colleges for the immediately preceding state fiscal year.~~ **2014-2015 TO OFFSET CERTAIN FISCAL YEAR 2014-2015 RETIREMENT CONTRIBUTIONS IS \$1,733,600.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

(5) From the appropriations described in subsection (1), there is ~~appropriated an amount not to exceed \$31,400,000.00 from the state general fund for payments to community colleges that are participating entities of the retirement system~~ **SUBJECT TO SECTION 207B, THE AMOUNT APPROPRIATED IS \$52,300,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.** All of the following apply to the appropriations described in this subsection:

(a) The amount of a payment under this subsection 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, 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 this subsection 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 subsection shall use the funds solely for the purpose of retirement contributions under subdivision (c).

(c) Each participating college receiving funds under this subsection 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.

(6) All of the following apply to community colleges described in section 12(3) of the Michigan renaissance zone act, MCL 125.2692:

(a) From the appropriations described in subsection (1), the following ~~amount is appropriated for reimbursement to community colleges under section 12(3) of the Michigan renaissance zone act, MCL 125.2692:~~ **SUBJECT TO SECTION 207C, THE AMOUNT APPROPRIATED FOR REIMBURSEMENT TO COMMUNITY COLLEGES UNDER SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692: RENAISSANCE ZONE TAX REIMBURSEMENTS IS \$3,500,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.**

(i) If the amount of tax revenue lost by community colleges as a result of the exemption of property under the Michigan renaissance zone act in fiscal year 2012-2013 is \$3,500,000.00 or more, \$3,500,000.00 from the state general fund.

(ii) If the amount of tax revenue lost by community colleges as a result of the exemption of property under the Michigan renaissance zone act in fiscal year 2012-2013 is less than \$3,500,000.00, the actual amount of tax revenue lost by the community colleges.

(b) The amount allocated to each community college under this subsection shall be based on that community college's proportion of total revenue lost by community colleges in fiscal year 2012-2013 as a result of the exemption of property under the Michigan renaissance zone act.

(c) The appropriations described in this subsection 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 of tax revenue lost by each eligible community college in fiscal year 2012-2013 under section 12 of the Michigan renaissance zone act, MCL 125.2692.

(7) From the appropriations described in subsection (1), there is appropriated \$1,100,000.00 from the state general fund, for fiscal year 2013-2014 only, to the Michigan community college association, for the purpose of expanding the Michigan community college virtual learning collaborative. The Michigan community college association shall provide information on request to the house and senate subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director on the use of these funds until the project is completed.

(8) As used in this section:

(a) "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(b) "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.

(c) "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.

(d) "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.

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2015-2016~~ for the items listed in section 201. The fiscal year ~~2014-2015~~ **2015-2016** appropriations are anticipated to be the same as those for fiscal year ~~2013-2014~~, **2014-2015**, 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 ~~2014~~ **2015** consensus revenue estimating conference.

Sec. 202a. As used in this article: ~~workforce~~ (A) **"MICHIGAN RENAISSANCE ZONE ACT" MEANS THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.**

(B) **"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.**

(C) **"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.**

(D) “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.

(E) “WORKFORCE development agency” means the workforce development agency of the Michigan strategic fund.

Sec. 206. The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2014~~**2015** 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, ~~2013~~**2014**. Each community college shall accrue its July and August ~~2014~~**2015** payments to its institutional fiscal year ending June 30, ~~2014~~**2015**. However, if the state budget director determines that a community college failed to submit all verified Michigan community colleges activities classification structure data for school year ~~2012-2013~~**2013-2014** to the workforce development agency by November 1, ~~2013~~**2014**, or failed to submit its longitudinal data system data set for school year ~~2012-2013~~**2013-2014** to the center for educational performance and information under section 219, the state treasurer shall withhold the monthly installments from that community college until those data are submitted. 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.

SEC. 207A. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE 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 THE FISCAL YEAR ENDING SEPTEMBER 30, 2015.

(B) THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER SECTION 201(4) SHALL BE BASED ON EACH PARTICIPATING COLLEGE’S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR FISCAL YEAR 2013-2014.

SEC. 207B. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE 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, 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.

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, MCL 125.2692:

(A) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER SECTION 201(6) SHALL BE BASED ON THAT COMMUNITY COLLEGE’S PROPORTION OF TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL YEAR 2013-2014 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN RENAISSANCE ZONE ACT.

(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 OF TAX REVENUE LOST BY EACH ELIGIBLE COMMUNITY COLLEGE IN FISCAL YEAR 2013-2014 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following school 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 “Activities Classification Structure ~~Manual for Michigan Community Colleges~~”**DATA BOOK AND COMPANION**”.

(c) General fund revenue and expenditure projections for fiscal year ~~2013-2014~~**2014-2015** and fiscal year ~~2014-2015~~**2015-2016**.

(d) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2013-2014~~**2014-2015** payment of each project, and total outstanding debt.

(e) The estimated cost to the community college resulting from the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.

(f) 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(3)~~**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, ~~2013~~, **OF EACH FISCAL YEAR** and post that information on the internet website required under subsection (1):

(a) Budgeted fiscal year ~~2013-2014~~**2014-2015** general fund revenue from tuition and fees.

(b) Budgeted fiscal year ~~2013-2014~~**2014-2015** general fund revenue from state appropriations.

(c) Budgeted fiscal year ~~2013-2014~~**2014-2015** general fund revenue from property taxes.

(d) Budgeted fiscal year ~~2013-2014~~**2014-2015** total general fund revenue.

(e) Budgeted fiscal year ~~2013-2014~~**2014-2015** total general fund expenditures.

(5) BY NOVEMBER 15 OF EACH YEAR, A COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING INFORMATION TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION 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.

Sec. 210b. (1) It is the intent of the legislature that the Michigan association of collegiate registrars and admissions officers implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former section 210a.

(2) It is the intent of the legislature that the Michigan association of collegiate registrars and admissions officers, the Michigan community college association, and the presidents council, state universities of Michigan shall together submit an implementation update report to the senate and house appropriations subcommittees on community colleges and higher education, the senate and house fiscal agencies, and the state budget director by March 1, ~~2014~~**2015**.

Sec. 217. (1) Unless otherwise specifically stated, all data items used in determining state aid in this article are as defined in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges", which shall be the basis for

reporting data, and the “Activities Classification Structure Manual for Michigan Community Colleges”, as amended, which shall be used to document financial needs of the community colleges. **THE WORKFORCE DEVELOPMENT AGENCY SHALL DO ALL OF THE FOLLOWING:**

(A) ESTABLISH, MAINTAIN, AND COORDINATE THE STATE COMMUNITY COLLEGE DATABASE COMMONLY KNOWN AS THE “ACTIVITIES CLASSIFICATION STRUCTURE” OR “ACS” DATABASE.

(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) ASSIST COMMUNITY COLLEGES IN COMPLYING WITH AUDITS UNDER THIS SECTION OR FEDERAL LAW.

(2) THERE IS CREATED WITHIN THE WORKFORCE DEVELOPMENT AGENCY THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE. THE COMMITTEE SHALL PROVIDE ADVICE TO THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY 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 WORKFORCE DEVELOPMENT AGENCY OR AS REQUIRED BY LAW.

(3) THE ACTIVITIES CLASSIFICATION STRUCTURE 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 STATE BUDGET OFFICE, APPOINTED BY THE STATE BUDGET DIRECTOR.

(E) ONE REPRESENTATIVE FROM THE GOVERNOR’S POLICY OFFICE, APPOINTED BY THAT OFFICE.

(F) FOUR REPRESENTATIVES OF THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE ASSOCIATION. FROM THE GROUPINGS OF COMMUNITY COLLEGES GIVEN IN TABLE 17 OF THE ACTIVITIES CLASSIFICATION STRUCTURE REPORT DESCRIBED IN SUBSECTION (4), THE ASSOCIATION SHALL APPOINT 1 REPRESENTATIVE EACH FROM GROUP 1, GROUP 2, AND GROUP 3, AND 1 REPRESENTATIVE FROM EITHER GROUP 3 OR 4.

(4) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE SHALL REVIEW THE EXISTING ACTIVITIES CLASSIFICATION STRUCTURE REPORT, DATA, DEFINITIONS, PROCESSES, AND OTHER ITEMS AS NEEDED AND PUBLISH AN INITIAL REPORT ON THEIR FINDINGS AND RECOMMENDATIONS BY JULY 30, 2015. THIS REPORT SHALL BE SUBMITTED TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY, THE STATE BUDGET DIRECTOR, AND THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION.

Sec. 224. A community college 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, in a manner prescribed by the

Michigan community college association and in cooperation with the Michigan association of secondary school principals. Community colleges shall cooperate with the center for educational performance and information to ~~design and implement~~ **MAINTAIN** a systematic approach for accomplishing this work.

Sec. 225. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the workforce development agency by August 31, 2013, ~~2014~~, 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 2013-2014 ~~2014-2015~~ academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2012-2013 ~~or 2013-2014~~ **2014-2015** academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the workforce development agency within 15 days of being adopted.

Sec. 229. (1) It is the intent of the legislature that each community college that receives an appropriation in section 201 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,~~ **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 the intent of the legislature 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 3324.

