

**SUBSTITUTE FOR
HOUSE BILL NO. 4228**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 18,
18b, 19, 20, 20d, 22a, 22b, 22d, 22f, 22i, 22j, 24, 24a, 24c, 26a,
26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51a, 51b, 51c, 51d,
53a, 54, 56, 61a, 62, 74, 81, 94a, 95, 98, 99, 101, 102, 104, 107,
147, 147a, 147b, 147c, 152a, 201, 201a, 206, 209, 210, 224, 225,
229a, 230, 236, 236a, 236b, 241, 242, 244, 245, 246, 252, 256, 258,
263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 276,
277, 278, 279, 280, 281, 282, 289, and 290 (MCL 388.1606, 388.1611,
388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612,
388.1615, 388.1618, 388.1618b, 388.1619, 388.1620, 388.1620d,
388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1622j,

388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1651a, 388.1651b, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1695, 388.1698, 388.1699, 388.1701, 388.1702, 388.1704, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1752a, 388.1801, 388.1801a, 388.1806, 388.1809, 388.1810, 388.1824, 388.1825, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1841, 388.1842, 388.1844, 388.1845, 388.1846, 388.1852, 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1873, 388.1874, 388.1874a, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1889, and 388.1890), sections 6, 11, 26b, and 201 as amended by 2012 PA 465, sections 11a, 11g, 11j, 11k, 11m, 12, 18, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32d, 39, 39a, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 102, 104, 107, 147, 147a, 147b, 152a, 201a, 206, 209, 210, 224, 225, 230, 236, 236a, 241, 242, 244, 245, 252, 256, 258, 263, 263a, 264, 265, 267, 268, 269, 270, 273, 274, 274a, 276, 277, 278, 279, 280, 281, 282, 289, and 290 as amended and sections 22i, 22j, 26c, 32p, 95, 147c, 229a, 236b, 246, and 265a as added by 2012 PA 201, section 15 as amended by 2012 PA 286, section 18b as amended by 2008 PA 268, section 51b as added by 1996 PA 300, and section 101 as amended by 2012 PA 516, and by adding sections 21f, 22c, 22k, 25e, 236c, 259, 265b, 265c, and 272a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

23 (3) "District and high school graduation report" means a
24 report of the number of pupils, excluding adult participants, in
25 the district for the immediately preceding school year, adjusted
26 for those pupils who have transferred into or out of the district
27 or high school, who leave high school with a diploma or other

1 credential of equal status.

2 (4) "Membership", except as otherwise provided in this
3 article, means for a district, a public school academy, the
4 education achievement system, or an intermediate district the sum
5 of the product of ~~-.90~~.80 times the number of full-time equated
6 pupils in grades K to 12 actually enrolled and in regular daily
7 attendance on the pupil membership count day for the current school
8 year, plus the product of ~~-.10~~.20 times the final audited count
9 from the supplemental count day for the ~~immediately preceding~~
10 **CURRENT** school year. A district's, public school academy's, or
11 intermediate district's membership shall be adjusted as provided
12 under section 25 for pupils who enroll in the district, public
13 school academy, or intermediate district after the pupil membership
14 count day. All pupil counts used in this subsection are as
15 determined by the department and calculated by adding the number of
16 pupils registered for attendance plus pupils received by transfer
17 and minus pupils lost as defined by rules promulgated by the
18 superintendent, and as corrected by a subsequent department audit.
19 For the purposes of this section and section 6a, for a school of
20 excellence that is a cyber school, as defined in section 551 of the
21 revised school code, MCL 380.551, and is in compliance with section
22 553a of the revised school code, MCL 380.553a, ~~or for the education~~
23 ~~achievement system,~~ a pupil's participation in the cyber school's
24 educational program ~~or in an online educational program of the~~
25 ~~education achievement system or of an achievement school is~~
26 considered regular daily attendance; **FOR THE EDUCATION ACHIEVEMENT**
27 **SYSTEM, A PUPIL'S PARTICIPATION IN AN ONLINE EDUCATIONAL PROGRAM OF**

1 THE EDUCATION ACHIEVEMENT SYSTEM OR OF AN ACHIEVEMENT SCHOOL IS
2 CONSIDERED REGULAR DAILY ATTENDANCE; AND FOR A DISTRICT A PUPIL'S
3 PARTICIPATION IN AN ONLINE COURSE AS DEFINED IN SECTION 21F IS
4 CONSIDERED REGULAR DAILY ATTENDANCE. The amount of the foundation
5 allowance for a pupil in membership is determined under section 20.
6 In making the calculation of membership, all of the following, as
7 applicable, apply to determining the membership of a district, a
8 public school academy, the education achievement system, or an
9 intermediate district:

10 (a) Except as otherwise provided in this subsection, and
11 pursuant to subsection (6), a pupil shall be counted in membership
12 in the pupil's educating district or districts. An individual pupil
13 shall not be counted for more than a total of 1.0 full-time equated
14 membership.

15 (b) If a pupil is educated in a district other than the
16 pupil's district of residence, if the pupil is not being educated
17 as part of a cooperative education program, if the pupil's district
18 of residence does not give the educating district its approval to
19 count the pupil in membership in the educating district, and if the
20 pupil is not covered by an exception specified in subsection (6) to
21 the requirement that the educating district must have the approval
22 of the pupil's district of residence to count the pupil in
23 membership, the pupil shall not be counted in membership in any
24 district.

25 (c) A special education pupil educated by the intermediate
26 district shall be counted in membership in the intermediate
27 district.

1 (d) A pupil placed by a court or state agency in an on-grounds
2 program of a juvenile detention facility, a child caring
3 institution, or a mental health institution, or a pupil funded
4 under section 53a, shall be counted in membership in the district
5 or intermediate district approved by the department to operate the
6 program.

7 (e) A pupil enrolled in the Michigan schools for the deaf and
8 blind shall be counted in membership in the pupil's intermediate
9 district of residence.

10 (f) A pupil enrolled in a career and technical education
11 program supported by a millage levied over an area larger than a
12 single district or in an area vocational-technical education
13 program established pursuant to section 690 of the revised school
14 code, MCL 380.690, shall be counted only in the pupil's district of
15 residence.

16 (g) A pupil enrolled in a public school academy shall be
17 counted in membership in the public school academy.

18 (h) A pupil enrolled in an achievement school shall be counted
19 in membership in the education achievement system.

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

24 (i) If operations begin before the pupil membership count day
25 for the fiscal year, membership is the average number of full-time
26 equated pupils in grades K to 12 actually enrolled and in regular
27 daily attendance on the pupil membership count day for the current

1 school year and on the supplemental count day for the current
2 school year, as determined by the department and calculated by
3 adding the number of pupils registered for attendance on the pupil
4 membership count day plus pupils received by transfer and minus
5 pupils lost as defined by rules promulgated by the superintendent,
6 and as corrected by a subsequent department audit, plus the final
7 audited count from the supplemental count day for the current
8 school year, and dividing that sum by 2.

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

15 (j) If a district is the authorizing body for a public school
16 academy, then, in the first school year in which pupils are counted
17 in membership on the pupil membership count day in the public
18 school academy, the determination of the district's membership
19 shall exclude from the district's pupil count for the immediately
20 preceding supplemental count day any pupils who are counted in the
21 public school academy on that first pupil membership count day who
22 were also counted in the district on the immediately preceding
23 supplemental count day.

24 (k) In a district, a public school academy, the education
25 achievement system, or an intermediate district operating an
26 extended school year program approved by the superintendent, a
27 pupil enrolled, but not scheduled to be in regular daily attendance

1 on a pupil membership count day, shall be counted.

2 (l) To be counted in membership, a pupil shall meet the minimum
3 age requirement to be eligible to attend school under section 1147
4 of the revised school code, MCL 380.1147, or shall be enrolled
5 under subsection (3) of that section, and shall be less than 20
6 years of age on September 1 of the school year except as follows:

7 (i) A special education pupil who is enrolled and receiving
8 instruction in a special education program or service approved by
9 the department, who does not have a high school diploma, and who is
10 less than 26 years of age as of September 1 of the current school
11 year shall be counted in membership.

12 (ii) A pupil who is determined by the department to meet all of
13 the following may be counted in membership:

14 (A) Is enrolled in a public school academy or an alternative
15 education high school diploma program, that is primarily focused on
16 educating homeless pupils and that is located in a city with a
17 population of more than ~~500,000~~-175,000.

18 (B) Had dropped out of school for more than 1 year and has re-
19 entered school.

20 (C) Is less than 22 years of age as of September 1 of the
21 current school year.

22 (m) An individual who has obtained a high school diploma shall
23 not be counted in membership. An individual who has obtained a
24 general educational development (G.E.D.) certificate shall not be
25 counted in membership unless the individual is a pupil with a
26 disability as defined in R 340.1702 of the Michigan administrative
27 code. An individual participating in a job training program funded

1 under former section 107a or a jobs program funded under former
2 section 107b, administered by the Michigan strategic fund, or
3 participating in any successor of either of those 2 programs, shall
4 not be counted in membership.

5 (n) If a pupil counted in membership in a public school
6 academy or the education achievement system is also educated by a
7 district or intermediate district as part of a cooperative
8 education program, the pupil shall be counted in membership only in
9 the public school academy or the education achievement system
10 unless a written agreement signed by all parties designates the
11 party or parties in which the pupil shall be counted in membership,
12 and the instructional time scheduled for the pupil in the district
13 or intermediate district shall be included in the full-time equated
14 membership determination under subdivision (q). However, for pupils
15 receiving instruction in both a public school academy or the
16 education achievement system and in a district or intermediate
17 district but not as a part of a cooperative education program, the
18 following apply:

19 (i) If the public school academy or the education achievement
20 system provides instruction for at least 1/2 of the class hours
21 specified in subdivision (q), the public school academy or the
22 education achievement system shall receive as its prorated share of
23 the full-time equated membership for each of those pupils an amount
24 equal to 1 times the product of the hours of instruction the public
25 school academy or the education achievement system provides divided
26 by the number of hours specified in subdivision (q) for full-time
27 equivalency, and the remainder of the full-time membership for each

1 of those pupils shall be allocated to the district or intermediate
2 district providing the remainder of the hours of instruction.

3 (ii) If the public school academy or the education achievement
4 system provides instruction for less than 1/2 of the class hours
5 specified in subdivision (q), the district or intermediate district
6 providing the remainder of the hours of instruction shall receive
7 as its prorated share of the full-time equated membership for each
8 of those pupils an amount equal to 1 times the product of the hours
9 of instruction the district or intermediate district provides
10 divided by the number of hours specified in subdivision (q) for
11 full-time equivalency, and the remainder of the full-time
12 membership for each of those pupils shall be allocated to the
13 public school academy or the education achievement system.

14 (o) An individual less than 16 years of age as of September 1
15 of the current school year who is being educated in an alternative
16 education program shall not be counted in membership if there are
17 also adult education participants being educated in the same
18 program or classroom.

19 (p) The department shall give a uniform interpretation of
20 full-time and part-time memberships.

21 (q) The number of class hours used to calculate full-time
22 equated memberships shall be consistent with section 101(3). In
23 determining full-time equated memberships for pupils who are
24 enrolled in a postsecondary institution, a pupil shall not be
25 considered to be less than a full-time equated pupil solely because
26 of the effect of his or her postsecondary enrollment, including
27 necessary travel time, on the number of class hours provided by the

1 district to the pupil.

2 (r) Beginning in 2012-2013, full-time equated memberships for
3 pupils in kindergarten shall be determined by dividing the number
4 of instructional hours scheduled and provided per year per
5 kindergarten pupil by the same number used for determining full-
6 time equated memberships for pupils in grades 1 to 12. However, to
7 the extent allowable under federal law, for a district or public
8 school academy that provides evidence satisfactory to the
9 department that it used federal title I money in the 2 immediately
10 preceding school fiscal years to fund full-time kindergarten, full-
11 time equated memberships for pupils in kindergarten shall be
12 determined by dividing the number of class hours scheduled and
13 provided per year per kindergarten pupil by a number equal to 1/2
14 the number used for determining full-time equated memberships for
15 pupils in grades 1 to 12. ~~Not later than December 1, 2012, the~~
16 ~~department shall seek a clarification from the federal department~~
17 ~~of education as to whether this is an allowable use of federal~~
18 ~~title I money.~~ The change in the counting of full-time equated
19 memberships for pupils in kindergarten that ~~takes~~ **TOOK** effect ~~in~~
20 **FOR** 2012-2013 is not a mandate. ~~Not later than the fifth Wednesday~~
21 ~~after the pupil membership count day, each district or public~~
22 ~~school academy and the education achievement system shall report to~~
23 ~~the department and the center the number of instructional hours~~
24 ~~scheduled per kindergarten pupil for 2012-2013. If the number of~~
25 ~~instructional hours scheduled per kindergarten pupil is not equal~~
26 ~~for all kindergarten pupils in the district, the district or public~~
27 ~~school academy and the education achievement system shall report~~

1 ~~the number of kindergarten pupils who were scheduled to receive~~
2 ~~each of the different numbers of instructional hours scheduled.~~

3 (s) For a district, a public school academy, or the education
4 achievement system that has pupils enrolled in a grade level that
5 was not offered by the district, the public school academy, or the
6 education achievement system in the immediately preceding school
7 year, the number of pupils enrolled in that grade level to be
8 counted in membership is the average of the number of those pupils
9 enrolled and in regular daily attendance on the pupil membership
10 count day and the supplemental count day of the current school
11 year, as determined by the department. Membership shall be
12 calculated by adding the number of pupils registered for attendance
13 in that grade level on the pupil membership count day plus pupils
14 received by transfer and minus pupils lost as defined by rules
15 promulgated by the superintendent, and as corrected by subsequent
16 department audit, plus the final audited count from the
17 supplemental count day for the current school year, and dividing
18 that sum by 2.

19 (t) A pupil enrolled in a cooperative education program may be
20 counted in membership in the pupil's district of residence with the
21 written approval of all parties to the cooperative agreement.

22 (u) If, as a result of a disciplinary action, a district
23 determines through the district's alternative or disciplinary
24 education program that the best instructional placement for a pupil
25 is in the pupil's home or otherwise apart from the general school
26 population, if that placement is authorized in writing by the
27 district superintendent and district alternative or disciplinary

1 education supervisor, and if the district provides appropriate
2 instruction as described in this subdivision to the pupil at the
3 pupil's home or otherwise apart from the general school population,
4 the district may count the pupil in membership on a pro rata basis,
5 with the proration based on the number of hours of instruction the
6 district actually provides to the pupil divided by the number of
7 hours specified in subdivision (q) for full-time equivalency. For
8 the purposes of this subdivision, a district shall be considered to
9 be providing appropriate instruction if all of the following are
10 met:

11 (i) The district provides at least 2 nonconsecutive hours of
12 instruction per week to the pupil at the pupil's home or otherwise
13 apart from the general school population under the supervision of a
14 certificated teacher.

15 (ii) The district provides instructional materials, resources,
16 and supplies ~~, except computers,~~ that are comparable to those
17 otherwise provided in the district's alternative education program.

18 (iii) Course content is comparable to that in the district's
19 alternative education program.

20 (iv) Credit earned is awarded to the pupil and placed on the
21 pupil's transcript.

22 (v) A pupil enrolled in an alternative or disciplinary
23 education program described in section 25 shall be counted in
24 membership in the district, the public school academy, or the
25 education achievement system that is educating the pupil.

26 (w) If a pupil was enrolled in a public school academy on the
27 pupil membership count day, if the public school academy's contract

1 with its authorizing body is revoked or the public school academy
2 otherwise ceases to operate, and if the pupil enrolls in a district
3 or the education achievement system within 45 days after the pupil
4 membership count day, the department shall adjust the district's or
5 the education achievement system's pupil count for the pupil
6 membership count day to include the pupil in the count.

7 ~~—— (x) For a public school academy that has been in operation for~~
8 ~~at least 2 years and that suspended operations for at least 1~~
9 ~~semester and is resuming operations, membership is the sum of the~~
10 ~~product of .90 times the number of full-time equated pupils in~~
11 ~~grades K to 12 actually enrolled and in regular daily attendance on~~
12 ~~the first pupil membership count day or supplemental count day,~~
13 ~~whichever is first, occurring after operations resume, plus the~~
14 ~~product of .10 times the final audited count from the most recent~~
15 ~~pupil membership count day or supplemental count day that occurred~~
16 ~~before suspending operations, as determined by the superintendent.~~

17 (X) ~~(y)~~—If a district's membership for a particular fiscal
18 year, as otherwise calculated under this subsection, would be less
19 than 1,550 pupils and the district has 4.5 or fewer pupils per
20 square mile, as determined by the department, and ~~, beginning in~~
21 ~~2007–2008,~~ if the district does not receive funding under section
22 22d(2), the district's membership shall be considered to be the
23 membership figure calculated under this subdivision. If a district
24 educates and counts in its membership pupils in grades 9 to 12 who
25 reside in a contiguous district that does not operate grades 9 to
26 12 and if 1 or both of the affected districts request the
27 department to use the determination allowed under this sentence,

1 the department shall include the square mileage of both districts
2 in determining the number of pupils per square mile for each of the
3 districts for the purposes of this subdivision. The membership
4 figure calculated under this subdivision is the greater of the
5 following:

6 (i) The average of the district's membership for the 3-fiscal-
7 year period ending with that fiscal year, calculated by adding the
8 district's actual membership for each of those 3 fiscal years, as
9 otherwise calculated under this subsection, and dividing the sum of
10 those 3 membership figures by 3.

11 (ii) The district's actual membership for that fiscal year as
12 otherwise calculated under this subsection.

13 (Y) ~~(z)~~—If a public school academy that is not in its first or
14 second year of operation closes at the end of a school year and
15 does not reopen for the next school year, the department shall
16 adjust the membership count of the district or the education
17 achievement system in which a former pupil of the public school
18 academy enrolls and is in regular daily attendance for the next
19 school year to ensure that the district or the education
20 achievement system receives the same amount of membership aid for
21 the pupil as if the pupil were counted in the district or the
22 education achievement system on the supplemental count day of the
23 preceding school year.

24 (Z) ~~(aa)~~—Full-time equated memberships for special education
25 pupils who are not enrolled in kindergarten but are enrolled in a
26 classroom program under R 340.1754 of the Michigan administrative
27 code shall be determined by dividing the number of class hours

1 scheduled and provided per year by 450. Full-time equated
2 memberships for special education pupils who are not enrolled in
3 kindergarten but are receiving early childhood special education
4 services under R 340.1755 of the Michigan administrative code shall
5 be determined by dividing the number of hours of service scheduled
6 and provided per year per pupil by 180.

7 **(AA)** ~~(bb)~~—A pupil of a district that begins its school year
8 after Labor day who is enrolled in an intermediate district program
9 that begins before Labor day shall not be considered to be less
10 than a full-time pupil solely due to instructional time scheduled
11 but not attended by the pupil before Labor day.

12 **(BB)** ~~(cc)~~—For the first year in which a pupil is counted in
13 membership on the pupil membership count day in a middle college
14 program, the membership is the average of the full-time equated
15 membership on the pupil membership count day and on the
16 supplemental count day for the current school year, as determined
17 by the department. If a pupil was counted by the operating district
18 on the immediately preceding supplemental count day, the pupil
19 shall be excluded from the district's immediately preceding
20 supplemental count for purposes of determining the district's
21 membership.

22 **(CC)** ~~(dd)~~—A district, a public school academy, or the
23 education achievement system that educates a pupil who attends a
24 United States Olympic education center may count the pupil in
25 membership regardless of whether or not the pupil is a resident of
26 this state.

27 **(DD)** ~~(ee)~~—A pupil enrolled in a district other than the

1 pupil's district of residence pursuant to section 1148(2) of the
2 revised school code, MCL 380.1148, shall be counted in the
3 educating district or the education achievement system.

4 **(EE)** ~~(ff)~~—For a pupil enrolled in a dropout recovery program
5 that meets the requirements of section 23a, the pupil shall be
6 counted as 1/12 of a full-time equated membership for each month
7 that the district operating the program reports that the pupil was
8 enrolled in the program and was in full attendance. The district
9 operating the program shall report to the center the number of
10 pupils who were enrolled in the program and were in full attendance
11 for a month not later than the tenth day of the next month. A
12 district shall not report a pupil as being in full attendance for a
13 month unless both of the following are met:

14 (i) A personalized learning plan is in place on or before the
15 first school day of the month for the first month the pupil
16 participates in the program.

17 (ii) The pupil meets the district's definition under section
18 23a of satisfactory monthly progress for that month or, if the
19 pupil does not meet that definition of satisfactory monthly
20 progress for that month, the pupil did meet that definition of
21 satisfactory monthly progress in the immediately preceding month
22 and appropriate interventions are implemented within 10 school days
23 after it is determined that the pupil does not meet that definition
24 of satisfactory monthly progress.

25 (5) "Public school academy" means that term as defined in the
26 revised school code.

27 (6) "Pupil" means a person in membership in a public school. A

1 district must have the approval of the pupil's district of
2 residence to count the pupil in membership, except approval by the
3 pupil's district of residence is not required for any of the
4 following:

5 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in
6 accordance with section 166b.

7 (b) A pupil receiving 1/2 or less of his or her instruction in
8 a district other than the pupil's district of residence.

9 (c) A pupil enrolled in a public school academy or the
10 education achievement system.

11 (d) A pupil enrolled in a district other than the pupil's
12 district of residence under an intermediate district schools of
13 choice pilot program as described in section 91a or former section
14 91 if the intermediate district and its constituent districts have
15 been exempted from section 105.

16 (e) A pupil enrolled in a district other than the pupil's
17 district of residence if the pupil is enrolled in accordance with
18 section 105 or 105c.

19 (f) A pupil who has made an official written complaint or
20 whose parent or legal guardian has made an official written
21 complaint to law enforcement officials and to school officials of
22 the pupil's district of residence that the pupil has been the
23 victim of a criminal sexual assault or other serious assault, if
24 the official complaint either indicates that the assault occurred
25 at school or that the assault was committed by 1 or more other
26 pupils enrolled in the school the pupil would otherwise attend in
27 the district of residence or by an employee of the district of

1 residence. A person who intentionally makes a false report of a
2 crime to law enforcement officials for the purposes of this
3 subdivision is subject to section 411a of the Michigan penal code,
4 1931 PA 328, MCL 750.411a, which provides criminal penalties for
5 that conduct. As used in this subdivision:

6 (i) "At school" means in a classroom, elsewhere on school
7 premises, on a school bus or other school-related vehicle, or at a
8 school-sponsored activity or event whether or not it is held on
9 school premises.

10 (ii) "Serious assault" means an act that constitutes a felony
11 violation of chapter XI of the Michigan penal code, 1931 PA 328,
12 MCL 750.81 to 750.90h, or that constitutes an assault and
13 infliction of serious or aggravated injury under section 81a of the
14 Michigan penal code, 1931 PA 328, MCL 750.81a.

15 (g) A pupil whose district of residence changed after the
16 pupil membership count day and before the supplemental count day
17 and who continues to be enrolled on the supplemental count day as a
18 nonresident in the district in which he or she was enrolled as a
19 resident on the pupil membership count day of the same school year.

20 (h) A pupil enrolled in an alternative education program
21 operated by a district other than his or her district of residence
22 who meets 1 or more of the following:

23 (i) The pupil has been suspended or expelled from his or her
24 district of residence for any reason, including, but not limited
25 to, a suspension or expulsion under section 1310, 1311, or 1311a of
26 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

27 (ii) The pupil had previously dropped out of school.

1 (iii) The pupil is pregnant or is a parent.

2 (iv) The pupil has been referred to the program by a court.

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

5 (i) A pupil enrolled in the Michigan virtual school, for the
6 pupil's enrollment in the Michigan virtual school.

7 (j) A pupil who is the child of a person who works at the
8 district or who is the child of a person who worked at the district
9 as of the time the pupil first enrolled in the district but who no
10 longer works at the district due to a workforce reduction. As used
11 in this subdivision, "child" includes an adopted child, stepchild,
12 or legal ward.

13 (k) An expelled pupil who has been denied reinstatement by the
14 expelling district and is reinstated by another school board under
15 section 1311 or 1311a of the revised school code, MCL 380.1311 and
16 380.1311a.

17 (l) A pupil enrolled in a district other than the pupil's
18 district of residence in a middle college program if the pupil's
19 district of residence and the enrolling district are both
20 constituent districts of the same intermediate district.

21 (m) A pupil enrolled in a district other than the pupil's
22 district of residence who attends a United States Olympic education
23 center.

24 (n) A pupil enrolled in a district other than the pupil's
25 district of residence pursuant to section 1148(2) of the revised
26 school code, MCL 380.1148.

27 (o) A pupil who enrolls in a district other than the pupil's

1 district of residence as a result of the pupil's school not making
2 adequate yearly progress under the no child left behind act of
3 2001, Public Law 107-110.

4 ~~(p) A pupil enrolled in a district other than the pupil's~~
5 ~~district of residence as a qualifying pupil under section 22h(2).~~

6 **(P) AN ONLINE LEARNING PUPIL ENROLLED IN A DISTRICT OTHER THAN**
7 **THE PUPIL'S DISTRICT OF RESIDENCE AS AN ELIGIBLE PUPIL UNDER**
8 **SECTION 21F.**

9 However, if a district educates pupils who reside in another
10 district and if the primary instructional site for those pupils is
11 established by the educating district after 2009-2010 and is
12 located within the boundaries of that other district, the educating
13 district must have the approval of that other district to count
14 those pupils in membership.

15 (7) "Pupil membership count day" of a district or intermediate
16 district means:

17 (a) Except as provided in subdivision (b), the first Wednesday
18 in October each school year or, for a district or building in which
19 school is not in session on that Wednesday due to conditions not
20 within the control of school authorities, with the approval of the
21 superintendent, the immediately following day on which school is in
22 session in the district or building.

23 (b) For a district or intermediate district maintaining school
24 during the entire school year, the following days:

25 (i) Fourth Wednesday in July.

26 (ii) First Wednesday in October.

27 (iii) Second Wednesday in February.

1 (iv) Fourth Wednesday in April.

2 (8) "Pupils in grades K to 12 actually enrolled and in regular
3 daily attendance" means pupils in grades K to 12 in attendance and
4 receiving instruction in all classes for which they are enrolled on
5 the pupil membership count day or the supplemental count day, as
6 applicable. Except as otherwise provided in this subsection, a
7 pupil who is absent from any of the classes in which the pupil is
8 enrolled on the pupil membership count day or supplemental count
9 day and who does not attend each of those classes during the 10
10 consecutive school days immediately following the pupil membership
11 count day or supplemental count day, except for a pupil who has
12 been excused by the district, shall not be counted as 1.0 full-time
13 equated membership. A pupil who is excused from attendance on the
14 pupil membership count day or supplemental count day and who fails
15 to attend each of the classes in which the pupil is enrolled within
16 30 calendar days after the pupil membership count day or
17 supplemental count day shall not be counted as 1.0 full-time
18 equated membership. In addition, a pupil who was enrolled and in
19 attendance in a district, an intermediate district, a public school
20 academy, or the education achievement system before the pupil
21 membership count day or supplemental count day of a particular year
22 but was expelled or suspended on the pupil membership count day or
23 supplemental count day shall only be counted as 1.0 full-time
24 equated membership if the pupil resumed attendance in the district,
25 intermediate district, public school academy, or education
26 achievement system within 45 days after the pupil membership count
27 day or supplemental count day of that particular year. Pupils not

1 counted as 1.0 full-time equated membership due to an absence from
2 a class shall be counted as a prorated membership for the classes
3 the pupil attended. For purposes of this subsection, "class" means
4 a period of time in 1 day when pupils and a certificated teacher or
5 legally qualified substitute teacher are together and instruction
6 is taking place.

7 (9) "Rule" means a rule promulgated pursuant to the
8 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
9 24.328.

10 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
11 380.1852.

12 (11) "School district of the first class", "first class school
13 district", and "district of the first class" mean a district that
14 had at least 60,000 pupils in membership for the immediately
15 preceding fiscal year.

16 (12) "School fiscal year" means a fiscal year that commences
17 July 1 and continues through June 30.

18 (13) "State board" means the state board of education.

19 (14) "Superintendent", unless the context clearly refers to a
20 district or intermediate district superintendent, means the
21 superintendent of public instruction described in section 3 of
22 article VIII of the state constitution of 1963.

23 (15) "Supplemental count day" means the day on which the
24 supplemental pupil count is conducted under section 6a.

25 (16) "Tuition pupil" means a pupil of school age attending
26 school in a district other than the pupil's district of residence
27 for whom tuition may be charged **TO THE DISTRICT OF RESIDENCE.**

1 Tuition pupil does not include a pupil who is a special education
2 pupil, ~~or~~ a pupil described in subsection (6)(c) to ~~(e)~~. **(P), OR A**
3 **PUPIL WHOSE PARENT OR GUARDIAN VOLUNTARILY ENROLLS THE PUPIL IN A**
4 **DISTRICT THAT IS NOT THE PUPIL'S DISTRICT OF RESIDENCE.** A pupil's
5 district of residence shall not require a high school tuition
6 pupil, as provided under section 111, to attend another school
7 district after the pupil has been assigned to a school district.

8 (17) "State school aid fund" means the state school aid fund
9 established in section 11 of article IX of the state constitution
10 of 1963.

11 (18) "Taxable value" means the taxable value of property as
12 determined under section 27a of the general property tax act, 1893
13 PA 206, MCL 211.27a.

14 (19) "Textbook" means a book, electronic book, or other
15 instructional print or electronic resource that is selected and
16 approved by the governing board of a district or, for an
17 achievement school, by the chancellor of the achievement authority
18 and that contains a presentation of principles of a subject, or
19 that is a literary work relevant to the study of a subject required
20 for the use of classroom pupils, or another type of course material
21 that forms the basis of classroom instruction.

22 (20) "Total state aid" or "total state school aid" means the
23 total combined amount of all funds due to a district, intermediate
24 district, or other entity under all of the provisions of this
25 article.

26 Sec. 11. (1) ~~Subject to subsection (3), for~~ **FOR** the fiscal
27 year ending September 30, ~~2013,~~ **2014**, there is appropriated for the

House Bill No. 4228 (H-1) as amended April 23, 2013

1 public schools of this state and certain other state purposes
 2 relating to education the sum of ~~\$10,961,245,600.00~~
 3 **[\$11,092,113,600.00]** from the state school aid fund, **THE SUM OF**
 4 **\$150,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM**
 5 **RESERVE FUND CREATED UNDER SECTION 147B**, and the sum of
 6 ~~\$282,400,000.00~~ **[\$230,000,100.00]** from the general fund. In addition,
 7 all other available federal funds ~~, except those otherwise~~
 8 ~~appropriated under section 11p,~~ are appropriated for the fiscal
 9 year ending September 30, ~~2013-2014~~.

10 (2) The appropriations under this section shall be allocated
 11 as provided in this article. Money appropriated under this section
 12 from the general fund shall be expended to fund the purposes of
 13 this article before the expenditure of money appropriated under
 14 this section from the state school aid fund.

15 (3) Any general fund allocations under this article that are
 16 not expended by the end of the state fiscal year are transferred to
 17 the school aid stabilization fund created under section 11a.

18 Sec. 11a. (1) The school aid stabilization fund is created as
 19 a separate account within the state school aid fund established by
 20 section 11 of article IX of the state constitution of 1963.

21 (2) The state treasurer may receive money or other assets from
 22 any source for deposit into the school aid stabilization fund. The
 23 state treasurer shall deposit into the school aid stabilization
 24 fund all of the following:

25 (a) Unexpended and unencumbered state school aid fund revenue
 26 for a fiscal year that remains in the state school aid fund as of
 27 the bookclosing for that fiscal year.

1 (b) Money statutorily dedicated to the school aid
2 stabilization fund.

3 (c) Money appropriated to the school aid stabilization fund.

4 (3) Money available in the school aid stabilization fund may
5 not be expended without a specific appropriation from the school
6 aid stabilization fund. Money in the school aid stabilization fund
7 shall be expended only for purposes for which state school aid fund
8 money may be expended.

9 (4) The state treasurer shall direct the investment of the
10 school aid stabilization fund. The state treasurer shall credit to
11 the school aid stabilization fund interest and earnings from fund
12 investments.

13 (5) Money in the school aid stabilization fund at the close of
14 a fiscal year shall remain in the school aid stabilization fund and
15 shall not lapse to the unreserved school aid fund balance or the
16 general fund.

17 (6) If the maximum amount appropriated under section 11 from
18 the state school aid fund for a fiscal year exceeds the amount
19 available for expenditure from the state school aid fund for that
20 fiscal year, there is appropriated from the school aid
21 stabilization fund to the state school aid fund an amount equal to
22 the projected shortfall as determined by the department of
23 treasury, but not to exceed available money in the school aid
24 stabilization fund. If the money in the school aid stabilization
25 fund is insufficient to fully fund an amount equal to the projected
26 shortfall, the state budget director shall notify the legislature
27 as required under section ~~11(3)~~**296(2)** and state payments in an

1 amount equal to the remainder of the projected shortfall shall be
2 prorated in the manner provided under section ~~11(4)-296(3)~~.

3 (7) For ~~2012-2013~~, **2013-2014**, in addition to the
4 appropriations in section 11, there is appropriated from the school
5 aid stabilization fund to the state school aid fund the amount
6 necessary to fully fund the allocations under this article.

7 ~~Effective February 24, 2012, in addition to any amounts~~
8 ~~otherwise deposited into the school aid stabilization fund, there~~
9 ~~is transferred from the state school aid fund to the school aid~~
10 ~~stabilization fund an amount equal to \$100,000,000.00.~~

11 Sec. 11g. (1) From the appropriation in section 11, there is
12 allocated for this section an amount not to exceed ~~\$39,000,000.00~~
13 **\$39,500,000.00** for the fiscal year ending September 30, ~~2013~~, **2014**
14 and for ~~each succeeding fiscal year through~~ the fiscal year ending
15 September 30, 2015, after which these payments will cease. These
16 allocations are for paying the amounts described in subsection (3)
17 to districts and intermediate districts, other than those receiving
18 a lump-sum payment under section 11f(2), that were not plaintiffs
19 in the consolidated cases known as Durant v State of Michigan,
20 Michigan supreme court docket no. 104458-104492 and that, on or
21 before March 2, 1998, submitted to the state treasurer a waiver
22 resolution described in section 11f. The amounts paid under this
23 section represent offers of settlement and compromise of any claim
24 or claims that were or could have been asserted by these districts
25 and intermediate districts, as described in this section.

26 (2) This section does not create any obligation or liability
27 of this state to any district or intermediate district that does

1 not submit a waiver resolution described in section 11f. This
2 section and any other provision of this article are not intended to
3 admit liability or waive any defense that is or would be available
4 to this state or its agencies, employees, or agents in any
5 litigation or future litigation with a district or intermediate
6 district regarding these claims or potential claims.

7 (3) The amount paid each fiscal year to each district or
8 intermediate district under this section shall be 1 of the
9 following:

10 (a) If the district or intermediate district does not borrow
11 money and issue bonds under section 11i, 1/30 of the total amount
12 listed in section 11h for the district or intermediate district
13 through the fiscal year ending September 30, ~~2013~~-2015.

14 (b) If the district or intermediate district borrows money and
15 issues bonds under section 11i, an amount in each fiscal year
16 calculated by the department of treasury that is equal to the debt
17 service amount in that fiscal year on the bonds issued by that
18 district or intermediate district under section 11i and that will
19 result in the total payments made to all districts and intermediate
20 districts in each fiscal year under this section being no more than
21 the amount appropriated under this section in each fiscal year.

22 (4) The entire amount of each payment under this section each
23 fiscal year shall be paid on May 15 of the applicable fiscal year
24 or on the next business day following that date. If a district or
25 intermediate district borrows money and issues bonds under section
26 11i, the district or intermediate district shall use funds received
27 under this section to pay debt service on bonds issued under

1 section 11i. If a district or intermediate district does not borrow
2 money and issue bonds under section 11i, the district or
3 intermediate district shall use funds received under this section
4 only for the following purposes, in the following order of
5 priority:

6 (a) First, to pay debt service on voter-approved bonds issued
7 by the district or intermediate district before the effective date
8 of this section.

9 (b) Second, to pay debt service on other limited tax
10 obligations.

11 (c) Third, for deposit into a sinking fund established by the
12 district or intermediate district under the revised school code.

13 (5) To the extent payments under this section are used by a
14 district or intermediate district to pay debt service on debt
15 payable from millage revenues, and to the extent permitted by law,
16 the district or intermediate district may make a corresponding
17 reduction in the number of mills levied for debt service.

18 (6) A district or intermediate district may pledge or assign
19 payments under this section as security for bonds issued under
20 section 11i, but shall not otherwise pledge or assign payments
21 under this section.

22 Sec. 11j. From the appropriation in section 11, there is
23 allocated an amount not to exceed ~~\$120,390,000.00 for 2012-2013~~
24 **\$131,660,000.00 FOR 2013-2014** for payments to the school loan bond
25 redemption fund in the department of treasury on behalf of
26 districts and intermediate districts. Notwithstanding section ~~11~~
27 **296** or any other provision of this act, funds allocated under this

1 section are not subject to proration and shall be paid in full.

2 Sec. 11k. For ~~2012-2013~~, **2013-2014**, there is appropriated from
3 the general fund to the school loan revolving fund an amount equal
4 to the amount of school bond loans assigned to the Michigan finance
5 authority, not to exceed the total amount of school bond loans held
6 in reserve as long-term assets. As used in this section, "school
7 loan revolving fund" means that fund created in section 16c of the
8 shared credit rating act, 1985 PA 227, MCL 141.1066c.

9 Sec. 11m. From the appropriations in section 11, ~~there is~~
10 ~~allocated for 2011-2012 an amount not to exceed \$2,100,000.00 and~~
11 there is allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed
12 ~~\$3,200,000.00~~ **\$6,000,000.00** for fiscal year cash-flow borrowing
13 costs solely related to the state school aid fund established by
14 section 11 of article IX of the state constitution of 1963.

15 Sec. 12. It is the intent of the legislature to appropriate
16 and allocate for the fiscal year ending September 30, ~~2014-2015~~ the
17 same amounts of money from the same sources for the same purposes
18 as are appropriated and allocated under this article for the fiscal
19 year ending September 30, ~~2013~~, **2014**, as adjusted for changes in
20 pupil membership, taxable values, special education costs, interest
21 costs, and available revenue. These adjustments will be determined
22 after the January ~~2013-2014~~ consensus revenue estimating
23 conference.

24 Sec. 15. (1) If a district or intermediate district fails to
25 receive its proper apportionment, the department, upon satisfactory
26 proof that the district or intermediate district was entitled
27 justly, shall apportion the deficiency in the next apportionment.

1 Subject to subsections (2) and (3), if a district or intermediate
2 district has received more than its proper apportionment, the
3 department, upon satisfactory proof, shall deduct the excess in the
4 next apportionment. Notwithstanding any other provision in this
5 article, state aid overpayments to a district, other than
6 overpayments in payments for special education or special education
7 transportation, may be recovered from any payment made under this
8 article other than a special education or special education
9 transportation payment, from the proceeds of a loan to the district
10 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
11 141.942, or from the proceeds of millage levied or pledged under
12 section 1211 of the revised school code, MCL 380.1211. State aid
13 overpayments made in special education or special education
14 transportation payments may be recovered from subsequent special
15 education or special education transportation payments, from the
16 proceeds of a loan to the district under the emergency municipal
17 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
18 of millage levied or pledged under section 1211 of the revised
19 school code, MCL 380.1211.

20 (2) If the result of an audit conducted by or for the
21 department affects the current fiscal year membership, affected
22 payments shall be adjusted in the current fiscal year. A deduction
23 due to an adjustment made as a result of an audit conducted by or
24 for the department, or as a result of information obtained by the
25 department from the district, an intermediate district, the
26 department of treasury, or the office of auditor general, shall be
27 deducted from the district's apportionments when the adjustment is

1 finalized. At the request of the district and upon the district
2 presenting evidence satisfactory to the department of the hardship,
3 the department may grant up to an additional 4 years for the
4 adjustment and may advance payments to the district otherwise
5 authorized under this ~~act~~**ARTICLE** if the district would otherwise
6 experience a significant hardship in satisfying its financial
7 obligations.

8 (3) If, because of the receipt of new or updated data, the
9 department determines during a fiscal year that the amount paid to
10 a district or intermediate district under this article for a prior
11 fiscal year was incorrect under the law in effect for that year,
12 the department may make the appropriate deduction or payment in the
13 district's or intermediate district's allocation for the fiscal
14 year in which the determination is made. The deduction or payment
15 shall be calculated according to the law in effect in the fiscal
16 year in which the improper amount was paid. If the district does
17 not receive an allocation for the fiscal year or if the allocation
18 is not sufficient to pay the amount of any deduction, the amount of
19 any deduction otherwise applicable shall be satisfied from the
20 proceeds of a loan to the district under the emergency municipal
21 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
22 of millage levied or pledged under section 1211 of the revised
23 school code, MCL 380.1211, as determined by the department.

24 (4) Expenditures made by the department under this article
25 that are caused by the write-off of prior year accruals may be
26 funded by revenue from the write-off of prior year accruals.

27 (5) In addition to funds appropriated in section 11 for all

1 programs and services, there is appropriated for ~~2012-2013-2013-~~
2 **2014** for obligations in excess of applicable appropriations an
3 amount equal to the collection of overpayments, but not to exceed
4 amounts available from overpayments.

5 Sec. 18. (1) Except as provided in another section of this
6 article, each district or other entity shall apply the money
7 received by the district or entity under this article to salaries
8 and other compensation of teachers and other employees, tuition,
9 transportation, lighting, heating, ventilation, water service, the
10 purchase of textbooks, other supplies, and any other school
11 operating expenditures defined in section 7. However, not more than
12 20% of the total amount received by a district or intermediate
13 district under this article may be transferred by the board to
14 either the capital projects fund or to the debt retirement fund for
15 debt service. The money shall not be applied or taken for a purpose
16 other than as provided in this section. The department shall
17 determine the reasonableness of expenditures and may withhold from
18 a recipient of funds under this article the apportionment otherwise
19 due upon a violation by the recipient.

20 (2) Within 30 days after a board adopts its annual operating
21 budget for the following school fiscal year, or after a board
22 adopts a subsequent revision to that budget, the district shall
23 make all of the following available through a link on its website
24 home page, or may make the information available through a link on
25 its intermediate district's website home page, in a form and manner
26 prescribed by the department:

27 (a) The annual operating budget and subsequent budget

1 revisions.

2 (b) Using data that have already been collected and submitted
3 to the department, a summary of district expenditures for the most
4 recent fiscal year for which they are available, expressed in the
5 following 2 pie charts:

6 (i) A chart of personnel expenditures, broken into the
7 following subcategories:

8 (A) Salaries and wages.

9 (B) Employee benefit costs, including, but not limited to,
10 medical, dental, vision, life, disability, and long-term care
11 benefits.

12 (C) Retirement benefit costs.

13 (D) All other personnel costs.

14 (ii) A chart of all district expenditures, broken into the
15 following subcategories:

16 (A) Instruction.

17 (B) Support services.

18 (C) Business and administration.

19 (D) Operations and maintenance.

20 (c) Links to all of the following:

21 (i) The current collective bargaining agreement for each
22 bargaining unit.

23 (ii) Each health care benefits plan, including, but not limited
24 to, medical, dental, vision, disability, long-term care, or any
25 other type of benefits that would constitute health care services,
26 offered to any bargaining unit or employee in the district.

27 (iii) The audit report of the audit conducted under subsection

1 (4) for the most recent fiscal year for which it is available.

2 (iv) The bids required under section 5 of the public employee
3 health benefits act, 2007 PA 106, MCL 124.75.

4 (d) The total salary and a description and cost of each fringe
5 benefit included in the compensation package for the superintendent
6 of the district and for each employee of the district whose salary
7 exceeds \$100,000.00.

8 (e) The annual amount spent on dues paid to associations.

9 (f) The annual amount spent on lobbying or lobbying services.

10 As used in this subdivision, "lobbying" means that term as defined
11 in section 5 of 1978 PA 472, MCL 4.415.

12 (3) For the information required under subsection (2)(a),
13 (2)(b)(i), and (2)(c), an intermediate district shall provide the
14 same information in the same manner as required for a district
15 under subsection (2).

16 (4) For the purpose of determining the reasonableness of
17 expenditures and whether a violation of this article has occurred,
18 all of the following apply:

19 (a) The department shall require that each district and
20 intermediate district have an audit of the district's or
21 intermediate district's financial and pupil accounting records
22 conducted at least annually at the expense of the district or
23 intermediate district, as applicable, by a certified public
24 accountant or by the intermediate district superintendent, as may
25 be required by the department, or in the case of a district of the
26 first class by a certified public accountant, the intermediate
27 superintendent, or the auditor general of the city.

1 (b) If a district operates in a single building with fewer
2 than 700 full-time equated pupils, if the district has stable
3 membership, and if the error rate of the immediately preceding 2
4 pupil accounting field audits of the district is less than 2%, the
5 district may have a pupil accounting field audit conducted
6 biennially but must continue to have desk audits for each pupil
7 count. The auditor must document compliance with the audit cycle in
8 the pupil auditing manual. As used in this subdivision, "stable
9 membership" means that the district's membership for the current
10 fiscal year varies from the district's membership for the
11 immediately preceding fiscal year by less than 5%.

12 (c) A district's or intermediate district's annual financial
13 audit shall include an analysis of the financial and pupil
14 accounting data used as the basis for distribution of state school
15 aid.

16 (d) The pupil and financial accounting records and reports,
17 audits, and management letters are subject to requirements
18 established in the auditing and accounting manuals approved and
19 published by the department.

20 (e) All of the following shall be done not later than November
21 15 each year:

22 (i) A district shall file the annual financial audit reports
23 with the intermediate district and the department.

24 (ii) The intermediate district shall file the annual financial
25 audit reports for the intermediate district with the department.

26 (iii) The intermediate district shall enter the pupil membership
27 audit reports for its constituent districts and for the

1 intermediate district, for the pupil membership count day and
2 supplemental count day, in the Michigan student data system.

3 (f) The annual financial audit reports and pupil accounting
4 procedures reports shall be available to the public in compliance
5 with the freedom of information act, 1976 PA 442, MCL 15.231 to
6 15.246.

7 (g) Not later than January 31 of each year, the department
8 shall notify the state budget director and the legislative
9 appropriations subcommittees responsible for review of the school
10 aid budget of districts and intermediate districts that have not
11 filed an annual financial audit and pupil accounting procedures
12 report required under this section for the school year ending in
13 the immediately preceding fiscal year.

14 (5) By November 15 of each year, each district and
15 intermediate district shall submit to the center, in a manner
16 prescribed by the center, annual comprehensive financial data
17 consistent with accounting manuals and charts of accounts approved
18 and published by the department. For an intermediate district, the
19 report shall also contain the website address where the department
20 can access the report required under section 620 of the revised
21 school code, MCL 380.620. The department shall ensure that the
22 prescribed Michigan public school accounting manual chart of
23 accounts includes standard conventions to distinguish expenditures
24 by allowable fund function and object. The functions shall include
25 at minimum categories for instruction, pupil support, instructional
26 staff support, general administration, school administration,
27 business administration, transportation, facilities operation and

1 maintenance, facilities acquisition, and debt service; and shall
2 include object classifications of salary, benefits, including
3 categories for active employee health expenditures, purchased
4 services, supplies, capital outlay, and other. Districts shall
5 report the required level of detail consistent with the manual as
6 part of the comprehensive annual financial report.

7 (6) By September 30 of each year, each district and
8 intermediate district shall file with the department the special
9 education actual cost report, known as "SE-4096", on a form and in
10 the manner prescribed by the department.

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

15 (8) The department shall review its pupil accounting and pupil
16 auditing manuals at least annually and shall periodically update
17 those manuals to reflect changes in this article.

18 (9) If a district that is a public school academy purchases
19 property using money received under this article, the public school
20 academy shall retain ownership of the property unless the public
21 school academy sells the property at fair market value.

22 (10) If a district or intermediate district does not comply
23 with subsections (4), (5), (6), and (7), the department shall
24 withhold all state school aid due to the district or intermediate
25 district under this article, beginning with the next payment due to
26 the district or intermediate district, until the district or
27 intermediate district complies with subsections (4), (5), (6), and

1 (7). If the district or intermediate district does not comply with
2 subsections (4), (5), (6), and (7) by the end of the fiscal year,
3 the district or intermediate district forfeits the amount withheld.

4 ~~—— (11) Not later than October 1, 2012, if a district or
5 intermediate district offers online learning, the district or
6 intermediate district shall submit to the department a report that
7 details the per pupil costs of operating the online learning. The
8 report shall include, on a per pupil basis, at least all of the
9 following costs:~~

10 ~~—— (a) Textbooks, instructional materials, and supplies,
11 including electronic instructional material.~~

12 ~~—— (b) Computer and other electronic equipment, including
13 internet and telephone access.~~

14 ~~—— (c) Salaries and benefits for the online learning employees.~~

15 ~~—— (d) Purchased courses and curricula.~~

16 ~~—— (e) Fees associated with oversight and regulation.~~

17 ~~—— (f) Travel costs associated with school activities and
18 testing.~~

19 ~~—— (g) Facilities costs.~~

20 ~~—— (h) Costs associated with special education.~~

21 ~~—— (12) Not later than December 31, 2012, the department shall
22 issue a report to the legislature including the following:~~

23 ~~—— (a) A review of the data submitted under subsection (11).~~

24 ~~—— (b) A comparison with costs of substantially similar programs
25 in other states and relevant national research on the costs of
26 online learning.~~

27 ~~—— (c) Any conclusions concerning factors or characteristics of~~

1 ~~online learning programs that make a difference in the costs of~~
2 ~~operating the programs.~~

3 Sec. 18b. (1) Property of a public school academy that was
4 acquired substantially with funds appropriated under this ~~act~~
5 **ARTICLE** shall be transferred to this state by the public school
6 academy corporation if any of the following occur:

7 (a) The public school academy has been ineligible to receive
8 funding under this ~~act~~**ARTICLE** for 18 consecutive months.

9 (b) The public school academy's contract has been revoked or
10 terminated for any reason.

11 (c) The public school academy's contract has **EXPIRED AND HAS**
12 not been reissued by the authorizing body.

13 **(2) A PUBLIC SCHOOL ACADEMY CORPORATION SHALL INITIATE THE**
14 **PROCESS OF TRANSFERRING PROPERTY TO THIS STATE AS REQUIRED UNDER**
15 **SUBSECTION (1) WITHIN 30 DAYS AFTER THE OCCURRENCE OF THE EVENT**
16 **THAT TRIGGERS THE PROCESS UNDER SUBSECTION (1).**

17 (3) ~~(2)~~Property required to be transferred to this state
18 under this section includes title to all real and personal
19 property, interests in real or personal property, and other assets
20 owned by the public school academy corporation that were
21 substantially acquired with funds appropriated under this
22 ~~act~~**ARTICLE.**

23 (4) ~~(3)~~The state treasurer, or his or her designee, is
24 authorized to dispose of property transferred to this state under
25 this section. Except as otherwise provided in this section, the
26 state treasurer shall deposit in the state school aid fund any
27 money included in that property and the net proceeds from the sale

1 of the property or interests in property, after payment by the
2 state treasurer of any public school academy debt secured by the
3 property or interest in property.

4 (5) ~~(4)~~—This section does not impose any liability on this
5 state, any agency of this state, or an authorizing body for any
6 debt incurred by a public school academy.

7 (6) ~~(5)~~—As used in this section and section 18c, "authorizing
8 body" means an authorizing body defined under section 501 or 1311b
9 of the revised school code, MCL 380.501 and 380.1311b.

10 Sec. 19. (1) A district or intermediate district shall comply
11 with all applicable reporting requirements specified in state and
12 federal law. Data provided to the center, in a form and manner
13 prescribed by the center, shall be aggregated and disaggregated as
14 required by state and federal law. In addition, a district or
15 intermediate district shall cooperate with all measures taken by
16 the center to establish and maintain a statewide P-20 longitudinal
17 data system.

18 (2) Each district shall furnish to the center not later than 5
19 weeks after the pupil membership count day and by June 30 of the
20 school fiscal year ending in the fiscal year, in a manner
21 prescribed by the center, the information necessary for the
22 preparation of the district and high school graduation report. This
23 information shall meet requirements established in the pupil
24 auditing manual approved and published by the department. The
25 center shall calculate an annual graduation and pupil dropout rate
26 for each high school, each district, and this state, in compliance
27 with nationally recognized standards for these calculations. The

1 center shall report all graduation and dropout rates to the senate
2 and house education committees and appropriations committees, the
3 state budget director, and the department not later than 30 days
4 after the publication of the list described in subsection (6).

5 (3) By the first business day in December and by June 30 of
6 each year, a district shall furnish to the center, in a manner
7 prescribed by the center, information related to educational
8 personnel as necessary for reporting required by state and federal
9 law.

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

14 (5) If a district or intermediate district fails to meet the
15 requirements of this section, the department shall withhold 5% of
16 the total funds for which the district or intermediate district
17 qualifies under this article until the district or intermediate
18 district complies with all of those subsections. If the district or
19 intermediate district does not comply with all of those subsections
20 by the end of the fiscal year, the department shall place the
21 amount withheld in an escrow account until the district or
22 intermediate district complies with all of those subsections.

23 (6) Before publishing a list of ~~schools or districts~~
24 ~~determined to have failed to make adequate yearly progress~~ **SCHOOL**
25 **OR DISTRICT ACCOUNTABILITY DESIGNATIONS** as required by the no child
26 left behind act of 2001, Public Law 107-110, the department shall
27 allow a school or district to appeal that determination. The

1 department shall consider and act upon the appeal within 30 days
2 after it is submitted and shall not publish the list until after
3 all appeals have been considered and decided.

4 (7) It is the intent of the legislature to implement not later
5 than 2014-2015 statewide standard reporting requirements for
6 education data approved by the department in conjunction with the
7 center. The department shall work with the center, intermediate
8 districts, districts, and other interested stakeholders to develop
9 recommendations on the implementation of this policy change. A
10 district or intermediate district shall implement the statewide
11 standard reporting requirements not later than 2014-2015 or when a
12 district or intermediate district updates its education data
13 reporting system, whichever is later.

14 Sec. 20. (1) For ~~2011-2012, and for 2012-2013,~~ **2013-2014**, the
15 basic foundation allowance is \$8,019.00.

16 (2) The amount of each district's foundation allowance shall
17 be calculated as provided in this section, using a basic foundation
18 allowance in the amount specified in subsection (1).

19 (3) Except as otherwise provided in this section, the amount
20 of a district's foundation allowance shall be calculated as
21 follows, using in all calculations the total amount of the
22 district's foundation allowance as calculated before any proration:

23 (a) For a district that had a foundation allowance for the
24 immediately preceding state fiscal year that was at least equal to
25 the sum of \$7,108.00 plus the total dollar amount of all
26 adjustments made from 2006-2007 to the immediately preceding state
27 fiscal year in the lowest foundation allowance among all districts,

1 but less than the basic foundation allowance for the immediately
2 preceding state fiscal year, the district shall receive a
3 foundation allowance in an amount equal to the sum of the
4 district's foundation allowance for the immediately preceding state
5 fiscal year plus the difference between twice the dollar amount of
6 the adjustment from the immediately preceding state fiscal year to
7 the current state fiscal year made in the basic foundation
8 allowance and [(the dollar amount of the adjustment from the
9 immediately preceding state fiscal year to the current state fiscal
10 year made in the basic foundation allowance minus \$20.00) times
11 (the difference between the district's foundation allowance for the
12 immediately preceding state fiscal year and the sum of \$7,108.00
13 plus the total dollar amount of all adjustments made from 2006-2007
14 to the immediately preceding state fiscal year in the lowest
15 foundation allowance among all districts) divided by the difference
16 between the basic foundation allowance for the current state fiscal
17 year and the sum of \$7,108.00 plus the total dollar amount of all
18 adjustments made from 2006-2007 to the immediately preceding state
19 fiscal year in the lowest foundation allowance among all
20 districts]. For 2011-2012, for a district that had a foundation
21 allowance for the immediately preceding state fiscal year that was
22 at least equal to the sum of \$7,108.00 plus the total dollar amount
23 of all adjustments made from 2006-2007 to the immediately preceding
24 state fiscal year in the lowest foundation allowance among all
25 districts, but less than the basic foundation allowance for the
26 immediately preceding state fiscal year, the district shall receive
27 a foundation allowance in an amount equal to the district's

1 foundation allowance for 2010-2011, minus \$470.00. Except as
2 otherwise provided in subdivision (h), for ~~2012-2013, 2013-2014~~,
3 for a district that had a foundation allowance for the immediately
4 preceding state fiscal year that was at least equal to the sum of
5 \$7,108.00 plus the total dollar amount of all adjustments made from
6 2006-2007 to the immediately preceding state fiscal year in the
7 lowest foundation allowance among all districts, but less than the
8 basic foundation allowance for the immediately preceding state
9 fiscal year, the district shall receive a foundation allowance in
10 an amount equal to the district's foundation allowance for the
11 immediately preceding state fiscal year. However, the foundation
12 allowance for a district that had less than the basic foundation
13 allowance for the immediately preceding state fiscal year shall not
14 exceed the basic foundation allowance for the current state fiscal
15 year.

16 (b) Except as otherwise provided in this subsection, for a
17 district that in the immediately preceding state fiscal year had a
18 foundation allowance in an amount at least equal to the amount of
19 the basic foundation allowance for the immediately preceding state
20 fiscal year, the district shall receive a foundation allowance for
21 2011-2012 in an amount equal to the district's foundation allowance
22 for 2010-2011, minus \$470.00. For ~~2012-2013, 2013-2014~~, except as
23 otherwise provided in this subsection, for a district that in the
24 immediately preceding state fiscal year had a foundation allowance
25 in an amount at least equal to the amount of the basic foundation
26 allowance for the immediately preceding state fiscal year, the
27 district shall receive a foundation allowance ~~for 2012-2013~~ in an

1 amount equal to the district's foundation allowance for the
2 immediately preceding state fiscal year.

3 (c) Except as otherwise provided in subdivision (d), for a
4 district that in the 1994-95 state fiscal year had a foundation
5 allowance greater than \$6,500.00, the district's foundation
6 allowance is an amount equal to the sum of the district's
7 foundation allowance for the immediately preceding state fiscal
8 year plus the lesser of the increase in the basic foundation
9 allowance for the current state fiscal year, as compared to the
10 immediately preceding state fiscal year, or the product of the
11 district's foundation allowance for the immediately preceding state
12 fiscal year times the percentage increase in the United States
13 consumer price index in the calendar year ending in the immediately
14 preceding fiscal year as reported by the May revenue estimating
15 conference conducted under section 367b of the management and
16 budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided
17 in subdivision (d), for 2011-2012, for a district that in the 1994-
18 1995 state fiscal year had a foundation allowance greater than
19 \$6,500.00, the district's foundation allowance is an amount equal
20 to the district's foundation allowance for the 2010-2011 fiscal
21 year minus \$470.00. For ~~2012-2013,~~ **2013-2014**, except as otherwise
22 provided in subdivision (d), for a district that in the 1994-1995
23 state fiscal year had a foundation allowance greater than
24 \$6,500.00, the district's foundation allowance is an amount equal
25 to the district's foundation allowance for the immediately
26 preceding state fiscal year.

27 (d) For a district that in the 1994-95 state fiscal year had a

1 foundation allowance greater than \$6,500.00 and that had a
2 foundation allowance for the 2009-2010 state fiscal year, as
3 otherwise calculated under this section, that was less than the
4 basic foundation allowance, the district's foundation allowance for
5 2011-2012 and each succeeding fiscal year shall be considered to be
6 an amount equal to the basic foundation allowance.

7 (e) For a district that has a foundation allowance that is not
8 a whole dollar amount, the district's foundation allowance shall be
9 rounded up to the nearest whole dollar.

10 (f) For a district that received a payment under section 22c
11 as that section was in effect for 2001-2002, the district's 2001-
12 2002 foundation allowance shall be considered to have been an
13 amount equal to the sum of the district's actual 2001-2002
14 foundation allowance as otherwise calculated under this section
15 plus the per pupil amount of the district's equity payment for
16 2001-2002 under section 22c as that section was in effect for 2001-
17 2002.

18 (g) For a district that received a payment under section 22c
19 as that section was in effect for 2006-2007, the district's 2006-
20 2007 foundation allowance shall be considered to have been an
21 amount equal to the sum of the district's actual 2006-2007
22 foundation allowance as otherwise calculated under this section
23 plus the per pupil amount of the district's equity payment for
24 2006-2007 under section 22c as that section was in effect for 2006-
25 2007.

26 (h) For 2012-2013, for a district that had a foundation
27 allowance for the 2011-2012 state fiscal year of less than

1 \$6,966.00, the district's foundation allowance is an amount equal
2 to \$6,966.00.

3 (4) Except as otherwise provided in this subsection, the state
4 portion of a district's foundation allowance is an amount equal to
5 the district's foundation allowance or the basic foundation
6 allowance for the current state fiscal year, whichever is less,
7 minus the difference between the sum of the product of the taxable
8 value per membership pupil of all property in the district that is
9 nonexempt property times the district's certified mills and, for a
10 district with certified mills exceeding 12, the product of the
11 taxable value per membership pupil of property in the district that
12 is commercial personal property times the certified mills minus 12
13 mills and the quotient of the ad valorem property tax revenue of
14 the district captured under tax increment financing acts divided by
15 the district's membership excluding special education pupils. For a
16 district described in subsection (3)(c), the state portion of the
17 district's foundation allowance is an amount equal to \$6,962.00
18 plus the difference between the district's foundation allowance for
19 the current state fiscal year and the district's foundation
20 allowance for 1998-99, minus the difference between the sum of the
21 product of the taxable value per membership pupil of all property
22 in the district that is nonexempt property times the district's
23 certified mills and, for a district with certified mills exceeding
24 12, the product of the taxable value per membership pupil of
25 property in the district that is commercial personal property times
26 the certified mills minus 12 mills and the quotient of the ad
27 valorem property tax revenue of the district captured under tax

1 increment financing acts divided by the district's membership
2 excluding special education pupils. For a district that has a
3 millage reduction required under section 31 of article IX of the
4 state constitution of 1963, the state portion of the district's
5 foundation allowance shall be calculated as if that reduction did
6 not occur.

7 (5) The allocation calculated under this section for a pupil
8 shall be based on the foundation allowance of the pupil's district
9 of residence. For a pupil enrolled pursuant to section 105 or 105c
10 in a district other than the pupil's district of residence, the
11 allocation calculated under this section shall be based on the
12 lesser of the foundation allowance of the pupil's district of
13 residence or the foundation allowance of the educating district.
14 For a pupil in membership in a K-5, K-6, or K-8 district who is
15 enrolled in another district in a grade not offered by the pupil's
16 district of residence, the allocation calculated under this section
17 shall be based on the foundation allowance of the educating
18 district if the educating district's foundation allowance is
19 greater than the foundation allowance of the pupil's district of
20 residence.

21 (6) Except as otherwise provided in this subsection, for
22 pupils in membership, other than special education pupils, in a
23 public school academy, the allocation calculated under this section
24 is an amount per membership pupil other than special education
25 pupils in the public school academy equal to the foundation
26 allowance of the district in which the public school academy is
27 located or the state maximum public school academy allocation,

1 whichever is less. However, a public school academy that had an
2 allocation under this subsection before 2009-2010 that was equal to
3 the sum of the local school operating revenue per membership pupil
4 other than special education pupils for the district in which the
5 public school academy is located and the state portion of that
6 district's foundation allowance shall not have that allocation
7 reduced as a result of the 2010 amendment to this subsection.
8 Notwithstanding section 101, for a public school academy that
9 begins operations after the pupil membership count day, the amount
10 per membership pupil calculated under this subsection shall be
11 adjusted by multiplying that amount per membership pupil by the
12 number of hours of pupil instruction provided by the public school
13 academy after it begins operations, as determined by the
14 department, divided by the minimum number of hours of pupil
15 instruction required under section 101(3). The result of this
16 calculation shall not exceed the amount per membership pupil
17 otherwise calculated under this subsection.

18 (7) Except as otherwise provided in this subsection, for
19 pupils attending an achievement school and in membership in the
20 education achievement system, other than special education pupils,
21 the allocation calculated under this section is an amount per
22 membership pupil other than special education pupils equal to the
23 foundation allowance of the district in which the achievement
24 school is located, not to exceed the basic foundation allowance.
25 Notwithstanding section 101, for an achievement school that begins
26 operation after the pupil membership count day, the amount per
27 membership pupil calculated under this subsection shall be adjusted

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1 by multiplying that amount per membership pupil by the number of
2 hours of pupil instruction provided by the achievement school after
3 it begins operations, as determined by the department, divided by
4 the minimum number of hours of pupil instruction required under
5 section 101(3). The result of this calculation shall not exceed the
6 amount per membership pupil otherwise calculated under this
7 subsection. For the purposes of this subsection, if a public school
8 is transferred from a district to the state school reform/redesign
9 district or the achievement authority under section 1280c of the
10 revised school code, that public school is considered to be an
11 achievement school within the education achievement system and not
12 a school that is part of a district, and a pupil attending that
13 public school is considered to be in membership in the education
14 achievement system and not in membership in the district that
15 operated the school before the transfer.

16 (8) BEGINNING IN 2014-2015, FOR PUPILS ATTENDING A SCHOOL OF
17 EXCELLENCE THAT IS A CYBER SCHOOL UNDER MCL 380.552, THE ALLOCATION
18 CALCULATED UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL
19 OTHER THAN SPECIAL EDUCATION PUPILS EQUAL TO [85%] OF THE FOUNDATION
20 ALLOWANCE OF THE DISTRICT IN WHICH IT IS LOCATED, NOT TO EXCEED THE
21 MAXIMUM PUBLIC SCHOOL ACADEMY ALLOCATION.

22 (9) BEGINNING IN 2014-2015, FOR PUPILS ATTENDING A DISTRICT IN
23 A DEPARTMENT-APPROVED ALTERNATIVE EDUCATION PROGRAM THAT RECEIVES A
24 WAIVER UNDER MCL 388.1701, IF THE WAIVER IS FOR A 100% ONLINE
25 MODEL, THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT
26 PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS EQUAL TO
27 [85%] OF THE FOUNDATION ALLOWANCE OF THE DISTRICT IN WHICH IT IS

1 **LOCATED, NOT TO EXCEED THE BASIC FOUNDATION ALLOWANCE.**

2 (10) ~~(8)~~—Subject to subsection (4), for a district that is
3 formed or reconfigured after June 1, 2002 by consolidation of 2 or
4 more districts or by annexation, the resulting district's
5 foundation allowance under this section beginning after the
6 effective date of the consolidation or annexation shall be **LESSER**
7 **OF THE SUM OF** the average of the foundation allowances of each of
8 the original or affected districts, calculated as provided in this
9 section, weighted as to the percentage of pupils in total
10 membership in the resulting district who reside in the geographic
11 area of each of the original or affected districts **PLUS \$100.00 OR**
12 **THE HIGHEST FOUNDATION ALLOWANCE AMONG THE ORIGINAL OR AFFECTED**
13 **DISTRICTS.**

14 (11) ~~(9)~~—Each fraction used in making calculations under this
15 section shall be rounded to the fourth decimal place and the dollar
16 amount of an increase in the basic foundation allowance shall be
17 rounded to the nearest whole dollar.

18 (12) ~~(10)~~—State payments related to payment of the foundation
19 allowance for a special education pupil are not calculated under
20 this section but are instead calculated under section 51a.

21 (13) ~~(11)~~—To assist the legislature in determining the basic
22 foundation allowance for the subsequent state fiscal year, each
23 revenue estimating conference conducted under section 367b of the
24 management and budget act, 1984 PA 431, MCL 18.1367b, shall
25 calculate a pupil membership factor, a revenue adjustment factor,
26 and an index as follows:

27 (a) The pupil membership factor shall be computed by dividing

1 the estimated membership in the school year ending in the current
2 state fiscal year, excluding intermediate district membership, by
3 the estimated membership for the school year ending in the
4 subsequent state fiscal year, excluding intermediate district
5 membership. If a consensus membership factor is not determined at
6 the revenue estimating conference, the principals of the revenue
7 estimating conference shall report their estimates to the house and
8 senate subcommittees responsible for school aid appropriations not
9 later than 7 days after the conclusion of the revenue conference.

10 (b) The revenue adjustment factor shall be computed by
11 dividing the sum of the estimated total state school aid fund
12 revenue for the subsequent state fiscal year plus the estimated
13 total state school aid fund revenue for the current state fiscal
14 year, adjusted for any change in the rate or base of a tax the
15 proceeds of which are deposited in that fund and excluding money
16 transferred into that fund from the countercyclical budget and
17 economic stabilization fund under the management and budget act,
18 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
19 total school aid fund revenue for the current state fiscal year
20 plus the estimated total state school aid fund revenue for the
21 immediately preceding state fiscal year, adjusted for any change in
22 the rate or base of a tax the proceeds of which are deposited in
23 that fund. If a consensus revenue factor is not determined at the
24 revenue estimating conference, the principals of the revenue
25 estimating conference shall report their estimates to the house and
26 senate subcommittees responsible for school aid appropriations not
27 later than 7 days after the conclusion of the revenue conference.

1 (c) The index shall be calculated by multiplying the pupil
2 membership factor by the revenue adjustment factor. However, for
3 ~~2011-2012, the index shall be 0.93575 and for 2012-2013, 2013-2014,~~
4 the index shall be 1.00. If a consensus index is not determined at
5 the revenue estimating conference, the principals of the revenue
6 estimating conference shall report their estimates to the house and
7 senate subcommittees responsible for school aid appropriations not
8 later than 7 days after the conclusion of the revenue conference.

9 ~~—— (12) For a district in which 7.75 mills levied in 1992 for
10 school operating purposes in the 1992-93 school year were not
11 renewed in 1993 for school operating purposes in the 1993-94 school
12 year, the district's combined state and local revenue per
13 membership pupil shall be recalculated as if that millage reduction
14 did not occur and the district's foundation allowance shall be
15 calculated as if its 1994-95 foundation allowance had been
16 calculated using that recalculated 1993-94 combined state and local
17 revenue per membership pupil as a base. A district is not entitled
18 to any retroactive payments for fiscal years before 2000-2001 due
19 to this subsection. A district receiving an adjustment under this
20 subsection shall not receive as a result of this adjustment an
21 amount that exceeds 50% of the amount the district received as a
22 result of this adjustment for 2010-2011. This adjustment shall not
23 be made after 2011-2012.~~

24 ~~—— (13) For a district in which an industrial facilities
25 exemption certificate that abated taxes on property with a state
26 equalized valuation greater than the total state equalized
27 valuation of the district at the time the certificate was issued or~~

1 ~~\$700,000,000.00, whichever is greater, was issued under 1974 PA~~
2 ~~198, MCL 207.551 to 207.572, before the calculation of the~~
3 ~~district's 1994-95 foundation allowance, the district's foundation~~
4 ~~allowance for 2002-2003 is an amount equal to the sum of the~~
5 ~~district's foundation allowance for 2002-2003, as otherwise~~
6 ~~calculated under this section, plus \$250.00. A district receiving~~
7 ~~an adjustment under this subsection shall not receive as a result~~
8 ~~of this adjustment an amount that exceeds 50% of the amount the~~
9 ~~district received as a result of this adjustment for 2010-2011.~~
10 ~~This adjustment shall not be made after 2011-2012.~~

11 (14) For a district that received a grant under former section
12 32e for 2001-2002, the district's foundation allowance for 2002-
13 2003 and each succeeding fiscal year shall be adjusted to be an
14 amount equal to the sum of the district's foundation allowance, as
15 otherwise calculated under this section, plus the quotient of 100%
16 of the amount of the grant award to the district for 2001-2002
17 under former section 32e divided by the number of pupils in the
18 district's membership for 2001-2002 who were residents of and
19 enrolled in the district. Except as otherwise provided in this
20 subsection, a district qualifying for a foundation allowance
21 adjustment under this subsection shall use the funds resulting from
22 this adjustment for at least 1 of grades K to 3 for purposes
23 allowable under former section 32e as in effect for 2001-2002. For
24 an individual school or schools operated by a district qualifying
25 for a foundation allowance under this subsection that have been
26 determined by the department to meet the adequate yearly progress
27 standards of the federal no child left behind act of 2001, Public

1 Law 107-110, in both mathematics and English language arts at all
2 applicable grade levels for all applicable subgroups, the district
3 may submit to the department an application for flexibility in
4 using the funds resulting from this adjustment that are
5 attributable to the pupils in the school or schools. The
6 application shall identify the affected school or schools and the
7 affected funds and shall contain a plan for using the funds for
8 specific purposes identified by the district that are designed to
9 reduce class size, but that may be different from the purposes
10 otherwise allowable under this subsection. The department shall
11 approve the application if the department determines that the
12 purposes identified in the plan are reasonably designed to reduce
13 class size. If the department does not act to approve or disapprove
14 an application within 30 days after it is submitted to the
15 department, the application is considered to be approved. If an
16 application for flexibility in using the funds is approved, the
17 district may use the funds identified in the application for any
18 purpose identified in the plan. A district receiving an adjustment
19 under this subsection shall not receive as a result of this
20 adjustment an amount that exceeds ~~68.5%~~ 70% of the amount the
21 district received as a result of this adjustment for ~~2010-~~
22 ~~2011-2012-2013. HOWEVER, IF A DISTRICT'S FOUNDATION ALLOWANCE WOULD~~
23 ~~BE LESS THAN \$6,966.00 DUE TO THE CHANGES MADE IN THIS ADJUSTMENT,~~
24 ~~THE DISTRICT'S FOUNDATION ALLOWANCE SHALL BE \$6,966.00.~~
25 ~~—— (15) For a district that levied 1.9 mills in 1993 to finance~~
26 ~~an operating deficit, the district's foundation allowance shall be~~
27 ~~calculated as if those mills were included as operating mills in~~

1 ~~the calculation of the district's 1994-1995 foundation allowance. A~~
2 ~~district is not entitled to any retroactive payments for fiscal~~
3 ~~years before 2006-2007 due to this subsection. A district receiving~~
4 ~~an adjustment under this subsection shall not receive more than~~
5 ~~\$800,000.00 for a fiscal year as a result of this adjustment. A~~
6 ~~district receiving an adjustment under this subsection shall not~~
7 ~~receive as a result of this adjustment an amount that exceeds 50%~~
8 ~~of the amount the district received as a result of this adjustment~~
9 ~~for 2010-2011. This adjustment shall not be made after 2011-2012.~~

10 ~~—— (16) For a district that levied 2.23 mills in 1993 to finance~~
11 ~~an operating deficit, the district's foundation allowance shall be~~
12 ~~calculated as if those mills were included as operating mills in~~
13 ~~the calculation of the district's 1994-1995 foundation allowance. A~~
14 ~~district is not entitled to any retroactive payments for fiscal~~
15 ~~years before 2006-2007 due to this subsection. A district receiving~~
16 ~~an adjustment under this subsection shall not receive more than~~
17 ~~\$500,000.00 for a fiscal year as a result of this adjustment. A~~
18 ~~district receiving an adjustment under this subsection shall not~~
19 ~~receive as a result of this adjustment an amount that exceeds 50%~~
20 ~~of the amount the district received as a result of this adjustment~~
21 ~~for 2010-2011. This adjustment shall not be made after 2011-2012.~~

22 (15) ~~(17)~~ Payments to districts, public school academies, or
23 the education achievement system shall not be made under this
24 section. Rather, the calculations under this section shall be used
25 to determine the amount of state payments under section 22b.

26 (16) ~~(18)~~ If an amendment to section 2 of article VIII of the
27 state constitution of 1963 allowing state aid to some or all

1 nonpublic schools is approved by the voters of this state, each
2 foundation allowance or per pupil payment calculation under this
3 section may be reduced.

4 (17) ~~(19)~~—As used in this section:

5 (a) "Certified mills" means the lesser of 18 mills or the
6 number of mills of school operating taxes levied by the district in
7 1993-94.

8 (b) "Combined state and local revenue" means the aggregate of
9 the district's state school aid received by or paid on behalf of
10 the district under this section and the district's local school
11 operating revenue.

12 (c) "Combined state and local revenue per membership pupil"
13 means the district's combined state and local revenue divided by
14 the district's membership excluding special education pupils.

15 (d) "Current state fiscal year" means the state fiscal year
16 for which a particular calculation is made.

17 (e) "Immediately preceding state fiscal year" means the state
18 fiscal year immediately preceding the current state fiscal year.

19 (f) "Local school operating revenue" means school operating
20 taxes levied under section 1211 of the revised school code, MCL
21 380.1211.

22 (g) "Local school operating revenue per membership pupil"
23 means a district's local school operating revenue divided by the
24 district's membership excluding special education pupils.

25 (h) "Maximum public school academy allocation", except as
26 otherwise provided in this subdivision, means the maximum per-pupil
27 allocation as calculated by adding the highest per-pupil allocation

1 among all public school academies for the immediately preceding
2 state fiscal year plus the difference between twice the dollar
3 amount of the adjustment from the immediately preceding state
4 fiscal year to the current state fiscal year made in the basic
5 foundation allowance and [(the dollar amount of the adjustment from
6 the immediately preceding state fiscal year to the current state
7 fiscal year made in the basic foundation allowance minus \$20.00)
8 times (the difference between the highest per-pupil allocation
9 among all public school academies for the immediately preceding
10 state fiscal year and the sum of \$7,108.00 plus the total dollar
11 amount of all adjustments made from 2006-2007 to the immediately
12 preceding state fiscal year in the lowest per-pupil allocation
13 among all public school academies) divided by the difference
14 between the basic foundation allowance for the current state fiscal
15 year and the sum of \$7,108.00 plus the total dollar amount of all
16 adjustments made from 2006-2007 to the immediately preceding state
17 fiscal year in the lowest per-pupil allocation among all public
18 school academies]. For ~~2011-2012 and 2012-2013~~, **2013-2014**, maximum
19 public school academy allocation means \$7,110.00.

20 (i) "Membership" means the definition of that term under
21 section 6 as in effect for the particular fiscal year for which a
22 particular calculation is made.

23 (j) "Nonexempt property" means property that is not a
24 principal residence, qualified agricultural property, qualified
25 forest property, supportive housing property, industrial personal
26 property, or commercial personal property.

27 (k) "Principal residence", "qualified agricultural property",

1 "qualified forest property", "supportive housing property",
2 "industrial personal property", and "commercial personal property"
3 mean those terms as defined in section 1211 of the revised school
4 code, MCL 380.1211.

5 (l) "School operating purposes" means the purposes included in
6 the operation costs of the district as prescribed in sections 7 and
7 18.

8 (m) "School operating taxes" means local ad valorem property
9 taxes levied under section 1211 of the revised school code, MCL
10 380.1211, and retained for school operating purposes.

11 (n) "Tax increment financing acts" means 1975 PA 197, MCL
12 125.1651 to 125.1681, the tax increment finance authority act, 1980
13 PA 450, MCL 125.1801 to 125.1830, the local development financing
14 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
15 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
16 or the corridor improvement authority act, 2005 PA 280, MCL
17 125.2871 to 125.2899.

18 (o) "Taxable value per membership pupil" means taxable value,
19 as certified by the department of treasury, for the calendar year
20 ending in the current state fiscal year divided by the district's
21 membership excluding special education pupils for the school year
22 ending in the current state fiscal year.

23 Sec. 20d. In making the final determination required under
24 former section 20a of a district's combined state and local revenue
25 per membership pupil in 1993-94 and in making calculations under
26 section 20 for ~~2012-2013~~, **2013-2014**, the department and the
27 department of treasury shall comply with all of the following:

1 (a) For a district that had combined state and local revenue
2 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
3 or more and served as a fiscal agent for a state board designated
4 area vocational education center in the 1993-94 school year, total
5 state school aid received by or paid on behalf of the district
6 pursuant to this act in 1993-94 shall exclude payments made under
7 former section 146 and under section 147 on behalf of the
8 district's employees who provided direct services to the area
9 vocational education center. Not later than June 30, 1996, the
10 department shall make an adjustment under this subdivision to the
11 district's combined state and local revenue per membership pupil in
12 the 1994-95 state fiscal year and the department of treasury shall
13 make a final certification of the number of mills that may be
14 levied by the district under section 1211 of the revised school
15 code, MCL 380.1211, as a result of the adjustment under this
16 subdivision.

17 (b) If a district had an adjustment made to its 1993-94 total
18 state school aid that excluded payments made under former section
19 146 and under section 147 on behalf of the district's employees who
20 provided direct services for intermediate district center programs
21 operated by the district under article 5, if nonresident pupils
22 attending the center programs were included in the district's
23 membership for purposes of calculating the combined state and local
24 revenue per membership pupil for 1993-94, and if there is a signed
25 agreement by all constituent districts of the intermediate district
26 that an adjustment under this subdivision shall be made, the
27 foundation allowances for 1995-96 and 1996-97 of all districts that

1 had pupils attending the intermediate district center program
2 operated by the district that had the adjustment shall be
3 calculated as if their combined state and local revenue per
4 membership pupil for 1993-94 included resident pupils attending the
5 center program and excluded nonresident pupils attending the center
6 program.

7 SEC. 21F. (1) A PUPIL ENROLLED IN A DISTRICT IN ANY OF GRADES
8 7 TO 12 IS ELIGIBLE TO ENROLL IN AN ONLINE COURSE AS PROVIDED FOR
9 IN THIS SECTION. HOWEVER, THIS SECTION DOES NOT APPLY TO A PUPIL
10 ENROLLED IN A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS
11 DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.

12 (2) WITH THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN,
13 A DISTRICT SHALL ENROLL AN ELIGIBLE PUPIL IN UP TO 2 ONLINE COURSES
14 AS REQUESTED BY THE PUPIL DURING AN ACADEMIC TERM, SEMESTER, OR
15 TRIMESTER. IT IS THE INTENT OF THE LEGISLATURE TO CONSIDER
16 INCREASING THE LIMIT ON THE NUMBER OF ONLINE COURSES THAT A PUPIL
17 MAY ENROLL IN BEGINNING IN 2014-2015 FOR PUPILS WHO HAVE
18 DEMONSTRATED PREVIOUS SUCCESS WITH ONLINE COURSES. CONSENT OF THE
19 PUPIL'S PARENT OR LEGAL GUARDIAN IS NOT REQUIRED IF THE PUPIL IS AT
20 LEAST AGE 18 OR IS AN EMANCIPATED MINOR.

21 (3) AN ELIGIBLE PUPIL MAY ENROLL IN AN ONLINE COURSE PUBLISHED
22 IN THE PUPIL'S EDUCATING DISTRICT'S CATALOG OF ONLINE COURSES
23 DESCRIBED IN SUBSECTION (7) (A) .

24 (4) A DISTRICT SHALL DETERMINE WHETHER OR NOT IT HAS CAPACITY
25 TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT APPLICANTS
26 IN ONLINE COURSES AND MAY USE THAT LIMIT AS THE REASON FOR REFUSAL
27 TO ENROLL AN APPLICANT. IF THE NUMBER OF NONRESIDENT APPLICANTS

1 ELIGIBLE FOR ACCEPTANCE IN AN ONLINE COURSE DOES NOT EXCEED THE
2 CAPACITY OF THE DISTRICT TO PROVIDE THE ONLINE COURSE, THE DISTRICT
3 SHALL ACCEPT FOR ENROLLMENT ALL OF THE NONRESIDENT APPLICANTS
4 ELIGIBLE FOR ACCEPTANCE. IF THE NUMBER OF NONRESIDENT APPLICANTS
5 EXCEEDS THE DISTRICT'S CAPACITY TO PROVIDE THE ONLINE COURSE, THE
6 DISTRICT SHALL USE A RANDOM DRAW SYSTEM, SUBJECT TO THE NEED TO
7 ABIDE BY STATE AND FEDERAL ANTIDISCRIMINATION LAWS AND COURT
8 ORDERS.

9 (5) A DISTRICT MAY DENY A PUPIL ENROLLMENT IN AN ONLINE COURSE
10 IF ANY OF THE FOLLOWING APPLY, AS DETERMINED BY THE DISTRICT:

11 (A) THE PUPIL HAS PREVIOUSLY GAINED THE CREDITS PROVIDED FROM
12 THE COMPLETION OF THE ONLINE COURSE.

13 (B) THE ONLINE COURSE IS NOT CAPABLE OF GENERATING ACADEMIC
14 CREDIT.

15 (C) THE ONLINE COURSE IS INCONSISTENT WITH THE REMAINING
16 GRADUATION REQUIREMENTS OR CAREER INTERESTS OF THE PUPIL.

17 (D) THE PUPIL DOES NOT POSSESS THE PREREQUISITE KNOWLEDGE AND
18 SKILLS TO BE SUCCESSFUL IN THE ONLINE COURSE.

19 (6) IF A PUPIL IS DENIED ENROLLMENT IN AN ONLINE COURSE BY A
20 DISTRICT, THE PUPIL MAY APPEAL THE DENIAL BY SUBMITTING A LETTER TO
21 THE SUPERINTENDENT OF THE INTERMEDIATE DISTRICT IN WHICH THE
22 PUPIL'S EDUCATING DISTRICT IS LOCATED. THE LETTER OF APPEAL SHALL
23 INCLUDE THE REASON PROVIDED BY THE DISTRICT FOR NOT ENROLLING THE
24 PUPIL AND THE REASON WHY THE PUPIL IS CLAIMING THAT THE ENROLLMENT
25 SHOULD BE APPROVED. THE INTERMEDIATE DISTRICT SUPERINTENDENT OR
26 DESIGNEE SHALL RESPOND TO THE APPEAL WITHIN 5 DAYS AFTER IT IS
27 RECEIVED. IF THE INTERMEDIATE DISTRICT SUPERINTENDENT OR DESIGNEE

1 DETERMINES THAT THE DENIAL OF ENROLLMENT DOES NOT MEET 1 OR MORE OF
2 THE REASONS SPECIFIED IN SUBSECTION (5), THE DISTRICT SHALL ALLOW
3 THE PUPIL TO ENROLL IN THE ONLINE COURSE.

4 (7) TO OFFER OR PROVIDE AN ONLINE COURSE, A DISTRICT SHALL DO
5 ALL OF THE FOLLOWING:

6 (A) POST THE COURSE SYLLABUS ON ITS PUBLICLY ACCESSIBLE
7 WEBSITE WITH A LINK FROM THE HOMEPAGE.

8 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,
9 OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM
10 FORMAT.

11 (8) FOR A PUPIL ENROLLED IN 1 OR MORE ONLINE COURSES PUBLISHED
12 IN THE PUPIL'S EDUCATING DISTRICT'S CATALOG OF ONLINE COURSES UNDER
13 SUBSECTION (7), THE DISTRICT SHALL USE FOUNDATION ALLOWANCE OR PER
14 PUPIL FUNDS CALCULATED UNDER SECTION 20 TO PAY FOR THE EXPENSES
15 ASSOCIATED WITH THE ONLINE COURSE OR COURSES. THE COST OF AN ONLINE
16 COURSE SHALL NOT EXCEED 1/12 OF THE DISTRICT'S FOUNDATION ALLOWANCE
17 PER SEMESTER OR 1/18 OF THE DISTRICT'S FOUNDATION ALLOWANCE PER
18 TRIMESTER.

19 (9) AN ONLINE LEARNING PUPIL SHALL HAVE THE SAME RIGHTS AND
20 ACCESS TO TECHNOLOGY IN HIS OR HER EDUCATING DISTRICT'S SCHOOL
21 FACILITIES AS ALL OTHER PUPILS ENROLLED IN THE EDUCATING DISTRICT.

22 (10) IF A PUPIL SUCCESSFULLY COMPLETES AN ONLINE COURSE, THE
23 PUPIL'S EDUCATING DISTRICT SHALL GRANT APPROPRIATE ACADEMIC CREDIT
24 FOR COMPLETION OF THE COURSE AND SHALL COUNT THAT CREDIT TOWARD
25 COMPLETION OF GRADUATION AND SUBJECT AREA REQUIREMENTS. A PUPIL'S
26 SCHOOL RECORD AND TRANSCRIPT SHALL IDENTIFY THE ONLINE COURSE TITLE
27 AS IT APPEARS IN THE ONLINE COURSE SYLLABUS DEFINED IN SUBSECTION

1 (11).

2 (11) AS USED IN THIS SECTION:

3 (A) "ONLINE COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE OF
4 GENERATING A CREDIT OR A GRADE, THAT IS PROVIDED IN AN INTERACTIVE
5 INTERNET-CONNECTED LEARNING ENVIRONMENT, IN WHICH PUPILS ARE
6 SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION, OR BOTH, AND IN
7 WHICH A TEACHER WHO HOLDS A VALID MICHIGAN TEACHING CERTIFICATE IS
8 RESPONSIBLE FOR DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR
9 EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,
10 PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND
11 EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

12 (B) "ONLINE COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES
13 ALL OF THE FOLLOWING:

14 (i) THE STATE ACADEMIC STANDARDS ADDRESSED IN AN ONLINE COURSE.

15 (ii) THE ONLINE COURSE CONTENT OUTLINE.

16 (iii) THE ONLINE COURSE REQUIRED ASSESSMENTS.

17 (iv) THE ONLINE COURSE PREREQUISITES.

18 (v) EXPECTATIONS FOR ACTUAL INSTRUCTOR CONTACT TIME WITH THE
19 ONLINE LEARNING PUPIL AND OTHER PUPIL-TO-INSTRUCTOR COMMUNICATIONS.

20 (vi) ACADEMIC SUPPORT AVAILABLE TO THE ONLINE LEARNING PUPIL.

21 (vii) THE ONLINE COURSE LEARNING OUTCOMES AND OBJECTIVES.

22 (viii) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
23 ONLINE CONTENT.

24 (ix) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
25 ONLINE INSTRUCTOR.

26 (x) THE COURSE TITLES ASSIGNED BY THE DISTRICT AND THE COURSE
27 TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION

1 STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED) .

2 (xi) THE NUMBER OF ELIGIBLE NONRESIDENT PUPILS THAT WILL BE
3 ACCEPTED BY THE DISTRICT IN THE ONLINE COURSE.

4 (C) "ONLINE LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR
5 MORE ONLINE COURSES.

6 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
7 ~~allocated an amount not to exceed \$5,776,000,000.00 for 2011-2012~~
8 ~~and there is allocated an amount not to exceed \$5,712,000,000.00~~
9 ~~for 2012-2013~~ **\$5,558,000,000.00 FOR 2013-2014** for payments to
10 districts and qualifying public school academies to guarantee each
11 district and qualifying public school academy an amount equal to
12 its 1994-95 total state and local per pupil revenue for school
13 operating purposes under section 11 of article IX of the state
14 constitution of 1963. Pursuant to section 11 of article IX of the
15 state constitution of 1963, this guarantee does not apply to a
16 district in a year in which the district levies a millage rate for
17 school district operating purposes less than it levied in 1994.
18 However, subsection (2) applies to calculating the payments under
19 this section. Funds allocated under this section that are not
20 expended in the state fiscal year for which they were allocated, as
21 determined by the department, may be used to supplement the
22 allocations under sections 22b and 51c in order to fully fund those
23 calculated allocations for the same fiscal year.

24 (2) To ensure that a district receives an amount equal to the
25 district's 1994-95 total state and local per pupil revenue for
26 school operating purposes, there is allocated to each district a
27 state portion of the district's 1994-95 foundation allowance in an

1 amount calculated as follows:

2 (a) Except as otherwise provided in this subsection, the state
3 portion of a district's 1994-95 foundation allowance is an amount
4 equal to the district's 1994-95 foundation allowance or \$6,500.00,
5 whichever is less, minus the difference between the sum of the
6 product of the taxable value per membership pupil of all property
7 in the district that is nonexempt property times the district's
8 certified mills and, for a district with certified mills exceeding
9 12, the product of the taxable value per membership pupil of
10 property in the district that is commercial personal property times
11 the certified mills minus 12 mills and the quotient of the ad
12 valorem property tax revenue of the district captured under tax
13 increment financing acts divided by the district's membership. For
14 a district that has a millage reduction required under section 31
15 of article IX of the state constitution of 1963, the state portion
16 of the district's foundation allowance shall be calculated as if
17 that reduction did not occur.

18 (b) For a district that had a 1994-95 foundation allowance
19 greater than \$6,500.00, the state payment under this subsection
20 shall be the sum of the amount calculated under subdivision (a)
21 plus the amount calculated under this subdivision. The amount
22 calculated under this subdivision shall be equal to the difference
23 between the district's 1994-95 foundation allowance minus \$6,500.00
24 and the current year hold harmless school operating taxes per
25 pupil. If the result of the calculation under subdivision (a) is
26 negative, the negative amount shall be an offset against any state
27 payment calculated under this subdivision. If the result of a

1 calculation under this subdivision is negative, there shall not be
2 a state payment or a deduction under this subdivision. The taxable
3 values per membership pupil used in the calculations under this
4 subdivision are as adjusted by ad valorem property tax revenue
5 captured under tax increment financing acts divided by the
6 district's membership.

7 (3) Beginning in 2003-2004, for pupils in membership in a
8 qualifying public school academy, there is allocated under this
9 section to the authorizing body that is the fiscal agent for the
10 qualifying public school academy for forwarding to the qualifying
11 public school academy an amount equal to the 1994-95 per pupil
12 payment to the qualifying public school academy under section 20.

13 (4) A district or qualifying public school academy may use
14 funds allocated under this section in conjunction with any federal
15 funds for which the district or qualifying public school academy
16 otherwise would be eligible.

17 (5) For a district that is formed or reconfigured after June
18 1, 2000 by consolidation of 2 or more districts or by annexation,
19 the resulting district's 1994-95 foundation allowance under this
20 section beginning after the effective date of the consolidation or
21 annexation shall be the average of the 1994-95 foundation
22 allowances of each of the original or affected districts,
23 calculated as provided in this section, weighted as to the
24 percentage of pupils in total membership in the resulting district
25 in the state fiscal year in which the consolidation takes place who
26 reside in the geographic area of each of the original districts. If
27 an affected district's 1994-95 foundation allowance is less than

1 the 1994-95 basic foundation allowance, the amount of that
2 district's 1994-95 foundation allowance shall be considered for the
3 purpose of calculations under this subsection to be equal to the
4 amount of the 1994-95 basic foundation allowance.