Sec. 229a. Included in the fiscal year 2013-2014 ~~2014-2015~~ appropriations for the department of technology, management, and budget are appropriations 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, ~~\$434,500.00~~:**\$485,400.00.**
- (b) Bay de Noc Community College, ~~\$644,500.00~~:**\$636,600.00.**
- (c) Delta College, ~~\$2,877,700.00~~:**\$2,842,800.00.**
- (d) Glen Oaks Community College, ~~\$124,900.00~~:**\$123,300.00.**
- (e) Gogebic Community College, ~~\$78,100.00~~:**\$16,900.00.**
- (f) Grand Rapids Community College, ~~\$1,700,400.00~~:**\$1,792,400.00.**
- (g) Henry Ford Community College, ~~\$1,126,800.00~~:**\$1,030,800.00.**
- (h) Jackson Community College, ~~\$1,809,500.00~~:**\$1,787,300.00.**
- (i) Kalamazoo Valley Community College, ~~\$1,489,300.00~~:**\$1,471,000.00.**
- (j) Kellogg Community College, ~~\$527,900.00~~:**\$521,400.00.**
- (k) Kirtland Community College, ~~\$368,800.00~~:**\$364,000.00.**
- (l) Lake Michigan College, ~~\$345,200.00~~:**\$340,900.00.**
- (m) Lansing Community College, ~~\$617,600.00~~:**\$610,100.00.**
- (n) Macomb Community College, ~~\$1,332,900.00~~:**\$1,316,600.00.**
- (o) Mid Michigan Community College, ~~\$928,900.00~~:**\$1,117,300.00.**
- (p) Monroe County Community College, ~~\$1,375,600.00~~:**\$1,266,500.00.**
- (q) Montcalm Community College, ~~\$1,015,700.00~~:**\$973,700.00.**
- (r) C.S. Mott Community College, ~~\$1,830,400.00~~:**\$1,808,000.00.**
- (s) Muskegon Community College, ~~\$201,000.00~~:**\$198,500.00.**
- (t) North Central Michigan College, ~~\$476,300.00~~:**\$117,600.00.**
- (u) Northwestern Michigan College, ~~\$1,324,800.00~~:**\$1,308,600.00.**
- (v) Oakland Community College, ~~\$472,100.00~~:**\$466,300.00.**
- (w) St. Clair County Community College, ~~\$361,400.00~~:**\$357,000.00.**
- (x) Schoolcraft College, ~~\$1,569,500.00~~:**\$1,550,300.00.**
- (y) Southwestern Michigan College, ~~\$538,600.00~~:**\$231,100.00.**
- (z) Washtenaw Community College, ~~\$2,023,100.00~~:**\$1,680,600.00.**
- (aa) Wayne County Community College, ~~\$1,918,700.00~~:**\$1,466,000.00.**
- (bb) West Shore Community College, ~~\$585,800.00~~:**\$578,600.00.**

Sec. 230. (1) ~~It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed under section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years.~~

~~(2) Any additional funding provided to~~ **MONEY INCLUDED IN THE APPROPRIATIONS FOR** community college operations under section 201(2) in fiscal year 2013-2014 that exceeds the amounts appropriated for operations in fiscal year ~~2012-2013~~ **2014-2015 FOR PERFORMANCE FUNDING** is distributed based on the following formula:

- (a) Allocated proportionate to fiscal year ~~2012-2013~~ **2013-2014** base appropriations, 50%.
- (b) Based on contact hour equated students, 10%.
- (c) Based on administrative costs, 7.5%.
- (d) Based on a weighted degree formula as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.
- (e) Based on the local strategic value component, as developed in cooperation with the Michigan community college association and described in subsection ~~(3)-(2)~~, 15%.

~~(2) (3) The appropriation in section 201(2)(cc)~~ **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 ~~November 1, 2013~~, **OCTOBER 15, 2014**, that the college has met 4 out of 5 best practices listed in each category described in subsection ~~(4)-(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 ~~(4)-(3)~~. Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year ~~2012-2013~~ **2013-2014** 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) (4)~~ For purposes of subsection ~~(3)-(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, ~~GED preparation, GED testing,~~ **GENERAL EDUCATION DEVELOPMENT CERTIFICATE PREPARATION AND TESTING**, or recruiting, advising, or orientation activities specific to adults.
 - (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 gymnasiums, 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.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in subsections ~~(2) to (6)~~ **THIS SECTION** are appropriated for higher education for the fiscal year ending September 30, ~~2014~~, **2015**, from the funds indicated in this section. The following is a summary of the appropriations in subsections ~~(2) to (6)~~: **THIS SECTION**:

(a) The gross appropriation is ~~\$1,430,573,500.00~~. **\$1,516,496,300.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,430,573,500.00~~: **\$1,516,496,300.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

- (i) Total federal revenues, \$97,026,400.00.
 - (ii) Total local revenues, \$0.00.
 - (iii) Total private revenues, \$0.00.
 - (iv) Total other state restricted revenues, ~~\$200,565,700.00~~ **\$204,567,900.00**.
 - (v) State general fund/general purpose money, ~~\$1,132,981,400.00~~ **\$1,214,902,000.00**.
- (2) Amounts appropriated for public universities are as follows:
- (a) The appropriation for Central Michigan University is ~~\$73,486,600.00, \$71,352,300.00~~ **\$79,115,000.00, \$73,540,100.00** for operations and ~~\$2,134,300.00~~ **\$5,574,900.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$11,284,600.00~~.
 - (ii) State general fund/general purpose money, ~~\$62,202,000.00~~.
 - (b) The appropriation for Eastern Michigan University is ~~\$67,255,600.00, \$66,466,700.00~~ **\$71,771,100.00, \$67,275,400.00** for operations and ~~\$788,900.00~~ **\$4,495,700.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$10,706,400.00~~.
 - (ii) State general fund/general purpose money, ~~\$56,549,200.00~~.
 - (c) The appropriation for Ferris State University is ~~\$45,602,600.00, \$44,250,700.00~~ **\$49,087,000.00, \$45,636,500.00** for operations and ~~\$1,351,900.00~~ **\$3,450,500.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$6,846,800.00~~.
 - (ii) State general fund/general purpose money, ~~\$38,755,800.00~~.
 - (d) The appropriation for Grand Valley State University is ~~\$57,765,100.00, \$55,436,000.00~~ **\$63,136,000.00, \$57,823,500.00** for operations and ~~\$2,329,100.00~~ **\$5,312,500.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$8,727,800.00~~.
 - (ii) State general fund/general purpose money, ~~\$49,037,300.00~~.
 - (e) The appropriation for Lake Superior State University is ~~\$12,226,500.00, \$12,046,100.00~~ **\$12,782,500.00, \$12,231,000.00** for operations and ~~\$180,400.00~~ **\$551,500.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$1,787,600.00~~.
 - (ii) State general fund/general purpose money, ~~\$10,438,900.00~~.
 - (f) The appropriation for Michigan State University is ~~\$305,775,000.00, \$245,037,000.00~~ **\$324,038,100.00, \$249,597,800.00** for operations, ~~\$4,449,300.00~~ **\$14,831,300.00** for performance funding, ~~\$30,243,900.00~~ **\$32,027,900.00** for MSU AgBioResearch, and ~~\$26,044,800.00~~ **\$27,581,100.00** for MSU extension. , appropriated from the following:
 - (i) State school aid fund, ~~\$39,949,900.00~~.
 - (ii) State general fund/general purpose money, ~~\$265,825,100.00~~.
 - (g) The appropriation for Michigan Technological University is ~~\$43,451,900.00, \$42,579,100.00~~ **\$45,923,100.00, \$43,473,800.00** for operations and ~~\$872,800.00~~ **\$2,449,300.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$6,748,900.00~~.
 - (ii) State general fund/general purpose money, ~~\$36,703,000.00~~.
 - (h) The appropriation for Northern Michigan University is ~~\$41,719,800.00, \$40,856,600.00~~ **\$44,277,200.00, \$41,741,400.00** for operations and ~~\$863,200.00~~ **\$2,535,800.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$6,356,900.00~~.
 - (ii) State general fund/general purpose money, ~~\$35,362,900.00~~.
 - (i) The appropriation for Oakland University is ~~\$45,634,800.00, \$44,964,100.00~~ **\$48,364,100.00, \$45,651,600.00** for operations and ~~\$670,700.00~~ **\$2,712,500.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$7,148,400.00~~.
 - (ii) State general fund/general purpose money, ~~\$38,486,400.00~~.
 - (j) The appropriation for Saginaw Valley State University is ~~\$25,982,800.00, \$25,656,700.00~~ **\$27,610,200.00, \$25,991,000.00** for operations and ~~\$326,100.00~~ **\$1,619,200.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$3,903,800.00~~.
 - (ii) State general fund/general purpose money, ~~\$22,079,000.00~~.
 - (k) The appropriation for University of Michigan - Ann Arbor is ~~\$279,108,700.00, \$274,156,700.00~~ **\$295,174,100.00, \$279,232,700.00** for operations and ~~\$4,952,000.00~~ **\$15,941,400.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$44,536,300.00~~.
 - (ii) State general fund/general purpose money, ~~\$234,572,400.00~~.
 - (l) The appropriation for University of Michigan - Dearborn is ~~\$22,503,700.00, \$22,237,300.00~~ **\$23,689,300.00, \$22,510,400.00** for operations and ~~\$266,400.00~~ **\$1,178,900.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$3,482,100.00~~.
 - (ii) State general fund/general purpose money, ~~\$19,021,600.00~~.
 - (m) The appropriation for University of Michigan - Flint is ~~\$19,928,100.00, \$19,526,600.00~~ **\$21,337,700.00, \$19,938,200.00** for operations and ~~\$401,500.00~~ **\$1,399,500.00** for performance funding. , appropriated from the following:
 - (i) State school aid fund, ~~\$2,942,900.00~~.

~~(ii) State general fund/general purpose money, \$16,985,200.00.~~

(n) The appropriation for Wayne State University is ~~\$183,933,000.00~~, **\$190,519,800.00**, \$183,398,300.00 for operations and ~~\$534,700.00~~ **\$7,121,500.00** for performance funding. , appropriated from the following:

~~(i) State school aid fund, \$30,160,600.00.~~

~~(ii) State general fund/general purpose money, \$153,772,400.00.~~

(o) The appropriation for Western Michigan University is ~~\$97,235,200.00~~, ~~\$95,487,500.00~~ **\$102,742,000.00**, **\$97,279,000.00** for operations and ~~\$1,747,700.00~~ **\$5,463,000.00** for performance funding. , appropriated from the following:

~~(i) State school aid fund, \$15,436,500.00.~~

~~(ii) State general fund/general purpose money, \$81,798,700.00.~~

(3) THE AMOUNT APPROPRIATED IN SUBSECTION (2) FOR PUBLIC UNIVERSITIES IS APPROPRIATED FROM THE FOLLOWING:

(A) STATE SCHOOL AID FUND, \$200,019,500.00.

(B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,199,547,700.00.

(4) ~~(3)~~The amount appropriated for Michigan public school employees' retirement system reimbursement is \$2,446,200.00, \$446,200.00 appropriated from the state school aid fund and \$2,000,000.00 appropriated from general fund/general purpose money.

(5) FOR FISCAL YEAR 2014-2015 ONLY, IN ADDITION TO THE AMOUNT APPROPRIATED UNDER SUBSECTION (4), \$4,002,200.00 IS APPROPRIATED FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT, APPROPRIATED FROM THE STATE SCHOOL AID FUND.

(6) ~~(4)~~The amount appropriated for state and regional programs is ~~\$2,200,000.00~~ **\$2,295,000.00** appropriated from general fund/general purpose money and allocated as follows:

(a) College access program, \$2,000,000.00.

(b) Higher education database modernization and conversion, ~~\$105,000.00~~ **\$200,000.00**.

(c) Midwestern higher education compact, \$95,000.00.

(7) ~~(5)~~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.

(8) ~~(6)~~Subject to subsection (7), (9), the amount appropriated for grants and financial aid is ~~\$101,626,400.00~~, **\$105,494,200.00, allocated as follows:**

(a) State competitive scholarships, \$18,361,700.00.

(b) Tuition grants, ~~\$31,664,700.00~~ **\$33,532,500.00**.

(c) Tuition incentive program, ~~\$47,000,000.00~~ **\$48,500,000.00**.

(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 WAIVERS, \$500,000.00.

(9) ~~(7)~~The money appropriated in subsection ~~(6)~~ **(8)** 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, \$93,826,400.00.

(c) Contributions to children of veterans tuition grant program, \$100,000.00.

(d) State general fund/general purpose money, ~~\$4,500,000.00~~ **\$8,367,800.00**.

Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2015-2016~~ for the items listed in section 236. The fiscal year ~~2014-2015-2016~~ appropriations are anticipated to be the same as those for fiscal year ~~2013-2014~~, **2014-2015**, 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 ~~2014-2015~~ consensus revenue estimating conference.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year ~~2013-2014~~ **2014-2015** 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.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2013-2014~~ **2014-2015** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2013-2014~~ **2014-2015** for state building authority rent, totaling an estimated ~~\$125,370,600.00~~, **\$124,825,300.00**, 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, ~~\$9,155,600.00~~ **\$9,103,200.00**.

- (b) Eastern Michigan University, ~~\$5,234,800.00~~ **\$4,861,700.00.**
- (c) Ferris State University, ~~\$6,360,600.00~~ **\$6,252,200.00.**
- (d) Grand Valley State University, ~~\$4,277,000.00~~ **\$4,252,500.00.**
- (e) Lake Superior State University, ~~\$915,600.00~~ **\$1,112,900.00.**
- (f) Michigan State University, ~~\$16,194,400.00~~ **\$16,101,200.00.**
- (g) Michigan Technological University, ~~\$7,692,200.00~~ **\$7,444,600.00.**
- (h) Northern Michigan University, ~~\$8,062,600.00~~ **\$8,016,400.00.**
- (i) Oakland University, ~~\$10,791,500.00~~ **\$10,969,800.00.**
- (j) Saginaw Valley State University, ~~\$9,833,700.00~~ **\$9,777,400.00.**
- (k) University of Michigan - Ann Arbor, ~~\$9,212,000.00~~ **\$9,159,200.00.**
- (l) University of Michigan - Dearborn, ~~\$6,332,400.00~~ **\$6,296,200.00.**
- (m) University of Michigan - Flint, ~~\$2,871,400.00~~ **\$2,855,000.00.**
- (n) Wayne State University, ~~\$13,079,500.00~~ **\$13,679,800.00.**
- (o) Western Michigan University, ~~\$15,357,300.00~~ **\$14,943,200.00.**

Sec. 241. (1) Subject to section 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, ~~2013-~~ **2014**. Except for Wayne State University, each institution shall accrue its July and August ~~2014-2015~~ payments to its institutional fiscal year ending June 30, ~~2014-~~ **2015**.

(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, ~~2013-~~ **2014**, these data shall be submitted to the state budget director by October 15, ~~2013-~~ **2014**. Public universities with a fiscal year ending September 30, ~~2013-~~ **2014** shall submit preliminary HEIDI data by November 15, ~~2013-~~ **2014** and final data by December 15, ~~2013-~~ **2014**. 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.

Sec. 245. (1) ~~Within 30 days after the board of a public university adopts its annual operating budget for the following school fiscal year, or after the board adopts a subsequent revision to that budget, the A public university shall make all of the following~~ **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.
 - (iv) 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.
- (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 ~~2013-2014~~ and **THE NEXT** fiscal year. ~~2014-2015~~.
- (f) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2013-2014~~ 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) ~~(2)~~—A-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 ~~school~~**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 origination 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) ~~(3)~~—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) ~~(4)~~—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 FOR EDUCATIONAL PERFORMANCE AND INFORMATION 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.

Sec. 246. (1) The funds appropriated in section 236 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 total retiree health care premiums paid for Michigan public school employees' retirement system retirants in proportion to the total retiree health care premiums paid for Michigan public school employees' retirement system retirants for all participating public universities—**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. Payments shall be made in a form and manner determined by the office of retirement services. A public university that receives money under this section shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the university.

(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 38.1408, and that pays retiree health care premiums **CONTRIBUTIONS** to the Michigan public school employees' retirement system for the state fiscal year.

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 July 1, ~~2012 for the 2012-2013 school year or July 1, 2013 for the 2013-2014 school year, as applicable.~~ **OF EACH YEAR FOR THE NEXT ACADEMIC YEAR.**

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to ~~subsection~~ **SUBSECTIONS (7) AND (8)**, the department of treasury shall determine an actual maximum tuition grant award per student, which shall be no less than \$1,512.00, 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 \$1,512.00, 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 \$1,512.00 maximum award amount. If the department determines that sufficient funds are available to establish a maximum award amount equal to at least \$1,512.00, 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 December 15, and again 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, 2013 from the amounts appropriated in section 236 for the tuition grant program for fiscal year 2012-2013 shall not lapse on September 30, 2013, but shall continue to be available for expenditure for tuition grants provided in the 2013-2014 fiscal year under a work project account. The use of these unexpended fiscal year 2012-2013 funds shall terminate at the end of the 2013-2014 fiscal year.~~ Any unexpended and unencumbered funds remaining on September 30, ~~2014~~ **2015** from the amounts appropriated in section 236 for the tuition grant program for fiscal year ~~2013-2014~~ **2014-2015** shall not lapse on September 30, ~~2014, 2015~~, but shall continue to be available for expenditure for tuition grants provided in the ~~2014-2015~~ **2015-2016** fiscal year under a work project account. The use of these unexpended fiscal year ~~2013-2014~~ **2014-2015** funds shall terminate at the end of the ~~2014-2015~~ **2015-2016** fiscal year.

(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) ~~In any fiscal year, EXCEPT AS PROVIDED IN SUBSECTION (4),~~ the department of treasury shall not award more than ~~\$3,000,000.00~~ **\$3,200,000.00** 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.

(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 AUGUST 31 OF EACH YEAR, BEGINNING WITH AUGUST 31, 2015, ALL OF THE FOLLOWING:

(A) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED A STATE TUITION GRANT AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

(B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED A STATE TUITION GRANT AND TOOK A REMEDIAL EDUCATION CLASS.