5 ~~—— (6) Subject to conditions set forth in this subsection, from~~
6 ~~the allocation in subsection (1), there is allocated for 2011-2012~~
7 ~~only an amount not to exceed \$6,000,000.00 for payments to~~
8 ~~districts that meet the eligibility requirements under this~~
9 ~~subsection, for the reduction in school operating revenues~~
10 ~~resulting from a settlement or other disposition of appeals~~
11 ~~described in subdivision (a). A payment may only be made under this~~
12 ~~subsection if a settlement agreement is signed by all applicable~~
13 ~~parties. Payments made under this subsection shall be in accordance~~
14 ~~with the settlement agreement. All of the following apply to~~
15 ~~payments under this subsection:~~

16 ~~—— (a) To be eligible for a payment under this subsection, a~~
17 ~~district shall be determined by the department and the department~~
18 ~~of treasury to meet all of the following:~~

19 ~~—— (i) The district does not receive any state portion of its~~
20 ~~foundation allowance, as calculated under section 20(4).~~

21 ~~—— (ii) Before January 1, 2011, the owner of a natural gas powered~~
22 ~~power plant located in a renaissance zone within the district's~~
23 ~~geographic boundaries for 2009 and 2010 appealed to the Michigan~~
24 ~~tax tribunal an order of the state tax commission for tax years~~
25 ~~2009 and 2010 pursuant to section 154 of the general property tax~~
26 ~~act, 1893 PA 206, MCL 211.154, and appealed to the state tax~~
27 ~~commission the 2011 classification and valuation of the power~~

1 plant.

2 ~~—— (iii) The district received a reduced amount of local school~~
3 ~~operating revenue for tax years 2009, 2010, and 2011 as a result of~~
4 ~~the exemptions of industrial personal property and commercial~~
5 ~~personal property under section 1211 of the revised school code,~~
6 ~~MCL 380.1211.~~

7 ~~—— (iv) A settlement agreement has been signed to resolve the~~
8 ~~Michigan tax tribunal appeal described in subparagraph (ii) and a~~
9 ~~memorandum of understanding that stipulates terms of the settlement~~
10 ~~has been executed by the parties.~~

11 ~~—— (b) A payment made under this subsection shall be in addition~~
12 ~~to renaissance zone reimbursement amounts paid in the 2009-2010 and~~
13 ~~2010-2011 state fiscal years under section 26a to districts~~
14 ~~eligible for payment under this subsection. The 2009-2010 and 2010-~~
15 ~~2011 state fiscal year payments under section 26a to a district~~
16 ~~receiving a payment under this subsection shall not be reduced as a~~
17 ~~result of the reduction to the district's 2009 and 2010 taxable~~
18 ~~value of real property under the appeals described in subdivision~~
19 ~~(a) (ii).~~

20 (6) ~~(7)~~ As used in this section:

21 (a) "1994-95 foundation allowance" means a district's 1994-95
22 foundation allowance calculated and certified by the department of
23 treasury or the superintendent under former section 20a as enacted
24 in 1993 PA 336 and as amended by 1994 PA 283.

25 (b) "Certified mills" means the lesser of 18 mills or the
26 number of mills of school operating taxes levied by the district in
27 1993-94.

1 (c) "Current state fiscal year" means the state fiscal year
2 for which a particular calculation is made.

3 (d) "Current year hold harmless school operating taxes per
4 pupil" means the per pupil revenue generated by multiplying a
5 district's 1994-95 hold harmless millage by the district's current
6 year taxable value per membership pupil.

7 (e) "Hold harmless millage" means, for a district with a 1994-
8 95 foundation allowance greater than \$6,500.00, the number of mills
9 by which the exemption from the levy of school operating taxes on a
10 homestead, qualified agricultural property, qualified forest
11 property, supportive housing property, industrial personal
12 property, and commercial personal property could be reduced as
13 provided in section 1211 of the revised school code, MCL 380.1211,
14 and the number of mills of school operating taxes that could be
15 levied on all property as provided in section 1211(2) of the
16 revised school code, MCL 380.1211, as certified by the department
17 of treasury for the 1994 tax year.

18 (f) "Homestead", "qualified agricultural property", "qualified
19 forest property", "supportive housing property", "industrial
20 personal property", and "commercial personal property" mean those
21 terms as defined in section 1211 of the revised school code, MCL
22 380.1211.

23 (g) "Membership" means the definition of that term under
24 section 6 as in effect for the particular fiscal year for which a
25 particular calculation is made.

26 (h) "Nonexempt property" means property that is not a
27 principal residence, qualified agricultural property, qualified

1 forest property, supportive housing property, industrial personal
2 property, or commercial personal property.

3 (i) "Qualifying public school academy" means a public school
4 academy that was in operation in the 1994-95 school year and is in
5 operation in the current state fiscal year.

6 (j) "School operating taxes" means local ad valorem property
7 taxes levied under section 1211 of the revised school code, MCL
8 380.1211, and retained for school operating purposes.

9 (k) "Tax increment financing acts" means 1975 PA 197, MCL
10 125.1651 to 125.1681, the tax increment finance authority act, 1980
11 PA 450, MCL 125.1801 to 125.1830, the local development financing
12 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
13 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
14 or the corridor improvement authority act, 2005 PA 280, MCL
15 125.2871 to 125.2899.

16 (l) "Taxable value per membership pupil" means each of the
17 following divided by the district's membership:

18 (i) For the number of mills by which the exemption from the
19 levy of school operating taxes on a homestead, qualified
20 agricultural property, qualified forest property, supportive
21 housing property, industrial personal property, and commercial
22 personal property may be reduced as provided in section 1211 of the
23 revised school code, MCL 380.1211, the taxable value of homestead,
24 qualified agricultural property, qualified forest property,
25 supportive housing property, industrial personal property, and
26 commercial personal property for the calendar year ending in the
27 current state fiscal year.

1 (ii) For the number of mills of school operating taxes that may
2 be levied on all property as provided in section 1211(2) of the
3 revised school code, MCL 380.1211, the taxable value of all
4 property for the calendar year ending in the current state fiscal
5 year.

6 Sec. 22b. (1) From the ~~state funds appropriated~~ **APPROPRIATION**
7 in section 11, ~~there is allocated for 2011-2012 an amount not to~~
8 ~~exceed \$3,052,000,000.00 and there is allocated for 2012-2013-~~
9 **2014** an amount not to exceed ~~\$3,152,300,000.00~~ **\$3,304,000,000.00**
10 for discretionary nonmandated payments to districts under this
11 section. Funds allocated under this section that are not expended
12 in the state fiscal year for which they were allocated, as
13 determined by the department, may be used to supplement the
14 allocations under sections 22a and 51c in order to fully fund those
15 calculated allocations for the same fiscal year.

16 (2) Subject to subsection (3) and section 296, the allocation
17 to a district under this section shall be an amount equal to the
18 sum of the amounts calculated under sections 20, 51a(2), 51a(3),
19 and 51a(11), minus the sum of the allocations to the district under
20 sections 22a and 51c.

21 (3) In order to receive an allocation under subsection (1),
22 each district shall do all of the following:

23 (a) ~~Administer in each grade level that it operates in grades~~
24 ~~1 to 5 a standardized assessment approved by the department of~~
25 ~~grade appropriate basic educational skills. A district may use the~~
26 ~~Michigan literacy progress profile to satisfy this requirement for~~
27 ~~grades 1 to 3. Also, if the revised school code is amended to~~

1 ~~require annual assessments at additional grade levels, in order to~~
2 ~~receive an allocation under this section each district shall comply~~
3 ~~with that requirement.~~ **COMPLY WITH SECTION 1280B OF THE REVISED**
4 **SCHOOL CODE, MCL 380.1280B.**

5 (b) Comply with sections 1278a and 1278b of the revised school
6 code, MCL 380.1278a and 380.1278b.

7 (c) Furnish data and other information required by state and
8 federal law to the center and the department in the form and manner
9 specified by the center or the department, as applicable.

10 (d) Comply with section 1230g of the revised school code, MCL
11 380.1230g.

12 **(E) COMPLY WITH SECTION 21F.**

13 (4) Districts are encouraged to use funds allocated under this
14 section for the purchase and support of payroll, human resources,
15 and other business function software that is compatible with that
16 of the intermediate district in which the district is located and
17 with other districts located within that intermediate district.

18 (5) From the allocation in subsection (1), the department
19 shall pay up to \$1,000,000.00 in litigation costs incurred by this
20 state related to commercial or industrial property tax appeals,
21 including, but not limited to, appeals of classification, that
22 impact revenues dedicated to the state school aid fund.

23 (6) From the allocation in subsection (1), the department
24 shall pay up to \$1,000,000.00 in litigation costs incurred by this
25 state associated with lawsuits filed by 1 or more districts or
26 intermediate districts against this state. If the allocation under
27 this section is insufficient to fully fund all payments required

1 under this section, the payments under this subsection shall be
2 made in full before any proration of remaining payments under this
3 section.

4 (7) It is the intent of the legislature that all
5 constitutional obligations of this state have been fully funded
6 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
7 an entity receiving funds under this article that challenges the
8 legislative determination of the adequacy of this funding or
9 alleges that there exists an unfunded constitutional requirement,
10 the state budget director may escrow or allocate from the
11 discretionary funds for nonmandated payments under this section the
12 amount as may be necessary to satisfy the claim before making any
13 payments to districts under subsection (2). If funds are escrowed,
14 the escrowed funds are a work project appropriation and the funds
15 are carried forward into the following fiscal year. The purpose of
16 the work project is to provide for any payments that may be awarded
17 to districts as a result of litigation. The work project shall be
18 completed upon resolution of the litigation.

19 (8) If the local claims review board or a court of competent
20 jurisdiction makes a final determination that this state is in
21 violation of section 29 of article IX of the state constitution of
22 1963 regarding state payments to districts, the state budget
23 director shall use work project funds under subsection (7) or
24 allocate from the discretionary funds for nonmandated payments
25 under this section the amount as may be necessary to satisfy the
26 amount owed to districts before making any payments to districts
27 under subsection (2).

1 (9) If a claim is made in court that challenges the
2 legislative determination of the adequacy of funding for this
3 state's constitutional obligations or alleges that there exists an
4 unfunded constitutional requirement, any interested party may seek
5 an expedited review of the claim by the local claims review board.
6 If the claim exceeds \$10,000,000.00, this state may remove the
7 action to the court of appeals, and the court of appeals shall have
8 and shall exercise jurisdiction over the claim.

9 (10) If payments resulting from a final determination by the
10 local claims review board or a court of competent jurisdiction that
11 there has been a violation of section 29 of article IX of the state
12 constitution of 1963 exceed the amount allocated for discretionary
13 nonmandated payments under this section, the legislature shall
14 provide for adequate funding for this state's constitutional
15 obligations at its next legislative session.

16 (11) If a lawsuit challenging payments made to districts
17 related to costs reimbursed by federal title XIX medicaid funds is
18 filed against this state, then, for the purpose of addressing
19 potential liability under such a lawsuit, the state budget director
20 may place funds allocated under this section in escrow or allocate
21 money from the funds otherwise allocated under this section, up to
22 a maximum of 50% of the amount allocated in subsection (1). If
23 funds are placed in escrow under this subsection, those funds are a
24 work project appropriation and the funds are carried forward into
25 the following fiscal year. The purpose of the work project is to
26 provide for any payments that may be awarded to districts as a
27 result of the litigation. The work project shall be completed upon

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1 resolution of the litigation. In addition, this state reserves the
 2 right to terminate future federal title XIX medicaid reimbursement
 3 payments to districts if the amount or allocation of reimbursed
 4 funds is challenged in the lawsuit. As used in this subsection,
 5 "title XIX" means title XIX of the social security act, 42 USC 1396
 6 to 1396v.

7 ~~—— (12) Not later than January 1, 2013, the department shall~~
 8 ~~submit a report to the legislature identifying the amount of the~~
 9 ~~savings that the department has calculated as having been achieved~~
 10 ~~due to the revised number of instructional hours used to calculate~~
 11 ~~full-time equated memberships for kindergarten pupils under section~~
 12 ~~6(4)(r) as amended by 2011 PA 62.~~

13 **SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
 14 **ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED [\$36,000,000.00] TO**
 15 **MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE**
 16 **OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR 2013-2014**
 17 **OF LESS THAN [\$7,016.00]. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE**
 18 **AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO THE LESSER OF [\$50.00] OR THE**
 19 **DIFFERENCE BETWEEN [\$7,016.00] AND THE DISTRICT'S 2013-2014**
 20 **FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER**
 21 **SECTION 20.**

22 Sec. 22d. (1) From the appropriation in section 11, an amount
 23 not to exceed \$2,025,000.00 is allocated ~~each fiscal year for 2011-~~
 24 ~~2012 and for 2012-2013~~ **FOR 2013-2014** for supplemental payments to
 25 rural districts under this section.

26 (2) From the allocation under subsection (1), there is
 27 allocated ~~each fiscal year for 2011-2012 and for 2012-2013~~ **FOR**

1 2013-2014 an amount not to exceed \$750,000.00 for payments under
2 this subsection to districts that meet all of the following:

3 (a) Operates grades K to 12.

4 (b) Has fewer than 250 pupils in membership.

5 (c) Each school building operated by the district meets at
6 least 1 of the following:

7 (i) Is located in the Upper Peninsula at least 30 miles from
8 any other public school building.

9 (ii) Is located on an island that is not accessible by bridge.

10 (3) The amount of the additional funding to each eligible
11 district under subsection (2) shall be determined under a spending
12 plan developed as provided in this subsection and approved by the
13 superintendent of public instruction. The spending plan shall be
14 developed cooperatively by the intermediate superintendents of each
15 intermediate district in which an eligible district is located. The
16 intermediate superintendents shall review the financial situation
17 of each eligible district, determine the minimum essential
18 financial needs of each eligible district, and develop and agree on
19 a spending plan that distributes the available funding under
20 subsection (2) to the eligible districts based on those financial
21 needs. The intermediate superintendents shall submit the spending
22 plan to the superintendent of public instruction for approval. Upon
23 approval by the superintendent of public instruction, the amounts
24 specified for each eligible district under the spending plan are
25 allocated under subsection (2) and shall be paid to the eligible
26 districts in the same manner as payments under section 22b.

27 (4) Subject to subsection (6), from the allocation in

1 subsection (1), there is allocated ~~each fiscal year for 2011-2012~~
2 ~~and for 2012-2013~~ **FOR 2013-2014** an amount not to exceed
3 \$1,275,000.00 for payments under this subsection to districts that
4 meet all of the following:

5 (a) The district has 5.0 or fewer pupils per square mile as
6 determined by the department.

7 (b) The district has a total square mileage greater than 200.0
8 or is 1 of 2 districts that have consolidated transportation
9 services and have a combined total square mileage greater than
10 200.0.

11 (5) The funds allocated under subsection (4) shall be
12 allocated on an equal per pupil basis.

13 (6) A district receiving funds allocated under subsection (2)
14 is not eligible for funding allocated under subsection (4).

15 Sec. 22f. (1) From the appropriation in section 11, there is
16 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
17 ~~\$80,000,000.00~~ **\$100.00** to provide incentive payments to districts
18 that meet best practices under this section. Payments received
19 under this section may be used for any purpose for which payments
20 under sections 22a and 22b may be used.

21 (2) The amount of the incentive payment under this section is
22 an amount equal to ~~\$52.00~~ **\$0.00** per pupil. A district shall receive
23 an incentive payment under this section if the district satisfies
24 at least 7 of the following requirements not later than June 1,
25 **2013-2014:**

26 (a) If a district provides medical, pharmacy, dental, vision,
27 disability, long-term care, or any other type of benefit that would

1 constitute a health care services benefit, to employees and their
2 dependents, the district is the policyholder for each of its
3 insurance policies that covers 1 or more of these benefits. A
4 district that does not directly employ its staff **OR A DISTRICT WITH**
5 **A VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS NO MORE THAN**
6 **THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES**
7 **NO MORE THAN THE MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL**
8 **ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS AS DESCRIBED IN SECTIONS**
9 **3 AND 4 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,**
10 **2011 PA 152, MCL 15.563 AND 15.564,** is considered to have satisfied
11 this requirement.

12 (b) The district has obtained competitive bids on the
13 provision of pupil transportation, food service, custodial, or 1 or
14 more other noninstructional services for ~~2012-2013-2013-2014~~. **IN**
15 **COMPARING COMPETITIVE BIDS TO THE CURRENT COSTS OF PROVIDING 1 OR**
16 **MORE OF THESE SERVICES, A DISTRICT SHALL EXCLUDE THE UNFUNDED**
17 **ACCRUED LIABILITY COSTS FOR RETIREMENT AND OTHER BENEFITS FROM THE**
18 **DISTRICT'S CURRENT COSTS.**

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

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

1 implementation of pupil academic growth assessments by 2014-2015.

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

6 (i) Supports attendance of district pupils under the
7 postsecondary enrollment options act, MCL 388.511 to 388.524, or
8 under the career and technical preparation act, MCL 388.1901 to
9 388.1913, consistent with provisions under section 21b.

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

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

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

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

24 (f) The district offers online ~~instructional programs~~ **COURSES**
25 or blended learning opportunities to all eligible pupils. In order
26 to satisfy this requirement, ~~districts must~~ **A DISTRICT MUST** make
27 all eligible pupils and their parents or guardians aware of these

1 opportunities **AND MUST PUBLISH AN ONLINE COURSE SYLLABUS AS**
2 **DESCRIBED IN SECTION 21F FOR EACH ONLINE COURSE THAT THE DISTRICT**
3 **OFFERS.** For the purposes of this subdivision:

4 (i) "Blended learning" means a hybrid instructional delivery
5 model where pupils are provided ~~face-to-face~~ **CONTENT**, instruction,
6 **AND ASSESSMENT** in part at a supervised ~~school~~ **EDUCATIONAL** facility
7 away from home **WHERE THE PUPIL AND A TEACHER WITH A VALID MICHIGAN**
8 **TEACHING CERTIFICATE ARE IN THE SAME PHYSICAL LOCATION** and
9 ~~partially~~ **IN PART** through ~~computer-based and internet-connected~~
10 learning environments with some degree of pupil control over time,
11 location, and pace of instruction.

12 (ii) "~~Online instructional program~~" **COURSE**" means a course of
13 study that ~~generates~~ **IS CAPABLE OF GENERATING** a credit or a grade,
14 **THAT IS** provided in an interactive ~~computer-based and internet-~~
15 connected learning environment, in which pupils are separated from
16 their teachers by time or location, or both, and in which a
17 ~~Michigan-certificated teacher~~ **WITH A VALID MICHIGAN TEACHING**
18 **CERTIFICATE** is responsible for ~~providing direct instruction,~~
19 **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR EACH PUPIL,**
20 diagnosing learning needs, assessing pupil learning, prescribing
21 intervention strategies, reporting outcomes, and evaluating the
22 effects of instruction and support strategies.

23 (g) The district provides to parents and community members a
24 dashboard or report card demonstrating the district's efforts to
25 manage its finances responsibly. The dashboard or report card shall
26 include **REVENUE AND EXPENDITURE PROJECTIONS FOR THE DISTRICT FOR**
27 **FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, A LISTING OF ALL**

1 DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, INCLUDING
2 ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH PROJECT, A
3 LISTING OF TOTAL OUTSTANDING DEBT, AND at least all of the
4 following for the 3 most recent school years for which the data are
5 available:

6 (i) Graduation and dropout rates.

7 (ii) Average class size in grades kindergarten to 3.

8 (iii) College readiness as measured by Michigan merit
9 examination test scores.

10 (iv) Elementary and middle school MEAP scores.

11 (v) Teacher, principal, and superintendent salary information
12 including at least minimum, average, and maximum pay levels.

13 (vi) General fund balance.

14 (vii) The total number of days of instruction provided.

15 (h) The district provides physical education consistent with
16 the state board's policy on quality physical education adopted
17 September 25, 2003, or provides health education consistent with
18 the state board's policy on comprehensive school health education
19 adopted June 8, 2004.

20 (3) If the department determines that a district has
21 intentionally submitted false information in order to qualify for
22 an incentive payment under this section, the district forfeits an
23 amount equal to the amount it received under this section from its
24 total state school aid for ~~2013-2014~~.2014-2015.

25 (4) If the department determines that funds allocated under
26 this section will remain unexpended after the initial allocation of
27 ~~\$52.00~~-\$0.00 per pupil to eligible districts under subsection (2),

1 the remaining unexpended amount is allocated on an equal per pupil
2 basis to districts that meet the requirements of subsection (2) and
3 that have a foundation allowance, as calculated under section 20,
4 in an amount that is less than the basic foundation allowance under
5 that section.

6 Sec. 22i. (1) From the funds appropriated in section 11, there
7 is allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
8 \$50,000,000.00 for **THE** technology infrastructure ~~grants to GRANT~~
9 **PROGRAM FOR** districts or ~~to~~ intermediate districts on behalf of
10 their constituent districts. Funds received under this section
11 shall be used for ~~access to a computer adaptive test or for the~~
12 development or improvement of a district's technology
13 infrastructure, ~~including, but not limited to, hardware and~~
14 ~~software,~~ **THE SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA,**
15 **AND HARDWARE** in preparation for the planned implementation in 2014-
16 2015 of online growth assessments.

17 (2) The department shall develop a ~~competitive application~~
18 ~~process and~~ method of grant distribution **IN WHICH ALL ELIGIBLE**
19 **DISTRICTS AND INTERMEDIATE DISTRICTS MAY PARTICIPATE.** The
20 department may consult with the department of technology,
21 management, and budget during the grant process and grant
22 distribution. Grants to districts shall not exceed \$2,000,000.00
23 per district. A grant to an intermediate district on behalf of its
24 constituent districts shall not exceed \$2,000,000.00 per
25 constituent district. To receive a grant under this section, an
26 intermediate district shall demonstrate that a grant awarded to the
27 intermediate district on behalf of its constituent districts would

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1 provide savings compared to providing grants to individual
2 districts.

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Sec. 22j. (1) From the appropriation in section 11, there is

1 allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed
2 ~~\$30,000,000.00~~ **\$46,400,000.00** to provide separate incentive
3 payments to districts that meet student academic performance
4 funding goals under subsections (2) to (5). Payments received under
5 this section may be used for any purpose for which payments under
6 sections 22a and 22b may be used.

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

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

21 (a) Using a model determined by the department that
22 incorporates the most recent cut scores adopted for the Michigan
23 educational assessment program for each pupil in grades 3 to 8 in
24 the ~~2010-2011~~ **2011-2012** school year, the department shall calculate
25 a point score using a metric that assigns points to each of those
26 pupils as follows:

27 (i) For each pupil who began the school year not performing

1 proficiently in mathematics and who declines in proficiency, as
2 determined by the department, over the school year, 0 points.

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

6 (iii) For each pupil who began the school year not performing
7 proficiently in mathematics and who maintains his or her level of
8 proficiency, as determined by the department, over the school year,
9 1 point.

10 (iv) For each pupil who began the school year performing
11 proficiently in mathematics and who maintains his or her level of
12 proficiency, as determined by the department, over the school year,
13 2 points.

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

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

20 (b) The department shall then calculate a district average for
21 this metric for the ~~2010-2011~~**2011-2012** school year by totaling the
22 number of points for all pupils in grades 3 to 8 under subdivision
23 (a) and dividing that total by the number of those pupils.

24 (c) A district is a qualifying district for the payment under
25 this subsection if the district average for the ~~2010-2011~~**2011-2012**
26 school year under subdivision (b) is at least equal to a factor of
27 1.5, and the district tested at least 95% of its pupils in

1 mathematics, and the district had at least 30 full academic year
2 pupils in grades 3 to 8 with a performance level change designation
3 in mathematics.

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

12 (a) Using a model determined by the department that
13 incorporates the most recent cut scores adopted for the Michigan
14 educational assessment program for each pupil in grades 3 to 8 in
15 the ~~2010-2011~~ **2011-2012** school year, the department shall calculate
16 a point score using a metric that assigns points to each of those
17 pupils as follows:

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

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

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

27 (iv) For each pupil who began the school year performing

1 proficiently in reading and who maintains proficiency, as
2 determined by the department, over the school year, 2 points.

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

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

9 (b) The department shall then calculate a district average for
10 this metric for the ~~2010-2011~~**2011-2012** school year by totaling the
11 number of points for all pupils in grades 3 to 8 under subdivision
12 (a) and dividing that total by the number of those pupils.

13 (c) A district is a qualifying district for the payment under
14 this subsection if the district average for the ~~2010-2011~~**2011-2012**
15 school year under subdivision (b) is at least equal to a factor of
16 1.5, and the district tested at least 95% of its pupils in reading,
17 and the district had at least 30 full academic year pupils in
18 grades 3 to 8 reading with a performance level change designation
19 in reading.

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

1 \$40.00 per pupil for all pupils in membership in the district. The
2 department shall determine the qualifying districts under this
3 subsection as follows:

4 (a) Calculate a linear regression of the percentage of high
5 school pupils in the district testing as proficient in all tested
6 subject areas on state assessments of high school pupils on school
7 year over the 4-year period ending with the ~~2010-2011-2011-2012~~
8 school year as adjusted for changes in cut scores most recently
9 adopted for the Michigan merit examination.

10 (b) Calculate a statewide average for all districts operating
11 a high school of the linear regression of the percentage of high
12 school pupils testing as proficient in all tested subject areas on
13 state assessments of high school pupils on school year over the 4-
14 year period ending with the ~~2010-2011-2011-2012~~ school year, as
15 adjusted for changes in cut scores most recently adopted for the
16 Michigan merit examination as the base year for all comparisons.

17 (c) A district is a qualifying district for the payment under
18 this subsection if the district's linear regression over the 4-year
19 period ending with the ~~2010-2011-2011-2012~~ school year under
20 subdivision (a) is at least equal to the statewide average linear
21 regression over the 4-year period ending with the base year under
22 subdivision (b), and the district's linear regression over the 4-
23 year period ending with the ~~2010-2011-2011-2012~~ school year under
24 subdivision (a) is positive, and the district tested 95% of high
25 school pupils in each tested subject on ~~the Michigan merit~~
26 ~~examination,~~ **STATE ASSESSMENTS**, and the district had at least 20
27 full academic year pupils take all tested subjects on ~~the Michigan~~

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1 ~~merit examination~~ **STATE ASSESSMENTS OF HIGH SCHOOL PUPILS** over each
2 of the most recent 4 years.

3 (6) If the allocation under subsection (1) is insufficient to
4 fully fund payments as otherwise calculated under this section, the
5 department shall prorate payments under this section on an equal
6 percentage basis.

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SEC. 22K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$7,000,000.00 FOR COMPETITIVE STUDENT-CENTRIC GRANTS TO ELIGIBLE DISTRICTS.

(2) IN ORDER TO BE ELIGIBLE TO RECEIVE GRANTS, A DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE DISTRICT DOES ALL OF THE FOLLOWING:

(A) PROVIDES A RIGOROUS CURRICULUM ALIGNED TO STATE, NATIONAL, AND INTERNATIONAL STANDARDS.

(B) ORGANIZES INSTRUCTIONAL DELIVERY IN SUCH A WAY THAT INDIVIDUAL PUPILS ADVANCE TO THE NEXT LEVEL OF LEARNING BASED ON THEIR INDIVIDUAL MASTERY OF EACH SUBJECT AREA.

(C) ALLOWS FOR SCHOOL SITE-BASED AUTONOMY IN DECISION MAKING.

(D) ENSURES THAT TEACHERS HAVE ACCESS TO ALL OF THE FOLLOWING:

(i) TIMELY AND MEANINGFUL PUPIL ACADEMIC ACHIEVEMENT DATA.

(ii) BEST INSTRUCTIONAL PRACTICES.

(iii) TIME TO COLLABORATE WITH OTHERS.

(iv) MENTORS.

(v) PROFESSIONAL DEVELOPMENT TIED TO PUPIL NEEDS AS DEMONSTRATED BY DATA.

(3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT BY OCTOBER 1, 2013 IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL AWARD GRANTS ON A PER PUPIL BASIS TO ELIGIBLE RECIPIENTS NO LATER THAN DECEMBER 30, 2013.

1 Sec. 24. (1) From the appropriation in section 11, there is
2 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
3 \$8,000,000.00 for payments to the educating district or
4 intermediate district for educating pupils assigned by a court or
5 the department of human services to reside in or to attend a
6 juvenile detention facility or child caring institution licensed by
7 the department of human services and approved by the department to
8 provide an on-grounds education program. The amount of the payment
9 under this section to a district or intermediate district shall be
10 calculated as prescribed under subsection (2).

11 (2) The total amount allocated under this section shall be
12 allocated by paying to the educating district or intermediate
13 district an amount equal to the lesser of the district's or
14 intermediate district's added cost or the department's approved per
15 pupil allocation for the district or intermediate district. For the
16 purposes of this subsection:

17 (a) "Added cost" means 100% of the added cost each fiscal year
18 for educating all pupils assigned by a court or the department of
19 human services to reside in or to attend a juvenile detention
20 facility or child caring institution licensed by the department of
21 human services or the department of licensing and regulatory
22 affairs and approved by the department to provide an on-grounds
23 education program. Added cost shall be computed by deducting all
24 other revenue received under this ~~act~~**ARTICLE** for pupils described
25 in this section from total costs, as approved by the department, in
26 whole or in part, for educating those pupils in the on-grounds
27 education program or in a program approved by the department that

1 is located on property adjacent to a juvenile detention facility or
2 child caring institution. Costs reimbursed by federal funds are not
3 included.

4 (b) "Department's approved per pupil allocation" for a
5 district or intermediate district shall be determined by dividing
6 the total amount allocated under this section for a fiscal year by
7 the full-time equated membership total for all pupils approved by
8 the department to be funded under this section for that fiscal year
9 for the district or intermediate district.

10 (3) A district or intermediate district educating pupils
11 described in this section at a residential child caring institution
12 may operate, and receive funding under this section for, a
13 department-approved on-grounds educational program for those pupils
14 that is longer than 181 days, but not longer than 233 days, if the
15 child caring institution was licensed as a child caring institution
16 and offered in 1991-92 an on-grounds educational program that was
17 longer than 181 days but not longer than 233 days and that was
18 operated by a district or intermediate district.

19 (4) Special education pupils funded under section 53a shall
20 not be funded under this section.

21 Sec. 24a. From the appropriation in section 11, there is
22 allocated an amount not to exceed ~~\$2,135,800.00 for 2012-2013~~
23 **\$2,167,500.00 FOR 2013-2014** for payments to intermediate districts
24 for pupils who are placed in juvenile justice service facilities
25 operated by the department of human services. Each intermediate
26 district shall receive an amount equal to the state share of those
27 costs that are clearly and directly attributable to the educational

1 programs for pupils placed in facilities described in this section
2 that are located within the intermediate district's boundaries. The
3 intermediate districts receiving payments under this section shall
4 cooperate with the department of human services to ensure that all
5 funding allocated under this section is utilized by the
6 intermediate district and department of human services for
7 educational programs for pupils described in this section. Pupils
8 described in this section are not eligible to be funded under
9 section 24. However, a program responsibility or other fiscal
10 responsibility associated with these pupils shall not be
11 transferred from the department of human services to a district or
12 intermediate district unless the district or intermediate district
13 consents to the transfer.

14 Sec. 24c. From the appropriation in section 11, there is
15 allocated an amount not to exceed \$1,500,000.00 for ~~2012-2013-2013-~~
16 **2014** for payments to districts for pupils who are enrolled in a
17 nationally administered community-based education and youth
18 mentoring program, known as the youth challenge program, that is
19 located within the district and is administered by the department
20 of military and veterans affairs. Both of the following apply to a
21 district receiving payments under this section:

22 (a) The district shall contract with the department of
23 military and veterans affairs to ensure that all funding allocated
24 under this section is utilized by the district and the department
25 of military and veterans affairs for the youth challenge program.

26 (b) The district may retain for its administrative expenses an
27 amount not to exceed 3% of the amount of the payment the district

1 receives under this section.

2 SEC. 25E. (1) THE CENTER SHALL WORK WITH THE DEPARTMENT,
3 DISTRICTS, AND INTERMEDIATE DISTRICTS TO DEVELOP A PUPIL TRANSFER
4 APPLICATION MODELED ON THE GRADUATION AND DROPOUT APPLICATION AND
5 TO DEVELOP A PUPIL TRANSFER PROCESS UNDER THIS SECTION.

6 (2) IF A PUPIL ENROLLS IN A DISTRICT OR INTERMEDIATE DISTRICT
7 AFTER THE PUPIL MEMBERSHIP COUNT DAY AND, DUE TO THE PUPIL'S
8 ENROLLMENT AND ATTENDANCE STATUS AS OF THE PUPIL MEMBERSHIP COUNT
9 DAY, THE PUPIL WAS NOT COUNTED IN MEMBERSHIP IN THE EDUCATING
10 DISTRICT OR INTERMEDIATE DISTRICT, THE EDUCATING DISTRICT OR
11 INTERMEDIATE DISTRICT MAY REPORT THE ENROLLMENT AND ATTENDANCE
12 INFORMATION TO THE CENTER THROUGH THE PUPIL TRANSFER APPLICATION
13 UNTIL THE SUPPLEMENTAL COUNT DAY. IF THE PUPIL TRANSFERS FROM
14 ANOTHER DISTRICT OR INTERMEDIATE DISTRICT, THE EDUCATING DISTRICT
15 OR INTERMEDIATE DISTRICT ALSO MAY REPORT THE ENROLLMENT AND
16 ATTENDANCE INFORMATION TO THE CENTER THROUGH THE PUPIL TRANSFER
17 APPLICATION UNTIL THE SUPPLEMENTAL COUNT DAY. UPON RECEIPT OF THE
18 TRANSFER INFORMATION UNDER THIS SUBSECTION INDICATING THAT A PUPIL
19 HAS ENROLLED AND IS IN ATTENDANCE IN AN EDUCATING DISTRICT OR
20 INTERMEDIATE DISTRICT AS DESCRIBED IN THIS SUBSECTION, THE PUPIL
21 TRANSFER APPLICATION SHALL DO THE FOLLOWING:

22 (A) NOTIFY THE DISTRICT IN WHICH THE PUPIL WAS PREVIOUSLY
23 ENROLLED. THE DISTRICT SHALL PROVIDE PUPIL EXIT DATES AND OTHER
24 INFORMATION AS REQUIRED BY THE CENTER AND THE DEPARTMENT.

25 (B) NOTIFY BOTH THE PUPIL AUDITING STAFF OF THE INTERMEDIATE
26 DISTRICT IN WHICH THE EDUCATING DISTRICT IS LOCATED AND THE PUPIL
27 AUDITING STAFF OF THE INTERMEDIATE DISTRICT IN WHICH THE DISTRICT

1 THAT PREVIOUSLY ENROLLED THE PUPIL IS LOCATED. THE PUPIL AUDITING
2 STAFF SHALL EDIT, IF NECESSARY, AND APPROVE THE TRANSFER.

3 (C) AGGREGATE THE DISTRICTWIDE CHANGES AND NOTIFY THE
4 DEPARTMENT FOR USE IN ADJUSTING THE STATE AID PAYMENT SYSTEM.

5 (3) THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

6 (A) ADJUST THE MEMBERSHIP CALCULATION FOR EACH DISTRICT OR
7 INTERMEDIATE DISTRICT IN WHICH THE PUPIL WAS PREVIOUSLY COUNTED IN
8 MEMBERSHIP OR THAT PREVIOUSLY RECEIVED AN ADJUSTMENT IN ITS
9 MEMBERSHIP CALCULATION UNDER THIS SECTION DUE TO THE PUPIL'S
10 ENROLLMENT AND ATTENDANCE, IF ANY, SO THAT THE DISTRICT'S OR
11 INTERMEDIATE DISTRICT'S MEMBERSHIP IS PRORATED TO ALLOW THE
12 DISTRICT OR INTERMEDIATE DISTRICT TO RECEIVE FOR EACH SCHOOL DAY IN
13 WHICH THE PUPIL WAS ENROLLED AND IN ATTENDANCE IN THE DISTRICT AN
14 AMOUNT EQUAL TO 1/180 OF THE FOUNDATION ALLOWANCE OR PER PUPIL
15 PAYMENT AS CALCULATED UNDER SECTION 20 FOR THE DISTRICT OR
16 INTERMEDIATE DISTRICT. THE FOUNDATION ALLOWANCE OR PER PUPIL
17 PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S FULL-TIME EQUATED STATUS
18 AS AFFECTED BY THE MEMBERSHIP DEFINITION UNDER SECTION 6(4).

19 (B) ADJUST THE MEMBERSHIP CALCULATION FOR THE EDUCATING
20 DISTRICT OR INTERMEDIATE DISTRICT FOR EACH SCHOOL DAY IN WHICH THE
21 PUPIL IS ENROLLED AND IS IN ATTENDANCE IN THE EDUCATING DISTRICT OR
22 INTERMEDIATE DISTRICT SO THAT THE DISTRICT'S OR INTERMEDIATE
23 DISTRICT'S MEMBERSHIP IS INCREASED TO ALLOW THE DISTRICT OR
24 INTERMEDIATE DISTRICT TO RECEIVE, FOR EACH SCHOOL DAY BETWEEN THE
25 DAY THE PUPIL ENROLLED IN THE EDUCATING DISTRICT AND THE
26 SUPPLEMENTAL COUNT DAY, AN AMOUNT EQUAL TO 1/180 OF THE FOUNDATION
27 ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR

1 THE EDUCATING DISTRICT OR INTERMEDIATE DISTRICT. THE FOUNDATION
2 ALLOWANCE OR PER PUPIL PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S
3 FULL-TIME EQUATED STATUS AS AFFECTED BY THE MEMBERSHIP DEFINITION
4 UNDER SECTION 6(4).

5 (4) THE CHANGES IN CALCULATION OF STATE SCHOOL AID REQUIRED
6 UNDER SUBSECTION (3) SHALL TAKE EFFECT AS OF THE DATE THAT THE
7 PUPIL BECOMES ENROLLED AND IN ATTENDANCE IN THE EDUCATING DISTRICT
8 OR INTERMEDIATE DISTRICT, AND THE DEPARTMENT SHALL BASE ALL
9 SUBSEQUENT PAYMENTS UNDER THIS ARTICLE FOR THE FISCAL YEAR TO THE
10 AFFECTED DISTRICTS OR INTERMEDIATE DISTRICTS ON THIS RECALCULATION
11 OF STATE SCHOOL AID.

12 (5) IF A PUPIL ENROLLS IN AN EDUCATING DISTRICT OR
13 INTERMEDIATE DISTRICT AS DESCRIBED IN SUBSECTION (2), THE DISTRICT
14 OR INTERMEDIATE DISTRICT IN WHICH THE PUPIL IS COUNTED IN
15 MEMBERSHIP OR ANOTHER EDUCATING DISTRICT OR INTERMEDIATE DISTRICT
16 THAT RECEIVED AN ADJUSTMENT IN ITS MEMBERSHIP CALCULATION UNDER
17 SUBSECTION (3), IF ANY, AND THE EDUCATING DISTRICT OR INTERMEDIATE
18 DISTRICT SHALL PROVIDE TO THE CENTER AND THE DEPARTMENT ALL
19 INFORMATION THEY REQUIRE TO COMPLY WITH THIS SECTION.

20 (6) AS USED IN THIS SECTION, "EDUCATING DISTRICT OR
21 INTERMEDIATE DISTRICT" MEANS THE DISTRICT OR INTERMEDIATE DISTRICT
22 IN WHICH A PUPIL ENROLLS AFTER THE PUPIL MEMBERSHIP COUNT DAY OR
23 AFTER AN ADJUSTMENT WAS MADE IN ANOTHER DISTRICT'S OR INTERMEDIATE
24 DISTRICT'S MEMBERSHIP CALCULATION UNDER THIS SECTION DUE TO THE
25 PUPIL'S ENROLLMENT AND ATTENDANCE.

26 Sec. 26a. ~~(1) From the state school aid fund appropriation in~~
27 ~~section 11, there is allocated an amount not to exceed~~

1 ~~\$25,137,500.00 for 2011-2012 and~~ an amount not to exceed
2 \$26,300,000.00 for ~~2012-2013~~ **2013-2014** to reimburse districts and
3 intermediate districts pursuant to section 12 of the Michigan
4 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
5 in ~~2012.~~ **2013**. The allocations shall be made not later than 60 days
6 after the department of treasury certifies to the department and to
7 the state budget director that the department of treasury has
8 received all necessary information to properly determine the
9 amounts due to each eligible recipient.

10 ~~—— (2) In addition to the allocation under subsection (1), from~~
11 ~~the general fund money appropriated under section 11, there is~~
12 ~~allocated an amount not to exceed \$1,500,000.00 for 2012-2013 to~~
13 ~~reimburse public libraries pursuant to section 12 of the Michigan~~
14 ~~renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied~~
15 ~~in 2012. The allocations shall be made not later than 60 days after~~
16 ~~the department of treasury certifies to the department and to the~~
17 ~~state budget director that the department of treasury has received~~
18 ~~all necessary information to properly determine the amounts due to~~
19 ~~each eligible recipient.~~

20 Sec. 26b. (1) From the appropriation in section 11, there is
21 allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed
22 ~~\$3,328,000.00~~ **\$4,009,500.00** for payments to districts, intermediate
23 districts, and community college districts for the portion of the
24 payment in lieu of taxes obligation that is attributable to
25 districts, intermediate districts, and community college districts
26 pursuant to section 2154 of the natural resources and environmental
27 protection act, 1994 PA 451, MCL 324.2154.

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

5 Sec. 26c. (1) From the appropriation in section 11, there is
6 allocated an amount not to exceed ~~\$276,800.00 for 2011-2012 and an~~
7 ~~amount not to exceed \$347,800.00 for 2012-2013~~ **\$224,000.00 FOR**
8 **2013-2014** to the promise zone fund created in subsection (3).

9 (2) Funds allocated to the promise zone fund under this
10 section shall be used solely for payments to eligible districts and
11 intermediate districts that have a promise zone development plan
12 approved by the department of treasury under section 7 of the
13 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

14 (3) The promise zone fund is created as a separate account
15 within the state school aid fund to be used solely for the purposes
16 of the Michigan promise zone authority act, 2008 PA 549, MCL
17 390.1661 to 390.1679. All of the following apply to the promise
18 zone fund:

19 (a) The state treasurer shall direct the investment of the
20 promise zone fund. The state treasurer shall credit to the promise
21 zone fund interest and earnings from fund investments.

22 (b) Money in the promise zone fund at the close of a fiscal
23 year shall remain in the promise zone fund and shall not lapse to
24 the general fund.

25 (4) Subject to subsection (2), the state treasurer may make
26 payments from the promise zone fund to eligible districts and
27 intermediate districts pursuant to the Michigan promise zone

1 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
2 for the purposes of a promise zone authority created under that
3 act.

4 Sec. 31a. (1) From the state school aid fund money
5 appropriated in section 11, there is allocated for ~~2012-2013-2013-~~
6 **2014** an amount not to exceed \$317,695,500.00 for payments to
7 eligible districts, eligible public school academies, and the
8 education achievement system under this section. Subject to
9 subsection (14), the amount of the additional allowance under this
10 section, other than funding under subsection (6) or (7), shall be
11 based on the number of actual pupils in membership in the district
12 or public school academy or the education achievement system who
13 met the income eligibility criteria for free breakfast, lunch, or
14 milk in the immediately preceding state fiscal year, as determined
15 under the Richard B. Russell national school lunch act, 42 USC 1751
16 to 1769i, and reported to the department not later than the fifth
17 Wednesday after the pupil membership count day of the immediately
18 preceding fiscal year and adjusted not later than December 31 of
19 the immediately preceding fiscal year in the form and manner
20 prescribed by the center. However, for a public school academy that
21 began operations as a public school academy, or for an achievement
22 school that began operations as an achievement school, after the
23 pupil membership count day of the immediately preceding school
24 year, the basis for the additional allowance under this section
25 shall be the number of actual pupils in membership in the public
26 school academy or the education achievement system who met the
27 income eligibility criteria for free breakfast, lunch, or milk in

1 the current state fiscal year, as determined under the Richard B.
2 Russell national school lunch act and reported to the department
3 not later than the fifth Wednesday after the pupil membership count
4 day.

5 (2) To be eligible to receive funding under this section,
6 other than funding under subsection (6) or (7), a district or
7 public school academy that has not been previously determined to be
8 eligible or the education achievement system shall apply to the
9 department, in a form and manner prescribed by the department, and
10 a district or public school academy or the education achievement
11 system must meet all of the following:

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

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

22 (3) Except as otherwise provided in this subsection, an
23 eligible district or eligible public school academy or the
24 education achievement system shall receive under this section for
25 each membership pupil in the district or public school academy or
26 the education achievement system who met the income eligibility
27 criteria for free breakfast, lunch, or milk, as determined under

1 the Richard B. Russell national school lunch act and as reported to
2 the department not later than the fifth Wednesday after the pupil
3 membership count day of the immediately preceding fiscal year and
4 adjusted not later than December 31 of the immediately preceding
5 fiscal year, an amount per pupil equal to 11.5% of the sum of the
6 district's foundation allowance or the public school academy's or
7 the education achievement system's per pupil amount calculated
8 under section 20, not to exceed the basic foundation allowance
9 under section 20 for the current state fiscal year, or of the
10 public school academy's or the education achievement system's per
11 membership pupil amount calculated under section 20 for the current
12 state fiscal year. A public school academy that began operations as
13 a public school academy, or an achievement school that began
14 operations as an achievement school, after the pupil membership
15 count day of the immediately preceding school year shall receive
16 under this section for each membership pupil in the public school
17 academy or in the education achievement system who met the income
18 eligibility criteria for free breakfast, lunch, or milk, as
19 determined under the Richard B. Russell national school lunch act
20 and as reported to the department not later than the fifth
21 Wednesday after the pupil membership count day of the current
22 fiscal year and adjusted not later than December 31 of the current
23 fiscal year, an amount per pupil equal to 11.5% of the public
24 school academy's or the education achievement system's per
25 membership pupil amount calculated under section 20 for the current
26 state fiscal year.

27 (4) Except as otherwise provided in this section, a district

1 or public school academy, or the education achievement system,
2 receiving funding under this section shall use that money only to
3 provide instructional programs and direct noninstructional
4 services, including, but not limited to, medical or counseling
5 services, for at-risk pupils; for school health clinics; and for
6 the purposes of subsection (5), (6), or (7). In addition, a
7 district that is a school district of the first class or a district
8 or public school academy in which at least 50% of the pupils in
9 membership met the income eligibility criteria for free breakfast,
10 lunch, or milk in the immediately preceding state fiscal year, as
11 determined and reported as described in subsection (1), or the
12 education achievement system if it meets this requirement, may use
13 not more than 20% of the funds it receives under this section for
14 school security. A district, the public school academy, or the
15 education achievement system shall not use any of that money for
16 administrative costs or to supplant another program or other funds,
17 except for funds allocated to the district or public school academy
18 or the education achievement system under this section in the
19 immediately preceding year and already being used by the district
20 or public school academy or the education achievement system for
21 at-risk pupils. The instruction or direct noninstructional services
22 provided under this section may be conducted before or after
23 regular school hours or by adding extra school days to the school
24 year and may include, but are not limited to, tutorial services,
25 early childhood programs to serve children age 0 to 5, and reading
26 programs as described in former section 32f as in effect for 2001-
27 2002. A tutorial method may be conducted with paraprofessionals

1 working under the supervision of a certificated teacher. The ratio
2 of pupils to paraprofessionals shall be between 10:1 and 15:1. Only
3 1 certificated teacher is required to supervise instruction using a
4 tutorial method. As used in this subsection, "to supplant another
5 program" means to take the place of a previously existing
6 instructional program or direct noninstructional services funded
7 from a funding source other than funding under this section.