(C) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED A PELL GRANT AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

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 assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) An individual shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive 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 GRADUATING-AUGUST 31 OF THE SCHOOL YEAR IN WHICH HE OR SHE GRADUATES** from high school or **BEFORE** completing the A general education development (GED)-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 completes his or her ~~GED~~-**A GENERAL EDUCATION DEVELOPMENT CERTIFICATE**.

(iii) Be a United States citizen and a resident of Michigan 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 ~~GED certificate completion~~-**COMPLETION OF A GENERAL EDUCATION DEVELOPMENT CERTIFICATE**.

(v) Request information on filing a FAFSA.

(vi) **MUST 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 the state of Michigan for 24 months within the 36 months before application. The department shall accept certification of Medicaid eligibility only from the department of human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 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 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.

Sec. 263. (1) Included in the appropriation in section 236 **FOR FISCAL YEAR 2014-2015** 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 GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" 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 GREEN and its program priorities.

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 ~~school~~**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 service 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. It is the intent of the legislature that 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 from today's \$71,000,000,000.00 to \$100,000,000,000.00.

(v) Doubling Michigan's agricultural exports from \$1,750,000,000.00 to \$3,500,000,000.00.

(vi) Increasing jobs in the food and agriculture sector by 10%.

(vii) 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 GREEN expenditures and the impact of those expenditures.

Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2013-2014~~**2014-2015** 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.

Sec. 265. (1) Payments under section 265a for performance funding shall only be made to a public university that certifies to the state budget director by August 31, ~~2013-2014~~ that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, ~~2012-2013~~ for the ~~2012-2013~~**2013-2014** academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the ~~2013-2014~~**2014-2015** academic year that is greater than ~~3.75%~~**3.2%**. As used in this subsection:

(a) Subject to subdivision (c), "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. 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 ~~2013-2014~~**2014-2015** academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates for all undergraduate classes, based on an 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.

(c) For purposes of subdivision (a), for a public university that compels resident undergraduate students to be covered by health insurance as a condition to enroll at the university, "fee" includes the annual amount a student is charged for coverage by the university-affiliated group health insurance policy if he or she does not provide proof that he or she is otherwise covered by health insurance. This subdivision does not apply to limited subsets of resident undergraduate students to be covered by health insurance for specific reasons other than general enrollment at the university.

(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.

Sec. 265a. (1) Appropriations to public universities in section 236 **FOR FISCAL YEAR 2014-2015** 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, ~~2013-2014~~ 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 or has made a good-faith effort to enter into reverse transfer agreements.

(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 participates in 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 17, ~~2013~~, **2014**, 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, 50.0%.

(B) (a) ~~Based on weighted undergraduate completions in critical skills areas, 22.2%~~. **11.1%.**

(C) (b) ~~Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral/research universities, research universities (high research activity), or research universities (very high research activity) only, 11.1%~~. **5.6%.**

(D) (e) ~~Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, AND STUDENTS RECEIVING PELL GRANTS, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 66.7%~~. **33.3%.**

(5) For purposes of determining the score of a university under subsection ~~(4)(c)~~, **(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 ~~2014-2015~~ **2015-2016** 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) For purposes of this section, "Carnegie classification" shall mean 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.

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 ~~2013-2014~~ **2014-2015** 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 ~~2013-2014~~ **2014-2015** tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. (1) For the fiscal year ending September 30, ~~2013~~, **2014**, 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(8)(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.

(3) (2) 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 ~~for the preceding fiscal year~~ a report on North American Indian tuition waivers **FOR THE PRECEDING FISCAL YEAR** that includes, but is not limited to, all of the following information for each postsecondary institution:

(a) The total number of waiver applications.

(b) The total number of waivers granted and the monetary value of each waiver.

(c) The number of students who withdraw from classes.

(d) The number of students who successfully complete a degree or certificate program and the 6-year graduation rate.

Sec. 269. For fiscal year ~~2013-2014~~, **2014-2015**, 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.

Sec. 270. For fiscal year ~~2013-2014~~ **2014-2015** 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.

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.

Sec. 272a. By February 15, ~~2014~~, **OF EACH YEAR**, each public university receiving funds under section 236 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and

the state budget director regarding the rejection of transfer credits by the university in the prior year. The report shall include information on the number of credits earned by incoming **RESIDENT** students at other postsecondary institutions **IN THIS STATE**, with the equivalent of a letter grade of C or higher, that were rejected by the university for transfer, reported by both academic program area and prior institution, along with explanatory information regarding the rationale for the rejection of the credits. Data may be reported on either an academic or calendar year basis.

Sec. 273. It is the intent of the legislature that each public university shall submit a report to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director by October 15, ~~2013~~, **2014**, on the university's efforts to accommodate the sincerely held religious beliefs of students enrolled in accredited counseling degree programs at the university.

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 community health by December 1, ~~2013~~ **2014** 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 ~~2012-2013~~, **2013-2014**, 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 ~~2012-2013~~ **2013-2014**.

Sec. 274a. (1) It is the intent of the legislature that a public university that receives funds in section 236 not provide health insurance or other fringe benefits for any adult coresident of an employee of the university who is not married to or a dependent of that employee or for any dependent of such an adult coresident.

(2) It is the intent of the legislature that each public university receiving funds in section 236 submit a report by December 1, ~~2013~~ **2014** to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director containing the number of individuals described in subsection (1) who received health insurance or other fringe benefits provided by the university in fiscal year ~~2012-2013~~ **2013-2014** and the cost to the university of providing those benefits.

Sec. 275. (1) It is the intent of the legislature that each public university that receives an appropriation in section 236 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 3324, 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 presidents council, state universities of Michigan 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 presidents council, state universities of Michigan.

(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) ~~(2)~~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 3324.

Sec. 276. (1) Included in the appropriation for fiscal year ~~2013-2014~~ **2014-2015** 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.

Sec. 277. (1) Included in the appropriation for fiscal year ~~2013-2014~~**2014-2015** 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.

Sec. 278. (1) Included in section 236 for fiscal year ~~2013-2014~~**2014-2015** 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.

Sec. 279. (1) Included in section 236 for fiscal year ~~2013-2014~~**2014-2015** 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.

Sec. 280. (1) Included in the appropriation for fiscal year ~~2013-2014~~**2014-2015** 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.

Sec. 281. (1) Included in the appropriation for fiscal year ~~2013-2014~~**2014-2015** 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.

Sec. 282. Each institution receiving funds under section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~2014~~**OF EACH YEAR** as to whether it will expend by the end of its fiscal year the funds received under section 278, 279, or 281. 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.

Sec. 283. (1) From the amount appropriated in section 236, the public universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals. Public universities shall

also work with the center for educational performance and information to ~~design and implement~~ MAINTAIN a systematic approach for accomplishing this task.

(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 presidents council, state universities of Michigan.

Sec. 284. From the amount appropriated in section 236, the public universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association. Public universities shall also work with the center for educational performance and information to ~~design and implement~~ MAINTAIN a systematic approach for accomplishing this task.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under 2013 PA 60, 2013 PA 130, 2014 PA 116, and this amendatory act from state sources for fiscal year 2013-2014 is estimated at \$11,506,132,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,343,224,700.00. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I as amended by this amendatory act from state sources for fiscal year 2014-2015 is estimated at \$12,062,162,900.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2014-2015 are estimated at \$11,905,777,600.00.

(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 2014-2015 under article II is estimated at \$364,724,900.00 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 \$364,724,900.00.

(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 2014-2015 under article III 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 2. Sections 22k, 64a, 82, 95, and 229b of the state school aid act of 1979, 1979 PA 94, MCL 388.1622k, 388.1664a, 388.1682, 388.1695, and 388.1829b, are repealed.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2014.

(2) Sections 11, 22i, 41, and 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1622i, 388.1641, and 388.1701, as amended by this amendatory act, and section 104c of the state school aid act of 1979, 1979 PA 94, MCL 388.1704c, as added by this amendatory act, take effect upon enactment of this amendatory act.

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

A bill to amend 1979 PA 94, entitled "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," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21b, 21f, 22a, 22b, 22c, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621b, 388.1621f, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, 107, and 147a as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 25f and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 152a, 201, 201a, 206, 209, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 22c, 210b, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 21b as amended by 2004 PA 351,

section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 217, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 31g, 43, 64b, 64c, 74a, 95a, 99b, 104c, 147d, 164f, 207a, 207b, 207c, and 271a; and to repeal acts and parts of acts.

Bill Rogers
Joe Haveman
Conferees for the House

Roger Kahn
John Moolenaar
Conferees for the Senate

The question being on the adoption of the conference report,
The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 430**Yeas—21**

Booher	Hansen	Kowall	Proos
Brandenburg	Hildenbrand	Meekhof	Richardville
Casperson	Hune	Moolenaar	Robertson
Caswell	Jansen	Nofs	Schuitmaker
Emmons	Kahn	Pavlov	Walker
Green			

Nays—17

Ananich	Hood	Jones	Smith
Anderson	Hopgood	Marleau	Warren
Bieda	Hunter	Pappageorge	Whitmer
Colbeck	Johnson	Rocca	Young
Gregory			

Excused—0**Not Voting—0**

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Protests

Senators Hopgood and Bieda, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5314.

Senator Hopgood moved that the statement he made during the discussion of the conference report be printed as his reasons for voting “no.”

The motion prevailed.

Senator Hopgood’s statement, in which Senator Bieda concurred, is as follows:

I rise to speak on the School Aid Fund conference report that is before us today. I do want to recognize the efforts of the chair of the subcommittee, the Senator from the 37th District, but I do rise in opposition to the conference report. The previous speaker outlined a couple of issues that are problematic. One is that money is just not getting to the classrooms in this conference report.

There are other troubling things here. Everything that we saw in the report represents a continued pattern of disinvestment in public education in Michigan. After the painful Republican attacks on public education over the last three years, this proposal is largely just more of the same.

The foundation increase of between \$50 and \$175 disproportionately affects the districts that are already struggling to give students the quality education they deserve. It means that traditional brick and mortar schools in our neighborhoods get less, and charter and cyber schools get more. It shows that \$485 million in School Aid Fund money is being spent elsewhere in the budget. Imagine what could happen if we actually used that money for its intended purpose. We could use those funds to get \$300 more per pupil. Think of the difference that would make for our kids.

I know that some of my colleagues in this chamber are especially fond of talking about the bottom line, and, unfortunately, the bottom line here does a disservice to the children of Michigan. Taxpayers are continuing to pay more while kids’ classroom sizes increase, and teachers are left without the resources they need to help students succeed.

Instead of working to make things better, this proposal is only going to make matters worse for schools that have been devastated by Republican education cuts over the last three years. I know that we can do better for our kids, and that is why I voted “no” this morning.

Senator Kahn asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Kahn’s statement is as follows:

The school bus bill, which we have just completed, allows for prompt planning on the part of our school districts, community college, and universities. Over the past four years of this administration, there has been an increase in MPSERS funding of over \$1 million. There has been an increase on top of that in the foundation allowance. There has been an increase on top of that in early childhood funding and on and on.

This year, in higher education, there is a 6 percent increase in funding—the first one in a long time. Community colleges have seen growth for the first time in a long time.

This budget is the result of a lot of hard work by the chairs, Senators Booher, Walker and Schuitmaker; the subcommittees; and, in particular, the Senate Fiscal Agency and Senate policy staffs. I would like to thank them all.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

The following bill was read a third time:

House Bill No. 5070, entitled

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by adding section 553.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 431

Yeas—32

Ananich	Gregory	Kahn	Proos
Booher	Hansen	Kowall	Richardville
Brandenburg	Hildenbrand	Marleau	Robertson
Casperson	Hopgood	Meekhof	Rocca
Caswell	Hune	Moolenaar	Schuitmaker
Colbeck	Hunter	Nofs	Smith
Emmons	Jansen	Pappageorge	Walker
Green	Jones	Pavlov	Warren

Nays—6

Anderson	Hood	Whitmer	Young
Bieda	Johnson		

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, codify, and add to the statutes relating to crimes; to define crimes and prescribe the penalties and remedies; to provide for restitution under certain circumstances; to provide for the competency of evidence at the trial of persons accused of crime; to provide immunity from prosecution for certain witnesses appearing at criminal trials; to provide for liability for damages; and to repeal certain acts and parts of acts inconsistent with or contravening any of the provisions of this act.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5071, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 16bb of chapter XVII (MCL 777.16bb), as added by 2007 PA 20.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 432

Yeas—34

Ananich	Gregory	Kahn	Proos
Anderson	Hansen	Kowall	Richardville
Booher	Hildenbrand	Marleau	Robertson
Brandenburg	Hopgood	Meekhof	Rocca
Casperson	Hune	Moolenaar	Schuitmaker
Caswell	Hunter	Nofs	Smith
Colbeck	Jansen	Pappageorge	Walker
Emmons	Johnson	Pavlov	Warren
Green	Jones		

Nays—4

Bieda	Hood	Whitmer	Young
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Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4567, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 625 (MCL 257.625), as amended by 2013 PA 23.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 433

Yeas—37

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Caswell

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4568, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 12f of chapter XVII (MCL 777.12f), as amended by 2003 PA 134.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 434

Yeas—37

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Caswell

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to

the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act.”.

The Senate agreed to the full title.

Protest

Senator Caswell, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill Nos. 4567 and 4568 and moved that the statement he made during the discussion of House Bill No. 4567 be printed as his reasons for voting “no.”

The motion prevailed.

Senator Caswell’s statement is as follows:

As we continue to struggle with the budget, one of the areas that I have heard a lot about is our prison system. We have too many people, they are too expensive, and the various suggestions in reducing that. This particular situation that we just had before us, I think, would be much better handled by mandatory substance abuse treatment for an extended period of time, rather than continuing to put these folks into the prison system. Remove their driving privileges, force them into substance abuse counseling—they obviously have a serious problem—and I think that is the direction we should go.

These are the reasons that I voted against this bill.

The following bill was read a third time:

Senate Bill No. 890, entitled

A bill to amend 1939 PA 280, entitled “The social welfare act,” by amending sections 115f, 115g, 115h, 115i, 115j, 115l, and 115m (MCL 400.115f, 400.115g, 400.115h, 400.115i, 400.115j, 400.115l, and 400.115m), section 115f as amended by 2004 PA 193, sections 115g and 115i as amended by 2009 PA 17, section 115h as added by 1994 PA 238, section 115j as amended by 2011 PA 230, and sections 115l and 115m as amended by 2002 PA 648, and by adding section 115t.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 435

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5089, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” (MCL 333.1101 to 333.25211) by adding section 7340c.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 436

Yeas—37

Ananich	Gregory	Jones	Proos
Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker
Casperson	Hune	Moolenaar	Smith
Caswell	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green			

Nays—1

Young

Excused—0

Not Voting—0

In The Chair: President

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 8:51 p.m.

9:19 p.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5090, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 13m of chapter XVII (MCL 777.13m), as amended by 2013 PA 124.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 437

Yeas—37

Ananich	Gregory	Jones	Proos
Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker
Casperson	Hune	Moolenaar	Smith
Caswell	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green			

Nays—1

Young

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5363, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 17766c (MCL 333.17766c), as amended by 2011 PA 86.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 438

Yeas—37

Ananich	Gregory	Jones	Proos
Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker
Casperson	Hune	Moolenaar	Smith
Caswell	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green			

Nays—1

Young

Excused—0

Not Voting—0

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5553, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 72107 and 72109 (MCL 324.72107 and 324.72109), as added by 1995 PA 58.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 439

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the

environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5559, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 1301 and 72108 (MCL 324.1301 and 324.72108), section 1301 as amended by 2013 PA 87 and section 72108 as amended by 2004 PA 325.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 440

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5600, entitled

A bill to amend 1978 PA 566, entitled “An act to encourage the faithful performance of official duties by certain public officers and public employees; to prescribe standards of conduct for certain public officers and public employees;

to prohibit the holding of incompatible public offices; and to provide certain judicial remedies,” by amending section 3 (MCL 15.183), as amended by 2011 PA 196.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 441

Yeas—37

Ananich	Gregory	Jones	Proos
Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker
Casperson	Hune	Moolenaar	Smith
Caswell	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green			

Nays—1

Young

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5612, entitled

A bill to amend 1939 PA 3, entitled “An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,” by amending section 6m (MCL 460.6m), as added by 1982 PA 304.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 442**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0**Excused—0****Not Voting—0**

In The Chair: President

Senator Meekhof moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5039, entitled

A bill to amend 1994 PA 204, entitled “The children’s ombudsman act,” by amending sections 4, 6, and 10 (MCL 722.924, 722.926, and 722.930), sections 4 and 10 as amended by 2004 PA 560 and section 6 as amended by 2013 PA 38.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 443**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0**Excused—0**

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to establish the children’s ombudsman office; and to prescribe the powers and duties of the children’s ombudsman, certain state departments and officers, and certain county and private agencies serving children; and to provide remedies from certain administrative acts,”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5261, entitled

A bill to amend 1937 PA 94, entitled “Use tax act,” (MCL 205.91 to 205.111) by adding section 4bb.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 444

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the levy, assessment, and collection of a specific excise tax on the storage, use, or consumption in this state of tangible personal property and certain services; to appropriate the proceeds of that tax; to prescribe penalties; and to make appropriations,”.

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 891, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 20101, 20107a, 20114, 20114c, 20114d, 20116, 20118, 20120a, 20120b, 20120d, and 20126 (MCL 324.20101, 324.20107a, 324.20114, 324.20114c, 324.20114d, 324.20116, 324.20118, 324.20120a, 324.20120b, 324.20120d, and 324.20126), section 20101 as amended by 2013 PA 141, section 20107a as amended by 2010 PA 233, sections 20114, 20114c, 20114d, 20120a, 20120b, and 20126 as amended by 2012 PA 446, sections 20116 and 20118 as amended by 1995 PA 71, and section 20120d as amended by 2010 PA 228, and by adding section 20121.