8 (5) Except as otherwise provided in subsection (12), a
9 district or public school academy that receives funds under this
10 section and that operates a school breakfast program under section
11 1272a of the revised school code, MCL 380.1272a, or the education
12 achievement system if it operates a school breakfast program, shall
13 use from the funds received under this section an amount, not to
14 exceed \$10.00 per pupil for whom the district or public school
15 academy or the education achievement system receives funds under
16 this section, necessary to pay for costs associated with the
17 operation of the school breakfast program.

18 (6) From the funds allocated under subsection (1), there is
19 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
20 \$3,557,300.00 to support child and adolescent health centers. These
21 grants shall be awarded for 5 consecutive years beginning with
22 2003-2004 in a form and manner approved jointly by the department
23 and the department of community health. Each grant recipient shall
24 remain in compliance with the terms of the grant award or shall
25 forfeit the grant award for the duration of the 5-year period after
26 the noncompliance. To continue to receive funding for a child and
27 adolescent health center under this section a grant recipient shall

1 ensure that the child and adolescent health center has an advisory
2 committee and that at least one-third of the members of the
3 advisory committee are parents or legal guardians of school-aged
4 children. A child and adolescent health center program shall
5 recognize the role of a child's parents or legal guardian in the
6 physical and emotional well-being of the child. Funding under this
7 subsection shall be used to support child and adolescent health
8 center services provided to children up to age 21. If any funds
9 allocated under this subsection are not used for the purposes of
10 this subsection for the fiscal year in which they are allocated,
11 those unused funds shall be used that fiscal year to avoid or
12 minimize any proration that would otherwise be required under
13 subsection (14) for that fiscal year.

14 (7) From the funds allocated under subsection (1), there is
15 allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed
16 \$5,150,000.00 for the state portion of the hearing and vision
17 screenings as described in section 9301 of the public health code,
18 1978 PA 368, MCL 333.9301. A local public health department shall
19 pay at least 50% of the total cost of the screenings. The frequency
20 of the screenings shall be as required under R 325.13091 to R
21 325.13096 and R 325.3271 to R 325.3276 of the Michigan
22 administrative code. Funds shall be awarded in a form and manner
23 approved jointly by the department and the department of community
24 health. Notwithstanding section 17b, payments to eligible entities
25 under this subsection shall be paid on a schedule determined by the
26 department.

27 (8) Each district or public school academy receiving funds

1 under this section and the education achievement system shall
2 submit to the department by July 15 of each fiscal year a report,
3 not to exceed 10 pages, on the usage by the district or public
4 school academy or the education achievement system of funds under
5 this section, which report shall include at least a brief
6 description of each program conducted by the district or public
7 school academy or the education achievement system using funds
8 under this section, the amount of funds under this section
9 allocated to each of those programs, the number of at-risk pupils
10 eligible for free or reduced price school lunch who were served by
11 each of those programs, and the total number of at-risk pupils
12 served by each of those programs. If a district or public school
13 academy or the education achievement system does not comply with
14 this subsection, the department shall withhold an amount equal to
15 the August payment due under this section until the district or
16 public school academy or the education achievement system complies
17 with this subsection. If the district or public school academy or
18 the education achievement system does not comply with this
19 subsection by the end of the state fiscal year, the withheld funds
20 shall be forfeited to the school aid fund.

21 (9) In order to receive funds under this section, a district
22 or public school academy or the education achievement system shall
23 allow access for the department or the department's designee to
24 audit all records related to the program for which it receives
25 those funds. The district or public school academy or the education
26 achievement system shall reimburse the state for all disallowances
27 found in the audit.

1 (10) Subject to subsections (5), (6), (7), (12), and (13), any
2 **A** district may use up to 100% of the funds it receives under this
3 section to reduce the ratio of pupils to teachers in grades K-12,
4 or any combination of those grades, in school buildings in which
5 the percentage of pupils described in subsection (1) exceeds the
6 district's aggregate percentage of those pupils. Subject to
7 subsections (5), (6), (7), (12), and (13), ~~if a district obtains a~~
8 ~~waiver from the department, the~~ **A** district may use up to 100% of
9 the funds it receives under this section to reduce the ratio of
10 pupils to teachers in grades K-12, or any combination of those
11 grades, in school buildings in which the percentage of pupils
12 described in subsection (1) is at least 60% of the district's
13 aggregate percentage of those pupils and at least 30% of the total
14 number of pupils enrolled in the school building. ~~To obtain a~~
15 ~~waiver, a district must apply to the department and demonstrate to~~
16 ~~the satisfaction of the department that the class size reductions~~
17 ~~would be in the best interests of the district's at risk pupils.~~

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

23 (12) For an individual school or schools operated by a
24 district or public school academy receiving funds under this
25 section or the education achievement system that have been
26 determined by the department to meet the adequate yearly progress
27 standards of the no child left behind act of 2001, Public Law 107-

1 110, in both mathematics and English language arts at all
2 applicable grade levels for all applicable subgroups, the district
3 or public school academy or the education achievement system may
4 use not more than 20% of the funds it receives under this section
5 for specific alternative purposes identified by the district or
6 public school academy or the education achievement system that are
7 designed to benefit at-risk pupils in the school, but that may be
8 different from the purposes otherwise allowable under this section.
9 If a district or public school academy or the education achievement
10 system uses funds for alternative purposes allowed under the
11 flexibility provisions under this subsection, the district or
12 public school academy or the education achievement system shall
13 maintain documentation of the amounts used for those alternative
14 purposes and shall make that information available to the
15 department upon request.

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

21 (a) Monitors individual pupil learning and provides specific
22 support or learning strategies to pupils as early as possible in
23 order to reduce the need for special education placement. The
24 program shall include literacy and numeracy supports, sensory motor
25 skill development, behavior supports, instructional consultation
26 for teachers, and the development of a parent/school learning plan.
27 Specific support or learning strategies may include support in or

1 out of the general classroom in areas including reading, writing,
2 math, visual memory, motor skill development, behavior, or language
3 development. These would be provided based on an understanding of
4 the individual child's learning needs.

5 (b) Provides early intervening strategies using school-wide
6 systems of academic and behavioral supports and is scientifically
7 research-based. The strategies to be provided shall include at
8 least pupil performance indicators based upon response to
9 intervention, instructional consultation for teachers, and ongoing
10 progress monitoring. A school-wide system of academic and
11 behavioral support should be based on a support team available to
12 the classroom teachers. The members of this team could include the
13 principal, special education staff, reading teachers, and other
14 appropriate personnel who would be available to systematically
15 study the needs of the individual child and work with the teacher
16 to match instruction to the needs of the individual child.

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

27 (15) If a district is formed by consolidation after June 1,

1 1995, and if 1 or more of the original districts was not eligible
2 before the consolidation for an additional allowance under this
3 section, the amount of the additional allowance under this section
4 for the consolidated district shall be based on the number of
5 pupils described in subsection (1) enrolled in the consolidated
6 district who reside in the territory of an original district that
7 was eligible before the consolidation for an additional allowance
8 under this section.

9 (16) As used in this section, "at-risk pupil" means a pupil
10 for whom the district has documentation that the pupil meets at
11 least 2 of the following criteria: is a victim of child abuse or
12 neglect; is below grade level in English language ~~and communication~~
13 ~~skills~~ **ARTS** or mathematics; is a pregnant teenager or teenage
14 parent; is eligible for a federal free or reduced-price lunch
15 subsidy; has atypical behavior or attendance patterns; or has a
16 family history of school failure, incarceration, or substance
17 abuse. **AT-RISK PUPIL ALSO INCLUDES ALL PUPILS IN A PRIORITY SCHOOL**
18 **AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 2001**
19 **FLEXIBILITY REQUEST APPROVED BY THE UNITED STATES DEPARTMENT OF**
20 **EDUCATION.** For pupils for whom the results of at least the
21 applicable Michigan education assessment program (MEAP) test have
22 been received, at-risk pupil also includes a pupil who does not
23 meet the other criteria under this subsection but who did not
24 achieve at least a score of level 2 on the most recent MEAP English
25 language arts, mathematics, science test, or social studies for
26 which results for the pupil have been received. For pupils for whom
27 the results of the Michigan merit examination have been received,

1 at-risk pupil also includes a pupil who does not meet the other
2 criteria under this subsection but who did not achieve proficiency
3 on the reading, ~~component~~ **WRITING, MATHEMATICS, SCIENCE, OR SOCIAL**
4 **STUDIES COMPONENTS** of the most recent Michigan merit examination
5 for which results for the pupil have been received. ~~, did not~~
6 ~~achieve proficiency on the mathematics component of the most recent~~
7 ~~Michigan merit examination for which results for the pupil have~~
8 ~~been received, or did not achieve basic competency on the science~~
9 ~~component of the most recent Michigan merit examination for which~~
10 ~~results for the pupil have been received.~~ For pupils in grades K-3,
11 at-risk pupil also includes a pupil who is at risk of not meeting
12 the district's core academic curricular objectives in English
13 language arts or mathematics.

14 (17) A district or public school academy that receives funds
15 under this section or the education achievement system may use
16 funds received under this section to provide an anti-bullying or
17 crisis intervention program.

18 Sec. 31d. (1) From the appropriations in section 11, there is
19 allocated an amount not to exceed \$22,495,100.00 for ~~2012-2013~~
20 **2013-2014** for the purpose of making payments to districts and other
21 eligible entities under this section.

22 (2) The amounts allocated from state sources under this
23 section shall be used to pay the amount necessary to reimburse
24 districts for 6.0127% of the necessary costs of the state mandated
25 portion of the school lunch programs provided by those districts.
26 The amount due to each district under this section shall be
27 computed by the department using the methods of calculation adopted

1 by the Michigan supreme court in the consolidated cases known as
2 Durant v State of Michigan, Michigan supreme court docket no.
3 104458-104492.

4 (3) The payments made under this section include all state
5 payments made to districts so that each district receives at least
6 6.0127% of the necessary costs of operating the state mandated
7 portion of the school lunch program in a fiscal year.

8 (4) The payments made under this section to districts and
9 other eligible entities that are not required under section 1272a
10 of the revised school code, MCL 380.1272a, to provide a school
11 lunch program shall be in an amount not to exceed \$10.00 per
12 eligible pupil plus 5 cents for each free lunch and 2 cents for
13 each reduced price lunch provided, as determined by the department.

14 (5) From the federal funds appropriated in section 11, there
15 is allocated for ~~2012-2013-2013-2014~~ all available federal funding,
16 estimated at ~~\$400,000,000.00, \$460,000,000.00~~ for the national
17 school lunch program and all available federal funding, estimated
18 at ~~\$2,506,000.00, \$3,200,000.00~~ for the emergency food assistance
19 program.

20 (6) Notwithstanding section 17b, payments to eligible entities
21 other than districts under this section shall be paid on a schedule
22 determined by the department.

23 (7) In purchasing food for a school lunch program funded under
24 this section, preference shall be given to food that is grown or
25 produced by Michigan businesses if it is competitively priced and
26 of comparable quality.

27 Sec. 31f. (1) From the appropriations in section 11, there is

1 allocated an amount not to exceed ~~\$9,625,000.00 for 2012-2013~~
2 **\$5,625,000.00 FOR 2013-2014** for the purpose of making payments to
3 districts to reimburse for the cost of providing breakfast.

4 (2) The funds allocated under this section for school
5 breakfast programs shall be made available to all eligible
6 applicant districts that meet all of the following criteria:

7 (a) The district participates in the federal school breakfast
8 program and meets all standards as prescribed by 7 CFR parts 220
9 and 245.

10 (b) Each breakfast eligible for payment meets the federal
11 standards described in subdivision (a).

12 (3) The payment for a district under this section is at a per
13 meal rate equal to the lesser of the district's actual cost or 100%
14 of the statewide average cost of a breakfast served, as determined
15 and approved by the department, less federal reimbursement,
16 participant payments, and other state reimbursement. The statewide
17 average cost shall be determined by the department using costs as
18 reported in a manner approved by the department for the preceding
19 school year.

20 (4) Notwithstanding section 17b, payments under this section
21 may be made pursuant to an agreement with the department.

22 (5) In purchasing food for a school breakfast program funded
23 under this section, preference shall be given to food that is grown
24 or produced by Michigan businesses if it is competitively priced
25 and of comparable quality.

26 Sec. 32d. (1) From the funds appropriated in section 11, there
27 is allocated to eligible intermediate districts and consortia of

House Bill No. 4228 (H-1) as amended April 23, 2013

1 intermediate districts for great start readiness programs an amount
2 not to exceed ~~\$109,275,000.00 for 2012-2013.~~ **[\$147,275,000.00] FOR**
3 **2013-2014.** Funds allocated under this section shall be used to
4 provide part-day, school-day, or GSRP/head start blended
5 comprehensive free compensatory classroom programs designed to do 1
6 or both of the following:

7 (a) Improve the readiness and subsequent achievement of
8 educationally disadvantaged children ~~as defined by the department~~
9 ~~who will be at least 4, but less than 5 years of age, as of~~
10 ~~December 1 of the school year in which the programs are offered,~~
11 ~~and~~ who meet the participant eligibility and prioritization
12 guidelines as defined by the ~~state board.~~ **DEPARTMENT. BEGINNING IN**
13 **2013-2014, FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM**
14 **UNDER THIS SECTION, THE CHILD SHALL BE AT LEAST 4, BUT LESS THAN 5,**
15 **YEARS OF AGE AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S**
16 **ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED**
17 **SCHOOL CODE, MCL 380.1147.**

18 (b) Provide preschool and parenting education programs similar
19 to those under former section 32b as in effect for 2001-2002.
20 Beginning in 2007-2008, funds spent for programs described in this
21 subdivision shall not exceed the amount spent under this
22 subdivision for the immediately preceding fiscal year. Funds spent
23 for programs described in this subdivision shall be used for
24 services to families with income below ~~300%~~ **[200%]** of the federal
25 poverty level.

26 (2) Funds allocated under ~~this section~~ **SUBSECTION (1)** shall be
27 allocated to intermediate districts or consortia of intermediate

1 districts **BASED ON THE FORMULA IN SECTION 39**. An intermediate
 2 district or consortium of intermediate districts receiving funding
 3 under this section shall act as the fiduciary for the great start
 4 readiness programs. ~~For 2012-2013, the fiduciary intermediate~~
 5 ~~districts and consortia of intermediate districts shall allocate~~
 6 ~~the funding under this section as follows:~~

7 ~~—— (a) An amount not to exceed \$100,400,000.00 allocated to~~
 8 ~~intermediate districts and consortia of intermediate districts as~~
 9 ~~directed by the department based on the formula in section 39. In~~
 10 order to be eligible to receive funds allocated under this
 11 ~~subdivision~~ **SUBSECTION** from an intermediate district or consortium
 12 of intermediate districts, a district, ~~or~~ **A** consortium of
 13 districts, **OR A PUBLIC OR PRIVATE FOR-PROFIT OR NONPROFIT LEGAL**
 14 **ENTITY OR AGENCY** shall comply with this section and section 39.

15 ~~—— (b) An amount not to exceed \$8,875,000.00 allocated in grants~~
 16 ~~to competitive great start readiness programs as directed by the~~
 17 ~~department based on the grant award process in section 32/. In order~~
 18 ~~to be eligible to receive funds allocated under this section from~~
 19 ~~an intermediate district or consortium of intermediate districts, a~~
 20 ~~competitive great start readiness program shall comply with this~~
 21 ~~section and section 32/.~~

22 (3) In addition to the allocation under subsection (1), from
 23 the general fund money appropriated under section 11, there is
 24 allocated an amount not to exceed \$300,000.00 for ~~2012-2013~~ **2013-**
 25 **2014** for a competitive grant to continue a longitudinal evaluation
 26 of children who have participated in great start readiness
 27 programs.

1 (4) To be eligible for funding under this section, a program
2 shall prepare children for success in school through comprehensive
3 part-day, school-day, or GSRP/head start blended programs that
4 contain all of the following program components, as determined by
5 the department:

6 (a) Participation in a collaborative recruitment and
7 enrollment process ~~. At a minimum, the process shall include all~~
8 ~~other funded preschool programs that may serve children in the same~~
9 ~~geographic area,~~ to assure that each child is enrolled in the
10 program most appropriate to his or her needs and to maximize the
11 use of federal, state, and local funds.

12 (b) An age-appropriate educational curriculum that is in
13 compliance with the early childhood standards of quality for
14 prekindergarten children adopted by the state board.

15 (c) Nutritional services for all program participants
16 **SUPPORTED BY FEDERAL, STATE, AND LOCAL RESOURCES AS APPLICABLE.**

17 (d) Health and developmental screening services for all
18 program participants.

19 (e) Referral services for families of program participants to
20 community social service agencies, as appropriate.

21 (f) Active and continuous involvement of the parents or
22 guardians of the program participants.

23 (g) A plan to conduct and report annual great start readiness
24 program evaluations and continuous improvement plans using criteria
25 approved by the department.

26 (h) Participation in a multidistrict, multiagency, school
27 readiness advisory committee **CONVENED AS A WORKGROUP OF THE GREAT**

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1 **START COLLABORATIVE** that provides for the involvement of classroom
2 teachers, parents or guardians of program participants, and
3 community, volunteer, and social service agencies and
4 organizations, as appropriate. The advisory committee annually
5 shall review the program components listed in this subsection and
6 make recommendations for changes to the great start readiness
7 program for which it is an advisory committee.

8 (i) The ongoing articulation of the kindergarten and first
9 grade programs offered by the program provider.

10 **(J) PARTICIPATION IN THIS STATE'S GREAT START TO QUALITY**
11 **PROCESS WITH A RATING OF AT LEAST 3 STARS.**

12 (5) An application for funding under this section shall
13 provide for the following, in a form and manner determined by the
14 department:

15 (a) Ensure compliance with all program components described in
16 subsection (4).

17 (b) Ensure that ~~more than 75%~~ **AT LEAST 80%** of the children
18 participating in an eligible great start readiness program **FOR WHOM**
19 **THE PROVIDER IS RECEIVING FUNDS UNDER THIS SECTION** are children who
20 live with families with a household income that is equal to or less
21 than ~~300%~~ **[200%]** of the federal poverty level.

22 (c) Ensure that the applicant only uses qualified personnel
23 for this program, as follows:

24 (i) Teachers possessing proper training. For programs managed
25 directly by a district or intermediate district, a valid teaching
26 certificate and an early childhood (ZA or ZS) endorsement are
27 required. This provision does not apply to a ~~district, intermediate~~

1 ~~district, or competitive program that subcontracts with~~ an eligible
2 child development program. In that situation, a teacher must have a
3 valid Michigan teaching certificate with an early childhood (ZA or
4 ZS) endorsement, a valid Michigan elementary teaching certificate
5 with a child development associate credential, or a bachelor's
6 degree in child development with specialization in preschool
7 teaching. However, if an applicant demonstrates to the department
8 that it is unable to fully comply with this subparagraph after
9 making reasonable efforts to comply, teachers who have significant
10 but incomplete training in early childhood education or child
11 development may be used if the applicant provides to the
12 department, and the department approves, a plan for each teacher to
13 come into compliance with the standards in this subparagraph. A
14 teacher's compliance plan must be completed within 2 years of the
15 date of employment. Progress toward completion of the compliance
16 plan shall consist of at least 2 courses per calendar year.

17 (ii) Paraprofessionals possessing proper training in early
18 childhood development, including an associate's degree in early
19 childhood education or child development or the equivalent, or a
20 child development associate (CDA) credential. However, if an
21 applicant demonstrates to the department that it is unable to fully
22 comply with this subparagraph after making reasonable efforts to
23 comply, the applicant may use paraprofessionals who have completed
24 at least 1 course that earns college credit in early childhood
25 education or child development if the applicant provides to the
26 department, and the department approves, a plan for each
27 paraprofessional to come into compliance with the standards in this

1 subparagraph. A paraprofessional's compliance plan must be
2 completed within 2 years of the date of employment. Progress toward
3 completion of the compliance plan shall consist of at least 2
4 courses or 60 clock hours of training per calendar year.

5 (d) Include a program budget that contains only those costs
6 that are not reimbursed or reimbursable by federal funding, that
7 are clearly and directly attributable to the great start readiness
8 program, and that would not be incurred if the program were not
9 being offered. **ELIGIBLE COSTS INCLUDE TRANSPORTATION COSTS.** The
10 program budget shall indicate the extent to which these funds will
11 supplement other federal, state, local, or private funds. Funds
12 received under this section shall not be used to supplant any
13 federal funds **RECEIVED** by the applicant to serve children eligible
14 for a federally funded ~~existing~~ preschool program that has the
15 capacity to serve those children.

16 (6) For a grant recipient that enrolls pupils in a school-day
17 program funded under this section, each child enrolled in the
18 school-day program shall be counted as 2 children served by the
19 program for purposes of determining the number of children to be
20 served and for determining the amount of the grant award. A grant
21 award shall not be increased solely on the basis of providing a
22 school-day program.

23 (7) An intermediate district or consortium of intermediate
24 districts receiving a grant under this section may **PROVIDE SERVICES**
25 **DIRECTLY OR MAY** contract with **1 OR MORE DISTRICTS OR PUBLIC OR**
26 **PRIVATE** for-profit or nonprofit ~~preschool-center~~ providers that
27 meet all requirements of subsection (4) and retain for

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1 administrative services an amount equal to not more than 5%–7% of
 2 the grant amount. ~~An~~ **IN ADDITION, AN** intermediate district ~~, OR~~
 3 consortium of intermediate districts ~~, or competitive grant program~~
 4 may expend not more than 10%–2% of the total grant amount for
 5 ~~administration~~ **RECRUITING AND PUBLIC AWARENESS** of the program.

6 ~~— (8) Any public or private for-profit or nonprofit legal entity~~
 7 ~~or agency may apply for a competitive grant under this section.~~
 8 ~~However, a district or intermediate district may not apply for a~~
 9 ~~competitive grant under this section unless the district,~~
 10 ~~intermediate district, or consortium of districts or intermediate~~
 11 ~~districts is acting as a local grantee for the federal head start~~
 12 ~~program operating under the head start act, 42 USC 9831 to 9852.~~

13 (8) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
 14 DISTRICTS RECEIVING A GRANT UNDER THIS SECTION SHALL CONDUCT A
 15 LOCAL PROCESS TO CONTRACT WITH INTERESTED AND ELIGIBLE PUBLIC AND
 16 PRIVATE FOR-PROFIT AND NONPROFIT COMMUNITY-BASED PROVIDERS THAT
 17 MEET ALL REQUIREMENTS OF SUBSECTION (4) FOR AT LEAST [30%] OF ITS
 18 TOTAL SLOT ALLOCATION. IF THE INTERMEDIATE DISTRICT OR CONSORTIUM
 19 IS NOT ABLE TO CONTRACT FOR AT LEAST [30%] OF ITS TOTAL SLOT
 20 ALLOCATION, THE GRANT RECIPIENT SHALL NOTIFY THE DEPARTMENT AND, IF
 21 THE DEPARTMENT VERIFIES THAT THE INTERMEDIATE DISTRICT OR
 22 CONSORTIUM ATTEMPTED TO CONTRACT FOR AT LEAST [30%] OF ITS TOTAL SLOT
 23 ALLOCATION, THEN THE INTERMEDIATE DISTRICT OR CONSORTIUM MAY RETAIN
 24 ALL OF ITS ALLOCATED SLOTS.

25 (9) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
 26 DISTRICTS RECEIVING A GRANT UNDER THIS SECTION SHALL ALLOW PARENTS
 27 OF PARTICIPATING CHILDREN TO CHOOSE ANY OF THE PROGRAMS OPERATED BY

1 OR CONTRACTED WITH IN THAT INTERMEDIATE DISTRICT OR CONSORTIUM AS
2 LONG AS THE PROGRAM HAS AVAILABLE CAPACITY AS DETERMINED BY THE
3 INTERMEDIATE DISTRICT OR CONSORTIUM. FURTHER, AN INTERMEDIATE
4 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING A GRANT
5 UNDER THIS SECTION SHALL ALLOW PARENTS OF ELIGIBLE CHILDREN WHO ARE
6 RESIDENTS OF THE INTERMEDIATE DISTRICT OR WITHIN THE CONSORTIUM TO
7 CHOOSE A PROGRAM OPERATED BY OR CONTRACTED WITH ANOTHER
8 INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AND
9 SHALL PAY TO THE EDUCATING INTERMEDIATE DISTRICT OR CONSORTIUM THE
10 PER-CHILD AMOUNT ATTRIBUTABLE TO EACH CHILD ENROLLED PURSUANT TO
11 THIS SENTENCE, AS DETERMINED UNDER SECTION 39.

12 (10) ~~(9)~~—A recipient of funds under this section shall report
13 to the department in a form and manner prescribed by the department
14 the number of children participating in the program who meet the
15 ~~income or other eligibility criteria prescribed by the department~~
16 **ELIGIBILITY CRITERIA UNDER SUBSECTION (5) (B)** and the total number
17 of children participating in the program. For children
18 participating in the program who meet the ~~income or other~~
19 eligibility criteria specified under subsection (5) (b), a recipient
20 shall also report whether or not a parent is available to provide
21 care based on employment status. For the purposes of this
22 subsection, "employment status" shall be defined by the department
23 of human services in a manner consistent with maximizing the amount
24 of spending that may be claimed for temporary assistance for needy
25 families maintenance of effort purposes.

26 (11) ~~(10)~~—As used in this section:

27 (a) "GSRP/head start blended program" means a part-day program

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1 funded under this section and a head start program, which are
2 combined for a school-day program.

3 (b) "Part-day program" means a program that operates at least
4 4 days per week, 30 weeks per year, for at least 3 hours of
5 teacher-child contact time per day but for fewer hours of teacher-
6 child contact time per day than a school-day program.

7 (c) "School-day program" means a program that operates for at
8 least the same length of day as a district's first grade program
9 for a minimum of 4 days per week, 30 weeks per year. A classroom
10 that offers a school-day program must enroll all children for the
11 school day to be considered a school-day program.

12 (12) ~~(11) A grant recipient~~ **AN INTERMEDIATE DISTRICT OR**
13 **CONSORTIUM OF INTERMEDIATE DISTRICTS** receiving funds under this
14 section ~~is encouraged to~~ **SHALL** establish a sliding scale of tuition
15 rates based upon ~~a child's family income for the purpose of~~
16 ~~expanding eligible programs under this section.~~ **HOUSEHOLD INCOME**
17 **FOR CHILDREN PARTICIPATING IN AN ELIGIBLE GREAT START READINESS**
18 **PROGRAM WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS MORE**
19 **THAN [200%] OF THE FEDERAL POVERTY LEVEL TO BE USED BY ALL OF ITS**
20 **PROVIDERS, AS APPROVED BY THE DEPARTMENT.** A grant recipient ~~may~~
21 **SHALL** charge tuition ~~for programs provided under this section~~
22 according to that sliding scale of tuition rates on a uniform basis
23 for any child who does not meet the ~~program~~ **INCOME** eligibility
24 requirements under this section.

25 ~~— (12) The department shall develop a plan for a multiyear~~
26 ~~phased in approach to transfer funding for great start readiness~~
27 ~~programs under this section into an early childhood block grant~~

1 ~~program, along with funding for great start collaboratives under~~
2 ~~section 32b and funding for great parents, great start programs~~
3 ~~under section 32j. The early childhood block grant program will~~
4 ~~allocate funds to intermediate districts and consortia of~~
5 ~~intermediate districts to act as fiduciaries and provide~~
6 ~~administration of regional early childhood programs in conjunction~~
7 ~~with their regional great start collaborative to improve program~~
8 ~~quality, evaluation, and efficiency for early childhood programs.~~
9 ~~The department shall work with intermediate districts, districts,~~
10 ~~great start collaboratives, and the early childhood investment~~
11 ~~corporation to establish a revised funding formula, application~~
12 ~~process, program criteria, and data reporting requirements.~~

13 Sec. 32p. (1) From the school aid fund appropriation in
14 section 11, there is allocated an amount not to exceed
15 \$10,900,000.00 **TO INTERMEDIATE DISTRICTS** for ~~2012-2013-2013-2014~~
16 for the purpose of providing early childhood funding to
17 intermediate school districts in block grants, **SUPPORTING THE**
18 **ACTIVITIES UNDER SUBSECTION (2), AND PROVIDING EARLY CHILDHOOD**
19 **PROGRAMS FOR CHILDREN FROM BIRTH THROUGH AGE 8.** ~~The BEGINNING IN~~
20 ~~2013-2014, THE~~ funding provided to each intermediate district under
21 this section shall be equal to the sum of all funding allocated
22 ~~under former sections 32b and 32j, as those sections were in effect~~
23 ~~for 2011-2012.~~ **DETERMINED BY A DISTRIBUTION FORMULA ESTABLISHED BY**
24 **THE DEPARTMENT'S OFFICE OF GREAT START TO PROVIDE EQUITABLE FUNDING**
25 **STATEWIDE.** In order to receive funding under this section, each
26 intermediate district shall provide an application to the office of
27 great start not later than ~~August 15, 2012,~~ **SEPTEMBER 15 OF THE**

1 **IMMEDIATELY PRECEDING FISCAL YEAR** indicating the activities planned
2 to be provided. ~~and children served under the block grant.~~

3 (2) Each intermediate district or consortium of intermediate
4 districts that receives funding under this section shall convene a
5 local great start collaborative and a parent coalition. ~~to address~~
6 ~~the availability of the following 6 components of a great start~~
7 ~~system in its communities: physical health, social emotional~~
8 ~~health, family supports, basic needs, economic stability and~~
9 ~~safety, and parenting education and early education and care.~~ The
10 goal of a ~~local~~ **EACH** great start collaborative is **AND PARENT**
11 **COALITION SHALL BE** to ensure **THE COORDINATION AND EXPANSION OF**
12 **LOCAL EARLY CHILDHOOD INFRASTRUCTURE AND PROGRAMS** that **ALLOW** every
13 child in the community is ~~ready for kindergarten.~~ **TO ACHIEVE THE**
14 **FOLLOWING OUTCOMES:**

15 (A) **CHILDREN BORN HEALTHY.**

16 (B) **CHILDREN HEALTHY, THRIVING, AND DEVELOPMENTALLY ON TRACK**
17 **FROM BIRTH TO THIRD GRADE.**

18 (C) **CHILDREN DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE**
19 **TIME OF SCHOOL ENTRY.**

20 (D) **CHILDREN PREPARED TO SUCCEED IN FOURTH GRADE AND BEYOND BY**
21 **READING PROFICIENTLY BY THE END OF THIRD GRADE.**

22 (3) Each local great start collaborative **AND PARENT COALITION**
23 **SHALL CONVENE A WORKGROUP TO SERVE AS A SCHOOL READINESS ADVISORY**
24 **COMMITTEE AS REQUIRED UNDER SECTION 32D AND** shall ensure the
25 ~~coordination and expansion of infrastructure or programming to~~
26 ~~support high quality early childhood and childcare programs. An~~
27 ~~intermediate district or consortium of intermediate districts may~~

1 ~~reconstitute its local great start collaborative if that~~
2 ~~collaborative is found to be ineffective.~~ **THAT ITS LOCAL GREAT START**
3 **SYSTEM INCLUDES THE FOLLOWING SUPPORTS FOR CHILDREN FROM BIRTH**
4 **THROUGH AGE 8:**

5 (A) **PHYSICAL HEALTH.**

6 (B) **SOCIAL-EMOTIONAL HEALTH.**

7 (C) **FAMILY SUPPORTS AND BASIC NEEDS.**

8 (D) **PARENT EDUCATION AND CHILD ADVOCACY.**

9 (E) **EARLY EDUCATION AND CARE.**

10 (4) ~~(3)~~ **Not later than December 1, 2013, OF EACH YEAR,** each
11 intermediate district shall provide a report to the department
12 detailing the activities actually provided during ~~2012-2013~~ **THE**
13 **IMMEDIATELY PRECEDING SCHOOL YEAR** and the **FAMILIES AND** children
14 actually served. The department shall compile and summarize these
15 reports and submit its summary to the house and senate
16 appropriations subcommittees on school aid and to the house and
17 senate fiscal agencies. The block grants allocated under this
18 section implement legislative intent language for this purpose
19 enacted in 2011 PA 62.

20 (5) ~~(4)~~ **An intermediate district or consortium of intermediate**
21 **districts that receives funding under this section may carry over**
22 **any unexpended funds received under this section for a fiscal year**
23 **into the next fiscal year and may expend those unused funds in the**
24 **next fiscal year. A recipient of a grant shall return any**
25 **unexpended grant funds to the department in the manner prescribed**
26 **by the department not later than September 30 of the next fiscal**
27 **year after the fiscal year in which the funds are received.**

1 Sec. 39. (1) An eligible applicant receiving funds under
2 section 32d shall submit a preapplication, in a form and manner
3 prescribed by the department, by a date specified by the department
4 in the immediately preceding state fiscal year. The preapplication
5 shall include a comprehensive needs assessment using aggregated
6 data from the applicant's entire service area and a community
7 collaboration plan that is endorsed by the local great start
8 collaborative and is part of the community's great start strategic
9 plan that includes, but is not limited to, great start readiness
10 program and head start providers, and shall identify all of the
11 following:

12 (a) The estimated total number of children in the community
13 who meet the criteria of section 32d and how that calculation was
14 made.

15 (b) The estimated number of children in the community who meet
16 the criteria of section 32d and are being served by other early
17 childhood development programs operating in the community, and how
18 that calculation was made.

19 (c) The number of children the applicant will be able to serve
20 who meet the criteria of section 32d including a verification of
21 physical facility and staff resources capacity.

22 (d) The estimated number of children who meet the criteria of
23 section 32d who will remain unserved after the applicant and
24 community early childhood programs have met their funded
25 enrollments. The applicant shall maintain a waiting list of
26 identified unserved eligible children who would be served when
27 openings are available.

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1 (2) An applicant receiving funds under section 32d shall also
2 submit a final application for approval, in a form and manner
3 prescribed by the department, by a date specified by the
4 department, that details how the applicant complies with the
5 program components established by the department pursuant to
6 section 32d.

7 (3) The number of prekindergarten children construed to be in
8 need of special readiness assistance under section 32d shall be
9 calculated for each applicant in the following manner: 1/2 of the
10 percentage of the applicant's pupils in grades 1 to 5 in all
11 districts served by the applicant who are eligible for free lunch,
12 as determined using the district's pupil membership count as of the
13 pupil membership count day in the school year prior to the fiscal
14 year for which the calculation is made, under the Richard B.
15 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
16 multiplied by the average kindergarten enrollment of the districts
17 served by the applicant on the pupil membership count day of the 2
18 immediately preceding fiscal years.

19 (4) The initial allocation for each fiscal year to each
20 eligible applicant under section 32d shall be determined by
21 multiplying the number of children determined by the formula under
22 subsection (3) or the number of children the applicant indicates it
23 will be able to serve under subsection (1)(c), whichever is less,
24 by ~~\$3,400.00~~ **[\$3,500.00]** and shall be distributed among applicants in
25 decreasing order of concentration of eligible children as
26 determined by the formula under subsection (3). If the number of
27 children an applicant indicates it will be able to serve under

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1 subsection (1)(c) includes children able to be served in a school-
2 day program, then the number able to be served in a school-day
3 program shall be doubled for the purposes of making this
4 calculation of the lesser of the number of children determined by
5 the formula under subsection (3) and the number of children the
6 applicant indicates it will be able to serve under subsection
7 (1)(c) and determining the amount of the initial allocation to the
8 applicant under section 32d. A district may contract with a head
9 start agency to serve children enrolled in head start with a
10 school-day program by blending head start funds with a part-day
11 great start readiness program allocation. All head start and great
12 start readiness program policies and regulations apply to the
13 blended program.

14 (5) If funds allocated for eligible applicants in section 32d
15 remain after the initial allocation under subsection (4), the
16 allocation under this subsection shall be distributed to each
17 eligible applicant under section 32d in decreasing order of
18 concentration of eligible children as determined by the formula
19 under subsection (3). The allocation shall be determined by
20 multiplying the number of children each district within the
21 applicant's service area served in the immediately preceding fiscal
22 year or the number of children the applicant indicates it will be
23 able to serve under subsection (1)(c), whichever is less, minus the
24 number of children for which the applicant received funding in
25 subsection (4) by ~~\$3,400.00~~ [**\$3,500.00**].

26 (6) If funds allocated for eligible applicants in section 32d
27 remain after the allocations under subsections (4) and (5),

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1 remaining funds shall be distributed to each eligible applicant
2 under section 32d in decreasing order of concentration of eligible
3 children as determined by the formula under subsection (3). If the
4 number of children the applicant indicates it will be able to serve
5 under subsection (1)(c) exceeds the number of children for which
6 funds have been received under subsections (4) and (5), the
7 allocation under this subsection shall be determined by multiplying
8 the number of children the applicant indicates it will be able to
9 serve under subsection (1)(c) less the number of children for which
10 funds have been received under subsections (4) and (5) by ~~\$3,400.00~~
11 **[\$3,500.00]** until the funds allocated for eligible applicants in
12 section 32d are distributed.

13 (7) An applicant that offers supplementary child care funded
14 by funds other than those received under section 32d and therefore
15 offers full-day programs as part of its early childhood development
16 program shall receive priority in the allocation of funds under
17 section 32d over other eligible applicants. As used in this
18 subsection, "full-day program" means a program that provides
19 supplementary child care that totals at least 10 hours of
20 programming per day.

21 (8) If, taking into account the total amount to be allocated
22 to the applicant as calculated under this section, an applicant
23 determines that it is able to include additional eligible children
24 in the great start readiness program without additional funds under
25 section 32d, the applicant may include additional eligible children
26 but shall not receive additional funding under section 32d for
27 those children.

1 Sec. 39a. (1) From the federal funds appropriated in section
2 11, there is allocated for ~~2012-2013~~**2013-2014** to districts,
3 intermediate districts, and other eligible entities all available
4 federal funding, estimated at ~~\$812,328,500.00~~,**\$811,828,500.00**, for
5 the federal programs under the no child left behind act of 2001,
6 Public Law 107-110. These funds are allocated as follows:

7 (a) An amount estimated at \$10,808,600.00 to provide students
8 with drug- and violence-prevention programs and to implement
9 strategies to improve school safety, funded from DED-OESE, drug-
10 free schools and communities funds.

11 ~~——(b) An amount estimated at \$250,000.00 for the purpose of~~
12 ~~improving teaching and learning through a more effective use of~~
13 ~~technology, funded from DED-OESE, educational technology state~~
14 ~~grant funds.~~

15 **(B)** ~~(e)~~An amount estimated at \$111,111,900.00 for the purpose
16 of preparing, training, and recruiting high-quality teachers and
17 class size reduction, funded from DED-OESE, improving teacher
18 quality funds.

19 **(C)** ~~(d)~~An amount estimated at \$12,200,000.00 for programs to
20 teach English to limited English proficient (LEP) children, funded
21 from DED-OESE, language acquisition state grant funds.

22 **(D)** ~~(e)~~An amount estimated at \$10,286,500.00 for the Michigan
23 charter school subgrant program, funded from DED-OESE, charter
24 school funds.

25 **(E)** ~~(f)~~An amount estimated at \$2,393,500.00 for rural and low
26 income schools, funded from DED-OESE, rural and low income school
27 funds.

1 **(F)** ~~(g)~~—An amount estimated at \$591,500,000.00 to provide
2 supplemental programs to enable educationally disadvantaged
3 children to meet challenging academic standards, funded from DED-
4 OESE, title I, disadvantaged children funds.

5 ~~——(h) An amount estimated at \$250,000.00 for the purpose of~~
6 ~~providing unified family literacy programs, funded from DED-OESE,~~
7 ~~title I, even start funds.~~

8 **(G)** ~~(i)~~—An amount estimated at \$8,878,000.00 for the purpose
9 of identifying and serving migrant children, funded from DED-OESE,
10 title I, migrant education funds.

11 **(H)** ~~(j)~~—An amount estimated at \$40,050,000.00 for the purpose
12 of providing high-quality extended learning opportunities, after
13 school and during the summer, for children in low-performing
14 schools, funded from DED-OESE, twenty-first century community
15 learning center funds.

16 **(I)** ~~(k)~~—An amount estimated at \$24,600,000.00 to help support
17 local school improvement efforts, funded from DED-OESE, title I,
18 local school improvement grants.

19 (2) From the federal funds appropriated in section 11, there
20 is allocated for ~~2012-2013-2013-2014~~ to districts, intermediate
21 districts, and other eligible entities all available federal
22 funding, estimated at ~~\$33,514,100.00~~ **\$31,700,000.00** for the
23 following programs that are funded by federal grants:

24 (a) An amount estimated at \$600,000.00 for acquired
25 immunodeficiency syndrome education grants, funded from HHS -
26 center for disease control, AIDS funding.

27 (b) An amount estimated at ~~\$1,814,100.00~~ **\$2,600,000.00** to

1 provide services to homeless children and youth, funded from DED-
2 OVAE, homeless children and youth funds.

3 ~~—— (c) An amount estimated at \$2,600,000.00 for serve America~~
4 ~~grants, funded from the corporation for national and community~~
5 ~~service funds.~~

6 (C) ~~(d)~~ An amount estimated at \$28,500,000.00 for providing
7 career and technical education services to pupils, funded from DED-
8 OVAE, basic grants to states.

9 (3) To the extent allowed under federal law, the funds
10 allocated under subsection ~~(1)(g), (h), and (k)~~ **(1) (F) AND (I)** may
11 be used for 1 or more reading improvement programs that meet at
12 least 1 of the following:

13 (a) A research-based, validated, structured reading program
14 that aligns learning resources to state standards and includes
15 continuous assessment of pupils and individualized education plans
16 for pupils.

17 (b) A mentoring program that is a research-based, validated
18 program or a statewide 1-to-1 mentoring program and is designed to
19 enhance the independence and life quality of pupils who are
20 mentally impaired by providing opportunities for mentoring and
21 integrated employment.

22 (c) A cognitive development program that is a research-based,
23 validated educational service program focused on assessing and
24 building essential cognitive and perceptual learning abilities to
25 strengthen pupil concentration and learning.

26 (d) A structured mentoring-tutorial reading program for pupils
27 in preschool to grade 4 that is a research-based, validated program

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1 that develops individualized educational plans based on each
 2 pupil's age, assessed needs, reading level, interests, and learning
 3 style.

4 (4) All federal funds allocated under this section shall be
 5 distributed in accordance with federal law and with flexibility
 6 provisions outlined in Public Law 107-116, and in the education
 7 flexibility partnership act of 1999, Public Law 106-25.
 8 Notwithstanding section 17b, payments of federal funds to
 9 districts, intermediate districts, and other eligible entities
 10 under this section shall be paid on a schedule determined by the
 11 department.

12 (5) For the purposes of applying for federal grants
 13 appropriated under this article, the department shall allow an
 14 intermediate district to submit a consortium application on behalf
 15 of 2 or more districts with the agreement of those districts as
 16 appropriate according to federal rules and guidelines.

17 (6) As used in this section:

18 (a) "DED" means the United States department of education.

19 (b) "DED-OESE" means the DED office of elementary and
 20 secondary education.

21 (c) "DED-OVAE" means the DED office of vocational and adult
 22 education.

23 (d) "HHS" means the United States department of health and
 24 human services.

25 (e) "HHS-ACF" means the HHS administration for children and
 26 families.

[SEC. 41. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,300,000.00 FOR 2013-2014 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 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.]

27 Sec. 51a. (1) From the appropriation in section 11, there is

1 allocated for ~~2011-2012-2013-2014~~ an amount not to exceed
2 ~~\$956,769,100.00~~ and there is allocated an amount not to exceed
3 ~~\$996,269,100.00~~ for ~~2012-2013~~ **\$980,569,100.00** from state sources
4 and all available federal funding under sections 611 to 619 of part
5 B of the individuals with disabilities education act, 20 USC 1411
6 to 1419, estimated at ~~\$363,400,000.00~~ for ~~2011-2012~~ and estimated
7 at ~~\$365,000,000.00~~ for ~~2012-2013~~, **\$370,000,000.00 FOR 2013-2014**,
8 plus any carryover federal funds from previous year appropriations.
9 The allocations under this subsection are for the purpose of
10 reimbursing districts and intermediate districts for special
11 education programs, services, and special education personnel as
12 prescribed in article 3 of the revised school code, MCL 380.1701 to
13 380.1766; net tuition payments made by intermediate districts to
14 the Michigan schools for the deaf and blind; and special education
15 programs and services for pupils who are eligible for special
16 education programs and services according to statute or rule. For
17 meeting the costs of special education programs and services not
18 reimbursed under this article, a district or intermediate district
19 may use money in general funds or special education funds, not
20 otherwise restricted, or contributions from districts to
21 intermediate districts, tuition payments, gifts and contributions
22 from individuals or other entities, or federal funds that may be
23 available for this purpose, as determined by the intermediate
24 district plan prepared pursuant to article 3 of the revised school
25 code, MCL 380.1701 to 380.1766. All federal funds allocated under
26 this section in excess of those allocated under this section for
27 2002-2003 may be distributed in accordance with the flexible

1 funding provisions of the individuals with disabilities education
2 act, Public Law 108-446, including, but not limited to, 34 CFR
3 300.206 and 300.208. Notwithstanding section 17b, payments of
4 federal funds to districts, intermediate districts, and other
5 eligible entities under this section shall be paid on a schedule
6 determined by the department.

7 (2) From the funds allocated under subsection (1), there is
8 allocated the amount necessary, estimated at ~~\$247,500,000.00 for~~
9 ~~2011-2012 and estimated at \$257,400,000.00 for 2012-2013,~~
10 **\$258,300,000.00 FOR 2013-2014**, for payments toward reimbursing
11 districts and intermediate districts for 28.6138% of total approved
12 costs of special education, excluding costs reimbursed under
13 section 53a, and 70.4165% of total approved costs of special
14 education transportation. Allocations under this subsection shall
15 be made as follows:

16 (a) The initial amount allocated to a district under this
17 subsection toward fulfilling the specified percentages shall be
18 calculated by multiplying the district's special education pupil
19 membership, excluding pupils described in subsection (11), times
20 the foundation allowance under section 20 of the pupil's district
21 of residence, not to exceed the basic foundation allowance under
22 section 20 for the current fiscal year, or, for a special education
23 pupil in membership in a district that is a public school academy,
24 times an amount equal to the amount per membership pupil calculated
25 under section 20(6) or, for a pupil described in this subsection
26 who is counted in membership in the education achievement system,
27 times an amount equal to the amount per membership pupil under

1 section 20(7). For an intermediate district, the amount allocated
2 under this subdivision toward fulfilling the specified percentages
3 shall be an amount per special education membership pupil,
4 excluding pupils described in subsection (11), and shall be
5 calculated in the same manner as for a district, using the
6 foundation allowance under section 20 of the pupil's district of
7 residence, not to exceed the basic foundation allowance under
8 section 20 for the current fiscal year.