The question being on the passage of the bill,

Senator Warren offered the following amendments:

1. Amend page 11, line 11, by striking out all of subparagraph (ii) and renumbering the remaining subparagraphs.
2. Amend page 36, line 3, after “(4)” by striking out “AND” and inserting a comma.
3. Amend page 36, line 3, after “(5),” by inserting “and (6),”.
4. Amend page 36, line 11, by inserting:

“(4) Remedial actions that permanently and significantly reduce the volume, toxicity, or mobility of the hazardous substances are to be preferred.” and renumbering the remaining subsections.

5. Amend page 37, line 6, after “subsection” by striking out “(4)” and inserting “(5)”.

The question being on the adoption of the amendments,

Senator Meekhof moved that further consideration of the bill be postponed for today.

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 910, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 5512 (MCL 324.5512), as amended by 2012 PA 102, and by adding section 5514.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 445

Yeas—25

Booher	Hansen	Kowall	Pavlov
Brandenburg	Hildenbrand	Marleau	Proos
Casperson	Hune	Meekhof	Richardville
Caswell	Jansen	Moolenaar	Robertson
Colbeck	Jones	Nofs	Schuitmaker
Emmons	Kahn	Pappageorge	Walker
Green			

Nays—12

Anderson	Hood	Johnson	Warren
Bieda	Hopgood	Rocca	Whitmer
Gregory	Hunter	Smith	Young

Excused—0

Not Voting—1

Ananich

In The Chair: President

The Senate agreed to the title of the bill.

Senator Meekhof moved that the following bills be placed at the head of the Third Reading of Bills calendar:

House Bill No. 5493

House Bill No. 5477

The motion prevailed.

The following bill was read a third time:

House Bill No. 5493, entitled

A bill to amend 1980 PA 119, entitled “Motor carrier fuel tax act,” by amending sections 2 and 6a (MCL 207.212 and 207.216a), section 2 as amended by 2006 PA 346 and section 6a as added by 1996 PA 584.

The question being on the passage of the bill,

Senator Caswell offered the following amendment:

1. Amend page 4, following line 22, by inserting:

“Enacting section 3. This amendatory act does not take effect unless Senate Joint Resolution A of the 97th Legislature is submitted to the people of the state at the next general election in the manner provided by law.

Enacting section 4. This amendatory act is repealed if Senate Joint Resolution A 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.”.

The amendment was not adopted, a majority of the members serving not voting therefor.

The question being on the passage of the bill,

The bill was defeated, a majority of the members serving not voting therefor, as follows:

Roll Call No. 446

Yeas—18

Ananich	Hunter	Nofs	Smith
Anderson	Kahn	Pappageorge	Warren
Bieda	Kowall	Richardville	Whitmer
Casperson	Marleau	Schuitmaker	Young
Gregory	Meekhof		

Nays—19

Booher	Green	Jansen	Proos
Brandenburg	Hansen	Johnson	Robertson
Caswell	Hildenbrand	Jones	Rocca
Colbeck	Hopgood	Moolenaar	Walker
Emmons	Hune	Pavlov	

Excused—0

Not Voting—1

Hood

In The Chair: President

Senator Meekhof moved to reconsider the vote by which the bill was defeated.

The question being on the motion to reconsider,

Senator Meekhof moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

The following bill was read a third time:

House Bill No. 5477, entitled

A bill to amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 2, 3, 6, 8, 14, 122, and 152 (MCL 207.1002, 207.1003, 207.1006, 207.1008, 207.1014, 207.1122, and 207.1152), sections 2 and 122 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

The question being on the passage of the bill,

Senator Gregory offered the following amendment:

1. Amend page 19, following line 26, by inserting:

"Enacting section 4. This amendatory act does not take effect unless House Bill No. 4391 of the 97th Legislature is enacted into law."

The question being on the adoption of the amendment,

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 9:51 p.m.

10:24 p.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

Senator Meekhof moved that further consideration of the amendment be postponed temporarily.

The motion prevailed.

By unanimous consent the Senate proceeded to consideration of the following substitute offered by Senator Richardville: Substitute (S-9).

The question being on the adoption of the substitute,

Senator Caswell offered the following amendment to the substitute:

1. Amend page 20, following line 6, by inserting:

"Enacting section 2. This amendatory act does not take effect unless Senate Joint Resolution A of the 97th Legislature is submitted to the people of the state at the next general election in the manner provided by law.

Enacting section 3. This amendatory act is repealed if Senate Joint Resolution A 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."

The amendment to the substitute was not adopted.

Senator Johnson offered the following amendment to the substitute:

1. Amend page 20, following line 6, by inserting:

"Enacting section 2. This amendatory act does not take effect for any year in which the corporate income tax rate under 1967 PA 281 is less than 7%."

The amendment to the substitute was not adopted.

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Meekhof moved to reconsider the vote by which the substitute was not adopted.

The question being on the motion to reconsider,

Senator Meekhof moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 5493, entitled

A bill to amend 1980 PA 119, entitled "Motor carrier fuel tax act," by amending sections 2 and 6a (MCL 207.212 and 207.216a), section 2 as amended by 2006 PA 346 and section 6a as added by 1996 PA 584.

(This bill was defeated earlier today and the motion to reconsider the vote postponed. See p. 1172.)

The question being on the motion to reconsider the vote by which the bill was defeated,

The motion prevailed.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 447**Yeas—20**

Ananich	Gregory	Marleau	Schuitmaker
Anderson	Hunter	Meekhof	Smith
Bieda	Jones	Nofs	Warren
Booher	Kahn	Pappageorge	Whitmer
Casperson	Kowall	Richardville	Young

Nays—18

Brandenburg	Hansen	Jansen	Proos
Caswell	Hildenbrand	Johnson	Robertson
Colbeck	Hood	Moolenaar	Rocca
Emmons	Hopgood	Pavlov	Walker
Green	Hune		

Excused—0**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to prescribe a privilege tax for the use of public roads and highways of this state by motor carriers by imposing a specific tax upon the use of motor fuel within this state; to provide for certain credits against this tax and certain mechanisms for paying, collecting, and enforcing this tax; to provide for the licensing of motor carriers and for exemptions from licensure; to require the keeping and providing for the examination of certain reports; to provide review procedures for the assessment of the tax and revocation of a license; to impose certain duties upon and confer certain powers to certain state departments and agencies; to prescribe certain penalties for the violation of this act; and to make appropriations.”.

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 948, entitled

A bill to amend 1978 PA 113, entitled “An act to regulate the depositing, storing, or both, of radioactive waste,” by amending the title and section 1 (MCL 325.491), the title as amended by 1987 PA 202 and section 1 as amended by 1989 PA 12, and by adding section 2; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 448**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith

Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 4688, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by repealing sections 16346, 18351, 18353, 18355, 18357, 18358, 18359, 18361, and 18363 (MCL 333.16346, 333.18351, 333.18353, 333.18355, 333.18357, 333.18358, 333.18359, 333.18361, and 333.18363).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 449

Yeas—26

Ananich	Green	Meekhof	Robertson
Booher	Hildenbrand	Moolenaar	Rocca
Brandenburg	Hood	Pappageorge	Smith
Casperson	Hopgood	Pavlov	Walker
Caswell	Hune	Proos	Warren
Colbeck	Jansen	Richardville	Young
Emmons	Kowall		

Nays—12

Anderson	Hansen	Jones	Nofs
Bieda	Hunter	Kahn	Schuitmaker
Gregory	Johnson	Marleau	Whitmer

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

Senate Bill No. 695, entitled

A bill to amend 1867 PA 35, entitled “Nonprofit street railway act,” by amending section 7 (MCL 472.7), as amended by 2008 PA 481.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 450

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 696, entitled

A bill to amend 1867 PA 35, entitled "Nonprofit street railway act," by amending sections 13 and 15 (MCL 472.13 and 472.15), as amended by 2008 PA 481.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 451

Yeas—37

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Caswell

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 697, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.155) by adding section 7tt.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 452

Yeas—37

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Robertson
Bieda	Hood	Marleau	Rocca
Booher	Hopgood	Meekhof	Schuitmaker
Brandenburg	Hune	Moolenaar	Smith
Casperson	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Caswell

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5168, entitled

A bill to amend 2012 PA 387, entitled “Regional transit authority act,” by amending section 6 (MCL 124.546).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 453

Yeas—32

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Rocca
Bieda	Hood	Marleau	Schuitmaker
Brandenburg	Hopgood	Meekhof	Smith
Casperson	Hunter	Nofs	Walker
Caswell	Jansen	Pappageorge	Warren
Green	Johnson	Pavlov	Whitmer
Gregory	Jones	Proos	Young

Nays—6

Booher	Emmons	Moolenaar	Robertson
Colbeck	Hune		

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for certain regional transit authorities; to provide regional public transportation; to prescribe certain powers and duties of a regional transit authority and of certain state agencies and officials; to authorize the levy of an

assessment and to provide for the issuance of bonds and notes; to collect certain taxes; to make appropriations; to provide for the pledge of assessment revenues and other funds for bond and note payments; and to repeal acts and parts of acts.”
 The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5169, entitled

A bill to amend 2012 PA 387, entitled “Regional transit authority act,” by amending section 2 (MCL 124.542).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 454

Yeas—31

Ananich	Hansen	Kahn	Richardville
Anderson	Hildenbrand	Kowall	Rocca
Bieda	Hood	Marleau	Smith
Brandenburg	Hopgood	Meekhof	Walker
Casperson	Hunter	Nofs	Warren
Caswell	Jansen	Pappageorge	Whitmer
Green	Johnson	Pavlov	Young
Gregory	Jones	Proos	

Nays—7

Booher	Emmons	Moolenaar	Schuitmaker
Colbeck	Hune	Robertson	

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for certain regional transit authorities; to provide regional public transportation; to prescribe certain powers and duties of a regional transit authority and of certain state agencies and officials; to authorize the levy of an assessment and to provide for the issuance of bonds and notes; to collect certain taxes; to make appropriations; to provide for the pledge of assessment revenues and other funds for bond and note payments; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

Senator Meekhof moved that the following bill be placed at the head of the Third Reading of Bills calendar:

House Bill No. 4003

The motion prevailed.

The following bill was read a third time:

House Bill No. 4003, entitled

A bill to amend 1941 PA 122, entitled “An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties

of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments, and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act," by amending section 28 (MCL 205.28), as amended by 2010 PA 313, and by adding section 23a.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 455

Yeas—38

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker
Caswell	Hunter	Pappageorge	Warren
Colbeck	Jansen	Pavlov	Whitmer
Emmons	Johnson	Proos	Young
Green	Jones		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title of the bill.

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 5477, entitled

A bill to amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 2, 3, 6, 8, 14, 122, and 152 (MCL 207.1002, 207.1003, 207.1006, 207.1008, 207.1014, 207.1122, and 207.1152), sections 2 and 122 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

(This bill was read a third time earlier today, substitute not adopted and motion to reconsider the vote postponed. See p. 1173.)

The question being on the motion to reconsider the vote by which the substitute offered by Senator Richardville was not adopted,

The motion prevailed.

The question being on the adoption of the substitute,

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Meekhof requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The substitute was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 456**Yeas—17**

Ananich
Bieda
Casperson
Gregory
Hunter

Johnson
Kahn
Kowall
Marleau

Meekhof
Nofs
Pappageorge
Richardville

Schuitmaker
Smith
Warren
Whitmer

Nays—21

Anderson
Booher
Brandenburg
Caswell
Colbeck
Emmons

Green
Hansen
Hildenbrand
Hood
Hopgood

Hune
Jansen
Jones
Moolenaar
Pavlov

Proos
Robertson
Rocca
Walker
Young

Excused—0**Not Voting—0**

In The Chair: President

Senator Richardville offered the following substitute:

Substitute (S-10).

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The substitute was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 457**Yeas—14**

Booher
Casperson
Caswell
Colbeck

Hansen
Jansen
Kahn
Kowall

Marleau
Meekhof
Nofs

Pappageorge
Richardville
Schuitmaker

Nays—24

Ananich
Anderson
Bieda
Brandenburg
Emmons
Green

Gregory
Hildenbrand
Hood
Hopgood
Hune
Hunter

Johnson
Jones
Moolenaar
Pavlov
Proos
Robertson

Rocca
Smith
Walker
Warren
Whitmer
Young

Excused—0

Not Voting—0

In The Chair: President

Senator Meekhof moved to reconsider the vote by which the substitute was not adopted. The question being on the motion to reconsider, Senator Meekhof moved that further consideration of the bill be postponed temporarily. The motion prevailed.

Protests

Senators Whitmer, Ananich, Hood, Hopgood and Young, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the substitute (S-10) offered by Senator Richardville to House Bill No. 5477.

Senator Whitmer moved that the statement she made during the discussion of the substitute be printed as her reasons for voting “no.”

The motion prevailed.

Senator Whitmer’s statement, in which Senators Ananich, Hood, Hopgood and Young concurred, is as follows:

I find it very interesting that we had a real solution just before us that had eight Democratic votes and nine Republican votes. Now we have an alternative that we really haven’t even had a chance to read. However, the thumbnail analysis tells us that it raises almost \$39 million. So you want to take another tax vote and raise hardly anything for the roads.

When the Republicans decide that they want to get serious and do something on behalf of the roads, I think you have seen that the Democrats are very sincere about coming to that conclusion. When more than 9 out of 26 of your supermajority is ready to do that, come on over and let’s figure out how to get it done.

I will be voting “no” on this amendment. For every day we have talked about doing something on behalf of our roads, I want to thank the administration for trying to push. We have said that it needs to be a full fix. It needs to be in perpetuity, and there needs to be tax relief for people.

After three years of tax shifts from business onto people in our state—pensioners, cuts to our schools, and cuts to the earned income tax credit—all we are asking for is a real fix for roads; for infrastructure in Michigan that it would be responsible and yet take into account that there are some people in our state who show up at the gas station with \$10 in their pocket. If that has to include a 40 cents tax on the gallon, as the Majority Leader had proposed, that needed to be taken into consideration with some tax relief. I thank the administration for working on the homestead property tax expansion. That would have gone a long way.

The people of this state deserve a solution, not just another gimmick to take it to the ballot and hope that taxpayers will do the job that we are not strong enough and tough enough to do, but a real solution. This amendment is a joke, and I am sad to see that it has come to this. So I am going to vote “no” and encourage my colleagues to vote “no” as well. For those of you who would like to continue working on this issue, know that there are many of us who want to do that.

By unanimous consent the Senate returned to the order of

Resolutions

Senator Meekhof moved to reconsider the vote by which consideration of the following resolutions were postponed for today:

Senate Resolution No. 150

Senate Resolution No. 151

Senate Concurrent Resolution No. 16

Senate Concurrent Resolution No. 17

The motion prevailed.

The question being on the motion that further consideration of the resolutions be postponed for today,

Senator Meekhof withdrew the motion.

Senate Resolution No. 150.

A resolution to urge the Great Lakes Commission to study and take a formal position on the proposed underground nuclear waste repository in Ontario, Canada, and to study the potential impacts of this facility and similar facilities on the Great Lakes and on the people who depend on the lakes.

The question being on adoption of the resolution.

The resolution was adopted.

Senate Resolution No. 151.

A resolution urging the President of the United States, the Secretary of State, and the Congress of the United States to invoke the participation of the International Joint Commission under Article IX, Article X, or both, of the Boundary Waters Treaty to evaluate the proposed underground nuclear waste repository in Ontario, Canada, and similar facilities.

The question being on the adoption of the resolution,

Senator Pavlov offered the following substitute:

Substitute (S-1).

The substitute was adopted.

The resolution as substituted was adopted.

Senate Concurrent Resolution No. 16.

A concurrent resolution urging the President of the United States, the Secretary of State, and the Congress of the United States to invoke the participation of the International Joint Commission under Article IX, Article X, or both, of the Boundary Waters Treaty to evaluate the proposed underground nuclear waste repository in Ontario, Canada, and similar facilities.

The question being on the adoption of the concurrent resolution,

Senator Pavlov offered the following substitute:

Substitute (S-1).

The substitute was adopted.

The concurrent resolution as substituted was adopted.

Senate Concurrent Resolution No. 17.

A concurrent resolution to urge the Great Lakes Commission to study and take a formal position on the proposed underground nuclear waste repository in Ontario, Canada, and to study the potential impacts of this facility and similar facilities on the Great Lakes and on the people who depend on the lakes.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

By unanimous consent the Senate returned to consideration of the following resolution:

Senate Concurrent Resolution No. 14.

A concurrent resolution to urge the United States Environmental Protection Agency to forgo its recent proposal to tighten emission limits on wood stoves.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted.

By unanimous consent the Senate returned to the order of

Messages from the House

Senator Meekhof moved that consideration of the following bill be postponed for today:

House Bill No. 4369

The motion prevailed.

House Bill No. 5284, entitled

A bill to amend 1980 PA 299, entitled "An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations and to regulate certain persons and activities relative to those occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to provide immunity from certain civil liability for certain entities and certain related occupations under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 2404 and 2405 (MCL 339.2404 and 339.2405), section 2404 as amended by 2010 PA 151 and section 2405 as amended by 2007 PA 157, and by adding section 2404c.

The House of Representatives has amended the Senate substitute (S-1) as follows:

1. Amend page 4, line 26, after "MEETS" by striking out "ANY" and inserting "ALL".

The House of Representatives has concurred in the Senate substitute (S-1) as amended and agreed to the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,
 Senator Meekhof moved that the rule be suspended.
 The motion prevailed, a majority of the members serving voting therefor.
 The question being on concurring in the House amendment made to the Senate substitute,
 The amendment was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 458**Yeas—37**

Ananich	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker
Casperson	Hune	Moolenaar	Smith
Caswell	Hunter	Nofs	Walker
Colbeck	Jansen	Pappageorge	Warren
Emmons	Johnson	Pavlov	Whitmer
Green	Jones	Proos	Young
Gregory			

Nays—1

Anderson

Excused—0**Not Voting—0**

In The Chair: President

Senate Bill No. 20, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 11123 (MCL 324.11123), as amended by 2010 PA 357.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Meekhof moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 459**Yeas—38**

Ananich	Gregory	Kahn	Richardville
Anderson	Hansen	Kowall	Robertson
Bieda	Hildenbrand	Marleau	Rocca
Booher	Hood	Meekhof	Schuitmaker
Brandenburg	Hopgood	Moolenaar	Smith
Casperson	Hune	Nofs	Walker

Caswell
Colbeck
Emmons
Green

Hunter
Jansen
Johnson
Jones

Pappageorge
Pavlov
Proos

Warren
Whitmer
Young

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the full title.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 536, entitled

A bill to amend 1893 PA 206, entitled “The general property tax act,” (MCL 211.1 to 211.155) by adding section 7tt.
The House of Representatives has substituted (H-5) the bill.