9 (b) After the allocations under subdivision (a), districts and
10 intermediate districts for which the payments calculated under
11 subdivision (a) do not fulfill the specified percentages shall be
12 paid the amount necessary to achieve the specified percentages for
13 the district or intermediate district.

14 (3) From the funds allocated under subsection (1), there is
15 allocated ~~each fiscal year for 2011-2012 and for 2012-2013~~ **FOR**
16 **2013-2014** an amount not to exceed \$1,000,000.00 to make payments to
17 districts and intermediate districts under this subsection. If the
18 amount allocated to a district or intermediate district for a
19 fiscal year under subsection (2)(b) is less than the sum of the
20 amounts allocated to the district or intermediate district for
21 1996-97 under sections 52 and 58, there is allocated to the
22 district or intermediate district for the fiscal year an amount
23 equal to that difference, adjusted by applying the same proration
24 factor that was used in the distribution of funds under section 52
25 in 1996-97 as adjusted to the district's or intermediate district's
26 necessary costs of special education used in calculations for the
27 fiscal year. This adjustment is to reflect reductions in special

1 education program operations or services between 1996-97 and
2 subsequent fiscal years. Adjustments for reductions in special
3 education program operations or services shall be made in a manner
4 determined by the department and shall include adjustments for
5 program or service shifts.

6 (4) If the department determines that the sum of the amounts
7 allocated for a fiscal year to a district or intermediate district
8 under subsection (2)(a) and (b) is not sufficient to fulfill the
9 specified percentages in subsection (2), then the shortfall shall
10 be paid to the district or intermediate district during the fiscal
11 year beginning on the October 1 following the determination and
12 payments under subsection (3) shall be adjusted as necessary. If
13 the department determines that the sum of the amounts allocated for
14 a fiscal year to a district or intermediate district under
15 subsection (2)(a) and (b) exceeds the sum of the amount necessary
16 to fulfill the specified percentages in subsection (2), then the
17 department shall deduct the amount of the excess from the
18 district's or intermediate district's payments under this article
19 for the fiscal year beginning on the October 1 following the
20 determination and payments under subsection (3) shall be adjusted
21 as necessary. However, if the amount allocated under subsection
22 (2)(a) in itself exceeds the amount necessary to fulfill the
23 specified percentages in subsection (2), there shall be no
24 deduction under this subsection.

25 (5) State funds shall be allocated on a total approved cost
26 basis. Federal funds shall be allocated under applicable federal
27 requirements, except that an amount not to exceed \$3,500,000.00 may

1 be allocated by the department ~~each fiscal year for 2011-2012 and~~
2 ~~for 2012-2013~~ **FOR 2013-2014** to districts, intermediate districts,
3 or other eligible entities on a competitive grant basis for
4 programs, equipment, and services that the department determines to
5 be designed to benefit or improve special education on a statewide
6 scale.

7 (6) From the amount allocated in subsection (1), there is
8 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~
9 ~~for 2011-2012 and for 2012-2013~~ **FOR 2013-2014** to reimburse 100% of
10 the net increase in necessary costs incurred by a district or
11 intermediate district in implementing the revisions in the
12 administrative rules for special education that became effective on
13 July 1, 1987. As used in this subsection, "net increase in
14 necessary costs" means the necessary additional costs incurred
15 solely because of new or revised requirements in the administrative
16 rules minus cost savings permitted in implementing the revised
17 rules. Net increase in necessary costs shall be determined in a
18 manner specified by the department.

19 (7) For purposes of sections 51a to 58, all of the following
20 apply:

21 (a) "Total approved costs of special education" shall be
22 determined in a manner specified by the department and may include
23 indirect costs, but shall not exceed 115% of approved direct costs
24 for section 52 and section 53a programs. The total approved costs
25 include salary and other compensation for all approved special
26 education personnel for the program, including payments for social
27 security and medicare and public school employee retirement system

1 contributions. The total approved costs do not include salaries or
2 other compensation paid to administrative personnel who are not
3 special education personnel as defined in section 6 of the revised
4 school code, MCL 380.6. Costs reimbursed by federal funds, other
5 than those federal funds included in the allocation made under this
6 article, are not included. Special education approved personnel not
7 utilized full time in the evaluation of students or in the delivery
8 of special education programs, ancillary, and other related
9 services shall be reimbursed under this section only for that
10 portion of time actually spent providing these programs and
11 services, with the exception of special education programs and
12 services provided to youth placed in child caring institutions or
13 juvenile detention programs approved by the department to provide
14 an on-grounds education program.

15 (b) Beginning with the 2004-2005 fiscal year, a district or
16 intermediate district that employed special education support
17 services staff to provide special education support services in
18 2003-2004 or in a subsequent fiscal year and that in a fiscal year
19 after 2003-2004 receives the same type of support services from
20 another district or intermediate district shall report the cost of
21 those support services for special education reimbursement purposes
22 under this article. This subdivision does not prohibit the transfer
23 of special education classroom teachers and special education
24 classroom aides if the pupils counted in membership associated with
25 those special education classroom teachers and special education
26 classroom aides are transferred and counted in membership in the
27 other district or intermediate district in conjunction with the

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1 transfer of those teachers and aides.

2 [(c) If the department determines before bookclosing for a
3 fiscal year that the amounts allocated for that fiscal year under
4 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
5 will exceed expenditures for that fiscal year under subsections
6 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
7 district or intermediate district whose reimbursement for that
8 fiscal year would otherwise be affected by subdivision (b),
9 subdivision (b) does not apply to the calculation of the
10 reimbursement for that district or intermediate district and
11 reimbursement for that district or intermediate district shall be
12 calculated in the same manner as it was for 2003-2004. If the
13 amount of the excess allocations under subsections (2), (3), (6),
14 and (11) and sections 53a, 54, and 56 is not sufficient to fully
15 fund the calculation of reimbursement to those districts and
16 intermediate districts under this subdivision, then the
17 calculations and resulting reimbursement under this subdivision
18 shall be prorated on an equal percentage basis. This reimbursement
19 shall not be made after 2014-2015.

20 [(d)] Reimbursement for ancillary and other related
21 services, as defined by R 340.1701c of the Michigan administrative
22 code, shall not be provided when those services are covered by and
23 available through private group health insurance carriers or
24 federal reimbursed program sources unless the department and
25 district or intermediate district agree otherwise and that
26 agreement is approved by the state budget director. Expenses, other
27 than the incidental expense of filing, shall not be borne by the

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1 parent. In addition, the filing of claims shall not delay the
2 education of a pupil. A district or intermediate district shall be
3 responsible for payment of a deductible amount and for an advance
4 payment required until the time a claim is paid.

5 [(e)] Beginning with calculations for 2004-2005, if an
6 intermediate district purchases a special education pupil
7 transportation service from a constituent district that was
8 previously purchased from a private entity; if the purchase from
9 the constituent district is at a lower cost, adjusted for changes
10 in fuel costs; and if the cost shift from the intermediate district
11 to the constituent does not result in any net change in the revenue
12 the constituent district receives from payments under sections 22b
13 and 51c, then upon application by the intermediate district, the
14 department shall direct the intermediate district to continue to
15 report the cost associated with the specific identified special
16 education pupil transportation service and shall adjust the costs
17 reported by the constituent district to remove the cost associated
18 with that specific service.

19 (8) A pupil who is enrolled in a full-time special education
20 program conducted or administered by an intermediate district or a
21 pupil who is enrolled in the Michigan schools for the deaf and
22 blind shall not be included in the membership count of a district,
23 but shall be counted in membership in the intermediate district of
24 residence.

25 (9) Special education personnel transferred from 1 district to
26 another to implement the revised school code shall be entitled to
27 the rights, benefits, and tenure to which the person would

1 otherwise be entitled had that person been employed by the
2 receiving district originally.

3 (10) If a district or intermediate district uses money
4 received under this section for a purpose other than the purpose or
5 purposes for which the money is allocated, the department may
6 require the district or intermediate district to refund the amount
7 of money received. Money that is refunded shall be deposited in the
8 state treasury to the credit of the state school aid fund.

9 (11) From the funds allocated in subsection (1), there is
10 allocated the amount necessary, estimated at ~~\$5,300,000.00 for~~
11 ~~2011-2012 and estimated at \$5,600,000.00 for 2012-2013,~~
12 **\$4,500,000.00 FOR 2013-2014**, to pay the foundation allowances for
13 pupils described in this subsection. The allocation to a district
14 under this subsection shall be calculated by multiplying the number
15 of pupils described in this subsection who are counted in
16 membership in the district times the foundation allowance under
17 section 20 of the pupil's district of residence, not to exceed the
18 basic foundation allowance under section 20 for the current fiscal
19 year, or, for a pupil described in this subsection who is counted
20 in membership in a district that is a public school academy, times
21 an amount equal to the amount per membership pupil under section
22 20(6) or, for a pupil described in this subsection who is counted
23 in membership in the education achievement system, times an amount
24 equal to the amount per membership pupil under section 20(7). The
25 allocation to an intermediate district under this subsection shall
26 be calculated in the same manner as for a district, using the
27 foundation allowance under section 20 of the pupil's district of

1 residence, not to exceed the basic foundation allowance under
2 section 20 for the current fiscal year. This subsection applies to
3 all of the following pupils:

4 (a) Pupils described in section 53a.

5 (b) Pupils counted in membership in an intermediate district
6 who are not special education pupils and are served by the
7 intermediate district in a juvenile detention or child caring
8 facility.

9 (c) Pupils with an emotional impairment counted in membership
10 by an intermediate district and provided educational services by
11 the department of community health.

12 (12) If it is determined that funds allocated under subsection
13 (2) or (11) or under section 51c will not be expended, funds up to
14 the amount necessary and available may be used to supplement the
15 allocations under subsection (2) or (11) or under section 51c in
16 order to fully fund those allocations. After payments under
17 subsections (2) and (11) and section 51c, the remaining
18 expenditures from the allocation in subsection (1) shall be made in
19 the following order:

20 (a) 100% of the reimbursement required under section 53a.

21 (b) 100% of the reimbursement required under subsection (6).

22 (c) 100% of the payment required under section 54.

23 (d) 100% of the payment required under subsection (3).

24 (e) 100% of the payments under section 56.

25 (13) The allocations under subsections (2), (3), and (11)
26 shall be allocations to intermediate districts only and shall not
27 be allocations to districts, but instead shall be calculations used

1 only to determine the state payments under section 22b.

2 (14) If a public school academy enrolls pursuant to this
3 section a pupil who resides outside of the intermediate district in
4 which the public school academy is located and who is eligible for
5 special education programs and services according to statute or
6 rule, or who is a child with disabilities, as defined under the
7 individuals with disabilities education act, Public Law 108-446,
8 the provision of special education programs and services and the
9 payment of the added costs of special education programs and
10 services for the pupil are the responsibility of the district and
11 intermediate district in which the pupil resides unless the
12 enrolling district or intermediate district has a written agreement
13 with the district or intermediate district in which the pupil
14 resides or the public school academy for the purpose of providing
15 the pupil with a free appropriate public education and the written
16 agreement includes at least an agreement on the responsibility for
17 the payment of the added costs of special education programs and
18 services for the pupil.

19 Sec. 51b. A district or intermediate district shall not
20 receive funds under ~~this article~~ **SECTION 51A** unless the district or
21 intermediate district complies with rules promulgated under article
22 3 of the revised school code, being sections 380.1701 to 380.1766
23 of the Michigan Compiled Laws.

24 Sec. 51c. As required by the court in the consolidated cases
25 known as Durant v State of Michigan, Michigan supreme court docket
26 no. 104458-104492, from the allocation under section 51a(1), there
27 is allocated ~~each fiscal year for 2011-2012 and for 2012-2013~~ **FOR**

1 ~~2013-2014~~ the amount necessary, estimated at ~~\$648,700,000.00 for~~
2 ~~2011-2012 and estimated at \$678,000,000.00 for 2012-2013,~~
3 **\$662,500,000.00**, for payments to reimburse districts for 28.6138%
4 of total approved costs of special education excluding costs
5 reimbursed under section 53a, and 70.4165% of total approved costs
6 of special education transportation. Funds allocated under this
7 section that are not expended in the state fiscal year for which
8 they were allocated, as determined by the department, may be used
9 to supplement the allocations under sections 22a and 22b in order
10 to fully fund those calculated allocations for the same fiscal
11 year.

12 Sec. 51d. (1) From the federal funds appropriated in section
13 11, there is allocated for ~~each fiscal year 2011-2012 and for 2012-~~
14 ~~2013-2013-2014~~ all available federal funding, estimated at
15 \$74,000,000.00, ~~each fiscal year,~~ for special education programs
16 that are funded by federal grants. All federal funds allocated
17 under this section shall be distributed in accordance with federal
18 law. Notwithstanding section 17b, payments of federal funds to
19 districts, intermediate districts, and other eligible entities
20 under this section shall be paid on a schedule determined by the
21 department.

22 (2) From the federal funds allocated under subsection (1), the
23 following amounts are allocated ~~each fiscal year for 2011-2012 and~~
24 ~~for 2012-2013:~~ **FOR 2013-2014:**

25 (a) An amount estimated at \$15,000,000.00 for handicapped
26 infants and toddlers, funded from DED-OSERS, handicapped infants
27 and toddlers funds.

1 (b) An amount estimated at \$14,000,000.00 for preschool grants
2 (Public Law 94-142), funded from DED-OSERS, handicapped preschool
3 incentive funds.

4 (c) An amount estimated at \$45,000,000.00 for special
5 education programs funded by DED-OSERS, handicapped program,
6 individuals with disabilities act funds.

7 (3) As used in this section, "DED-OSERS" means the United
8 States department of education office of special education and
9 rehabilitative services.

10 Sec. 53a. (1) For districts, reimbursement for pupils
11 described in subsection (2) shall be 100% of the total approved
12 costs of operating special education programs and services approved
13 by the department and included in the intermediate district plan
14 adopted pursuant to article 3 of the revised school code, MCL
15 380.1701 to 380.1766, minus the district's foundation allowance
16 calculated under section 20. For intermediate districts,
17 reimbursement for pupils described in subsection (2) shall be
18 calculated in the same manner as for a district, using the
19 foundation allowance under section 20 of the pupil's district of
20 residence, not to exceed the basic foundation allowance under
21 section 20 for the current fiscal year.

22 (2) Reimbursement under subsection (1) is for the following
23 special education pupils:

24 (a) Pupils assigned to a district or intermediate district
25 through the community placement program of the courts or a state
26 agency, if the pupil was a resident of another intermediate
27 district at the time the pupil came under the jurisdiction of the

1 court or a state agency.

2 (b) Pupils who are residents of institutions operated by the
3 department of community health.

4 (c) Pupils who are former residents of department of community
5 health institutions for the developmentally disabled who are placed
6 in community settings other than the pupil's home.

7 (d) Pupils enrolled in a department-approved on-grounds
8 educational program longer than 180 days, but not longer than 233
9 days, at a residential child care institution, if the child care
10 institution offered in 1991-92 an on-grounds educational program
11 longer than 180 days but not longer than 233 days.

12 (e) Pupils placed in a district by a parent for the purpose of
13 seeking a suitable home, if the parent does not reside in the same
14 intermediate district as the district in which the pupil is placed.

15 (3) Only those costs that are clearly and directly
16 attributable to educational programs for pupils described in
17 subsection (2), and that would not have been incurred if the pupils
18 were not being educated in a district or intermediate district, are
19 reimbursable under this section.

20 (4) The costs of transportation shall be funded under this
21 section and shall not be reimbursed under section 58.

22 (5) Not more than \$13,500,000.00 of the allocation for ~~2011-~~
23 ~~2012 and for 2012-2013-2013-2014~~ in section 51a(1) shall be
24 allocated ~~for each fiscal year~~ under this section.

25 Sec. 54. Each intermediate district shall receive an amount
26 per pupil for each pupil in attendance at the Michigan schools for
27 the deaf and blind. The amount shall be proportionate to the total

1 instructional cost at each school. Not more than \$1,688,000.00 of
2 the allocation for ~~2012-2013~~**2013-2014** in section 51a(1) shall be
3 allocated under this section.

4 Sec. 56. (1) For the purposes of this section:

5 (a) "Membership" means for a particular fiscal year the total
6 membership for the immediately preceding fiscal year of the
7 intermediate district and the districts constituent to the
8 intermediate district.

9 (b) "Millage levied" means the millage levied for special
10 education pursuant to part 30 of the revised school code, MCL
11 380.1711 to 380.1743, including a levy for debt service
12 obligations.

13 (c) "Taxable value" means the total taxable value of the
14 districts constituent to an intermediate district, except that if a
15 district has elected not to come under part 30 of the revised
16 school code, MCL 380.1711 to 380.1743, membership and taxable value
17 of the district shall not be included in the membership and taxable
18 value of the intermediate district.

19 (2) From the allocation under section 51a(1), there is
20 allocated an amount not to exceed \$36,881,100.00 for ~~2012-2013~~
21 **2013-2014** to reimburse intermediate districts levying millages for
22 special education pursuant to part 30 of the revised school code,
23 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
24 reimbursement shall be limited as if the funds were generated by
25 these millages and governed by the intermediate district plan
26 adopted pursuant to article 3 of the revised school code, MCL
27 380.1701 to 380.1766. As a condition of receiving funds under this

1 section, an intermediate district distributing any portion of
2 special education millage funds to its constituent districts shall
3 submit for departmental approval and implement a distribution plan.

4 (3) Reimbursement for those millages levied in ~~2010-2011-2012-~~
5 ~~2013~~ shall be made in ~~2011-2012-~~**2013-2014** at an amount per ~~2010-~~
6 ~~2011-2012-2013~~ membership pupil computed by subtracting from
7 ~~\$174,700.00~~**\$169,900.00** the ~~2010-2011-2012-2013~~ taxable value
8 behind each membership pupil and multiplying the resulting
9 difference by the ~~2010-2011-~~**2012-2013** millage levied.

10 ~~———— (4) For 2012-2013 only, reimbursement to each intermediate~~
11 ~~district shall be equal to its reimbursement under this section for~~
12 ~~2011-2012.~~

13 **(4) THE AMOUNT PAID TO A SINGLE INTERMEDIATE DISTRICT UNDER**
14 **THIS SECTION SHALL NOT EXCEED 62.9% OF THE TOTAL AMOUNT ALLOCATED**
15 **UNDER SUBSECTION (2).**

16 Sec. 61a. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed \$26,611,300.00 for ~~2012-2013~~
18 **2013-2014** to reimburse on an added cost basis districts, except for
19 a district that served as the fiscal agent for a vocational
20 education consortium in the 1993-94 school year, and secondary area
21 vocational-technical education centers for secondary-level career
22 and technical education programs according to rules approved by the
23 superintendent. Applications for participation in the programs
24 shall be submitted in the form prescribed by the department. The
25 department shall determine the added cost for each career and
26 technical education program area. The allocation of added cost
27 funds shall be based on the type of career and technical education

1 programs provided, the number of pupils enrolled, and the length of
2 the training period provided, and shall not exceed 75% of the added
3 cost of any program. With the approval of the department, the board
4 of a district maintaining a secondary career and technical
5 education program may offer the program for the period from the
6 close of the school year until September 1. The program shall use
7 existing facilities and shall be operated as prescribed by rules
8 promulgated by the superintendent.

9 (2) Except for a district that served as the fiscal agent for
10 a vocational education consortium in the 1993-94 school year,
11 districts and intermediate districts shall be reimbursed for local
12 career and technical education administration, shared time career
13 and technical education administration, and career education
14 planning district career and technical education administration.
15 The definition of what constitutes administration and reimbursement
16 shall be pursuant to guidelines adopted by the superintendent. Not
17 more than \$800,000.00 of the allocation in subsection (1) shall be
18 distributed under this subsection.

19 Sec. 62. (1) For the purposes of this section:

20 (a) "Membership" means for a particular fiscal year the total
21 membership for the immediately preceding fiscal year of the
22 intermediate district and the districts constituent to the
23 intermediate district or the total membership for the immediately
24 preceding fiscal year of the area vocational-technical program.

25 (b) "Millage levied" means the millage levied for area
26 vocational-technical education pursuant to sections 681 to 690 of
27 the revised school code, MCL 380.681 to 380.690, including a levy

1 for debt service obligations incurred as the result of borrowing
2 for capital outlay projects and in meeting capital projects fund
3 requirements of area vocational-technical education.

4 (c) "Taxable value" means the total taxable value of the
5 districts constituent to an intermediate district or area
6 vocational-technical education program, except that if a district
7 has elected not to come under sections 681 to 690 of the revised
8 school code, MCL 380.681 to 380.690, the membership and taxable
9 value of that district shall not be included in the membership and
10 taxable value of the intermediate district. However, the membership
11 and taxable value of a district that has elected not to come under
12 sections 681 to 690 of the revised school code, MCL 380.681 to
13 380.690, shall be included in the membership and taxable value of
14 the intermediate district if the district meets both of the
15 following:

16 (i) The district operates the area vocational-technical
17 education program pursuant to a contract with the intermediate
18 district.

19 (ii) The district contributes an annual amount to the operation
20 of the program that is commensurate with the revenue that would
21 have been raised for operation of the program if millage were
22 levied in the district for the program under sections 681 to 690 of
23 the revised school code, MCL 380.681 to 380.690.

24 (2) From the appropriation in section 11, there is allocated
25 an amount not to exceed \$9,000,000.00 for ~~2012-2013~~ **2013-2014** to
26 reimburse intermediate districts and area vocational-technical
27 education programs established under section 690(3) of the revised

1 school code, MCL 380.690, levying millages for area vocational-
2 technical education pursuant to sections 681 to 690 of the revised
3 school code, MCL 380.681 to 380.690. The purpose, use, and
4 expenditure of the reimbursement shall be limited as if the funds
5 were generated by those millages.

6 (3) Reimbursement for the millages levied in ~~2010-2011-2012-~~
7 **2013** shall be made in ~~2011-2012-~~**2013-2014** at an amount per ~~2010-~~
8 ~~2011-2012-2013~~ membership pupil computed by subtracting from
9 ~~\$190,400.00-~~**\$186,500.00** the ~~2010-2011-~~**2012-2013** taxable value
10 behind each membership pupil and multiplying the resulting
11 difference by the ~~2010-2011-~~**2012-2013** millage levied.

12 ~~—— (4) For 2012-2013 only, reimbursements to each intermediate~~
13 ~~district shall be equal to its reimbursement under this section for~~
14 ~~2011-2012.~~

15 **(4) THE AMOUNT PAID TO A SINGLE INTERMEDIATE DISTRICT UNDER**
16 **THIS SECTION SHALL NOT EXCEED 38.4% OF THE TOTAL AMOUNT ALLOCATED**
17 **UNDER SUBSECTION (2).**

18 Sec. 74. (1) From the amount appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$3,259,900.00 for 2012-2013~~
20 **\$3,299,000.00 FOR 2013-2014** for the purposes of this section.

21 (2) From the allocation in subsection (1), there is allocated
22 for each fiscal year the amount necessary for payments to state
23 supported colleges or universities and intermediate districts
24 providing school bus driver safety instruction pursuant to section
25 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
26 payments shall be in an amount determined by the department not to
27 exceed 75% of the actual cost of instruction and driver

1 compensation for each public or nonpublic school bus driver
2 attending a course of instruction. For the purpose of computing
3 compensation, the hourly rate allowed each school bus driver shall
4 not exceed the hourly rate received for driving a school bus.
5 Reimbursement compensating the driver during the course of
6 instruction shall be made by the department to the college or
7 university or intermediate district providing the course of
8 instruction.

9 (3) From the allocation in subsection (1), there is allocated
10 each fiscal year the amount necessary to pay the reasonable costs
11 of nonspecial education auxiliary services transportation provided
12 pursuant to section 1323 of the revised school code, MCL 380.1323.
13 Districts funded under this subsection shall not receive funding
14 under any other section of this article for nonspecial education
15 auxiliary services transportation.

16 (4) From the funds allocated in subsection (1), there is
17 allocated an amount not to exceed ~~\$1,634,900.00 for 2012-2013~~
18 **\$1,674,000.00 FOR 2013-2014** for reimbursement to districts and
19 intermediate districts for costs associated with the inspection of
20 school buses and pupil transportation vehicles by the department of
21 state police as required under section 715a of the Michigan vehicle
22 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
23 transportation act, 1990 PA 187, MCL 257.1839. The department of
24 state police shall prepare a statement of costs attributable to
25 each district for which bus inspections are provided and submit it
26 to the department and to an intermediate district serving as
27 fiduciary in a time and manner determined jointly by the department

1 and the department of state police. Upon review and approval of the
2 statement of cost, the department shall forward to the designated
3 intermediate district serving as fiduciary the amount of the
4 reimbursement on behalf of each district and intermediate district
5 for costs detailed on the statement within 45 days after receipt of
6 the statement. The designated intermediate district shall make
7 payment in the amount specified on the statement to the department
8 of state police within 45 days after receipt of the statement. The
9 total reimbursement of costs under this subsection shall not exceed
10 the amount allocated under this subsection. Notwithstanding section
11 17b, payments to eligible entities under this subsection shall be
12 paid on a schedule prescribed by the department.

13 Sec. 81. (1) Except as otherwise provided in this section,
14 from the appropriation in section 11, there is allocated for ~~2012-~~
15 ~~2013-2014~~ **2013-2014** to the intermediate districts the sum necessary, but
16 not to exceed ~~\$64,108,000.00,~~ **\$62,115,100.00**, to provide state aid
17 to intermediate districts under this section.

18 (2) From the allocation in subsection (1), there is allocated
19 an amount not to exceed \$62,108,000.00 for allocations to each
20 intermediate district for ~~2012-2013-~~ **2013-2014** in an amount equal to
21 100% of the amount allocated to the intermediate district under
22 this subsection for ~~2011-2012.~~ **THE IMMEDIATELY PRECEDING FISCAL**
23 **YEAR.** Funding provided under this section shall be used to comply
24 with requirements of this article and the revised school code that
25 are applicable to intermediate districts, and for which funding is
26 not provided elsewhere in this article, and to provide technical
27 assistance to districts as authorized by the intermediate school

1 board.

2 (3) Intermediate districts receiving funds under subsection
3 (2) shall collaborate with the department to develop expanded
4 professional development opportunities for teachers to update and
5 expand their knowledge and skills needed to support the Michigan
6 merit curriculum.

7 (4) From the allocation in subsection (1), there is allocated
8 to an intermediate district, formed by the consolidation or
9 annexation of 2 or more intermediate districts or the attachment of
10 a total intermediate district to another intermediate school
11 district or the annexation of all of the constituent K-12 districts
12 of a previously existing intermediate school district which has
13 disorganized, an additional allotment of \$3,500.00 each fiscal year
14 for each intermediate district included in the new intermediate
15 district for 3 years following consolidation, annexation, or
16 attachment. **FROM THE ALLOCATION IN SUBSECTION (1), THERE IS**
17 **ALLOCATED \$7,000.00 FOR PURPOSES OF THIS SUBSECTION FOR 2013-2014**
18 **AND 2014-2015, AFTER WHICH THE PAYMENT UNDER THIS SUBSECTION WILL**
19 **CEASE.**

20 ~~—— (5) During a fiscal year, the department shall not increase an~~
21 ~~intermediate district's allocation under subsection (1) because of~~
22 ~~an adjustment made by the department during the fiscal year in the~~
23 ~~intermediate district's taxable value for a prior year. Instead,~~
24 ~~the department shall report the adjustment and the estimated amount~~
25 ~~of the increase to the house and senate fiscal agencies and the~~
26 ~~state budget director not later than June 1 of the fiscal year, and~~
27 ~~the legislature shall appropriate money for the adjustment in the~~

1 ~~next succeeding fiscal year.~~

2 (5) ~~(6)~~—In order to receive funding under subsection (2), an
3 intermediate district shall do all of the following:

4 (a) Demonstrate to the satisfaction of the department that the
5 intermediate district employs at least 1 person who is trained in
6 pupil accounting and auditing procedures, rules, and regulations.

7 (b) Demonstrate to the satisfaction of the department that the
8 intermediate district employs at least 1 person who is trained in
9 rules, regulations, and district reporting procedures for the
10 individual-level student data that serves as the basis for the
11 calculation of the district and high school graduation and dropout
12 rates.

13 (c) Comply with sections 1278a and 1278b of the revised school
14 code, MCL 380.1278a and 380.1278b.

15 (d) Furnish data and other information required by state and
16 federal law to the center and the department in the form and manner
17 specified by the center or the department, as applicable.

18 (e) Comply with section 1230g of the revised school code, MCL
19 380.1230g.

20 (f) Comply with section 761 of the revised school code, MCL
21 380.761.

22 (6) ~~(7)~~—From the allocation in subsection (1), there is
23 allocated an amount not to exceed ~~\$2,000,000.00 for 2012-2013~~
24 **\$100.00 FOR 2013-2014** for an incentive payment to each intermediate
25 district that meets best practices as determined by the department
26 under this subsection. The amount of the incentive payment is an
27 amount equal to ~~3.2%~~**0.00%** of the amount allocated to the

1 intermediate district under subsection (2). An intermediate
 2 district is eligible for an incentive payment under this subsection
 3 if the intermediate district satisfies at least 4-5 of the
 4 following requirements not later than June 1, 2013-2014:

5 (a) The intermediate district enters into an agreement with
 6 the department to ~~do~~ **COMPLY WITH** all of the following:

7 **(i) IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE**
 8 **CONSOLIDATION PLAN IN 2012-2013, IMPLEMENT THE SERVICE**
 9 **CONSOLIDATION PLAN IN 2013-2014 AND REPORT TO THE DEPARTMENT NOT**
 10 **LATER THAN FEBRUARY 1, 2014 ON THE INTERMEDIATE DISTRICT'S PROGRESS**
 11 **IN IMPLEMENTING THE SERVICE CONSOLIDATION PLAN.**

12 **(ii) ~~(i) Develop~~ IF THE INTERMEDIATE DISTRICT DID NOT DEVELOP A**
 13 **SERVICE CONSOLIDATION PLAN IN 2012-2013, DEVELOP** a service
 14 consolidation plan in ~~2012-2013~~ **2013-2014** to reduce operating costs
 15 that is in compliance with guidelines that were developed by the
 16 department for former section 11d as that section was in effect for
 17 2010-2011.

18 **(iii) ~~(ii) Implement~~ IF THE INTERMEDIATE DISTRICT DEVELOPED A**
 19 **SERVICE CONSOLIDATION PLAN IN 2013-2014, IMPLEMENT** the service
 20 consolidation plan in ~~2013-2014~~ **2014-2015** and report to the
 21 department not later than February 1, ~~2014-2015~~ on the intermediate
 22 district's progress in implementing the service consolidation plan.

23 **(iv) MAKE THE INTERMEDIATE DISTRICT'S SERVICE CONSOLIDATION**
 24 **PLAN PUBLICLY AVAILABLE ON THE INTERMEDIATE DISTRICT'S WEBSITE.**

25 (b) The intermediate district has obtained competitive bids on
 26 the provision of 1 or more noninstructional services for the
 27 intermediate district or its constituent districts with a value of

1 at least \$50,000.00. **THE UNFUNDED ACCRUED LIABILITY COSTS FOR**
2 **RETIREMENT AND OTHER BENEFITS SHALL BE EXCLUDED FROM THE**
3 **INTERMEDIATE DISTRICT'S CURRENT COSTS FOR THE PURPOSE OF COMPARING**
4 **COMPETITIVE BIDS TO THE CURRENT COSTS OF PROVIDING SERVICES.**

5 (c) The intermediate district develops a technology plan in
6 accordance with department policy on behalf of all constituent
7 districts within the intermediate district that integrates
8 technology into the classroom and prepares teachers to use digital
9 technologies as part of the instructional program of each of its
10 constituent districts. **AN INTERMEDIATE DISTRICT THAT DEVELOPED A**
11 **TECHNOLOGY PLAN IN 2012-2013 SHALL BEGIN IMPLEMENTING THAT**
12 **TECHNOLOGY PLAN IN 2013-2014.**

13 (d) The intermediate district provides to parents and
14 community members a dashboard or report card demonstrating the
15 intermediate district's efforts to manage its finances responsibly.
16 The dashboard or report card shall include **REVENUE AND EXPENDITURE**
17 **PROJECTIONS FOR THE INTERMEDIATE DISTRICT FOR 2013-2014 AND 2014-**
18 **2015, A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY**
19 **PROJECT, INCLUDING ANTICIPATED 2013-2014 PAYMENT FOR EACH PROJECT,**
20 **A LISTING OF TOTAL OUTSTANDING DEBT, AND** at least all of the
21 following for the 3 most recent school years for which the data are
22 available:

23 (i) A list of services offered by the intermediate district
24 that are shared by other local or intermediate districts and a list
25 of the districts or intermediate districts that participate.

26 (ii) The total cost savings to local or other intermediate
27 districts that share services with the intermediate district.

1 (iii) The number and percentage of teachers in the intermediate
2 district service area that are trained to integrate technology into
3 the classroom.

4 (iv) The total funds received from levying special education
5 and vocational education millages, and the number of special
6 education and vocational education pupils served with those
7 dollars.

8 (v) The number and percentage of individualized education
9 programs developed for special education pupils that contain
10 academic goals.

11 (e) The intermediate district works in a consortium with 1 or
12 more other intermediate districts **AND THE CENTER** to develop **LOCAL**
13 information management system requirements and bid specifications
14 that ~~can be used as statewide models.~~ **RESULT IN A RECOMMENDED MODEL**
15 **INFORMATION SYSTEM THAT SUPPORTS INTEROPERABILITY TO ENSURE LINKAGE**
16 **AND CONNECTIVITY IN A MANNER THAT FACILITATES THE EFFICIENT**
17 **EXCHANGE OF DATA BETWEEN DISTRICTS, INTERMEDIATE DISTRICTS, AND THE**
18 **CENTER.** At a minimum, these specifications shall ~~address~~ **INCLUDE**
19 pupil management systems for both general and special education,
20 learning management tools, and business services.

21 **(F) IF AN INTERMEDIATE DISTRICT PROVIDES MEDICAL, PHARMACY,**
22 **DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF**
23 **BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO**
24 **EMPLOYEES AND THEIR DEPENDENTS, THE INTERMEDIATE DISTRICT IS THE**
25 **POLICYHOLDER FOR EACH OF ITS INSURANCE POLICIES THAT COVERS 1 OR**
26 **MORE OF THESE BENEFITS. AN INTERMEDIATE DISTRICT THAT DOES NOT**
27 **DIRECTLY EMPLOY ITS STAFF OR AN INTERMEDIATE DISTRICT WITH A**

1 VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS NO MORE THAN
2 THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES
3 NO MORE THAN THE MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL
4 ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS AS DESCRIBED IN SECTIONS
5 3 AND 4 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,
6 2011 PA 152, MCL 15.563 AND 15.564, IS CONSIDERED TO HAVE SATISFIED
7 THIS REQUIREMENT.

8 Sec. 94a. (1) There is created within the state budget office
9 in the department of technology, management, and budget the center
10 for educational performance and information. The center shall do
11 all of the following:

12 (a) Coordinate the collection of all data required by state
13 and federal law from districts, intermediate districts, and
14 postsecondary institutions.

15 (b) Create, maintain, and enhance this state's P-20
16 longitudinal data system and ensure that it meets the requirements
17 of subsection (4).

18 (c) Collect data in the most efficient manner possible in
19 order to reduce the administrative burden on reporting entities,
20 including, but not limited to, electronic transcript services.

21 (d) Create, maintain, and enhance this state's web-based
22 educational portal to provide information to school leaders,
23 teachers, researchers, and the public in compliance with all
24 federal and state privacy laws. Data shall include, but are not
25 limited to, all of the following:

26 (i) Data sets that link teachers to student information,
27 allowing districts to assess individual teacher impact on student

1 performance and consider student growth factors in teacher and
2 principal evaluation systems.

3 (ii) Data access or, if practical, data sets, provided for
4 regional data warehouses that, in combination with local data, can
5 improve teaching and learning in the classroom.

6 (iii) Research-ready data sets for researchers to perform
7 research that advances this state's educational performance.

8 (e) Provide data in a useful manner to allow state and local
9 policymakers to make informed policy decisions.

10 (f) Provide public reports to the citizens of this state to
11 allow them to assess allocation of resources and the return on
12 their investment in the education system of this state.

13 (g) Other functions as assigned by the state budget director.

14 (2) Each state department, officer, or agency that collects
15 information from districts, intermediate districts, or
16 postsecondary institutions as required under state or federal law
17 shall make arrangements with the center to ensure that the state
18 department, officer, or agency is in compliance with subsection
19 (1). This subsection does not apply to information collected by the
20 department of treasury under the uniform budgeting and accounting
21 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
22 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
23 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
24 388.1939; or section 1351a of the revised school code, MCL
25 380.1351a.

26 (3) The center may enter into any interlocal agreements
27 necessary to fulfill its functions.

1 (4) The center shall ensure that the P-20 longitudinal data
2 system required under subsection (1)(b) meets all of the following:

3 (a) Includes data at the individual student level from
4 preschool through postsecondary education and into the workforce.

5 (b) Supports interoperability by using standard data
6 structures, data formats, and data definitions to ensure linkage
7 and connectivity in a manner that facilitates the exchange of data
8 among agencies and institutions within the state and between
9 states.

10 (c) Enables the matching of individual teacher and student
11 records so that an individual student may be matched with those
12 teachers providing instruction to that student.

13 (d) Enables the matching of individual teachers with
14 information about their certification and the institutions that
15 prepared and recommended those teachers for state certification.

16 (e) Enables data to be easily generated for continuous
17 improvement and decision-making, including timely reporting to
18 parents, teachers, and school leaders on student achievement.

19 (f) Ensures the reasonable quality, validity, and reliability
20 of data contained in the system.

21 (g) Provides this state with the ability to meet federal and
22 state reporting requirements.

23 (h) For data elements related to preschool through grade 12
24 and postsecondary, meets all of the following:

25 (i) Contains a unique statewide student identifier that does
26 not permit a student to be individually identified by users of the
27 system, except as allowed by federal and state law.

1 (ii) Contains student-level enrollment, demographic, and
2 program participation information.

3 (iii) Contains student-level information about the points at
4 which students exit, transfer in, transfer out, drop out, or
5 complete education programs.

6 (iv) Has the capacity to communicate with higher education data
7 systems.

8 (i) For data elements related to preschool through grade 12
9 only, meets all of the following:

10 (i) Contains yearly test records of individual students for
11 assessments approved by DED-OESE for accountability purposes under
12 section 1111(b) of the elementary and secondary education act of
13 1965, 20 USC 6311, including information on individual students not
14 tested, by grade and subject.

15 (ii) Contains student-level transcript information, including
16 information on courses completed and grades earned.

17 (iii) Contains student-level college readiness test scores.

18 (j) For data elements related to postsecondary education only:

19 (i) Contains data that provide information regarding the extent
20 to which individual students transition successfully from secondary
21 school to postsecondary education, including, but not limited to,
22 all of the following:

23 (A) Enrollment in remedial coursework.

24 (B) Completion of 1 year's worth of college credit applicable
25 to a degree within 2 years of enrollment.

26 (ii) Contains data that provide other information determined
27 necessary to address alignment and adequate preparation for success

1 in postsecondary education.

2 (5) From the general fund appropriation in section 11, there
3 is allocated an amount not to exceed ~~\$9,218,400.00 for 2012-2013~~
4 **\$9,534,900.00 FOR 2013-2014** to the department of technology,
5 management, and budget to support the operations of the center. In
6 addition, from the federal funds appropriated in section 11 there
7 is allocated for ~~2012-2013-2013-2014~~ the amount necessary,
8 estimated at \$193,500.00, ~~for 2012-2013,~~ to support the operations
9 of the center and to establish a P-20 longitudinal data system as
10 provided under this section in compliance with the assurance
11 provided to the United States department of education in order to
12 receive state fiscal stabilization funds. The center shall
13 cooperate with the department to ensure that this state is in
14 compliance with federal law and is maximizing opportunities for
15 increased federal funding to improve education in this state.

16 (6) From the funds allocated in subsection (5), there is
17 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
18 \$850,000.00 for competitive grants to support collaborative efforts
19 on the P-20 longitudinal data system. All of the following apply to
20 grants awarded under this subsection:

21 (a) The center shall award competitive grants to eligible
22 intermediate districts or a consortium of intermediate districts
23 based on criteria established by the center.

24 (b) Activities funded under the grant shall support the P-20
25 longitudinal data system portal and may include portal hosting,
26 hardware and software acquisition, maintenance, enhancements, user
27 support and related materials, and professional learning tools and

1 activities aimed at improving the utility of the P-20 longitudinal
2 data system.

3 (c) An applicant that received a grant under this subsection
4 for the immediately preceding fiscal year shall receive priority
5 for funding under this section. However, after 3 fiscal years of
6 continuous funding, an applicant is required to compete openly with
7 new applicants.

8 (7) FROM THE FUNDS ALLOCATED IN SUBSECTION (5), THERE IS
9 ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$99,800.00 FOR THE
10 CENTER TO DEVELOP THE PUPIL TRANSFER APPLICATION AS REQUIRED UNDER
11 SECTION 25E.

12 (8) ~~(7)~~—Funds allocated under this section that are not
13 expended in the fiscal year in which they were allocated may be
14 carried forward to a subsequent fiscal year and are appropriated
15 for the purposes for which the funds were originally allocated.

16 (9) ~~(8)~~—The center may bill departments as necessary in order
17 to fulfill reporting requirements of state and federal law. The
18 center may also enter into agreements to supply custom data,
19 analysis, and reporting to other principal executive departments,
20 state agencies, local units of government, and other individuals
21 and organizations. The center may receive and expend funds in
22 addition to those authorized in subsection (5) to cover the costs
23 associated with salaries, benefits, supplies, materials, and
24 equipment necessary to provide such data, analysis, and reporting
25 services.

26 (10) ~~(9)~~—As used in this section:

27 (a) "DED-OESE" means the United States department of education

1 office of elementary and secondary education.

2 (b) "State education agency" means the department.

3 Sec. 95. (1) From the funds appropriated in section 11, there
4 is allocated an amount not to exceed ~~\$1,750,000.00 for 2012-2013~~
5 **\$500,000.00 FOR 2013-2014** for grants to districts to support
6 professional development for principals and assistant principals in
7 a department-approved training program for implementing educator
8 evaluations as required under section 1249 of the revised school
9 code, MCL 380.1249.

10 (2) **IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE FOR**
11 **2013-2014 ANY UNEXPENDED FUNDS ALLOCATED UNDER THIS SECTION FOR**
12 **2012-2013.**

13 (3) ~~(2) For 2012-2013, all districts may apply for funding~~
14 ~~under this section by a date determined by the department.~~
15 ~~Beginning in 2013-2014, in~~ **IN** a form and manner determined by the
16 department, priority will be given to districts that have new
17 building administrators who have not previously received training
18 in programs funded under this section.

19 (4) ~~(3)~~ The department shall approve training programs for the
20 purpose of this section. The department shall approve all training
21 programs recommended by the ~~governor's~~ council on educator
22 effectiveness and may approve other training programs that meet
23 department criteria. At a minimum, these other programs shall meet
24 all of the following criteria:

25 (a) Contain instructional content on methods of evaluating
26 teachers consistently across multiple grades and subjects.

27 (b) Include training on evaluation observation that is focused

1 on reliability and bias awareness and that instills skills needed
2 for consistent, evidence-based observations.

3 (c) Incorporate the use of videos of actual lessons for
4 applying rubrics and consistent scoring.

5 (d) Align with recommendations of the ~~governor's~~ council on
6 educator effectiveness.

7 (e) Provide ongoing support to maintain inter-rater
8 reliability. As used in this subdivision, "inter-rater reliability"
9 means a consistency of measurement from different evaluators
10 independently applying the same evaluation criteria to the same
11 classroom observation.

12 (4) The department shall award grants to eligible districts in
13 an amount determined by the department, but not to exceed \$350.00
14 per participant.

15 (5) A district receiving funds under this section shall use
16 the funds only for department-approved training programs under this
17 section.

18 Sec. 98. (1) From the general fund money appropriated in
19 section 11, there is allocated an amount not to exceed
20 \$4,387,500.00 for ~~2012-2013~~ **2013-2014** for the purposes described in
21 this section.

22 (2) The Michigan virtual university shall ~~establish the center~~
23 ~~for online learning research and innovation. The center for online~~
24 ~~learning research and innovation~~ **OPERATE THE MICHIGAN VIRTUAL**
25 **LEARNING RESEARCH INSTITUTE. THE MICHIGAN VIRTUAL LEARNING RESEARCH**
26 **INSTITUTE** shall do all of the following:

27 (a) Support and accelerate innovation in education through the

1 following activities:

2 (i) Test, evaluate, and recommend as appropriate new
3 technology-based instructional tools and resources.

4 (ii) Research, design, and recommend ~~online and blended~~ **DIGITAL**
5 education delivery models for use by pupils and teachers that
6 include age-appropriate multimedia instructional content.

7 (iii) Research, design, and recommend competency-based online
8 assessments.

9 (iv) Research, develop, and recommend annually to the
10 department criteria by which cyber schools and online course
11 providers should be monitored and evaluated to ensure a quality
12 education for their pupils.

13 (v) Based on pupil completion and performance data reported to
14 the department or the center for educational performance and
15 information from cyber schools and other online course providers
16 operating in this state, analyze the effectiveness of online
17 learning delivery models in preparing pupils to be college- and
18 career-ready and publish a report that highlights enrollment
19 totals, completion rates, and the overall impact on pupils. The
20 report shall be submitted to the house and senate appropriations
21 subcommittees on state school aid, the state budget director, the
22 house and senate fiscal agencies, and the department not later than
23 December ~~31, 2013~~ **1, 2014**.

24 (vi) Design professional development services for teachers,
25 school administrators, and school board members to learn how to
26 effectively integrate new technologies and online learning into
27 curricula and instruction.

1 (vii) Identify and share best practices for **PLANNING,**
2 implementing, **AND EVALUATING** online and blended education delivery
3 models with intermediate districts, districts, and public school
4 academies to accelerate the adoption of innovative education
5 delivery models statewide.

6 (b) Provide leadership for this state's system of ~~online and~~
7 ~~blended~~-**DIGITAL** learning education by doing the following
8 activities:

9 (i) Develop and report policy recommendations to the governor
10 and the legislature that accelerate the expansion of effective
11 online learning in this state's schools.

12 (ii) Provide a clearinghouse for research reports, academic
13 studies, evaluations, and other information related to online
14 learning.

15 (iii) Promote and distribute the most current instructional
16 design standards and guidelines for online teaching.

17 (iv) In collaboration with the department and interested
18 colleges and universities in this state, recommend to the
19 superintendent guidelines and standards for a new teacher
20 endorsement credential related to effective ~~online and blended~~
21 **DIGITAL LEARNING** instruction. **THE INSTITUTE SHALL REPORT ITS**
22 **RECOMMENDATIONS FOR A NEW DIGITAL LEARNING TEACHER ENDORSEMENT**
23 **CREDENTIAL NOT LATER THAN SEPTEMBER 30, 2013.**

24 (v) Pursue public/private partnerships that include districts
25 to study and implement competency-based technology-rich online
26 learning models.

27 (vi) Convene focus groups and conduct annual surveys of

1 teachers, administrators, pupils, parents, and others to identify
2 barriers and opportunities related to online learning.

3 (vii) Produce an annual consumer awareness report for schools
4 and parents about effective online education providers and
5 education delivery models, performance data, cost structures, and
6 research trends.

7 ~~—— (3) Subject to the provisions of this subsection, from the
8 funds allocated in subsection (1), there is allocated an amount not
9 to exceed \$500,000.00 for 2012-2013 to the Michigan virtual school
10 operated by the Michigan virtual university to conduct and report
11 on a year-long pilot study of a new performance-based funding model
12 for the Michigan virtual school. The purpose of the pilot study is
13 to determine the merits of a payment system for online
14 instructional programs based on pupil performance rather than
15 solely on enrollment and attendance factors. All of the following
16 apply to the pilot study and the funding under this subsection:~~

17 ~~—— (a) The Michigan virtual school shall randomly select a
18 minimum of 1,000 of its qualifying online course enrollments for
19 inclusion in the pilot study. The Michigan virtual school shall
20 issue a refund or credit to districts for all online course
21 enrollments included in the pilot study.~~

22 ~~—— (b) The Michigan virtual school shall report to the department
23 the number of online course enrollments in the pilot study that
24 meet the following conditions:~~

25 ~~—— (i) The pupil successfully completed the online course as
26 measured by assessments aligned to the course content and earned a
27 grade or credit from the district or public school academy in which~~

1 ~~the pupil is enrolled.~~

2 ~~—— (ii) The online course is taught by a Michigan certificated~~
3 ~~teacher certified in the subject area in which the course is being~~
4 ~~offered.~~

5 ~~—— (iii) Where applicable, the online course is aligned with~~
6 ~~Michigan curriculum standards.~~

7 ~~—— (iv) The online course curriculum contains periodic online~~
8 ~~pupil assessments.~~

9 ~~—— (v) Pupils have access to the appropriate technology hardware~~
10 ~~and software necessary to take the online course.~~

11 ~~—— (vi) Parents or guardians and pupils have secure online access~~
12 ~~to review periodic pupil progress and performance data.~~

13 ~~—— (vii) The online instructor is available to interact with~~
14 ~~parents or guardians and pupils using electronic communications.~~

15 ~~—— (c) The department shall pay to Michigan virtual school from~~
16 ~~the funding under this subsection an amount not to exceed the~~
17 ~~equivalent of 1/12 of the state's minimum per pupil foundation~~
18 ~~allowance for each online course enrollment included in the pilot~~
19 ~~study that meets the conditions of subdivision (b) in the next~~
20 ~~school aid payment after the report is received by the department.~~

21 (3) ~~(4)~~—In order for the Michigan virtual university to
22 receive any funds allocated under this section, the Michigan
23 virtual school must maintain its accreditation status from
24 recognized national and international accrediting entities.

25 (4) ~~(5)~~—The Michigan virtual school **OPERATED BY THE MICHIGAN**
26 **VIRTUAL UNIVERSITY** may offer online course offerings, ~~in addition~~
27 ~~to those offered in the pilot study described in subsection (3),~~

1 including, but not limited to, all of the following:

2 (a) Information technology courses.

3 (b) College level equivalent courses, as defined in section
4 1471 of the revised school code, MCL 380.1471.

5 (c) Courses and dual enrollment opportunities.

6 (d) Programs and services for at-risk pupils.

7 (e) General education development test preparation courses for
8 adjudicated youth.

9 (f) Special interest courses.

10 (g) Professional development programs for teachers, school
11 administrators, other school employees, and school board members.

12 (5) ~~(6)~~—If a home-schooled or nonpublic school student is a
13 resident of a district that subscribes to services provided by the
14 Michigan virtual school, the student may use the services provided
15 by the Michigan virtual school to the district without charge to
16 the student beyond what is charged to a district pupil using the
17 same services.

18 (6) ~~(7)~~—Not later than December 1 of each fiscal year, the
19 Michigan virtual university shall provide a report to the house and
20 senate appropriations subcommittees on state school aid, the state
21 budget director, the house and senate fiscal agencies, and the
22 department that includes at least all of the following information
23 related to the Michigan virtual school for the preceding state
24 fiscal year:

25 (a) A list of the districts served by the Michigan virtual
26 school.

27 (b) A list of online course titles available to districts.

1 (c) The total number of online course enrollments and
2 information on registrations and completions by course.

3 (d) The overall course completion rate percentage.

4 ~~(e) An analysis of the results of the pilot study described in~~
5 ~~subsection (3), including, but not limited to:~~

6 ~~(i) A list of the districts that were selected to be part of~~
7 ~~the pilot study.~~

8 ~~(ii) The number of successful online course completions.~~

9 ~~(iii) A list of the courses offered in the pilot study and the~~
10 ~~completion rates for each course.~~

11 ~~(iv) Identification of opportunities and barriers that must be~~
12 ~~addressed in order to apply online learning performance funding~~
13 ~~based on successful completions rather than enrollment and~~
14 ~~attendance for online learning offerings statewide.~~

15 (7) ~~(8)~~The governor may appoint an advisory group for the
16 ~~center for online learning research and innovation~~ **MICHIGAN VIRTUAL**
17 **LEARNING RESEARCH INSTITUTE** established under subsection (2). The
18 members of the advisory group shall serve at the pleasure of the
19 governor and shall serve without compensation. The purpose of the
20 advisory group is to make recommendations to the governor, the
21 legislature, and the president and board of the Michigan virtual
22 university that will accelerate innovation in this state's
23 education system in a manner that will prepare elementary and
24 secondary students to be career and college ready and that will
25 promote the goal of increasing the percentage of citizens of this
26 state with high-quality degrees and credentials to at least 60% by
27 2025.

1 (8) ~~(9)~~—As used in this section:

2 (a) "Blended learning" means a hybrid instructional delivery
3 model where pupils are provided ~~face-to-face~~ **CONTENT**, instruction,
4 **AND ASSESSMENT**, in part at a supervised ~~school~~ **EDUCATIONAL** facility
5 away from home **WHERE THE PUPIL AND A TEACHER WITH A VALID MICHIGAN**
6 **TEACHING CERTIFICATE ARE IN THE SAME PHYSICAL LOCATION** and in part
7 through ~~computer-based and internet-connected~~ learning environments
8 with some degree of pupil control over time, location, and pace of
9 instruction.

10 (b) "Cyber school" means a full-time ~~online~~ instructional
11 program **OF ONLINE COURSES** for pupils that may or may not require
12 attendance at a physical school location.

13 (C) **"DIGITAL LEARNING" MEANS INSTRUCTION DELIVERED VIA A WEB-**
14 **BASED EDUCATIONAL DELIVERY SYSTEM THAT USES VARIOUS INFORMATION**
15 **TECHNOLOGIES TO PROVIDE A STRUCTURED LEARNING ENVIRONMENT,**
16 **INCLUDING ONLINE AND BLENDED LEARNING INSTRUCTIONAL METHODS.**

17 (D) ~~(e)~~—"Online ~~instructional program~~ **COURSE**" means a course
18 of study that ~~generates~~ **IS CAPABLE OF GENERATING** a credit or a
19 grade, **THAT IS** provided in an interactive ~~computer-based and~~
20 internet-connected learning environment, in which pupils are
21 separated from their teachers by time or location, or both, and in
22 which a ~~Michigan-certificated teacher~~ **TEACHER WHO HOLDS A VALID**
23 **MICHIGAN TEACHING CERTIFICATE** is responsible for ~~providing direct~~
24 ~~instruction,~~ **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR EACH**
25 **PUPIL**, diagnosing learning needs, assessing pupil learning,
26 prescribing intervention strategies, reporting outcomes, and
27 evaluating the effects of instruction and support strategies.

House Bill No. 4228 (H-1) as amended April 23, 2013

1 Sec. 99. (1) From the funds appropriated in section 11, there
2 is allocated [**FOR 2013-2014**] an amount not to exceed \$2,725,000.00 [~~for~~
3 **FROM THE STATE SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED \$100.00 FROM**
4 **THE GENERAL FUND**] to support the activities and programs of mathematics
5 and
6 science centers and for other purposes as described in this
7 section. In addition, from the federal funds appropriated in
8 section 11, there is allocated for ~~2012-2013~~ **2013-2014** an amount
9 estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and
10 science partnership grants.

11 (2) Within a service area designated locally, approved by the
12 department, and consistent with the comprehensive master plan for
13 mathematics and science centers developed by the department and
14 approved by the state board, an established mathematics and science
15 center shall provide 2 or more of the following 6 basic services,
16 as described in the master plan, to constituent districts and
17 communities: leadership, pupil services, curriculum support,
18 community involvement, professional development, and resource
19 clearinghouse services.

20 (3) The department shall not award a state grant under this
21 section to more than 1 mathematics and science center located in a
22 designated region as prescribed in the 2007 master plan unless each
23 of the grants serves a distinct target population or provides a
24 service that does not duplicate another program in the designated
25 region.

26 (4) As part of the technical assistance process, the
27 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

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 1 this section.

2 (5) Allocations under this section to support the activities
 3 and programs of mathematics and science centers shall be continuing
 4 support grants to all 33 established mathematics and science
 5 centers. Each established mathematics and science center that was
 6 funded in the immediately preceding fiscal year shall receive state
 7 funding in an amount equal to 100% of the amount it was allocated
 8 under this subsection for the immediately preceding fiscal year. If
 9 a center declines state funding or a center closes, the remaining
 10 money available under this section shall be distributed to the
 11 remaining centers, as determined by the department.

12 (6) From the funds allocated in subsection (1), there is
 13 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
 14 \$750,000.00 in a form and manner determined by the department to
 15 those centers able to provide curriculum and professional
 16 development support to assist districts in implementing the
 17 Michigan merit curriculum components for mathematics and science.
 18 Funding under this subsection is in addition to funding allocated
 19 under subsection (5).

20 (7) From the [~~funds~~STATE SCHOOL AID FUND MONEY] allocated in
 21 subsection (1), there is
 22 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
 23 \$100,000.00 in a form and manner determined by the department to a
 24 single mathematics and science center that is a participant in 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 AN AMOUNT NOT TO EXCEED
 \$100.00 TO THAT SINGLE MATHEMATICS AND SCIENCE CENTER 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
 25 addition to funding allocated under subsection (5) and shall be
 26 used for connecting mathematics and science centers for science,
 27 technology, engineering, and mathematics purposes.

1 (8) In order to receive state or federal funds under this
2 section, a grant recipient shall allow access for the department or
3 the department's designee to audit all records related to the
4 program for which it receives such funds. The grant recipient shall
5 reimburse the state for all disallowances found in the audit.

6 (9) Not later than September 30, 2013, the department shall
7 reevaluate and update the comprehensive master plan described in
8 subsection (1).

9 (10) The department shall give preference in awarding the
10 federal grants allocated in subsection (1) to eligible existing
11 mathematics and science centers.

12 (11) In order to receive state funds under this section, a
13 grant recipient shall provide at least a 10% local match from local
14 public or private resources for the funds received under this
15 section.

16 (12) Not later than July 1 of each year, a mathematics and
17 science center that receives funds under this section shall report
18 to the department in a form and manner prescribed by the department
19 on the following performance measures:

20 (a) Statistical change in pre- and post-assessment scores for
21 students who enrolled in mathematics and science activities
22 provided to districts by the mathematics and science center.

23 (b) Statistical change in pre- and post-assessment scores for
24 teachers who enrolled in professional development activities
25 provided by the mathematics and science center.

26 (13) As used in this section:

27 (a) "DED" means the United States department of education.

1 (b) "DED-OESE" means the DED office of elementary and
 2 secondary education.

[SEC. 99B. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2013-2014 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR TEACHERS IN A DEPARTMENT-APPROVED TRAINING PROGRAM FOR SCIENCE TECHNOLOGY AND MATHEMATICS (STEM) INSTRUCTION.

(2) ANY DISTRICT MAY APPLY FOR FUNDING UNDER THIS SECTION FOR 2013-2014 BY A DATE DETERMINED BY THE DEPARTMENT. BEGINNING IN 2013-2014, 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.]

3 Sec. 101. (1) To be eligible to receive state aid under this

4 ~~act,~~ **ARTICLE**, not later than the fifth Wednesday after the pupil

5 membership count day and not later than the fifth Wednesday after

6 the supplemental count day, each district superintendent shall

7 submit to the center and the intermediate superintendent, in the

8 form and manner prescribed by the center, the number of pupils

9 enrolled and in regular daily attendance in the district as of the

10 pupil membership count day and as of the supplemental count day, as

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11 applicable, for the current school year. In addition, a district
12 maintaining school during the entire year, as provided under
13 section 1561 of the revised school code, MCL 380.1561, shall submit
14 to the center and the intermediate superintendent, in the form and
15 manner prescribed by the center, the number of pupils enrolled and
16 in regular daily attendance in the district for the current school
17 year pursuant to rules promulgated by the superintendent. Not later
18 than the ~~seventh~~**SIXTH** Wednesday after the pupil membership count
19 day and not later than the sixth Wednesday after the supplemental
20 count day, the district shall certify the data in a form and manner
21 prescribed by the center and file the certified data with the
22 intermediate superintendent. If a district fails to submit and
23 certify the attendance data, as required under this subsection, the
24 center shall notify the department and state aid due to be
25 distributed under this article shall be withheld from the
26 defaulting district immediately, beginning with the next payment
27 after the failure and continuing with each payment until the

1 district complies with this subsection. If a district does not
2 comply with this subsection by the end of the fiscal year, the
3 district forfeits the amount withheld. A person who willfully
4 falsifies a figure or statement in the certified and sworn copy of
5 enrollment shall be punished in the manner prescribed by section
6 161.

7 (2) To be eligible to receive state aid under this article,
8 not later than the twenty-fourth Wednesday after the pupil
9 membership count day and not later than the twenty-fourth Wednesday
10 after the supplemental count day, an intermediate district shall
11 submit to the center, in a form and manner prescribed by the
12 center, the audited enrollment and attendance data for the pupils
13 of its constituent districts and of the intermediate district. If
14 an intermediate district fails to submit the audited data as
15 required under this subsection, state aid due to be distributed
16 under this article shall be withheld from the defaulting
17 intermediate district immediately, beginning with the next payment
18 after the failure and continuing with each payment until the
19 intermediate district complies with this subsection. If an
20 intermediate district does not comply with this subsection by the
21 end of the fiscal year, the intermediate district forfeits the
22 amount withheld.

23 (3) Except as otherwise provided in subsections (11) and (12),
24 all of the following apply to the provision of pupil instruction:

25 (a) Except as otherwise provided in this section, each
26 district shall provide at least 1,098 hours and, beginning in 2010-
27 2011, the required minimum number of days of pupil instruction. For

1 2010-2011 and for 2011-2012, the required minimum number of days of
2 pupil instruction is 165. Beginning in 2012-2013, the required
3 minimum number of days of pupil instruction is 170. **BEGINNING IN**
4 **2014-2015, THE REQUIRED MINIMUM NUMBER OF DAYS OF PUPIL INSTRUCTION**
5 **IS 175.** However, ~~beginning in 2010-2011,~~ a district shall not
6 provide fewer days of pupil instruction than the district provided
7 for 2009-2010. A district may apply for a waiver under subsection
8 (9) from the requirements of this subdivision.

9 (b) Except as otherwise provided in this article, a district
10 failing to comply with the required minimum hours and days of pupil
11 instruction under this subsection shall forfeit from its total
12 state aid allocation an amount determined by applying a ratio of
13 the number of hours or days the district was in noncompliance in
14 relation to the required minimum number of hours and days under
15 this subsection. Not later than August 1, the board of each
16 district shall certify to the department the number of hours and,
17 beginning in 2010-2011, days of pupil instruction in the previous
18 school year. If the district did not provide at least the required
19 minimum number of hours and days of pupil instruction under this
20 subsection, the deduction of state aid shall be made in the
21 following fiscal year from the first payment of state school aid. A
22 district is not subject to forfeiture of funds under this
23 subsection for a fiscal year in which a forfeiture was already
24 imposed under subsection (6).

25 (c) Hours or days lost because of strikes or teachers'
26 conferences shall not be counted as hours or days of pupil
27 instruction.

1 (d) If a collective bargaining agreement that provides a
2 complete school calendar is in effect for employees of a district
3 as of October 19, 2009, and if that school calendar is not in
4 compliance with this subsection, then this subsection does not
5 apply to that district until after the expiration of that
6 collective bargaining agreement.

7 (e) Except as otherwise provided in subdivision (f), a
8 district not having at least 75% of the district's membership in
9 attendance on any day of pupil instruction shall receive state aid
10 in that proportion of $1/180$ that the actual percent of attendance
11 bears to the specified percentage.

12 (f) At the request of a district that operates a department-
13 approved alternative education program and that does not provide
14 instruction for pupils in all of grades K to 12, the superintendent
15 may grant a waiver from the requirements of subdivision (e). The
16 waiver shall indicate that an eligible district is subject to the
17 proration provisions of subdivision (e) only if the district does
18 not have at least 50% of the district's membership in attendance on
19 any day of pupil instruction. In order to be eligible for this
20 waiver, a district must maintain records to substantiate its
21 compliance with the following requirements:

22 (i) The district offers the minimum hours of pupil instruction
23 as required under this section.

24 (ii) For each enrolled pupil, the district uses appropriate
25 academic assessments to develop an individual education plan that
26 leads to a high school diploma.

27 (iii) The district tests each pupil to determine academic

1 progress at regular intervals and records the results of those
2 tests in that pupil's individual education plan.

3 (g) All of the following apply to a waiver granted under
4 subdivision (f):

5 (i) If the waiver is for a blended model of delivery, a waiver
6 that is granted for the 2011-2012 fiscal year or a subsequent
7 fiscal year remains in effect unless it is revoked by the
8 superintendent.

9 (ii) If the waiver is for a 100% online model of delivery and
10 the educational program for which the waiver is granted makes
11 educational services available to pupils for a minimum of at least
12 1,098 hours during a school year and ensures that each pupil
13 participates in the educational program for at least 1,098 hours
14 during a school year, a waiver that is granted for the 2011-2012
15 fiscal year or a subsequent fiscal year remains in effect unless it
16 is revoked by the superintendent.

17 (iii) A waiver that is not a waiver described in subparagraph
18 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
19 to remain in effect.

20 (h) The superintendent shall promulgate rules for the
21 implementation of this subsection.

22 (4) Except as otherwise provided in this subsection, the first
23 6 days or the equivalent number of hours for which pupil
24 instruction is not provided because of conditions not within the
25 control of school authorities, such as severe storms, fires,
26 epidemics, utility power unavailability, water or sewer failure, or
27 health conditions as defined by the city, county, or state health

1 authorities, shall be counted as hours and days of pupil
2 instruction. With the approval of the superintendent of public
3 instruction, the department shall count as hours and days of pupil
4 instruction for a fiscal year not more than 6 additional days or
5 the equivalent number of additional hours for which pupil
6 instruction is not provided in a district after April 1 of the
7 applicable school year due to unusual and extenuating occurrences
8 resulting from conditions not within the control of school
9 authorities such as those conditions described in this subsection.
10 Subsequent such hours or days shall not be counted as hours or days
11 of pupil instruction.

12 (5) A district shall not forfeit part of its state aid
13 appropriation because it adopts or has in existence an alternative
14 scheduling program for pupils in kindergarten if the program
15 provides at least the number of hours required under subsection (3)
16 for a full-time equated membership for a pupil in kindergarten as
17 provided under section 6(4).

18 (6) In addition to any other penalty or forfeiture under this
19 section, if at any time the department determines that 1 or more of
20 the following has occurred in a district, the district shall
21 forfeit in the current fiscal year beginning in the next payment to
22 be calculated by the department a proportion of the funds due to
23 the district under this article that is equal to the proportion
24 below the required minimum number of hours and days of pupil
25 instruction under subsection (3), as specified in the following:

26 (a) The district fails to operate its schools for at least the
27 required minimum number of hours and days of pupil instruction

1 under subsection (3) in a school year, including hours and days
2 counted under subsection (4).

3 (b) The board of the district takes formal action not to
4 operate its schools for at least the required minimum number of
5 hours and days of pupil instruction under subsection (3) in a
6 school year, including hours and days counted under subsection (4).

7 (7) In providing the minimum number of hours and days of pupil
8 instruction required under subsection (3), a district shall use the
9 following guidelines, and a district shall maintain records to
10 substantiate its compliance with the following guidelines:

11 (a) Except as otherwise provided in this subsection, a pupil
12 must be scheduled for at least the required minimum number of hours
13 of instruction, excluding study halls, or at least the sum of 90
14 hours plus the required minimum number of hours of instruction,
15 including up to 2 study halls.

16 (b) The time a pupil is assigned to any tutorial activity in a
17 block schedule may be considered instructional time, unless that
18 time is determined in an audit to be a study hall period.

19 (c) Except as otherwise provided in this subdivision, a pupil
20 in grades 9 to 12 for whom a reduced schedule is determined to be
21 in the individual pupil's best educational interest must be
22 scheduled for a number of hours equal to at least 80% of the
23 required minimum number of hours of pupil instruction to be
24 considered a full-time equivalent pupil. A pupil in grades 9 to 12
25 who is scheduled in a 4-block schedule may receive a reduced
26 schedule under this subsection if the pupil is scheduled for a
27 number of hours equal to at least 75% of the required minimum

1 number of hours of pupil instruction to be considered a full-time
2 equivalent pupil.

3 (d) If a pupil in grades 9 to 12 who is enrolled in a
4 cooperative education program or a special education pupil cannot
5 receive the required minimum number of hours of pupil instruction
6 solely because of travel time between instructional sites during
7 the school day, that travel time, up to a maximum of 3 hours per
8 school week, shall be considered to be pupil instruction time for
9 the purpose of determining whether the pupil is receiving the
10 required minimum number of hours of pupil instruction. However, if
11 a district demonstrates to the satisfaction of the department that
12 the travel time limitation under this subdivision would create
13 undue costs or hardship to the district, the department may
14 consider more travel time to be pupil instruction time for this
15 purpose.

16 (e) In grades 7 through 12, instructional time that is part of
17 a junior reserve officer training corps (JROTC) program shall be
18 considered to be pupil instruction time regardless of whether the
19 instructor is a certificated teacher if all of the following are
20 met:

21 (i) The instructor has met all of the requirements established
22 by the United States department of defense and the applicable
23 branch of the armed services for serving as an instructor in the
24 junior reserve officer training corps program.

25 (ii) The board of the district or intermediate district
26 employing or assigning the instructor complies with the
27 requirements of sections 1230 and 1230a of the revised school code,

1 MCL 380.1230 and 380.1230a, with respect to the instructor to the
2 same extent as if employing the instructor as a regular classroom
3 teacher.

4 (8) Except as otherwise provided in subsections (11) and (12),
5 the department shall apply the guidelines under subsection (7) in
6 calculating the full-time equivalency of pupils.

7 (9) Upon application by the district for a particular fiscal
8 year, the superintendent may waive for a district the minimum
9 number of hours and days of pupil instruction requirement of
10 subsection (3) for a department-approved alternative education
11 program or another innovative program approved by the department,
12 including a 4-day school week. If a district applies for and
13 receives a waiver under this subsection and complies with the terms
14 of the waiver, the district is not subject to forfeiture under this
15 section for the specific program covered by the waiver. If the
16 district does not comply with the terms of the waiver, the amount
17 of the forfeiture shall be calculated based upon a comparison of
18 the number of hours and days of pupil instruction actually provided
19 to the minimum number of hours and days of pupil instruction
20 required under subsection (3). Pupils enrolled in a department-
21 approved alternative education program under this subsection shall
22 be reported to the center in a form and manner determined by the
23 center. All of the following apply to a waiver granted under this
24 subsection:

25 (a) If the waiver is for a blended model of delivery, a waiver
26 that is granted for the 2011-2012 fiscal year or a subsequent
27 fiscal year remains in effect unless it is revoked by the

1 superintendent.

2 (b) If the waiver is for a 100% online model of delivery and
3 the educational program for which the waiver is granted makes
4 educational services available to pupils for a minimum of at least
5 1,098 hours during a school year and ensures that each pupil
6 participates in the educational program for at least 1,098 hours
7 during a school year, a waiver that is granted for the 2011-2012
8 fiscal year or a subsequent fiscal year remains in effect unless it
9 is revoked by the superintendent.

10 (c) A waiver that is not a waiver described in subdivision (a)
11 or (b) is valid for 1 fiscal year and must be renewed annually to
12 remain in effect.

13 ~~—— (10) A district may count up to 38 hours of qualifying~~
14 ~~professional development for teachers as hours of pupil~~
15 ~~instruction. Professional development provided online is allowable~~
16 ~~and encouraged, as long as the instruction has been approved by the~~
17 ~~district. The department shall issue a list of approved online~~
18 ~~professional development providers, which shall include the~~
19 ~~Michigan virtual school. As used in this subsection, "qualifying~~
20 ~~professional development" means professional development that is~~
21 ~~focused on 1 or more of the following:~~

22 ~~—— (a) Achieving or improving adequate yearly progress as defined~~
23 ~~under the no child left behind act of 2001, Public Law 107-110.~~

24 ~~—— (b) Achieving accreditation or improving a school's~~
25 ~~accreditation status under section 1280 of the revised school code,~~
26 ~~MCL 380.1280.~~

27 ~~—— (c) Achieving highly qualified teacher status as defined under~~

1 ~~the no child left behind act of 2001, Public Law 107-110.~~

2 ~~—— (d) Integrating technology into classroom instruction.~~

3 ~~—— (e) Maintaining teacher certification.~~

4 (10) ~~(11)~~ Subsections (3) and (8) do not apply to a school of
5 excellence that is a cyber school, as defined in section 551 of the
6 revised school code, MCL 380.551, and is in compliance with section
7 553a of the revised school code, MCL 380.553a.

8 (11) ~~(12)~~ Subsections (3) and (8) do not apply to eligible
9 pupils enrolled in a dropout recovery program that meets the
10 requirements of section 23a. As used in this subsection, "eligible
11 pupil" means that term as defined in section 23a.

12 (12) ~~(13)~~ Beginning in 2013, at least every 2 years the
13 superintendent shall review the waiver standards set forth in the
14 pupil accounting and auditing manuals to ensure that the waiver
15 standards and waiver process continue to be appropriate and
16 responsive to changing trends in online learning. The
17 superintendent shall solicit and consider input from stakeholders
18 as part of this review.

19 Sec. 102. (1) A district or intermediate district receiving
20 money under this act ~~ARTICLE~~ shall not adopt or operate under a
21 deficit budget, and a district or intermediate district shall not
22 incur an operating deficit in a fund during a school fiscal year. A
23 district or intermediate district that has an existing deficit fund
24 balance, that incurs a deficit fund balance in the most recently
25 completed school fiscal year, or that adopts a current year budget
26 that projects a deficit fund balance shall not be allotted or paid
27 a further sum under this act ~~ARTICLE~~ until the district or

1 intermediate district submits to the department for approval a
2 budget for the current school fiscal year and a plan to eliminate
3 the district's or intermediate district's deficit not later than
4 the end of the second school fiscal year after the deficit was
5 incurred or the budget projecting a deficit was adopted. Withheld
6 state aid payments shall be released after the department approves
7 the deficit ~~reduction~~-**ELIMINATION** plan and ensures that the budget
8 for the current school fiscal year is balanced. After the
9 department approves a district's or intermediate district's deficit
10 ~~reduction~~-**ELIMINATION** plan, the district or intermediate district
11 shall post the deficit elimination plan on the district's or
12 intermediate district's website.

13 (2) Not later than March 1 of each year, the department shall
14 prepare a report of deficits incurred or projected by districts and
15 intermediate districts in the immediately preceding fiscal year and
16 the progress made in reducing those deficits and submit the report
17 to the standing committees of the legislature responsible for K-12
18 education legislation, the appropriations subcommittees of the
19 legislature responsible for K-12 education appropriations, the
20 house and senate fiscal agencies, the state treasurer, and the
21 state budget director. The department also shall submit quarterly
22 interim reports concerning the progress made by districts and
23 intermediate districts in reducing those deficits. On a quarterly
24 basis, the superintendent of public instruction shall publicly
25 present those reports to the appropriations subcommittees of the
26 legislature responsible for K-12 education appropriations.

27 (3) The amount of the permissible deficit for each school

1 fiscal year shall not exceed the amount of state aid reduced by an
2 executive order during that school fiscal year.

3 (4) A district or intermediate district that has an existing
4 deficit fund balance, that incurs a deficit fund balance in the
5 most recently completed school fiscal year, or that adopts a
6 current year budget that projects a deficit fund balance shall
7 submit to the department a monthly monitoring report on revenue and
8 expenditures in a form and manner prescribed by the department and
9 shall post these reports on its website.

10 (5) If a district or intermediate district is not able to
11 comply with the provisions of this section, the district or
12 intermediate district shall submit to the department a plan to
13 eliminate its deficit. Upon approval of the plan submitted, the
14 superintendent of public instruction may continue allotment and
15 payment of funds under this ~~act~~, **ARTICLE**, extend the period of time
16 in which a district or intermediate district has to eliminate its
17 deficit, and set special conditions that the district or
18 intermediate district must meet during the period of the extension.
19 After the department approves a district's or intermediate
20 district's deficit ~~reduction~~ **ELIMINATION** plan under this
21 subsection, the district or intermediate district shall post the
22 deficit elimination plan on the district's or intermediate
23 district's website.

24 (6) For the purposes of this section, "deficit fund balance"
25 means that term as defined in the Michigan public school accounting
26 manual published by the department.

27 Sec. 104. (1) In order to receive state aid under this

1 article, a district shall comply with sections 1249, 1278a, 1278b,
2 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
3 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
4 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
5 the state school aid fund money appropriated in section 11, there
6 is allocated for ~~2012-2013~~**2013-2014** an amount not to exceed
7 \$26,694,400.00 for payments on behalf of districts for costs
8 associated with complying with those provisions of law. In
9 addition, from the federal funds appropriated in section 11, there
10 is allocated for ~~2012-2013~~**2013-2014** an amount estimated at
11 \$8,250,000.00, funded from DED-OESE, title VI, state assessment
12 funds, and from DED-OSERS, section 504 of part B of the individuals
13 with disabilities education act, Public Law 94-142, plus any
14 carryover federal funds from previous year appropriations, for the
15 purposes of complying with the federal no child left behind act of
16 2001, Public Law 107-110.

17 (2) The results of each test administered as part of the
18 Michigan educational assessment program, including tests
19 administered to high school students, shall include an item
20 analysis that lists all items that are counted for individual pupil
21 scores and the percentage of pupils choosing each possible
22 response.

23 (3) All federal funds allocated under this section shall be
24 distributed in accordance with federal law and with flexibility
25 provisions outlined in Public Law 107-116, and in the education
26 flexibility partnership act of 1999, Public Law 106-25.

27 (4) Notwithstanding section 17b, payments on behalf of

1 districts, intermediate districts, and other eligible entities
2 under this section shall be paid on a schedule determined by the
3 department.

4 (5) As used in this section:

5 (a) "DED" means the United States department of education.

6 (b) "DED-OESE" means the DED office of elementary and
7 secondary education.

8 (c) "DED-OSERS" means the DED office of special education and
9 rehabilitative services.

10 Sec. 107. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed \$22,000,000.00 for ~~2012-2013~~
12 **2013-2014** for adult education programs authorized under this
13 section. Funds allocated under this section are restricted for
14 adult education programs as authorized under this section only. A
15 recipient of funds under this section shall not use those funds for
16 any other purpose.

17 (2) To be eligible for funding under this section, a program
18 shall employ certificated teachers and qualified administrative
19 staff and shall offer continuing education opportunities for
20 teachers to allow them to maintain certification.

21 (3) To be eligible to be a participant funded under this
22 section, a person shall be enrolled in an adult basic education
23 program, an adult English as a second language program, a general
24 educational development (G.E.D.) test preparation program, a job-
25 or employment-related program, or a high school completion program,
26 that meets the requirements of this section, and shall meet either
27 of the following, as applicable:

1 (a) If the individual has obtained a high school diploma or a
2 general educational development (G.E.D.) certificate, the
3 individual meets 1 of the following:

4 (i) Is less than 20 years of age on September 1 of the school
5 year and is enrolled in the Michigan career and technical
6 institute.

7 (ii) Is less than 20 years of age on September 1 of the school
8 year, is not attending an institution of higher education, and is
9 enrolled in a job- or employment-related program through a referral
10 by an employer.

11 (iii) Is enrolled in an English as a second language program.

12 (iv) Is enrolled in a high school completion program.

13 (b) If the individual has not obtained a high school diploma
14 or G.E.D. certificate, the individual meets 1 of the following:

15 (i) Is at least 20 years of age on September 1 of the school
16 year.

17 (ii) Is at least 16 years of age on September 1 of the school
18 year, has been permanently expelled from school under section
19 1311(2) or 1311a of the revised school code, MCL 380.1311 and
20 380.1311a, and has no appropriate alternative education program
21 available through his or her district of residence.

22 (4) Except as otherwise provided in subsection (5), the money
23 allocated under this section shall be distributed as follows:

24 (a) For districts and consortia that received payments for
25 ~~2011-2012-2012-2013~~ under this section, the amount allocated to
26 each for ~~2012-2013-2013-2014~~ shall be based on the number of
27 participants served by the district or consortium for 2012-2013,

1 using the amount allocated per full-time equated participant under
2 subsection (7), up to a maximum total allocation under this
3 subsection in an amount equal to the amount the district or
4 consortium received for ~~2011-2012-2012-2013~~ under this section
5 before any reallocations made for ~~2011-2012-2012-2013~~ under
6 subsection (5).

7 (b) A district or consortium that received funding in ~~2011-~~
8 ~~2012-2012-2013~~ under this section may operate independently of a
9 consortium or join or form a consortium for ~~2012-2013-~~~~2013-2014~~.
10 The allocation for ~~2012-2013-~~~~2013-2014~~ to the district or the newly
11 formed consortium under this subsection shall be determined by the
12 department and shall be based on the proportion of the amounts that
13 are attributable to the district or consortium that received
14 funding in ~~2011-2012-~~~~2012-2013~~. A district or consortium described
15 in this subdivision shall notify the department of its intention
16 with regard to ~~2012-2013-~~~~2013-2014~~ by October 1, ~~2012-~~~~2013~~.

17 (5) A district that operated an adult education program in
18 ~~2011-2012-2012-2013~~ and does not intend to operate a program in
19 ~~2012-2013-~~~~2013-2014~~ shall notify the department by October 1, ~~2012-~~
20 ~~2013~~ of its intention. The money intended to be allocated under
21 this section to a district that does not operate a program in ~~2012-~~
22 ~~2013-~~~~2013-2014~~ and the unspent money originally allocated under
23 this section to a district or consortium that subsequently operates
24 a program at less than the level of funding allocated under
25 subsection (4) and any other unallocated money under this section
26 shall instead be proportionately reallocated to the other districts
27 described in subsection (4)(a) that are operating an adult

1 education program in ~~2012-2013~~ **2013-2014** under this section.

2 (6) The amount allocated under this section per full-time
3 equated participant is \$2,850.00 for a 450-hour program. The amount
4 shall be proportionately reduced for a program offering less than
5 450 hours of instruction.

6 (7) An adult basic education program or an adult English as a
7 second language program operated on a year-round or school year
8 basis may be funded under this section, subject to all of the
9 following:

10 (a) The program enrolls adults who are determined by a
11 department-approved assessment, in a form and manner prescribed by
12 the department, to be below ninth grade level in reading or
13 mathematics, or both, or to lack basic English proficiency.

14 (b) The program tests individuals for eligibility under
15 subdivision (a) before enrollment and upon completion of the
16 program in compliance with the state-approved assessment policy.

17 (c) A participant in an adult basic education program is
18 eligible for reimbursement until 1 of the following occurs:

19 (i) The participant's reading and mathematics proficiency are
20 assessed at or above the ninth grade level.

21 (ii) The participant fails to show progress on 2 successive
22 assessments after having completed at least 450 hours of
23 instruction.

24 (d) A funding recipient enrolling a participant in an English
25 as a second language program is eligible for funding according to
26 subsection (11) until the participant meets 1 of the following:

27 (i) The participant is assessed as having attained basic

1 English proficiency as determined by a department-approved
2 assessment.

3 (ii) The participant fails to show progress on 2 successive
4 department-approved assessments after having completed at least 450
5 hours of instruction. The department shall provide information to a
6 funding recipient regarding appropriate assessment instruments for
7 this program.

8 (8) A general educational development (G.E.D.) test
9 preparation program operated on a year-round or school year basis
10 may be funded under this section, subject to all of the following:

11 (a) The program enrolls adults who do not have a high school
12 diploma.

13 (b) The program shall administer a G.E.D. pre-test approved by
14 the department before enrolling an individual to determine the
15 individual's potential for success on the G.E.D. test, and shall
16 administer a post-test upon completion of the program in compliance
17 with the state-approved assessment policy.

18 (c) A funding recipient shall receive funding according to
19 subsection (11) for a participant, and a participant may be
20 enrolled in the program until 1 of the following occurs:

21 (i) The participant passes the G.E.D. test.

22 (ii) The participant fails to show progress on 2 successive
23 department-approved assessments used to determine readiness to take
24 the G.E.D. test after having completed at least 450 hours of
25 instruction.

26 (9) A high school completion program operated on a year-round
27 or school year basis may be funded under this section, subject to

1 all of the following:

2 (a) The program enrolls adults who do not have a high school
3 diploma.

4 (b) The program tests participants described in subdivision
5 (a) before enrollment and upon completion of the program in
6 compliance with the state-approved assessment policy.

7 (c) A funding recipient shall receive funding according to
8 subsection (11) for a participant in a course offered under this
9 subsection until 1 of the following occurs:

10 (i) The participant passes the course and earns a high school
11 diploma.

12 (ii) The participant fails to earn credit in 2 successive
13 semesters or terms in which the participant is enrolled after
14 having completed at least 900 hours of instruction.

15 (10) A job- or employment-related adult education program
16 operated on a year-round or school year basis may be funded under
17 this section, subject to all of the following:

18 (a) The program enrolls adults referred by their employer who
19 are less than 20 years of age, have a high school diploma, are
20 determined to be in need of remedial mathematics or communication
21 arts skills and are not attending an institution of higher
22 education.

23 (b) The program tests participants described in subdivision
24 (a) before enrollment and upon completion of the program in
25 compliance with the department-approved assessment policy.

26 (c) An individual may be enrolled in this program and the
27 grant recipient shall receive funding according to subsection (11)

1 until 1 of the following occurs:

2 (i) The individual achieves the requisite skills as determined
3 by department-approved assessment instruments.

4 (ii) The individual fails to show progress on 2 successive
5 assessments after having completed at least 450 hours of
6 instruction.

7 (11) A funding recipient shall receive payments under this
8 section in accordance with the following:

9 (a) Ninety percent for enrollment of eligible participants.

10 (b) Ten percent for completion of the adult basic education
11 objectives by achieving an increase of at least 1 grade level of
12 proficiency in reading or mathematics; for achieving basic English
13 proficiency, as defined by the department in the adult education
14 guidebook; for obtaining a G.E.D. or passage of 1 or more
15 individual G.E.D. tests; for attainment of a high school diploma or
16 passage of a course required for a participant to attain a high
17 school diploma; or for completion of the course and demonstrated
18 proficiency in the academic skills to be learned in the course, as
19 applicable.

20 (12) As used in this section, "participant" means the sum of
21 the number of full-time equated individuals enrolled in and
22 attending a department-approved adult education program under this
23 section, using quarterly participant count days on the schedule
24 described in section 6(7)(b).

25 (13) A person who is not eligible to be a participant funded
26 under this section may receive adult education services upon the
27 payment of tuition. In addition, a person who is not eligible to be

1 served in a program under this section due to the program
2 limitations specified in subsection (7), (8), (9), or (10) may
3 continue to receive adult education services in that program upon
4 the payment of tuition. The tuition level shall be determined by
5 the local or intermediate district conducting the program.

6 (14) An individual who is an inmate in a state correctional
7 facility shall not be counted as a participant under this section.

8 (15) A district shall not commingle money received under this
9 section or from another source for adult education purposes with
10 any other funds of the district. A district receiving adult
11 education funds shall establish a separate ledger account for those
12 funds. This subsection does not prohibit a district from using
13 general funds of the district to support an adult education or
14 community education program.

15 (16) A district or intermediate district receiving funds under
16 this section may establish a sliding scale of tuition rates based
17 upon a participant's family income. A district or intermediate
18 district may charge a participant tuition to receive adult
19 education services under this section from that sliding scale of
20 tuition rates on a uniform basis. The amount of tuition charged per
21 participant shall not exceed the actual operating cost per
22 participant minus any funds received under this section per
23 participant. A district or intermediate district may not charge a
24 participant tuition under this section if the participant's income
25 is at or below 200% of the federal poverty guidelines published by
26 the United States department of health and human services.

27 (17) In order to receive funds under this section, a district

1 shall furnish to the department, in a form and manner determined by
2 the department, all information needed to administer this program
3 and meet federal reporting requirements; shall allow the department
4 or the department's designee to review all records related to the
5 program for which it receives funds; and shall reimburse the state
6 for all disallowances found in the review, as determined by the
7 department.

8 (18) All intermediate district participant audits of adult
9 education programs shall be performed pursuant to the adult
10 education participant auditing and accounting manuals published by
11 the department.

12 (19) As used in this section, "department" means the Michigan
13 strategic fund.

14 (20) **IT IS THE INTENT OF THE LEGISLATURE TO BEGIN ALLOCATING**
15 **FUNDS UNDER THIS SECTION ON A COMPETITIVE GRANT BASIS IN 2014-2015.**

16 Sec. 147. (1) The allocation **EACH FISCAL YEAR** for ~~2012-2013~~
17 **2013-2014 AND FOR 2014-2015** for the public school employees'
18 retirement system pursuant to the public school employees
19 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall
20 be made using the **INDIVIDUAL PROJECTED BENEFIT** entry age normal
21 cost ~~actuarial~~-method **OF VALUATION** and risk assumptions adopted by
22 the public school employees retirement board and the department of
23 technology, management, and budget.

24 (2) **THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES**
25 **FOR THE 2013-2014 FISCAL YEAR, AS DETERMINED BY THE RETIREMENT**
26 **SYSTEM, ARE ESTIMATED AS FOLLOWS:**

27 (A) For public school employees who first worked for a public

1 school reporting unit before July 1, 2010 **AND WHO ARE ENROLLED IN**
2 **THE HEALTH PREMIUM SUBSIDY**, the annual level percentage of payroll
3 contribution rate is estimated at ~~18.62% for pension and at 8.75%~~
4 ~~for retiree health care for the 2012-2013 fiscal year, unless a~~
5 ~~different contribution rate is calculated and applied by the office~~
6 ~~of retirement services pursuant to provisions enacted under Senate~~
7 ~~Bill No. 1040 of the 96th Legislature.~~ **29.35%, WITH 24.79% PAID**
8 **DIRECTLY BY THE EMPLOYER.**

9 (B) For public school employees who first worked for a public
10 school reporting unit on or after July 1, 2010 **AND WHO ARE ENROLLED**
11 **IN THE HEALTH PREMIUM SUBSIDY**, the annual level percentage of
12 payroll contribution rate is estimated at **29.12%, WITH 24.56% PAID**
13 **DIRECTLY BY THE EMPLOYER.** ~~17.39% for pension and 8.75% for retiree~~
14 ~~health care for the 2012-2013 fiscal year, unless a different~~
15 ~~contribution rate is calculated and applied by the office of~~
16 ~~retirement services pursuant to provisions enacted under Senate~~
17 ~~Bill No. 1040 of the 96th Legislature. For public school employees~~
18 ~~who first worked for a public school reporting unit before July 1,~~
19 ~~2010, the annual level percentage of payroll contribution rate is~~
20 ~~estimated at 22.46% for pension and 8.75% for retiree health care~~
21 ~~for the 2013-2014 fiscal year, unless a different contribution rate~~
22 ~~is calculated and applied by the office of retirement services~~
23 ~~pursuant to provisions enacted under Senate Bill No. 1040 of the~~
24 ~~96th Legislature. For public school employees who first worked for~~
25 ~~a public school reporting unit on or after July 1, 2010, the annual~~
26 ~~level percentage of payroll contribution rate is estimated at~~
27 ~~21.19% for pension and 8.75% for retiree health care for the 2013-~~

1 ~~2014 fiscal year, unless a different contribution rate is~~
2 ~~calculated and applied by the office of retirement services~~
3 ~~pursuant to provisions enacted under Senate Bill No. 1040 of the~~
4 ~~96th Legislature. The portion of the contribution rate assigned to~~
5 ~~districts and intermediate districts for each fiscal year is all of~~
6 ~~the total percentage points. This~~

7 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
8 SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010 AND WHO PARTICIPATE
9 IN THE PENSION PLUS PLAN AND IN THE PERSONAL HEALTHCARE FUND, THE
10 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED
11 AT 28.19%, WITH 23.63% PAID DIRECTLY BY THE EMPLOYER.

12 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
13 SCHOOL REPORTING UNIT ON OR AFTER SEPTEMBER 4, 2012, WHO ELECT
14 DEFINED CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL
15 HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
16 CONTRIBUTION RATE IS ESTIMATED AT 25.52%, WITH 20.96% PAID DIRECTLY
17 BY THE EMPLOYER.

18 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
19 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
20 CONTRIBUTION, AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY,
21 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
22 ESTIMATED AT 26.45%, WITH 21.89% PAID DIRECTLY BY THE EMPLOYER.

23 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
24 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
25 CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND,
26 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
27 ESTIMATED AT 25.52%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

1 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
2 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN
3 THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF
4 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 28.42%, WITH 23.86% PAID
5 DIRECTLY BY THE EMPLOYER.

6 (3) THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES
7 FOR THE 2014-2015 FISCAL YEAR, AS DETERMINED BY THE RETIREMENT
8 SYSTEM, ARE ESTIMATED AS FOLLOWS:

9 (A) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
10 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010 AND WHO ARE ENROLLED IN
11 THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
12 CONTRIBUTION RATE IS ESTIMATED AT 33.10%, WITH 25.78% PAID DIRECTLY
13 BY THE EMPLOYER.

14 (B) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
15 SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010 AND WHO ARE ENROLLED
16 IN THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF
17 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.02%, WITH 24.70% PAID
18 DIRECTLY BY THE EMPLOYER.

19 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
20 SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010 AND WHO PARTICIPATE
21 IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF
22 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 31.51%, WITH 24.19% PAID
23 DIRECTLY BY THE EMPLOYER.

24 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
25 SCHOOL REPORTING UNIT ON OR AFTER SEPTEMBER 4, 2012, WHO ELECT
26 DEFINED CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL
27 HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL

1 CONTRIBUTION RATE IS ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY
2 BY THE EMPLOYER.

3 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
4 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
5 CONTRIBUTION, AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY,
6 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
7 ESTIMATED AT 28.79%, WITH 21.47% PAID DIRECTLY BY THE EMPLOYER.

8 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
9 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
10 CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND,
11 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
12 ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

13 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
14 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN
15 THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF
16 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.59%, WITH 25.27% PAID
17 DIRECTLY BY THE EMPLOYER.

18 (4) IN ADDITION TO THE EMPLOYER PAYMENTS DESCRIBED IN
19 SUBSECTIONS (2) AND (3), THE EMPLOYER SHALL PAY THE APPLICABLE
20 CONTRIBUTIONS TO THE TIER 2 PLAN, AS DETERMINED BY THE PUBLIC
21 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300 MCL 38.1301 TO
22 38.1408.

23 (5) THE contribution ~~rate reflects~~ RATES IN SUBSECTION (2)
24 REFLECT an amortization period of ~~26~~ 25 years for ~~2012-2013-2013-~~
25 2014. The public school employees' retirement system board shall
26 notify each district and intermediate district by February 28 of
27 each fiscal year of the estimated contribution rate for the next

1 fiscal year.

2 Sec. 147a. From the appropriation in section 11, there is
3 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
4 \$155,000,000.00 for payments to participating districts. A district
5 that receives money under this section shall use that money solely
6 for the purpose of offsetting a portion of the retirement
7 contributions owed by the district for the fiscal year ~~ending~~
8 ~~September 30, 2013.~~ **IN WHICH IT IS RECEIVED.** The amount allocated
9 to each participating district under this section shall be based on
10 each participating district's percentage of the total statewide
11 payroll for all participating districts for the immediately
12 preceding fiscal year. As used in this section, "participating
13 district" means a district that is a reporting unit of the Michigan
14 public school employees' retirement system under the public school
15 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
16 38.1408, and that reports employees to the Michigan public school
17 employees' retirement system for the applicable fiscal year.

18 Sec. 147b. ~~(1) From the appropriation in section 11, there is~~
19 ~~allocated an amount not to exceed \$133,000,000.00 for 2011-2012 and~~
20 ~~an amount not to exceed \$41,000,000.00 for 2012-2013 for the~~
21 ~~purposes of this section. The money allocated in this section~~
22 ~~represents a portion of the year end school aid fund balance. Money~~
23 ~~allocated under this section shall be deposited in the MPSERS~~
24 ~~retirement obligation reform reserve fund.~~

25 (1) ~~(2)~~ The MPSERS retirement obligation reform reserve fund
26 is created as a separate account within the state school aid fund.

27 (2) The state treasurer may receive money or other assets from

1 any source for deposit into the MPSERS retirement obligation reform
2 reserve fund. The state treasurer shall direct the investment of
3 the MPSERS retirement obligation reform reserve fund. The state
4 treasurer shall credit to the MPSERS retirement obligation reform
5 reserve fund interest and earnings from the MPSERS retirement
6 obligation reform reserve fund.

7 **(3) MONEY AVAILABLE IN THE MPSERS RETIREMENT OBLIGATION REFORM**
8 **RESERVE FUND SHALL NOT BE EXPENDED WITHOUT A SPECIFIC**
9 **APPROPRIATION.**

10 (4) Money in the MPSERS retirement obligation reform reserve
11 fund at the close of the fiscal year shall remain in the MPSERS
12 retirement obligation reform reserve fund and shall not lapse to
13 the state school aid fund or to the general fund. The department of
14 treasury shall be the administrator of the MPSERS retirement
15 obligation reform reserve fund for auditing purposes.

16 ~~—— (3) It is the intent of the legislature that the speaker of~~
17 ~~the house of representatives or the senate majority leader, or~~
18 ~~both, shall convene a workgroup to examine retirement obligations~~
19 ~~and potential reforms to the Michigan public school employees'~~
20 ~~retirement system established under the public school employees~~
21 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408. The~~
22 ~~chair of the senate appropriations committee and chair of the house~~
23 ~~appropriations committee, or his or her designee, each shall be a~~
24 ~~member of the workgroup, and the workgroup shall report to the~~
25 ~~speaker of the house of representatives or the senate majority~~
26 ~~leader, as applicable, by February 1, 2012, on reforms identified,~~
27 ~~timelines for implementing reforms, and estimated costs and savings~~

1 ~~of the identified reforms.~~

2 (5) IF THE CONTRIBUTIONS DESCRIBED IN SECTION 43E OF THE
3 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
4 38.1343E, AS THAT SECTION WAS ADDED BY 2010 PA 75, ARE DETERMINED
5 BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION FOR WHICH ALL
6 RIGHTS OF APPEAL HAVE BEEN EXHAUSTED TO BE CONSTITUTIONAL AND IF
7 THE ORDER FOR PRELIMINARY INJUNCTION IN CASE NO. 10-45-MM ISSUED ON
8 JULY 13, 2010 IS LIFTED, THE MONEY PLACED IN A SEPARATE INTEREST
9 BEARING ACCOUNT AS A RESULT OF IMPLEMENTING THE PRELIMINARY
10 INJUNCTION SHALL BE DEPOSITED INTO THE MPSERS RETIREMENT OBLIGATION
11 REFORM RESERVE FUND CREATED IN THIS SECTION TO BE USED SOLELY FOR
12 HEALTH CARE UNFUNDED ACCRUED LIABILITIES.

13 Sec. 147c. (1) ~~Except as otherwise provided in subsection (2),~~
14 ~~from~~ FROM the appropriation in section 11, there is allocated for
15 ~~2012-2013-2013-2014~~ an amount not to exceed ~~\$130,000,000.00~~ to
16 \$253,300,000.00 FROM THE STATE SCHOOL AID FUND, AND THERE IS
17 APPROPRIATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$150,000,000.00
18 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND, FOR
19 PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS THAT ARE
20 PARTICIPATING ENTITIES OF the Michigan public school employees'
21 retirement system.

22 (2) PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO THE
23 DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY
24 CONTRIBUTION RATE AS CALCULATED pursuant to section 41 of the
25 public school employees' retirement act of 1979, 1980 PA 300, MCL
26 38.1341, AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM
27 EMPLOYER RATE OF 20.96% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL

1 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE
2 MAXIMUM EMPLOYER RATE OF 20.96% INCLUDED IN SECTION 41 OF THE
3 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
4 38.1341.

5 ~~—— (2) If section 41 of the public school employees' retirement~~
6 ~~act of 1979, 1980 PA 300, MCL 38.1341, is not amended by Senate~~
7 ~~Bill No. 1040 of the 96th Legislature, then the allocation under~~
8 ~~subsection (1) shall lapse to the state school aid fund unless the~~
9 ~~legislature takes action to allocate the funding in another manner.~~

10 (3) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER
11 THIS SECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S
12 PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY
13 PRECEDING FISCAL YEAR FOR ALL DISTRICTS AND INTERMEDIATE DISTRICTS
14 THAT ARE PARTICIPATING ENTITIES. PARTICIPATING ENTITIES THAT
15 RECEIVE FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR THE
16 PURPOSE OF RETIREMENT CONTRIBUTIONS AS SPECIFIED IN SUBSECTION (4).

17 (4) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS
18 SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER
19 SUBSECTION (3) TO THE RETIREMENT SYSTEM IN A FORM, MANNER, AND TIME
20 FRAME DETERMINED BY THE RETIREMENT SYSTEM.

21 (5) AS USED IN THIS SECTION:

22 (A) "PARTICIPATING ENTITY" MEANS A DISTRICT OR INTERMEDIATE
23 DISTRICT THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL
24 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
25 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND
26 THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
27 RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

1 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE
2 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
3 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

4 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
5 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
6 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

7 Sec. 152a. (1) As required by the court in the consolidated
8 cases known as Adair v State of Michigan, Michigan supreme court
9 docket nos. 137424 and 137453, from the state school aid fund money
10 appropriated in section 11 there is allocated for ~~2012-2013-2013-~~
11 ~~2014~~ an amount not to exceed \$38,000,500.00 to be used solely for
12 the purpose of paying necessary costs related to the state-mandated
13 collection, maintenance, and reporting of data to this state.

14 (2) From the allocation in subsection (1), the department
15 shall make payments to districts and intermediate districts in an
16 equal amount per pupil based on the total number of pupils in
17 membership in each district and intermediate district. The
18 department shall not make any adjustment to these payments after
19 the final installment payment under section 17b is made.

20 Sec. 201. (1) Subject to the conditions set forth in this
21 article, the amounts listed in subsections (2), ~~and~~(4), (5), **AND**
22 (6) are appropriated for community colleges for the fiscal year
23 ending September 30, ~~2013,~~**2014**, from the funds indicated in this
24 section. The following is a summary of the appropriations in
25 subsections (2), ~~and~~(4), (5), **AND** (6):

26 (a) The gross appropriation is ~~\$294,130,500.00.~~
27 **\$334,877,600.00.** After deducting total interdepartmental grants and

1 intradepartmental transfers in the amount of \$0.00, the adjusted
2 gross appropriation is ~~\$294,130,500.00~~ **\$334,877,600.00**.

3 (b) The sources of the adjusted gross appropriation described
4 in subdivision (a) are as follows:

5 (i) Total federal revenues, \$0.00.

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues, \$197,614,100.00.

9 (v) State general fund/general purpose money,
10 ~~\$96,516,400.00~~ **\$137,263,500.00**.

11 (2) Subject to subsection (3), the amount appropriated for
12 community college operations is ~~\$292,396,900.00~~ **\$298,244,000.00**,
13 allocated as follows:

14 (a) Alpena Community College, ~~\$5,111,200.00~~ **\$5,221,100.00**.

15 (b) Bay de Noc Community College, ~~\$5,161,300.00~~ **\$5,263,800.00**.

16 (c) Delta College, ~~\$13,712,700.00~~ **\$14,022,200.00**.

17 (d) Glen Oaks Community College, ~~\$2,383,000.00~~ **\$2,434,000.00**.

18 (e) Gogebic Community College, ~~\$4,233,100.00~~ **\$4,317,500.00**.

19 (f) Grand Rapids Community College,
20 ~~\$17,054,300.00~~ **\$17,403,500.00**.

21 (g) Henry Ford Community College,
22 ~~\$20,596,700.00~~ **\$20,997,900.00**.

23 (h) Jackson Community College, ~~\$11,491,500.00~~ **\$11,723,600.00**.

24 (i) Kalamazoo Valley Community College,
25 ~~\$11,828,300.00~~ **\$12,086,900.00**.

26 (j) Kellogg Community College, ~~\$9,289,300.00~~ **\$9,494,000.00**.

27 (k) Kirtland Community College, ~~\$2,968,300.00~~ **\$3,046,800.00**.

1 (l) Lake Michigan College, ~~\$5,059,300.00~~ **\$5,162,900.00.**
2 (m) Lansing Community College, ~~\$29,335,000.00~~ **\$29,935,300.00.**
3 (n) Macomb Community College, ~~\$31,206,500.00~~ **\$31,837,200.00.**
4 (o) Mid Michigan Community College,
5 ~~\$4,393,400.00~~ **\$4,504,700.00.**
6 (p) Monroe County Community College,
7 ~~\$4,223,500.00~~ **\$4,329,900.00.**
8 (q) Montcalm Community College, ~~\$3,038,500.00~~ **\$3,112,000.00.**
9 (r) C.S. Mott Community College,
10 ~~\$14,890,400.00~~ **\$15,202,200.00.**
11 (s) Muskegon Community College, ~~\$8,456,100.00~~ **\$8,628,000.00.**
12 (t) North Central Michigan College,
13 ~~\$2,979,900.00~~ **\$3,055,400.00.**
14 (u) Northwestern Michigan College,
15 ~~\$8,624,100.00~~ **\$8,799,300.00.**
16 (v) Oakland Community College, ~~\$19,977,500.00~~ **\$20,422,900.00.**
17 (w) St. Clair County Community College,
18 ~~\$6,697,300.00~~ **\$6,839,900.00.**
19 (x) Schoolcraft College, ~~\$11,800,500.00~~ **\$12,076,700.00.**
20 (y) Southwestern Michigan College,
21 ~~\$6,269,000.00~~ **\$6,385,400.00.**
22 (z) Washtenaw Community College,
23 ~~\$12,242,000.00~~ **\$12,573,900.00.**
24 (aa) Wayne County Community College,
25 ~~\$15,798,500.00~~ **\$16,146,700.00.**
26 (bb) West Shore Community College,
27 ~~\$2,298,200.00~~ **\$2,342,600.00.**

1 (cc) Local strategic value, ~~\$1,277,500.00~~-\$877,700.00.

2 (3) The amount appropriated in subsection (2) for community
3 college operations is appropriated from the following:

4 (a) State school aid fund, \$195,880,500.00.

5 (b) State general fund/general purpose money,
6 ~~\$96,516,400.00~~-\$102,363,500.00.

7 (4) From the appropriations described in subsection (1), there
8 is appropriated for fiscal year ~~2012-2013~~-2013-2014 an amount not
9 to exceed \$1,733,600.00 for payments to community colleges from the
10 state school aid fund. A community college that receives money
11 under this subsection shall use that money solely for the purpose
12 of offsetting a portion of the retirement contributions owed by the
13 college for the fiscal year ending September 30, ~~2013~~-2014. The
14 ~~amount allocated to each community college under this subsection is~~
15 ~~as follows:~~**THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY**
16 **COLLEGE UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING**
17 **COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM FOR ALL**
18 **PARTICIPATING COLLEGES FOR THE IMMEDIATELY PRECEDING STATE FISCAL**
19 **YEAR.**

20 ~~— (a) Alpena Community College, \$30,400.00.~~

21 ~~— (b) Bay de Noc Community College, \$30,800.00.~~

22 ~~— (c) Delta College, \$81,400.00.~~

23 ~~— (d) Glen Oaks Community College, \$14,200.00.~~

24 ~~— (e) Gogebic Community College, \$25,300.00.~~

25 ~~— (f) Grand Rapids Community College, \$101,700.00.~~

26 ~~— (g) Henry Ford Community College, \$123,000.00.~~

27 ~~— (h) Jackson Community College, \$68,500.00.~~

- 1 ~~—— (i) Kalamazoo Valley Community College, \$70,400.00.~~
2 ~~—— (j) Kellogg Community College, \$55,300.00.~~
3 ~~—— (k) Kirtland Community College, \$17,500.00.~~
4 ~~—— (l) Lake Michigan College, \$30,200.00.~~
5 ~~—— (m) Lansing Community College, \$175,000.00.~~
6 ~~—— (n) Macomb Community College, \$186,200.00.~~
7 ~~—— (o) Mid Michigan Community College, \$26,100.00.~~
8 ~~—— (p) Monroe County Community College, \$25,000.00.~~
9 ~~—— (q) Montcalm Community College, \$18,000.00.~~
10 ~~—— (r) C.S. Mott Community College, \$88,700.00.~~
11 ~~—— (s) Muskegon Community College, \$50,400.00.~~
12 ~~—— (t) North Central Michigan College, \$17,600.00.~~
13 ~~—— (u) Northwestern Michigan College, \$51,500.00.~~
14 ~~—— (v) Oakland Community College, \$118,800.00.~~
15 ~~—— (w) St. Clair County Community College, \$39,900.00.~~
16 ~~—— (x) Schoolcraft College, \$70,100.00.~~
17 ~~—— (y) Southwestern Michigan College, \$37,500.00.~~
18 ~~—— (z) Washtenaw Community College, \$72,200.00.~~
19 ~~—— (aa) Wayne County Community College, \$94,200.00.~~
20 ~~—— (bb) West Shore Community College, \$13,700.00.~~
21 ~~—— (5) Notwithstanding subsections (1) and (3) of this section as~~
22 ~~in effect for the fiscal year ending September 30, 2012, the~~
23 ~~amounts appropriated for community colleges under subsection (2) of~~
24 ~~this section for the fiscal year ending September 30, 2012 are~~
25 ~~appropriated from the following funds:~~
26 ~~—— (a) State school aid fund, \$259,629,400.00.~~
27 ~~—— (b) State general fund/general purpose money, \$24,251,100.00.~~

1 (5) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE
2 IS APPROPRIATED AN AMOUNT NOT TO EXCEED \$31,400,000.00 FROM THE
3 STATE GENERAL FUND FOR PAYMENTS TO COMMUNITY COLLEGES THAT ARE
4 PARTICIPATING ENTITIES OF THE RETIREMENT SYSTEM. ALL OF THE
5 FOLLOWING APPLY TO THE APPROPRIATIONS DESCRIBED IN THIS SUBSECTION:

6 (A) THE AMOUNT OF A PAYMENT UNDER THIS SUBSECTION SHALL BE THE
7 DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY
8 CONTRIBUTION RATE AS CALCULATED UNDER SECTION 41 OF THE PUBLIC
9 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341,
10 AND THE MAXIMUM EMPLOYER RATE OF 20.96% UNDER SECTION 41 OF THE
11 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
12 38.1341.

13 (B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS
14 SUBSECTION SHALL BE BASED ON EACH COMMUNITY COLLEGE'S PERCENTAGE OF
15 THE TOTAL COVERED PAYROLL FOR ALL COMMUNITY COLLEGES THAT ARE
16 PARTICIPATING COLLEGES IN THE IMMEDIATELY PRECEDING FISCAL YEAR. A
17 COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS SUBSECTION SHALL
18 USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS
19 UNDER SUBDIVISION (C).

20 (C) EACH PARTICIPATING COLLEGE RECEIVING FUNDS UNDER THIS
21 SUBSECTION SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED
22 UNDER SUBDIVISION (B) TO THE RETIREMENT SYSTEM IN A FORM AND MANNER
23 DETERMINED BY THE RETIREMENT SYSTEM.

24 (6) ALL OF THE FOLLOWING APPLY TO COMMUNITY COLLEGES DESCRIBED
25 IN SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL
26 125.2692:

27 (A) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THE

1 FOLLOWING AMOUNT IS ALLOCATED FOR REIMBURSEMENT TO COMMUNITY
2 COLLEGES UNDER SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT,
3 MCL 125.2692:

4 (i) IF THE AMOUNT OF TAX REVENUE LOST BY COMMUNITY COLLEGES AS
5 A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN
6 RENAISSANCE ZONE ACT IN FISCAL YEAR 2012-2013 IS \$3,500,000.00 OR
7 MORE, \$3,500,000.00 FROM THE STATE GENERAL FUND.

8 (ii) IF THE AMOUNT OF TAX REVENUE LOST BY COMMUNITY COLLEGES AS
9 A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN
10 RENAISSANCE ZONE ACT IN FISCAL YEAR 2012-2013 IS LESS THAN
11 \$3,500,000.00, THE ACTUAL AMOUNT OF TAX REVENUE LOST BY THE
12 COMMUNITY COLLEGES.

13 (B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS
14 SUBSECTION SHALL BE BASED ON THAT COMMUNITY COLLEGE'S PROPORTION OF
15 TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL YEAR 2012-2013
16 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN
17 RENAISSANCE ZONE ACT.

18 (C) THE APPROPRIATIONS DESCRIBED IN THIS SUBSECTION SHALL BE
19 MADE TO EACH ELIGIBLE COMMUNITY COLLEGE WITHIN 60 DAYS AFTER THE
20 DEPARTMENT OF TREASURY CERTIFIES TO THE STATE BUDGET DIRECTOR THAT
21 IT HAS RECEIVED ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE
22 AMOUNTS OF TAX REVENUE LOST BY EACH ELIGIBLE COMMUNITY COLLEGE IN
23 FISCAL YEAR 2012-2013 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE
24 ZONE ACT, MCL 125.2692.

25 (7) AS USED IN THIS SECTION:

26 (A) "MICHIGAN RENAISSANCE ZONE ACT" MEANS THE MICHIGAN
27 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.

1 (B) "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS
2 A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT REPORTS
3 EMPLOYEES TO THE RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

4 (C) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE
5 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
6 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

7 (D) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
8 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
9 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

10 Sec. 201a. It is the intent of the legislature to provide
11 appropriations for the fiscal year ending on September 30, ~~2014~~
12 ~~2015~~ for the items listed in section 201. The fiscal year ~~2013-2014~~
13 ~~2014-2015~~ appropriations are anticipated to be the same as those
14 for fiscal year ~~2012-2013, 2013-2014~~, except that the amounts will
15 be adjusted for changes in caseload and related costs, federal fund
16 match rates, economic factors, and available revenue. These
17 adjustments will be determined after the ~~January 2013~~ **MAY 2014**
18 consensus revenue estimating conference.

19 Sec. 206. The funds appropriated in section 201 are
20 appropriated for community colleges with fiscal years ending June
21 30, ~~2013-2014~~ and shall be paid out of the state treasury and
22 distributed by the state treasurer to the respective community
23 colleges in 11 monthly installments on the sixteenth of each month,
24 or the next succeeding business day, beginning with October 16,
25 ~~2012-2013~~. Each community college shall accrue its July and August
26 ~~2013-2014~~ payments to its institutional fiscal year ending June 30,
27 ~~2013-2014~~. However, if the state budget director determines that a

1 community college failed to submit all verified Michigan community
2 colleges activities classification structure data for school year
3 ~~2011-2012-2012-2013~~ to the workforce development agency by November
4 1, ~~2012, 2013~~, or failed to submit its longitudinal data system
5 data set for school year ~~2011-2012-2012-2013~~ to the center for
6 educational performance and information under section 219, the
7 state treasurer shall withhold the monthly installments from that
8 community college until those data are submitted. The state budget
9 director shall notify the chairs of the house and senate
10 appropriations subcommittees on community colleges at least 10 days
11 before withholding funds from any community college.

12 Sec. 209. (1) Within 30 days after the board of a community
13 college adopts its annual operating budget for the following school
14 fiscal year, or after the board adopts a subsequent revision to
15 that budget, the community college shall make all of the following
16 available through a link on its website homepage:

17 (a) The annual operating budget and subsequent budget
18 revisions.

19 (b) A link to the most recent "Activities Classification
20 Structure Manual for Michigan Community Colleges".

21 **(C) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR**
22 **FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015.**

23 **(D) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY**
24 **PROJECT, ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT OF EACH PROJECT,**
25 **AND TOTAL OUTSTANDING DEBT.**

26 **(E) ~~(e)~~Links to all of the following for the community**
27 college:

1 (i) The current collective bargaining agreement for each
2 bargaining unit.

3 (ii) Each health care benefits plan, including, but not limited
4 to, medical, dental, vision, disability, long-term care, or any
5 other type of benefits that would constitute health care services,
6 offered to any bargaining unit or employee of the community
7 college.

8 (iii) Audits and financial reports for the most recent fiscal
9 year for which they are available.

10 ~~—— (iv) A copy of the board of trustees resolution regarding~~
11 ~~compliance with best practices for the local strategic value~~
12 ~~component described in section 230(3).~~

13 (2) For statewide consistency and public visibility, community
14 colleges must use the icon badge provided by the department of
15 technology, management, and budget consistent with the icon badge
16 developed by the department of education for K-12 school districts.
17 It must appear on the front of each community college's homepage.
18 The size of the icon may be reduced to 150 x 150 pixels. ~~To be in~~
19 ~~compliance with this section, all data elements defined in this~~
20 ~~section must be available on the college's homepage by December 31,~~
21 ~~2012. Each community college shall notify the state budget office~~
22 ~~when all data elements defined in this section are made available~~
23 ~~on its website.~~

24 (3) The state budget director shall determine whether a
25 community college has complied with this section. The state budget
26 director may withhold a community college's monthly installments
27 described in section 206 until the community college complies with

1 this section. The state budget director shall notify the chairs of
2 the house and senate appropriations subcommittee on community
3 colleges at least 10 days before withholding funds from any
4 community college.

5 (4) Each community college shall report the following
6 information to the senate and house appropriations subcommittees on
7 community colleges, the senate and house fiscal agencies, and the
8 state budget office by November 15, ~~2012,~~ **2013**, and post that
9 information on the internet website required under subsection (1):

10 (a) Budgeted fiscal year ~~2012-2013-2013-2014~~ general fund
11 revenue from tuition and fees.

12 (b) Budgeted fiscal year ~~2012-2013-2013-2014~~ general fund
13 revenue from state appropriations.

14 (c) Budgeted fiscal year ~~2012-2013-2013-2014~~ general fund
15 revenue from property taxes.

16 (d) Budgeted fiscal year ~~2012-2013-2013-2014~~ total general
17 fund revenue.

18 (e) Budgeted fiscal year ~~2012-2013-2013-2014~~ total general
19 fund expenditures.

20 Sec. 210. (1) Recognizing the critical importance of education
21 in strengthening Michigan's workforce, the legislature encourages
22 each community college to explore ways of increasing collaboration
23 and cooperation with 4-year universities, particularly in the areas
24 related to training, instruction, and program articulation.

25 (2) Recognizing the central role of community colleges in
26 responding to local employment needs and challenges, community
27 colleges shall develop and continue efforts to collaborate with

1 local employers and students to identify local employment needs and
2 strategies to meet them.

3 (3) Community colleges are encouraged to collaborate with each
4 other on innovations to identify and meet local employment needs.

5 (4) **COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH**
6 **UNIVERSITIES TO DEVELOP EQUIVALENCY STANDARDS OF CORE COLLEGE**
7 **COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY INSTITUTIONS.**

8 Sec. 224. ~~Upon request, a~~ **A** community college shall **USE THE P-**
9 **20-LONGITUDINAL DATA SYSTEM TO** inform interested Michigan high
10 schools of the aggregate academic status of its students for the
11 previous academic year, in a manner prescribed by the Michigan
12 community college association and in cooperation with the Michigan
13 association of secondary school principals. Community colleges
14 shall cooperate with the center for educational performance and
15 information to design and implement a systematic approach for
16 accomplishing this work.

17 Sec. 225. Each community college shall report to the house and
18 senate fiscal agencies, the state budget director, and the
19 workforce development agency by August 31, ~~2012,~~ **2013**, the tuition
20 and mandatory fees paid by a full-time in-district student and a
21 full-time out-of-district student as established by the college
22 governing board for the ~~2011-2012-2012-2013~~ **2012-2013** academic year. This
23 report should also include the annual cost of attendance based on a
24 full-time course load of 30 credits. Each community college shall
25 also report any revisions to the reported ~~2011-2012-2012-2013~~ **OR**
26 **2013-2014** academic year tuition and mandatory fees adopted by the
27 college governing board to the house and senate fiscal agencies,

1 the state budget director, and the workforce development agency
2 within 15 days of being adopted.

3 Sec. 229a. Included in the fiscal year ~~2012-2013~~**2013-2014**
4 `appropriations for the department of technology, management, and
5 budget are appropriations to provide funding for the state share of
6 costs for previously constructed capital projects for community
7 colleges. Those appropriations for state building authority rent
8 represent additional state general fund support for community
9 colleges, and the following is an estimate of the amount of that
10 support to each community college:

- 11 (a) Alpena Community College, ~~\$428,100.00~~**\$434,500.00**.
- 12 (b) Bay de Noc Community College, ~~\$618,000.00~~**\$644,500.00**.
- 13 (c) Delta College, ~~\$2,610,000.00~~**\$2,877,700.00**.
- 14 (d) Glen Oaks Community College, ~~\$123,000.00~~**\$124,900.00**.
- 15 (e) Gogebic Community College, ~~\$60,000.00~~**\$78,100.00**.
- 16 (f) Grand Rapids Community College,
17 ~~\$1,675,000.00~~**\$1,700,400.00**.
- 18 (g) Henry Ford Community College, ~~\$1,110,000.00~~**\$1,126,800.00**.
- 19 (h) Jackson Community College, ~~\$1,563,000.00~~**\$1,809,500.00**.
- 20 (i) Kalamazoo Valley Community College,
21 ~~\$1,467,000.00~~**\$1,489,300.00**.
- 22 (j) Kellogg Community College, ~~\$520,000.00~~**\$527,900.00**.
- 23 (k) Kirtland Community College, ~~\$363,300.00~~**\$368,800.00**.
- 24 (l) Lake Michigan College, ~~\$340,000.00~~**\$345,200.00**.
- 25 (m) Lansing Community College, ~~\$384,000.00~~**\$617,600.00**.
- 26 (n) Macomb Community College, ~~\$1,313,100.00~~**\$1,332,900.00**.
- 27 (o) Mid Michigan Community College, ~~\$915,000.00~~**\$928,900.00**.

- 1 (p) Monroe County Community College,
 2 ~~\$1,355,000.00.~~ **\$1,375,600.00.**
- 3 (q) Montcalm Community College, ~~\$756,000.00.~~ **\$1,015,700.00.**
- 4 (r) C.S. Mott Community College, ~~\$1,803,000.00.~~ **\$1,830,400.00.**
- 5 (s) Muskegon Community College, ~~\$198,000.00.~~ **\$201,000.00.**
- 6 **(T) NORTH CENTRAL MICHIGAN COLLEGE, \$476,300.00.**
- 7 **(U) ~~(t)~~Northwestern Michigan College,**
 8 ~~\$1,305,000.00.~~ **\$1,324,800.00.**
- 9 **(V) ~~(u)~~Oakland Community College, \$465,000.00.** **\$472,100.00.**
- 10 **(W) ~~(v)~~St. Clair County Community College,**
 11 ~~\$356,100.00.~~ **\$361,400.00.**
- 12 **(X) ~~(w)~~Schoolcraft College, \$1,546,100.00.** **\$1,569,500.00.**
- 13 **(Y) ~~(x)~~Southwestern Michigan College,**
 14 ~~\$530,600.00.~~ **\$538,600.00.**
- 15 **(Z) ~~(y)~~Washtenaw Community College,**
 16 ~~\$1,993,000.00.~~ **\$2,023,100.00.**
- 17 **(AA) ~~(z)~~Wayne County Community College,**
 18 ~~\$1,890,000.00.~~ **\$1,918,700.00.**
- 19 **(BB) ~~(aa)~~West Shore Community College,**
 20 ~~\$577,000.00.~~ **\$585,800.00.**

21 Sec. 230. (1) It is the intent of the legislature that the
 22 recommendations and performance measures developed by the
 23 performance indicators task force formed under section 242 of 2005
 24 PA 154 be reviewed and more fully implemented for distribution of
 25 state funding to community colleges in future years.

26 (2) Any additional funding provided to community college
 27 operations under section 201(2) in fiscal year ~~2012-2013-2013-2014~~

1 that exceeds the amounts appropriated for operations in fiscal year
2 ~~2011-2012 is allocated solely for the purpose of offsetting a~~
3 ~~portion of the retirement contributions owed by the college for the~~
4 ~~fiscal year ending September 30, 2013. The additional funding 2012-~~
5 ~~2013~~ is distributed based on the following formula:

6 (a) Allocated proportionate to fiscal year ~~2011-2012-2012-2013~~
7 base appropriations, 50%.

8 (b) Based on contact hour equated students, 10%.

9 (c) Based on administrative costs, 7.5%.

10 (d) Based on a weighted degree formula as provided for in the
11 2006 recommendations of the performance indicators task force,
12 17.5%.

13 (e) Based on the local strategic value component, as developed
14 in cooperation with the Michigan community college association and
15 described in subsection (3), 15%.

16 (3) The appropriation in section 201(2)(cc) for local
17 strategic value shall be allocated to each community college that
18 certifies to the state budget director, through a board of trustees
19 resolution on or before November 1, ~~2012, 2013~~, that the college
20 has met 4 out of 5 best practices listed in each category described
21 in subsection (4). The resolution shall provide specifics as to how
22 the community college meets each best practice measure within each
23 category. One-third of funding available under the strategic value
24 component shall be allocated to each category described in
25 subsection (4). Amounts distributed under local strategic value
26 shall be on a proportionate basis to each college's fiscal year
27 ~~2011-2012-2012-2013~~ operations funding. Payments to community

1 colleges that qualify for local strategic value funding shall be
2 distributed with the November installment payment described in
3 section 206.

4 (4) For purposes of subsection (3), the following categories
5 of best practices reflect functional activities of community
6 colleges that have strategic value to the local communities and
7 regional economies:

8 (a) For Category A, economic development and business or
9 industry partnerships, the following:

10 (i) The community college has active partnerships with local
11 employers including hospitals and health care providers.

12 (ii) The community college provides customized on-site training
13 for area companies, employees, or both.

14 (iii) The community college supports entrepreneurship through a
15 small business assistance center or other training or consulting
16 activities targeted toward small businesses.

17 (iv) The community college supports technological advancement
18 through industry partnerships, incubation activities, or operation
19 of a Michigan technical education center or other advanced
20 technology center.

21 (v) The community college has active partnerships with local
22 or regional workforce and economic development agencies.

23 (b) For Category B, educational partnerships, the following:

24 (i) The community college has active partnerships with regional
25 high schools, intermediate school districts, and career-tech
26 centers to provide instruction through dual enrollment, direct
27 credit, middle college, or academy programs.

1 (ii) The community college hosts, sponsors, or participates in
2 enrichment programs for area K-12 students, such as college days,
3 summer or after-school programming, or science Olympiad.

4 (iii) The community college provides, supports, or participates
5 in programming to promote successful transitions to college for
6 traditional age students, including grant programs such as talent
7 search, upward bound, or other activities to promote college
8 readiness in area high schools and community centers.

9 (iv) The community college provides, supports, or participates
10 in programming to promote successful transitions to college for new
11 or reentering adult students, such as adult basic education, GED
12 preparation, GED testing, or recruiting, advising, or orientation
13 activities specific to adults.

14 (v) The community college has active partnerships with
15 regional 4-year colleges and universities to promote successful
16 transfer, such as articulation, 2+2, or reverse transfer agreements
17 or operation of a university center.

18 (c) For Category C, community services, the following:

19 (i) The community college provides continuing education
20 programming for leisure, wellness, personal enrichment, or
21 professional development.

22 (ii) The community college operates or sponsors opportunities
23 for community members to engage in activities that promote leisure,
24 wellness, cultural or personal enrichment such as community sports
25 teams, theater or musical ensembles, or artist guilds.

26 (iii) The community college operates public facilities to
27 promote cultural, educational, or personal enrichment for community

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1 members, such as libraries, computer labs, performing arts centers,
2 museums, art galleries, or television or radio stations.

3 (iv) The community college operates public facilities to
4 promote leisure or wellness activities for community members,
5 including gymnasiums, athletic fields, tennis courts, fitness
6 centers, hiking or biking trails, or natural areas.

7 (v) The community college promotes, sponsors, or hosts
8 community service activities for students, staff, or community
9 members.

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Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in subsections (2) to ~~(7)~~-(6) are appropriated for higher education for the fiscal year ending September 30, ~~2013, 2014~~, from the funds indicated in this section. The following is a summary of the appropriations in subsections (2) to ~~(7)~~-(6):

(a) The gross appropriation is ~~\$1,399,220,400.00.~~ **\$1,430,573,500.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,399,220,400.00.~~ **\$1,430,573,500.00.**

(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.
- (v) State general fund/general purpose money,

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1 ~~\$1,101,628,300.00~~ **\$1,132,981,400.00.**

2 [(2) Amounts appropriated for public universities are as follows:

3 (a) The appropriation for Central Michigan University is

4 ~~\$69,575,300.00, \$68,108,900.00~~ **\$73,859,200.00, \$71,352,300.00** for
5 operations and ~~\$1,466,400.00~~ **\$2,506,900.00** for performance funding,
6 appropriated from the following:

7 (i) State school aid fund, \$11,284,600.00.

8 (ii) State general fund/general purpose money,

9 ~~\$58,290,700.00~~ **\$62,574,600.00**

10 (b) The appropriation for Eastern Michigan University is

11 ~~\$66,297,500.00, \$64,619,100.00~~ **\$67,455,600.00, \$66,466,700.00** for
12 operations and ~~\$1,678,400.00~~ **\$988,900.00** for performance funding,
13 appropriated from the following:

14 (i) State school aid fund, \$10,706,400.00.

15 (ii) State general fund/general purpose money,

16 ~~\$55,591,100.00~~ **\$56,749,200.00.**

17 (c) The appropriation for Ferris State University is

18 ~~\$42,981,400.00, \$41,324,300.00~~ **\$46,264,600.00, \$44,250,700.00** for
19 operations and ~~\$1,657,100.00~~ **\$2,013,900.00** for performance funding,
20 appropriated from the following:

21 (i) State school aid fund, \$6,846,800.00.

22 (ii) State general fund/general purpose money,

23 ~~\$36,134,600.00~~ **\$39,417,800.00.**

24 (d) The appropriation for Grand Valley State University is

25 ~~\$55,097,500.00, \$52,677,400.00~~ **\$58,398,100.00, \$55,436,000.00** for
26 operations and ~~\$2,420,100.00~~ **\$2,962,100.00** for performance funding,
27 appropriated from the following:

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1 (i) State school aid fund, \$8,727,800.00.

2 (ii) State general fund/general purpose money,

3 ~~\$46,369,700.00~~-\$49,670,300.00.

4 (e) The appropriation for Lake Superior State University is

5 ~~\$11,030,700.00~~, ~~\$10,789,500.00~~-\$12,271,900.00, \$12,046,100.00 for

6 operations and ~~\$241,200.00~~-\$225,800.00 for performance funding,

7 appropriated from the following:

8 (i) State school aid fund, \$1,787,600.00.

9 (ii) State general fund/general purpose money,

10 ~~\$9,243,100.00~~-\$10,484,300.00.

11 (f) The appropriation for Michigan State University is

12 ~~\$298,733,800.00~~, ~~\$241,120,800.00~~-\$305,383,300.00, \$245,037,000.00 for

13 operations, ~~\$3,408,400.00~~-\$5,057,600.00 for performance funding, and

14 ~~\$54,204,600.00~~-\$29,706,600.00 for MSU AgBioResearch, and \$25,582,100.00

15 FOR MSU extension, activities, appropriated from the following:

16 (i) State school aid fund, \$39,949,900.00.

17 (ii) State general fund/general purpose money,

18 ~~\$258,783,900.00~~-\$265,433,400.00.

19 (g) The appropriation for Michigan Technological University is

20 ~~\$42,409,900.00~~, ~~\$40,733,600.00~~-\$43,453,700.00, \$42,579,100.00 for

21 operations and ~~\$1,676,300.00~~-\$874,600.00 for performance funding,

22 appropriated from the following:

23 (i) State school aid fund, \$6,748,900.00.

24 (ii) State general fund/general purpose money,

25 ~~\$35,661,000.00~~-\$36,704,800.00.

26 (h) The appropriation for Northern Michigan University is

27 ~~\$40,348,800.00~~, ~~\$38,367,400.00~~-\$41,492,200.00, \$40,856,600.00 for

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1 operations and ~~\$1,981,400.00~~ **\$635,600.00** for performance funding,
2 appropriated from the following:

3 (i) State school aid fund, \$6,356,900.00.

4 (ii) State general fund/general purpose money,
5 ~~\$33,991,900.00~~ **\$35,135,300.00**.

6 (i) The appropriation for Oakland University is ~~\$44,033,300.00~~,
7 ~~\$43,145,000.00~~ **\$46,027,100.00**, **\$44,964,100.00** for operations and
8 ~~\$888,300.00~~ **\$1,063,000.00** for performance funding, appropriated from the
9 following:

10 (i) State school aid fund, \$7,148,400.00.

11 (ii) State general fund/general purpose money,
12 ~~\$36,884,900.00~~ **\$38,878,700.00**.

13 (j) The appropriation for Saginaw Valley State University is
14 ~~\$25,487,500.00~~, ~~\$23,561,500.00~~ **\$26,187,300.00**, **\$25,656,700.00** for
15 operations and ~~\$1,926,000.00~~ **\$530,600.00** for performance funding,
16 appropriated from the following:

17 (i) State school aid fund, \$3,903,800.00.

18 (ii) State general fund/general purpose money,
19 ~~\$21,583,700.00~~ **\$22,283,500.00**.

20 (k) The appropriation for University of Michigan - Ann Arbor is
21 ~~\$273,056,700.00~~, ~~\$268,803,300.00~~ **\$278,783,600.00**, **\$274,156,700.00** for
22 operations and ~~\$4,253,400.00~~ **\$4,626,900.00** for performance funding,
23 appropriated from the following:

24 (i) State school aid fund, \$44,536,300.00.

25 (ii) State general fund/general purpose money,
26 ~~\$228,520,400.00~~ **\$234,247,300.00**.

27 (l) The appropriation for University of Michigan - Dearborn is

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1 ~~\$21,898,800.00, \$21,016,300.00~~ **\$22,470,600.00, \$22,237,300.00** for
2 operations and ~~\$882,500.00~~ **\$233,300.00** for performance funding,
3 appropriated from the following:

4 (i) State school aid fund, \$3,482,100.00.

5 (ii) State general fund/general purpose money,
6 ~~\$18,416,700.00~~ **\$18,988,500.00**.

7 (m) The appropriation for University of Michigan - Flint is
8 ~~\$19,103,500.00, \$17,762,400.00~~ **\$20,203,600.00, \$19,526,600.00** for
9 operations and ~~\$1,341,100.00~~ **\$677,000.00** for performance funding,
10 appropriated from the following:

11 (i) State school aid fund, \$2,942,900.00.

12 (ii) State general fund/general purpose money,
13 ~~\$16,160,600.00~~ **\$17,260,700.00**.

14 (n) The appropriation for Wayne State University is
15 ~~\$183,229,100.00, \$182,036,900.00~~ **\$184,006,300.00, \$183,398,300.00** for
16 operations and ~~\$1,192,200.00~~ **\$608,000.00** for performance funding,
17 appropriated from the following:

18 (i) State school aid fund, \$30,160,600.00.

19 (ii) State general fund/general purpose money,
20 ~~\$153,068,500.00~~ **\$153,845,700.00**.

21 (o) The appropriation for Western Michigan University is
22 ~~\$95,318,300.00, \$93,168,300.00~~ **\$97,352,300.00, \$95,487,500.00** for
23 operations and ~~\$2,150,000.00~~ **\$1,864,800.00** for performance funding,
24 appropriated from the following:

25 (i) State school aid fund, \$15,436,500.00.

26 (ii) State general fund/general purpose money,
27 ~~\$79,881,800.00~~ **\$81,915,800.00**.

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19 ~~—— (3) In addition to the amounts described in subsection (2),~~

20 ~~\$9,054,200.00 in tuition restraint funding is appropriated for~~

21 ~~university operations from general fund/general purpose money. The~~

22 ~~amount allocated to each public university is determined in the~~

23 ~~manner provided in section 265.~~

24 (3) ~~(4)~~—The amount appropriated for Michigan public school

25 employees' retirement system reimbursement is \$446,200.00,

26 appropriated from the state school aid fund.

27 (4) ~~(5)~~—The amount appropriated for state and regional

1 programs is ~~\$200,000.00~~, **\$2,200,000.00** appropriated from general
 2 fund/general purpose money and allocated as follows:

3 **(A) COLLEGE ACCESS PROGRAM, \$2,000,000.00.**

4 **(B)** ~~(a)~~ Higher education database modernization and
 5 conversion, \$105,000.00.

6 **(C)** ~~(b)~~ Midwestern higher education compact, \$95,000.00.

7 **(5)** ~~(6)~~ The amount appropriated for the Martin Luther King,
 8 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
 9 appropriated from general fund/general purpose money and allocated
 10 as follows:

11 (a) Select student support services, \$1,956,100.00.

12 (b) Michigan college/university partnership program,
 13 \$586,800.00.

14 (c) Morris Hood, Jr. educator development program,
 15 \$148,600.00.

16 **(6)** ~~(7)~~ Subject to subsection ~~(8)~~, **(7)**, the amount
 17 appropriated for grants and financial aid is ~~\$98,226,400.00~~,
 18 **\$101,626,400.00**, allocated as follows:

19 (a) State competitive scholarships, \$18,361,700.00.

20 (b) Tuition grants, \$31,664,700.00.

21 (c) Tuition incentive program, ~~\$43,800,000.00~~. **\$47,000,000.00.**

22 (d) Children of veterans and officer's survivor tuition grant
 23 programs, ~~\$1,200,000.00~~. **\$1,400,000.00.**

24 (e) Project GEAR-UP, \$3,200,000.00.

25 **(7)** ~~(8)~~ The money appropriated in subsection ~~(7)~~ **(6)** for
 26 grants and financial aid is appropriated from the following:

27 (a) Federal revenues under the United States department of

1 education, office of elementary and secondary education, GEAR-UP
2 program, \$3,200,000.00.

3 (b) Federal revenues under the social security act, temporary
4 assistance for needy families, \$93,826,400.00.

5 (c) Contributions to children of veterans tuition grant
6 program, \$100,000.00.

7 (d) State general fund/general purpose money,
8 ~~\$1,100,000.00.~~ **\$4,500,000.00.**

9 Sec. 236a. It is the intent of the legislature to provide
10 appropriations for the fiscal year ending on September 30, ~~2014~~
11 ~~2015~~ for the items listed in section 236. The fiscal year ~~2013-2014~~
12 ~~2014-2015~~ appropriations are anticipated to be the same as those
13 for fiscal year ~~2012-2013,~~ **2013-2014**, except that the amounts will
14 be adjusted for changes in caseload and related costs, federal fund
15 match rates, economic factors, and available revenue. These
16 adjustments will be determined after the January ~~2013-2014~~
17 consensus revenue estimating conference.

18 Sec. 236b. In addition to the funds appropriated in section
19 236, there is appropriated for grants and financial aid in fiscal
20 year ~~2012-2013-2013-2014~~ an amount not to exceed \$6,000,000.00 for
21 federal contingency funds. These funds are not available for
22 expenditure until they have been transferred under section 393(2)
23 of the management and budget act, 1984 PA 431, MCL 18.1393, for
24 another purpose under this article.

25 **SEC. 236C. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL**
26 **YEAR 2013-2014 IN SECTION 236, APPROPRIATIONS TO THE DEPARTMENT OF**
27 **TECHNOLOGY, MANAGEMENT, AND BUDGET FOR STATE BUILDING AUTHORITY**

House Bill No. 4228 (H-1) as amended April 23, 2013

1 RENT, TOTALING AN ESTIMATED \$125,370,600.00, PROVIDE FUNDING FOR
2 THE STATE SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL
3 PROJECTS FOR STATE UNIVERSITIES. THESE APPROPRIATIONS FOR STATE
4 BUILDING AUTHORITY RENT REPRESENT ADDITIONAL STATE GENERAL FUND
5 SUPPORT PROVIDED TO PUBLIC UNIVERSITIES, AND THE FOLLOWING IS AN
6 ESTIMATE OF THE AMOUNT OF THAT SUPPORT TO EACH UNIVERSITY:

7 (A) CENTRAL MICHIGAN UNIVERSITY, \$9,155,600.00.

8 (B) EASTERN MICHIGAN UNIVERSITY, \$5,234,800.00.

9 (C) FERRIS STATE UNIVERSITY, \$6,360,600.00.

10 (D) GRAND VALLEY STATE UNIVERSITY, \$4,277,000.00.

11 (E) LAKE SUPERIOR STATE UNIVERSITY, \$915,600.00.

12 (F) MICHIGAN STATE UNIVERSITY, \$16,194,400.00.

13 (G) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,692,200.00.

14 (H) NORTHERN MICHIGAN UNIVERSITY, \$8,062,600.00.

15 (I) OAKLAND UNIVERSITY, \$10,791,500.00.

16 (J) SAGINAW VALLEY STATE UNIVERSITY, \$9,833,700.00.

17 (K) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,212,000.00.

18 (L) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,332,400.00.

19 (M) UNIVERSITY OF MICHIGAN - FLINT, \$2,871,400.00.

20 (N) WAYNE STATE UNIVERSITY, \$13,079,500.00.

21 (O) WESTERN MICHIGAN UNIVERSITY, \$15,357,300.00.

22 Sec. 241. (1) Subject to [section 265a], the
23 funds appropriated in section 236 to public universities shall be
24 paid out of the state treasury and distributed by the state
25 treasurer to the respective institutions in 11 equal monthly
26 installments on the sixteenth of each month, or the next succeeding
27 business day, beginning with October 16, ~~2012~~—2013. Except for

1 Wayne State University, each institution shall accrue its July and
2 August ~~2013-2014~~ payments to its institutional fiscal year ending
3 June 30, ~~2013-2014~~.

4 (2) All public universities shall submit higher education
5 institutional data inventory (HEIDI) data and associated financial
6 and program information requested by and in a manner prescribed by
7 the state budget director. For public universities with fiscal
8 years ending June 30, ~~2012-2013~~, these data shall be submitted to
9 the state budget director by October 15, ~~2012-2013~~. Public
10 universities with a fiscal year ending September 30, ~~2012-2013~~
11 shall submit preliminary HEIDI data by November 15, ~~2012-2013~~ and
12 final data by December 15, ~~2012-2013~~. If a public university fails
13 to submit HEIDI data and associated financial aid program
14 information in accordance with this reporting schedule, the state
15 treasurer ~~shall~~ **MAY** withhold the monthly installments under
16 subsection (1) to the public university until those data are
17 submitted.

18 Sec. 242. Funds received by the state from the federal
19 government or private sources for the use of a college or
20 university are appropriated for the purposes for which they are
21 provided. ~~The acceptance and use of federal or private funds do not~~
22 ~~place an obligation on the legislature to continue the purposes for~~
23 ~~which the funds are made available.~~

24 Sec. 244. A public university receiving funds in section 236
25 shall cooperate with all measures taken by the state to develop,
26 operate, and maintain the statewide P-20 ~~education~~-longitudinal
27 data system described in section 94a. If the state budget director

1 finds that a university has not complied with this section, the
2 state budget director is authorized to withhold the monthly
3 installments provided to that university under section 236 until he
4 or she finds the university has complied with this section.

5 Sec. 245. (1) Within 30 days after the board of a public
6 university adopts its annual operating budget for the following
7 school fiscal year, or after the board adopts a subsequent revision
8 to that budget, the public university shall make all of the
9 following available through a link on its website homepage: ~~in a~~
10 ~~form and manner prescribed by the department of technology,~~
11 ~~management, and budget.~~

12 (a) The annual operating budget and subsequent budget
13 revisions.

14 (b) A summary of current expenditures for the most recent
15 fiscal year for which they are available, expressed as pie charts
16 in the following 2 categories:

17 (i) A chart of personnel expenditures, broken into the
18 following subcategories:

19 (A) Earnings and wages.

20 (B) Employee benefit costs, including, but not limited to,
21 medical, dental, vision, life, disability, and long-term care
22 benefits.

23 (C) Retirement benefit costs.

24 (D) All other personnel costs.

25 (ii) A chart of all current expenditures the public university
26 reported as part of its higher education institutional data
27 inventory data under section 241(2), broken into the same

1 subcategories in which it reported those data.

2 (c) Links to all of the following for the public university:

3 (i) The current collective bargaining agreement for each
4 bargaining unit.

5 (ii) Each health care benefits plan, including, but not limited
6 to, medical, dental, vision, disability, long-term care, or any
7 other type of benefits that would constitute health care services,
8 offered to any bargaining unit or employee of the public
9 university.

10 (iii) Audits and financial reports for the most recent fiscal
11 year for which they are available.

12 (iv) Campus security policies and crime statistics pursuant to
13 the student right-to-know and campus security act, Public Law 101-
14 542, 104 Stat. 2381. Information shall include all material
15 prepared pursuant to the public information reporting requirements
16 under the crime awareness and campus security act of 1990, title II
17 of the student right-to-know and campus security act, Public Law
18 101-542, 104 Stat. 2381.

19 (d) A list of all positions funded partially or wholly through
20 institutional general fund revenue that includes the position
21 title, name, and annual salary or wage amount for each position.

22 **(E) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR**
23 **FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015.**

24 **(F) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY**
25 **PROJECT, ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH**
26 **PROJECT, AND TOTAL OUTSTANDING DEBT.**

27 (2) A public university shall provide a dashboard or report

1 card demonstrating the university's performance in several "best
2 practice" measures. The dashboard or report card shall include at
3 least all of the following for the 3 most recent school years for
4 which the data are available:

5 (a) Enrollment.

6 (b) Student retention rate.

7 (c) Six-year graduation rates.

8 (d) Number of Pell grant recipients **AND GRADUATING PELL GRANT**
9 **RECIPIENTS.**

10 (e) Geographic origination of students, categorized as in-
11 state, out-of-state, and international.

12 (f) Faculty to student ratios and total university employee to
13 student ratios.

14 (g) Teaching load by faculty classification.

15 (h) Graduation outcome rates, including employment and
16 continuing education.

17 (3) For statewide consistency and public visibility, public
18 universities must use the icon badge provided by the department of
19 technology, management, and budget consistent with the icon badge
20 developed by the department of education for K-12 school districts.
21 It must appear on the front of each public university's homepage.
22 The size of the icon may be reduced to 150 x 150 pixels. The font
23 size and style for this reporting must be consistent with other
24 documents on each university's website. ~~To be in compliance with~~
25 ~~this section, all data elements defined in this section must be~~
26 ~~available on the university's homepage, in a form and manner~~
27 ~~prescribed by the department of technology, management, and budget,~~

1 ~~by December 31, 2012.~~

2 (4) The state budget director shall determine whether a public
3 university has complied with this section. The state budget
4 director may withhold a public university's monthly installments
5 described in section 241 until the public university complies with
6 this section.

7 Sec. 246. (1) The funds appropriated in section 236(4) for
8 Michigan public school employees' retirement system reimbursement
9 shall be allocated to each participating public university under
10 this section based on each participating public university's total
11 retiree health care premiums paid for Michigan public school
12 employees' retirement system retirants in proportion to the total
13 retiree health care premiums paid for Michigan public school
14 employees' retirement system retirants for all participating public
15 universities for the immediately preceding state fiscal year.
16 Payments shall be made in a form and manner determined by the
17 office of retirement services. A public university that receives
18 money under this section shall use that money solely for the
19 purpose of offsetting a portion of the retirement contributions
20 owed by the university. ~~for the fiscal year ending September 30,~~
21 ~~2013.~~

22 (2) As used in this section, "participating public university"
23 means a public university that is a reporting unit of the Michigan
24 public school employees' retirement system under the public school
25 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
26 38.1408, and that pays retiree health care premiums to the Michigan
27 public school employees' retirement system for the state fiscal

1 year.

2 Sec. 252. (1) The amounts appropriated in section 236 for the
3 state tuition grant program shall be distributed pursuant to 1966
4 PA 313, MCL 390.991 to 390.997a.

5 (2) Tuition grant awards shall be made to all eligible
6 Michigan residents enrolled in undergraduate degree programs who
7 apply before July 1, ~~2012~~2013 and who are qualified.

8 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
9 subject to subsection (7), the department of treasury shall
10 determine an actual maximum tuition grant award per student, which
11 shall be no less than \$1,512.00, that ensures that the aggregate
12 payments for the tuition grant program do not exceed the
13 appropriation contained in section 236 for the state tuition grant
14 program. If the department determines that insufficient funds are
15 available to establish a maximum award amount equal to at least
16 \$1,512.00, the department shall immediately report to the house and
17 senate appropriations subcommittees on higher education, the house
18 and senate fiscal agencies, and the state budget director regarding
19 the estimated amount of additional funds necessary to establish a
20 \$1,512.00 maximum award amount. If the department determines that
21 sufficient funds are available to establish a maximum award amount
22 equal to at least \$1,512.00, the department shall immediately
23 report to the house and senate appropriations subcommittees on
24 higher education, the house and senate fiscal agencies, and the
25 state budget director regarding the maximum award amount
26 established and the projected amount of any projected year-end
27 appropriation balance based on that maximum award amount. By

1 December 15 ~~, 2012,~~ and again by February 18 ~~, 2013~~ **OF EACH FISCAL**
2 **YEAR**, the department shall analyze the status of award commitments,
3 shall make any necessary adjustments, and shall confirm that those
4 award commitments will not exceed the appropriation contained in
5 section 236 for the tuition grant program. The determination and
6 actions shall be reported to the state budget director and the
7 house and senate fiscal agencies no later than the final day of
8 February of each year. If award adjustments are necessary, the
9 students shall be notified of the adjustment by March 4 of each
10 year.

11 (4) Any unexpended and unencumbered funds remaining on
12 September 30, ~~2012-2014~~ from the amounts appropriated in section
13 236 for the tuition grant program shall not lapse on September 30,
14 ~~2012, 2014,~~ but shall continue to be available for expenditure for
15 tuition grants provided in the ~~2012-2013~~ **2014-2015** fiscal year
16 under a work project account. The use of these unexpended fiscal
17 year ~~2011-2012-2013-2014~~ funds shall terminate at the end of the
18 ~~2012-2013-2014-2015~~ fiscal year.

19 (5) The department of treasury shall continue a proportional
20 tuition grant maximum award level for recipients enrolled less than
21 full-time in a given semester or term.

22 (6) If the department of treasury increases the maximum award
23 per eligible student from that provided in the previous fiscal
24 year, it shall not have the effect of reducing the number of
25 eligible students receiving awards in relation to the total number
26 of eligible applicants. Any increase in the maximum grant shall be
27 proportional for all eligible students receiving awards for **THAT**

1 fiscal year. ~~2012-2013-~~

2 (7) The department of treasury shall not award more than
3 \$3,000,000.00 in tuition grants to eligible students enrolled in
4 the same independent nonprofit college or university in this state.
5 Any decrease in the maximum grant shall be proportional for all
6 eligible students enrolled in that college or university, as
7 determined by the department.

8 Sec. 256. (1) The funds appropriated in section 236 for the
9 tuition incentive program shall be distributed as provided in this
10 section and pursuant to the administrative procedures for the
11 tuition incentive program of the department of treasury.

12 (2) As used in this section:

13 (a) "Phase I" means the first part of the tuition incentive
14 assistance program defined as the academic period of 80 semester or
15 120 term credits, or less, leading to an associate degree or
16 certificate.

17 (b) "Phase II" means the second part of the tuition incentive
18 assistance program which provides assistance in the third and
19 fourth year of 4-year degree programs.

20 (c) "Department" means the department of treasury.

21 (3) An individual shall meet the following basic criteria and
22 financial thresholds to be eligible for tuition incentive benefits:

23 (a) To be eligible for phase I, an individual shall meet all
24 of the following criteria:

25 (i) Apply for certification to the department before graduating
26 from high school or completing the general education development
27 (GED) certificate.

1 (ii) Be less than 20 years of age at the time he or she
2 graduates from high school with a diploma or certificate of
3 completion or completes his or her GED.

4 (iii) Be a United States citizen and a resident of Michigan
5 according to institutional criteria.

6 (iv) Be at least a half-time student, earning less than 80
7 semester or 120 term credits at a participating educational
8 institution within 4 years of high school graduation or GED
9 certificate completion.

10 (v) Request information on filing a FAFSA.

11 (b) To be eligible for phase II, an individual shall meet
12 either of the following criteria in addition to the criteria in
13 subdivision (a):

14 (i) Complete at least 56 transferable semester or 84
15 transferable term credits.

16 (ii) Obtain an associate degree or certificate at a
17 participating institution.

18 (c) To be eligible for phase I or phase II, an individual must
19 not be incarcerated and must be financially eligible as determined
20 by the department. An individual is financially eligible for the
21 tuition incentive program if he or she was eligible for Medicaid
22 from the state of Michigan for 24 months within the 36 months
23 before application. The department shall accept certification of
24 Medicaid eligibility only from the department of human services for
25 the purposes of verifying if a person is Medicaid eligible for 24
26 months within the 36 months before application. Certification of
27 eligibility may begin in the sixth grade. As used in this

1 subdivision, "incarcerated" does not include detention of a
2 juvenile in a state-operated or privately operated juvenile
3 detention facility.

4 (4) For phase I, the department shall provide payment on
5 behalf of a person eligible under subsection (3). The department
6 shall reject billings that are excessive or outside the guidelines
7 for the type of educational institution.

8 (5) For phase I, all of the following apply:

9 (a) Payments for associate degree or certificate programs
10 shall not be made for more than 80 semester or 120 term credits for
11 any individual student at any participating institution.

12 (b) For persons enrolled at a Michigan community college, the
13 department shall pay the current in-district tuition and mandatory
14 fees. For persons residing in an area that is not included in any
15 community college district, the out-of-district tuition rate may be
16 authorized.

17 (c) For persons enrolled at a Michigan public university, the
18 department shall pay lower division resident tuition and mandatory
19 fees for the current year. **IT IS THE INTENT OF THE LEGISLATURE**
20 **THAT, BEGINNING WITH THE 2014-2015 FISCAL YEAR, FOR INDIVIDUALS**
21 **ENROLLED AT A MICHIGAN PUBLIC UNIVERSITY, THE DEPARTMENT SHALL PAY**
22 **MANDATORY FEES AND A PER-CREDIT PAYMENT THAT DOES NOT EXCEED 300%**
23 **OF THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION**
24 **RATE AS REPORTED ON AUGUST 1 FOR THE IMMEDIATELY PRECEDING ACADEMIC**
25 **YEAR.**

26 (d) For persons enrolled at a Michigan independent, nonprofit
27 degree-granting college or university, or a Michigan federal

1 tribally controlled community college, or Focus: HOPE, the
2 department shall pay mandatory fees for the current year and a per-
3 credit payment that does not exceed the average community college
4 in-district per-credit tuition rate as reported on August 1, for
5 the immediately preceding academic year.

6 (6) A person participating in phase II may be eligible for
7 additional funds not to exceed \$500.00 per semester or \$400.00 per
8 term up to a maximum of \$2,000.00 subject to the following
9 conditions:

10 (a) Credits are earned in a 4-year program at a Michigan
11 degree-granting 4-year college or university.

12 (b) The tuition reimbursement is for coursework completed
13 within 30 months of completion of the phase I requirements.

14 (7) The department shall work closely with participating
15 institutions to develop an application and eligibility
16 determination process that will provide the highest level of
17 participation and ensure that all requirements of the program are
18 met.

19 (8) Applications for the tuition incentive program may be
20 approved at any time after the student begins the sixth grade. If a
21 determination of financial eligibility is made, that determination
22 is valid as long as the student meets all other program
23 requirements and conditions.

24 (9) Each institution shall ensure that all known available
25 restricted grants for tuition and fees are used prior to billing
26 the tuition incentive program for any portion of a student's
27 tuition and fees.

1 (10) The department shall ensure that the tuition incentive
2 program is well publicized and that eligible Medicaid clients are
3 provided information on the program. The department shall provide
4 the necessary funding and staff to fully operate the program.

5 Sec. 258. By February 15 of each year, the department of
6 treasury shall ~~submit~~ **POST TO ITS PUBLICLY AVAILABLE WEBSITE** a
7 report ~~to the state budget director, the house and senate~~
8 ~~appropriations subcommittees on higher education, and the house and~~
9 ~~senate fiscal agencies~~ for the preceding fiscal year on all student
10 financial aid programs for which funds are appropriated in section
11 236. For each student financial aid program, the report shall
12 include, but is not limited to, the total number of awards paid in
13 the preceding fiscal year, the total dollar amount of those awards,
14 and the number of students receiving awards and the total amount of
15 those awards at each eligible postsecondary institution. To the
16 extent information is available, the report shall also include
17 information on household income and other demographic
18 characteristics of students receiving awards under each program and
19 historical information on the number of awards and total award
20 amounts for each program.

21 **SEC. 259. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE**
22 **COLLEGE ACCESS PROGRAM SHALL BE USED FOR EFFORTS TO SUPPORT COLLEGE**
23 **ACCESS. THE DEPARTMENT OF TREASURY SHALL ADMINISTER THESE FUNDS.**
24 **ALLOWABLE USES INCLUDE THE FOLLOWING:**

25 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,
26 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

27 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED

1 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
2 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
3 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

4 (C) MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE 1-STOP PORTAL TO
5 HELP STUDENTS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

6 (D) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
7 INCOME AND FIRST-GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD
8 COLLEGE AND TO ASSIST STUDENTS AND FAMILIES IN COMPLETING A TIMELY
9 AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

10 (E) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
11 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
12 HIGH SCHOOL STUDENTS IN NAVIGATING THE POSTSECONDARY PLANNING AND
13 ENROLLMENT PROCESS.

14 Sec. 263. (1) Included in the appropriation in section 236 for
15 MSU AgBioResearch IS \$2,982,900.00 and INCLUDED IN THE
16 APPROPRIATION IN SECTION 236 FOR MSU extension activities is
17 ~~\$5,628,100.00~~ \$2,645,200.00 for project GREEN. Project GREEN is
18 intended to address critical regulatory, food safety, economic, and
19 environmental problems faced by this state's plant-based
20 agriculture, forestry, and processing industries. "GREEN" is an
21 acronym for generating research and extension to meet environmental
22 and economic needs.

23 (2) The department of agriculture and rural development and
24 Michigan State University, in consultation with agricultural
25 commodity groups and other interested parties, shall develop
26 project GREEN and its program priorities.

27 Sec. 263a. ~~(1) By January 1, 2013, the Michigan State~~

1 ~~University college of agriculture and natural resources, MSU~~
2 ~~extension, and MSU AgBioResearch, in partnership with the~~
3 ~~department of agriculture and rural development and other~~
4 ~~stakeholders, shall establish a strategic growth initiative for the~~
5 ~~Michigan food and agriculture industry. This initiative shall~~
6 ~~address the following goals as established at the 2011 governor's~~
7 ~~summit for production agriculture:~~

8 ~~—— (a) Increasing the sector's total economic impact from today's~~
9 ~~\$71,000,000,000.00 to \$100,000,000,000.00.~~

10 ~~—— (b) Doubling Michigan's agricultural exports from~~
11 ~~\$1,750,000,000.00 to \$3,500,000,000.00.~~

12 ~~—— (c) Increasing jobs in the food and agriculture sector by 10%.~~

13 ~~—— (d) Improving access by Michigan consumers to healthy foods by~~
14 ~~20%.~~

15 ~~—— (2) The initiative described in subsection (1) shall be~~
16 ~~patterned after Project GREEN, shall emphasize priorities as set~~
17 ~~by the Michigan food and agricultural industry, and shall include a~~
18 ~~commitment to continuous communication, input, and interaction~~
19 ~~among stakeholders in government and industry and at Michigan State~~
20 ~~University. Similar to Project GREEN, the initiative shall also~~
21 ~~include a commitment to communicating results and impacts to~~
22 ~~stakeholders and the legislature based on a mutually established~~
23 ~~set of metrics designed to assure MSU extension and AgBioResearch~~
24 ~~programs are contributing to the goals described in subsection~~
25 ~~(1)(a) to (d).~~

26 ~~(1) (3) Not later than September 30 , 2013, OF EACH YEAR,~~
27 Michigan State University shall submit a report **ON MSU**

1 **AGBIORESEARCH AND MSU EXTENSION** to the house and senate
2 appropriations subcommittees on agriculture and on higher
3 education, the house and senate standing committees on agriculture,
4 the house and senate fiscal agencies, and the state budget director
5 for the preceding school fiscal year. ~~detailing, but not limited~~
6 ~~to:~~

7 **(2) THE REPORT REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL**
8 **OF THE FOLLOWING:**

9 (a) Total funds expended by MSU AgBioResearch and by MSU
10 extension service identified by state, local, private, federal, and
11 university fund sources.

12 (b) The metric goals that were used to evaluate the impacts of
13 programs operated by MSU extension and MSU AgBioResearch. It is the
14 intent of the legislature that the following metric goals will be
15 used to evaluate the impacts of those programs:

16 (i) Increasing the number of agriculture and food-related firms
17 collaborating with and using services of research and extension
18 faculty and staff by 3% per year.

19 (ii) Increasing the number of individuals utilizing MSU
20 extension's educational services by 5% per year.

21 (iii) Increasing external funds generated in support of research
22 and extension, beyond state appropriations, by 10% over the amounts
23 generated in the past 3 state fiscal years.

24 **(iv) INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT FROM TODAY'S**
25 **\$71,000,000,000.00 TO \$100,000,000,000.00.**

26 **(v) DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS FROM**
27 **\$1,750,000,000.00 TO \$3,500,000,000.00.**

- 1 (vi) INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR BY 10%.
 2 (vii) IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTHY FOODS
 3 BY 20%.

4 (c) A review of major programs within both MSU AgBioResearch
 5 and MSU extension with specific reference to accomplishments,
 6 impacts, and the metrics described in subdivision (b), including a
 7 specific accounting of Project GREEN expenditures and the impact
 8 of those expenditures.

9 Sec. 264. Included in the appropriation in section 236 **FOR**
 10 **FISCAL YEAR 2013-2014** for Michigan State University is \$80,000.00
 11 for the Michigan future farmers of America association. This
 12 \$80,000.00 allocation shall not supplant any existing support that
 13 Michigan State University provides to the Michigan future farmers
 14 of America association.

15 Sec. 265. (1) ~~Payments from the amount appropriated in~~ **UNDER**
 16 ~~section 236(3)-265A for public university tuition restraint~~
 17 ~~incentives~~ **PERFORMANCE FUNDING** shall only be made to a public
 18 university that certifies to the state budget director by August
 19 31, ~~2012-2013~~ that its board did not adopt an increase in tuition
 20 and fee rates for resident undergraduate students after September
 21 1, ~~2011-2012~~ for the ~~2011-2012-2012-2013~~ academic year and that its
 22 board will not adopt an increase in tuition and fee rates for
 23 resident undergraduate students for the ~~2012-2013-2013-2014~~
 24 academic year that is greater than ~~4.0%-3.0%~~. As used in this
 25 subsection: ~~and subsection (2):~~

26 (a) Subject to subdivision (c), "fee" means any board-
 27 authorized fee that will be paid by more than 1/2 of all resident

1 undergraduate students at least once during their enrollment at a
2 public university. A university increasing a fee that applies to a
3 specific subset of students or courses shall provide sufficient
4 information to prove that the increase applied to that subset will
5 not cause the increase in the average amount of board-authorized
6 total tuition and fees paid by resident undergraduate students in
7 the ~~2012-2013-2013-2014~~ academic year to exceed the limit
8 established in this subsection.

9 (b) "Tuition and fee rate" means the average of full-time
10 rates for all undergraduate classes, based on an average of the
11 rates authorized by the university board and actually charged to
12 students, deducting any uniformly-rebated or refunded amounts, for
13 the 2 semesters with the highest levels of full-time equated
14 resident undergraduate enrollment during the academic year.

15 (c) For purposes of subdivision (a), for a public university
16 that compels resident undergraduate students to be covered by
17 health insurance as a condition to enroll at the university, "fee"
18 includes the annual amount a student is charged for coverage by the
19 university-affiliated group health insurance policy if he or she
20 does not provide proof that he or she is otherwise covered by
21 health insurance. This subdivision does not apply to limited
22 subsets of resident undergraduate students to be covered by health
23 insurance for specific reasons other than general enrollment at the
24 university.

25 ~~— (2) For purposes of section 236(3), each public university's~~
26 ~~allocation for tuition restraint incentive shall be determined as~~
27 ~~follows:~~

1 ~~—— (a) Calculate an adjustment for each university by subtracting~~
2 ~~each university's reported percent change in tuition and fee rates~~
3 ~~for academic year 2012-2013 from 4.1%. If the result of the~~
4 ~~calculation in this subdivision is less than 0.1%, the university~~
5 ~~is not qualified to receive an allocation under this section. All~~
6 ~~calculations under this subdivision shall be rounded to the first~~
7 ~~decimal place.~~

8 ~~—— (b) For each qualified university, divide the university's~~
9 ~~adjustment as calculated under subdivision (a) by the sum of all~~
10 ~~adjustments for qualifying universities under subdivision (a) and~~
11 ~~then multiply the resulting calculation for each university by the~~
12 ~~total amount available for tuition restraint incentive funding,~~
13 ~~rounded to the nearest hundred dollars.~~

14 (2) ~~(3)~~—The state budget director shall implement uniform
15 reporting requirements to ensure that a public university receiving
16 an appropriation under section 236(3) **A PAYMENT UNDER SECTION 265A**
17 **FOR PERFORMANCE FUNDING** has satisfied the tuition restraint
18 requirements of this section. The state budget director shall have
19 the sole authority to determine if a public university has met the
20 requirements of this section. Information reported by a public
21 university to the state budget director under this subsection shall
22 also be reported to the house and senate appropriations
23 subcommittees on higher education and the house and senate fiscal
24 agencies.

25 ~~—— (4) In conjunction with the uniform reporting requirements~~
26 ~~established under subsection (3), each public university shall also~~
27 ~~report the following information to the house and senate~~

1 ~~appropriations subcommittees on higher education, the house and~~
 2 ~~senate fiscal agencies, and the state budget director by August 31,~~
 3 ~~2012.~~

4 ~~—— (a) Actual or estimated fiscal year 2011-2012 and budgeted~~
 5 ~~fiscal year 2012-2013 total general fund tuition and fee revenue.~~

6 ~~—— (b) Actual or estimated fiscal year 2011-2012 and budgeted~~
 7 ~~fiscal year 2012-2013 total general fund revenue.~~

8 ~~—— (c) Actual or estimated fiscal year 2011-2012 and budgeted~~
 9 ~~fiscal year 2012-2013 general fund expenditures for student~~
 10 ~~financial aid.~~

11 ~~—— (d) Actual or estimated fiscal year 2011-2012 and budgeted~~
 12 ~~fiscal year 2012-2013 total general fund expenditures.~~

13 ~~—— (e) Actual or estimated fiscal year 2011-2012 and budgeted~~
 14 ~~fiscal year 2012-2013 total fiscal year equated student enrollment.~~

15 Sec. 265a. (1) Appropriations to public universities in
 16 section 236 for performance funding shall be paid only to a public
 17 university that **COMPLIES WITH SECTION 265 AND CERTIFIES TO THE**
 18 **STATE BUDGET DIRECTOR, THE HOUSE AND SENATE APPROPRIATIONS**
 19 **SUBCOMMITTEES ON HIGHER EDUCATION, AND THE HOUSE AND SENATE FISCAL**
 20 **AGENCIES BY AUGUST 31, 2013 THAT IT** complies with all of the
 21 following requirements:

22 (a) ~~The university certifies to the state budget director, the~~
 23 ~~house and senate appropriations subcommittees on higher education,~~
 24 ~~and the house and senate fiscal agencies by August 31, 2012, that,~~
 25 ~~by January 3, 2013, it will be participating~~ **PARTICIPATES** in
 26 reverse transfer agreements described in section 286 with at least
 27 3 Michigan community colleges or ~~have~~ **HAS** made a good-faith effort

House Bill No. 4228 (H-1) as amended April 23, 2013
1 to enter into reverse transfer agreements.

2 (b) ~~The university certifies to the state budget director, the~~
3 ~~house and senate appropriations subcommittees on higher education,~~
4 ~~and the house and senate fiscal agencies by August 31, 2012, that,~~
5 ~~by January 3, 2013, it DOES NOT AND~~ will not consider whether dual
6 enrollment credits earned by an incoming student were utilized
7 towards his or her high school graduation requirements when making
8 a determination as to whether those credits may be used by the
9 student toward completion of a university degree or certificate
10 program.

11 (c) ~~The university certifies to the state budget director, the~~
12 ~~house and senate appropriations subcommittees on higher education,~~
13 ~~and the house and senate fiscal agencies by August 31, 2012 that~~
14 ~~the university participates in the Michigan transfer network~~
15 created as part of the Michigan association of collegiate
16 registrars and admissions officers transfer agreement.

17 (2) Any performance funding amounts under section 236 that are
18 not paid to a public university because it did not comply with 1 or
19 more requirements under subsection (1) are unappropriated and
20 reappropriated for ~~tuition restraint funding described in section~~
21 ~~265-~~ **[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.

22 (3) The state budget director shall report to the house and senate
23 appropriations subcommittees on higher education and the house and senate
24 fiscal agencies by September 17, ~~2012,~~**2013**, regarding any performance
25 funding amounts **THAT ARE** not paid to a public university because it did
26 not comply with 1 or more requirements under subsection (1) and any
27 reappropriation of funds under subsection (2).

House Bill No. 4228 (H-1) as amended April 23, 2013

1]
2 ~~—— (4) A university that has not implemented the policies~~
3 ~~required under subsection (1)(a) and (b) by August 31, 2012, but~~
4 ~~certifies that it will implement those policies by January 3, 2013,~~
5 ~~shall recertify to the state budget director, the house and senate~~
6 ~~appropriations subcommittees on higher education, and the house and~~
7 ~~senate fiscal agencies by January 3, 2013, that the policies have~~
8 ~~been fully implemented. For a university that does not recertify~~
9 ~~that the policies have been fully implemented, the performance~~
10 ~~funding appropriated to that university in section 236 shall be~~
11 ~~retroactively withheld and unappropriated and reappropriated under~~
12 ~~subsection (2).~~

13 **[(4)] PERFORMANCE FUNDING AMOUNTS DESCRIBED IN SECTION 236 ARE**
14 **DISTRIBUTED BASED ON THE FOLLOWING FORMULA:**

15 **(A) BASED ON WEIGHTED UNDERGRADUATE COMPLETIONS IN CRITICAL**
16 **SKILLS AREAS, 22.2%.**

17 **(B) BASED ON RESEARCH AND DEVELOPMENT EXPENDITURES, FOR**
18 **UNIVERSITIES CLASSIFIED IN CARNEGIE CLASSIFICATIONS AS**
19 **DOCTORAL/RESEARCH UNIVERSITIES, RESEARCH UNIVERSITIES (HIGH**
20 **RESEARCH ACTIVITY), OR RESEARCH UNIVERSITIES (VERY HIGH RESEARCH**
21 **ACTIVITY) ONLY, 11.1%.**

22 **(C) BASED ON 6-YEAR GRADUATION RATE, TOTAL DEGREE COMPLETIONS,**
23 **AND INSTITUTIONAL SUPPORT AS A PERCENTAGE OF CORE EXPENDITURES,**
24 **SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS AND WEIGHTED**
25 **BY RESIDENT UNDERGRADUATE FISCAL YEAR EQUATED STUDENTS, 66.7%.**

26 **[(5)] FOR PURPOSES OF THIS SECTION, "CARNEGIE CLASSIFICATION"**
27 **SHALL MEAN THE BASIC CLASSIFICATION OF THE UNIVERSITY ACCORDING TO**

House Bill No. 4228 (H-1) as amended April 23, 2013

1 THE MOST RECENT VERSION OF THE CARNEGIE CLASSIFICATION OF
2 INSTITUTIONS OF HIGHER EDUCATION, PUBLISHED BY THE CARNEGIE
3 FOUNDATION FOR THE ADVANCEMENT OF TEACHING.

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House Bill No. 4228 (H-1) as amended April 23, 2013

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House Bill No. 4228 (H-1) as amended April 23, 2013

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Sec. 267. All public universities shall submit the amount of
tuition and fees actually charged to a full-time resident

1 undergraduate student for academic year ~~2012-2013~~**2013-2014** as part
2 of their higher education institutional data inventory (HEIDI) data
3 by August 31 of each year. A public university shall report any
4 revisions for any semester of the reported academic year ~~2012-2013~~
5 **2013-2014** tuition and fee charges to HEIDI within 15 days of being
6 adopted.

7 Sec. 268. For the fiscal year ending September 30, ~~2013,~~**2014,**
8 it is the intent of the legislature that funds be allocated for
9 unfunded North American Indian tuition waiver costs incurred by
10 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
11 from the general fund.

12 Sec. 269. For fiscal year ~~2012-2013,~~**2013-2014,** from the
13 amount appropriated in section 236 to Central Michigan University
14 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
15 College for the costs of waiving tuition for North American Indians
16 under 1976 PA 174, MCL 390.1251 to 390.1253.

17 Sec. 270. For fiscal year ~~2012-2013,~~**2013-2014** from the amount
18 appropriated in section 236 to Lake Superior State University for
19 operations, \$100,000.00 shall be paid to Bay Mills Community
20 College for the costs of waiving tuition for North American Indians
21 under 1976 PA 174, MCL 390.1251 to 390.1253.

22 **SEC. 272A. BY FEBRUARY 15, 2014, EACH PUBLIC UNIVERSITY**
23 **RECEIVING FUNDS UNDER SECTION 236 SHALL SUBMIT A REPORT TO THE**
24 **HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,**
25 **THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR**
26 **REGARDING THE REJECTION OF TRANSFER CREDITS BY THE UNIVERSITY IN**
27 **THE PRIOR YEAR. THE REPORT SHALL INCLUDE INFORMATION ON THE NUMBER**

1 OF CREDITS EARNED BY INCOMING STUDENTS AT OTHER POSTSECONDARY
2 INSTITUTIONS, WITH THE EQUIVALENT OF A LETTER GRADE OF C OR HIGHER,
3 THAT WERE REJECTED BY THE UNIVERSITY FOR TRANSFER, REPORTED BY BOTH
4 ACADEMIC PROGRAM AREA AND PRIOR INSTITUTION, ALONG WITH EXPLANATORY
5 INFORMATION REGARDING THE RATIONALE FOR THE REJECTION OF THE
6 CREDITS. DATA MAY BE REPORTED ON EITHER AN ACADEMIC OR CALENDAR
7 YEAR BASIS.

8 Sec. 273. It is the intent of the legislature that each public
9 university shall submit a report to the house and senate
10 appropriations committees, the house and senate fiscal agencies,
11 and the state budget director by October 15, ~~2012~~, **2013**, on the
12 university's efforts to accommodate the sincerely held religious
13 beliefs of students enrolled in accredited counseling degree
14 programs at the university.

15 Sec. 274. It is the intent of the legislature that public and
16 private organizations that conduct human embryonic stem cell
17 derivation subject to section 27 of article I of the state
18 constitution of 1963 will provide information to the director of
19 the department of community health by December 1, ~~2012~~ **2013** that
20 includes all of the following:

21 (a) Documentation that the organization conducting human
22 embryonic stem cell derivation is conducting its activities in
23 compliance with the requirements of section 27 of article I of the
24 state constitution of 1963 and all relevant national institutes of
25 health guidelines pertaining to embryonic stem cell derivation.

26 (b) A list of all human embryonic stem cell lines submitted by
27 the organization to the national institutes of health for inclusion

1 in the human embryonic stem cell registry before and during fiscal
2 year ~~2011-2012~~, **2012-2013**, and the status of each submission as
3 approved, pending approval, or review completed but not yet
4 accepted.

5 (c) Number of human embryonic stem cell lines derived and not
6 submitted for inclusion in the human embryonic stem cell registry,
7 before and during fiscal year ~~2011-2012~~.**2012-2013**.

8 Sec. 274a. (1) It is the intent of the legislature that a
9 public university that receives funds in section 236 not provide
10 health insurance or other fringe benefits for any adult coresident
11 of an employee of the university who is not married to or a
12 dependent of that employee or for any dependent of such an adult
13 coresident.

14 (2) It is the intent of the legislature that each public
15 university receiving funds in section 236 submit a report by
16 December 1, ~~2012-2013~~ to the house and senate appropriations
17 subcommittees on higher education, the house and senate fiscal
18 agencies, and the state budget director containing the number of
19 individuals described in subsection (1) who received health
20 insurance or other fringe benefits provided by the university in
21 fiscal year ~~2011-2012~~.**2012-2013** and the cost to the university of
22 providing those benefits.

23 Sec. 276. (1) Included in the appropriation for fiscal year
24 ~~2012-2013~~.**2013-2014** for each public university in section 236 is
25 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
26 future faculty program that is intended to increase the pool of
27 academically or economically disadvantaged candidates pursuing

1 faculty teaching careers in postsecondary education. Preference may
2 not be given to applicants on the basis of race, color, ethnicity,
3 gender, or national origin. Institutions should encourage
4 applications from applicants who would otherwise not adequately be
5 represented in the graduate student and faculty populations. Each
6 public university shall apply the percentage change applicable to
7 every public university in the calculation of appropriations in
8 section 236 to the amount of funds allocated to the future faculty
9 program.

10 (2) The program shall be administered by each public
11 university in a manner prescribed by the workforce development
12 agency. The workforce development agency shall use a good faith
13 effort standard to evaluate whether a fellowship is in default.

14 Sec. 277. (1) Included in the appropriation for fiscal year
15 ~~2012-2013~~**2013-2014** for each public university in section 236 is
16 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
17 college day program that is intended to introduce academically or
18 economically disadvantaged schoolchildren to the potential of a
19 college education. Preference may not be given to participants on
20 the basis of race, color, ethnicity, gender, or national origin.
21 Public universities should encourage participation from those who
22 would otherwise not adequately be represented in the student
23 population.

24 (2) Individual program plans of each public university shall
25 include a budget of equal contributions from this program, the
26 participating public university, the participating school district,
27 and the participating independent degree-granting college. College

1 day funds shall not be expended to cover indirect costs. Not more
2 than 20% of the university match shall be attributable to indirect
3 costs. Each public university shall apply the percentage change
4 applicable to every public university in the calculation of
5 appropriations in section 236 to the amount of funds allocated to
6 the college day program.

7 (3) The program described in this section shall be
8 administered by each public university in a manner prescribed by
9 the workforce development agency.

10 Sec. 278. (1) Included in section 236 for fiscal year ~~2012-~~
11 ~~2013-2013-2014~~ is funding for the Martin Luther King, Jr. - Cesar
12 Chavez - Rosa Parks select student support services program for
13 developing academically or economically disadvantaged student
14 retention programs for 4-year public and independent educational
15 institutions in this state. Preference may not be given to
16 participants on the basis of race, color, ethnicity, gender, or
17 national origin. Institutions should encourage participation from
18 those who would otherwise not adequately be represented in the
19 student population.

20 (2) An award made under this program to any 1 institution
21 shall not be greater than \$150,000.00, and the amount awarded shall
22 be matched on a 70% state, 30% college or university basis.

23 (3) The program described in this section shall be
24 administered by the workforce development agency.

25 Sec. 279. (1) Included in section 236 for fiscal year ~~2012-~~
26 ~~2013-2013-2014~~ is funding for the Martin Luther King, Jr. - Cesar
27 Chavez - Rosa Parks college/university partnership program between

1 4-year public and independent colleges and universities and public
2 community colleges, which is intended to increase the number of
3 academically or economically disadvantaged students who transfer
4 from community colleges into baccalaureate programs. Preference may
5 not be given to participants on the basis of race, color,
6 ethnicity, gender, or national origin. Institutions should
7 encourage participation from those who would otherwise not
8 adequately be represented in the transfer student population.

9 (2) The grants shall be made under the program described in
10 this section to Michigan public and independent colleges and
11 universities. An award to any 1 institution shall not be greater
12 than \$150,000.00, and the amount awarded shall be matched on a 70%
13 state, 30% college or university basis.

14 (3) The program described in this section shall be
15 administered by the workforce development agency.

16 Sec. 280. (1) Included in the appropriation for fiscal year
17 ~~2012-2013-2013-2014~~ for each public university in section 236 is
18 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
19 visiting professors program which is intended to increase the
20 number of instructors in the classroom to provide role models for
21 academically or economically disadvantaged students. Preference may
22 not be given to participants on the basis of race, color,
23 ethnicity, gender, or national origin. Public universities should
24 encourage participation from those who would otherwise not
25 adequately be represented in the student population.

26 (2) The program described in this section shall be
27 administered by the workforce development agency.

1 Sec. 281. (1) Included in the appropriation for fiscal year
2 ~~2012-2013-2013-2014~~ in section 236 is funding under the Martin
3 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
4 Morris Hood, Jr. educator development program which is intended to
5 increase the number of academically or economically disadvantaged
6 students who enroll in and complete K-12 teacher education programs
7 at the baccalaureate level. Preference may not be given to
8 participants on the basis of race, color, ethnicity, gender, or
9 national origin. Institutions should encourage participation from
10 those who would otherwise not adequately be represented in the
11 teacher education student population.

12 (2) The program described in this section shall be
13 administered by each state-approved teacher education institution
14 in a manner prescribed by the workforce development agency.

15 (3) Approved teacher education institutions may and are
16 encouraged to use student support services funding in coordination
17 with the Morris Hood, Jr. funding to achieve the goals of the
18 program described in this section.

19 Sec. 282. Each institution receiving funds under section 278,
20 279, or 281 shall notify the workforce development agency by April
21 15, ~~2013-2014~~ as to whether it will expend by the end of its fiscal
22 year the funds received under section 278, 279, or 281.

23 Notwithstanding the award limitations in sections 278 and 279, the
24 amount of funding reported as not being expended will be
25 reallocated to the institutions that intend to expend all funding
26 received under section 278, 279, or 281.

27 Sec. 289. (1) The auditor general shall ~~review~~**PERIODICALLY**

1 **AUDIT** higher education institutional data inventory (HEIDI)
2 ~~enrollment~~ data submitted by all public universities under section
3 241 and may perform audits of selected public universities if
4 determined necessary. The ~~review and~~ audits shall be based upon the
5 definitions, requirements, and uniform reporting categories
6 established by the state budget director in consultation with the
7 HEIDI advisory committee. The auditor general shall submit a report
8 of findings to the house and senate appropriations committees and
9 the state budget director no later than July 1 of each year **AN**

10 **AUDIT TAKES PLACE.**

11 (2) Student credit hours reports shall not include the
12 following:

13 (a) Student credit hours generated through instructional
14 activity by faculty or staff in classrooms located outside
15 Michigan, with the exception of instructional activity related to
16 study-abroad programs or field programs.

17 (b) Student credit hours generated through distance learning
18 instruction for students not eligible for the public university's
19 in-state main campus resident tuition rate. However, in instances
20 where a student is enrolled in distance education and non-distance
21 education credit hours in a given term and the student's non-
22 distance education enrollment is at a campus or site located within
23 Michigan, student credit hours per the student's eligibility for
24 in-state or out-of-state tuition rates may be reported.

25 (c) Student credit hours generated through credit by
26 examination.

27 (d) Student credit hours generated through inmate prison

1 programs regardless of teaching location.

2 (e) Student credit hours generated in new degree programs
3 after January 1, 1975, that have not been specifically authorized
4 for funding by the legislature, except spin-off programs converted
5 from existing core programs that do all of the following:

6 (i) Represent new options, fields, or concentrations within
7 existing programs.

8 (ii) Are consistent with the current institutional role and
9 mission.

10 (iii) Are accommodated within the continuing funding base of the
11 public university.

12 (iv) Do not require a new degree level beyond that which the
13 public university is currently authorized to grant within that
14 discipline or field.

15 (v) Do not require funding from the state other than that
16 provided by the student credit hours generated within the program,
17 either before program initiation or within the first 3 years of
18 program operation.

19 ~~— (3) The auditor general shall periodically audit higher~~
20 ~~education institutional data inventory (HEIDI) data as submitted by~~
21 ~~the public universities under section 241 for compliance with the~~
22 ~~definitions established by the state budget director in~~
23 ~~consultation with the HEIDI advisory committee for the HEIDI~~
24 ~~database.~~

25 (3) ~~(4)~~ "Distance learning instruction" as used in subsection
26 (2) means instruction that occurs solely in other than a
27 traditional classroom setting where the student and instructor are

1 in the same physical location and for which a student receives
 2 course credits and is charged tuition and fees. Examples of
 3 distance learning instruction are instruction delivered solely
 4 through the internet, cable television, teleconference, or mail.

5 Sec. 290. (1) For the purposes of section 289(2)(e), the
 6 legislature authorizes the public universities to establish the
 7 following new degree programs:

8 (a) Bachelor's degree programs:

- 9 ~~Central Michigan University, Computer Engineering, B.S.~~
- 10 ~~Eastern Michigan University, Interdisciplinary Environmental~~
 11 ~~Science and Society Program, B.S.~~
- 12 ~~Ferris State University, Graphic Media Management, B.S.~~
- 13 ~~Ferris State University, Health Care Marketing, B.S.~~
- 14 ~~Ferris State University, Insurance and Risk Management, B.S.~~
- 15 ~~Grand Valley State University, Religious Studies, B.A./B.S.~~
- 16 ~~Michigan Technological University, Engineering Management,~~
 17 ~~B.S.~~
- 18 ~~Oakland University, Biomedical Sciences, B.S.~~
- 19 ~~Oakland University, Liberal Arts Major in Creative Writing,~~
 20 ~~B.A.~~
- 21 ~~University of Michigan — Ann Arbor, Environmental Engineering,~~
 22 ~~B.S.E.~~
- 23 ~~University of Michigan — Dearborn, Digital Forensics, B.S.~~
- 24 ~~University of Michigan — Dearborn, Reading — Elementary~~
 25 ~~Certification, B.A.~~
- 26 ~~Wayne State University, Instructional Technology, B.A./B.S.~~
- 27 ~~Western Michigan University, Japanese, B.A.~~

1 ~~Western Michigan University, e Business Marketing, B.B.A.~~

2 ~~Western Michigan University, Health Informatics and~~

3 ~~Information Management, B.S./B.B.A.~~

4 CENTRAL MICHIGAN UNIVERSITY, ENGINEERING SCIENCE, B.S.E.S.

5 EASTERN MICHIGAN UNIVERSITY, ENTERTAINMENT DESIGN &

6 TECHNOLOGY, B.A.

7 MICHIGAN STATE UNIVERSITY, EXPERIENCE ARCHITECTURE, B.S.

8 OAKLAND UNIVERSITY, CRIMINAL JUSTICE, B.A.

9 OAKLAND UNIVERSITY, GRAPHIC DESIGN, B.A.

10 SAGINAW VALLEY STATE UNIVERSITY, INTEGRATED SCIENCE -

11 SECONDARY MAJOR, B.S.

12 UNIVERSITY OF MICHIGAN-ANN ARBOR, INFORMATION, B.A./B.S.

13 UNIVERSITY OF MICHIGAN-ANN ARBOR, PHILOSOPHY, POLITICS, AND

14 ECONOMICS, B.A./B.S.

15 UNIVERSITY OF MICHIGAN-FLINT, INTEGRATED SCIENCE TEACHERS

16 CERTIFICATE PROGRAM, B.S.

17 WAYNE STATE UNIVERSITY, BACHELORS PROGRAM WITH A MAJOR IN

18 PUBLIC HEALTH, B.S.

19 WAYNE STATE UNIVERSITY, GENDER, SEXUALITY, AND WOMEN'S

20 STUDIES, B.A.

21 (b) Master's degree programs:

22 ~~Ferris State University, Information Security and~~

23 ~~Intelligence, M.S.~~

24 ~~Michigan Technological University, Integrated Geospatial~~

25 ~~Technology, M.S.~~

26 ~~Michigan Technological University, Medical Informatics, M.S.~~

27 ~~Oakland University, Psychology, M.S.~~

~~1 University of Michigan Ann Arbor, Entrepreneurship, Master's~~
~~2 University of Michigan Ann Arbor, Joint Master's Degree and~~
~~3 Graduate Certificate Program in Health Informatics, Master's~~
~~4 University of Michigan Ann Arbor, Master's of Engineering in~~
~~5 Applied