The House of Representatives has passed the bill as substituted (H-5), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,
Senator Meekhof moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 460

Yeas—38

Ananich
Anderson
Bieda
Booher
Brandenburg
Casperson
Caswell
Colbeck
Emmons
Green

Gregory
Hansen
Hildenbrand
Hood
Hopgood
Hune
Hunter
Jansen
Johnson
Jones

Kahn
Kowall
Marleau
Meekhof
Moolenaar
Nofs
Pappageorge
Pavlov
Proos

Richardville
Robertson
Rocca
Schuitmaker
Smith
Walker
Warren
Whitmer
Young

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Recess

Senator Meekhof moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 11:30 p.m.

11:48 p.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

By unanimous consent the Senate returned to the order of
Third Reading of Bills

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 5477, entitled

A bill to amend 2000 PA 403, entitled "Motor fuel tax act," by amending sections 2, 3, 6, 8, 14, 122, and 152 (MCL 207.1002, 207.1003, 207.1006, 207.1008, 207.1014, 207.1122, and 207.1152), sections 2 and 122 as amended by 2002 PA 668, section 3 as amended by 2006 PA 277, and section 8 as amended by 2006 PA 268.

(This bill was announced earlier today, substitute not adopted and motion to reconsider the vote postponed. See p. 1180.)

The question being on the motion to reconsider the vote by which the substitute offered by Senator Richardville was not adopted,

The motion prevailed.

The question being on the adoption of the substitute,

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The substitute was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 461

Yeas—19

Booher	Hansen	Kowall	Proos
Brandenburg	Hildenbrand	Marleau	Richardville
Casperson	Jansen	Meekhof	Schuitmaker
Caswell	Jones	Nofs	Walker
Colbeck	Kahn	Pappageorge	

Nays—16

Anderson	Gregory	Hunter	Robertson
Bieda	Hood	Johnson	Rocca
Emmons	Hopgood	Moolenaar	Warren
Green	Hune	Pavlov	Whitmer

Excused—0

Not Voting—3

Ananich

Smith

Young

In The Chair: President

Senator Meekhof moved that rule 3.311 be suspended to permit reconsideration of the vote by which the substitute was not adopted.

The motion prevailed, a majority of the members serving voting therefor.

Senator Hunter requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The motion prevailed, a majority of the members serving voting therefor, as follows:

Roll Call No. 462**Yeas—26**

Booher
Brandenburg
Casperson
Caswell
Colbeck
Emmons
Green

Hansen
Hildenbrand
Hune
Jansen
Jones
Kahn
Kowall

Marleau
Meekhof
Moolenaar
Nofs
Pappageorge
Pavlov

Proos
Richardville
Robertson
Rocca
Schuitmaker
Walker

Nays—12

Ananich
Anderson
Bieda

Gregory
Hood
Hopgood

Hunter
Johnson
Smith

Warren
Whitmer
Young

Excused—0**Not Voting—0**

In The Chair: President

Senator Meekhof moved to reconsider the vote by which the substitute was not adopted.

The question being on the motion to reconsider,

Senator Meekhof moved that further consideration of the bill be postponed for today.

The motion prevailed.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Meekhof moved that when the Senate adjourns today, it stand adjourned until Thursday, June 12, at 12:20 a.m.

The motion prevailed.

Committee Reports

The Committee on Insurance reported

House Bill No. 5192, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 838a (MCL 500.838a), as added by 2006 PA 671.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Joe Hune
Chairperson

To Report Out:

Yeas: Senators Hune, Marleau, Hansen, Robertson, Smith and Bieda

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Insurance reported

House Bill No. 5558, entitled

A bill to amend 1976 PA 331, entitled "Michigan consumer protection act," by amending section 4 (MCL 445.904), as amended by 2003 PA 216.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Joe Hune
Chairperson

To Report Out:

Yeas: Senators Hune, Marleau, Brandenburg, Hansen and Robertson

Nays: Senators Smith and Bieda

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Insurance submitted the following:

Meeting held on Tuesday, June 10, 2014, at 2:30 p.m., Room 100, Farnum Building

Present: Senators Hune (C), Marleau, Brandenburg, Hansen, Robertson, Smith and Bieda

The Committee on Transportation reported

Senate Bill No. 695, entitled

A bill to amend 1867 PA 35, entitled "Nonprofit street railway act," by amending section 7 (MCL 472.7), as amended by 2008 PA 481.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson
Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation reported

Senate Bill No. 696, entitled

A bill to amend 1867 PA 35, entitled "Nonprofit street railway act," by amending sections 13 and 15 (MCL 472.13 and 472.15), as amended by 2008 PA 481.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson
Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov and Hansen

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Transportation reported

Senate Bill No. 697, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.155) by adding section 7tt.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson

Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation reported

Senate Bill No. 903, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 811z.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson

Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Transportation reported

Senate Bill No. 940, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 717 (MCL 257.717), as amended by 2008 PA 539.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson

Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Transportation reported

Senate Bill No. 970, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 7a, 18b, 25, 67a, 212, 306, 307, 309, 312e, 312f, 319, 324, and 904 (MCL 257.7a, 257.18b, 257.25, 257.67a, 257.212, 257.306, 257.307, 257.309, 257.312e, 257.312f, 257.319, 257.324, and 257.904), sections 7a and 212 as amended by 2002 PA 534, section 18b as added and section 67a as amended by 1988 PA 346, sections 306 and 312e as amended by 2011 PA 159, section 307 as amended by 2012 PA 55, section 309 as amended by 2012 PA 355, section 312f as amended by 2012 PA 473, section 319 as amended by 2012 PA 306, section 324 as amended by 2006 PA 298, and section 904 as amended by 2008 PA 461, and by adding section 306a.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson

Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Transportation reported

House Bill No. 5064, entitled

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.2080) by adding section 84.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson
Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation reported

House Bill No. 5168, entitled

A bill to amend 2012 PA 387, entitled "Regional transit authority act," by amending section 6 (MCL 124.546).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson
Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Transportation reported

House Bill No. 5169, entitled

A bill to amend 2012 PA 387, entitled "Regional transit authority act," by amending section 2 (MCL 124.542).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas A. Casperson
Chairperson

To Report Out:

Yeas: Senators Casperson, Kowall, Brandenburg, Pavlov, Hansen and Hood

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Transportation submitted the following:

Meeting held on Tuesday, June 10, 2014, at 12:30 p.m., Room 100, Farnum Building

Present: Senators Casperson (C), Kowall, Brandenburg, Pavlov, Hansen and Hood

Excused: Senator Ananich

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5478, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 501 (MCL 418.501), as amended by 1993 PA 198.

With the recommendation that the bill pass.
The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson and Warren
Nays: None
The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5479, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 501a.

With the recommendation that the bill pass.
The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren
Nays: None
The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5480, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 538.

With the recommendation that the bill pass.
The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren
Nays: None
The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5481, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 356 (MCL 418.356), as amended by 1994 PA 271.

With the recommendation that the bill pass.
The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren
Nays: None
The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5483, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 501b.

With the recommendation that the bill pass.
The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5484, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 515 (MCL 418.515).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5485, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 553 (MCL 418.553).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5486, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 561 (MCL 418.561).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5487, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 551 (MCL 418.551), as amended by 2002 PA 25.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5488, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 555 (MCL 418.555).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5489, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 537 (MCL 418.537), as amended by 1992 PA 269.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Reforms, Restructuring and Reinventing reported

House Bill No. 5490, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 541 (MCL 418.541).

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Mark C. Jansen
Chairperson

To Report Out:

Yeas: Senators Jansen, Colbeck, Casperson, Kowall, Robertson, Young and Warren

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Reforms, Restructuring and Reinventing submitted the following:

Meeting held on Wednesday, June 11, 2014, at 8:30 a.m., Rooms 402 and 403, Capitol Building

Present: Senators Jansen (C), Colbeck, Casperson, Kowall, Robertson, Young and Warren

COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Tuesday, June 10, 2014, at 9:36 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Kahn (C), Moolenaar, Jansen, Pappageorge, Booher, Caswell, Colbeck, Green, Proos, Schuitmaker, Walker, Anderson, Gregory, Hood and Hopgood

Excused: Senator Johnson

Scheduled Meetings

Judiciary - Thursday, June 12, 9:00 a.m., Room 110, Farnum Building (373-5323)

Michigan Law Revision Commission - Monday, June 23, and Tuesday, July 1, 9:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-0212)

Senator Meekhof moved that the Senate adjourn.
The motion prevailed, the time being 11:59 p.m.

In pursuance of the order previously made, the President, Lieutenant Governor Calley, declared the Senate adjourned until Thursday, June 12, 2014, at 12:20 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate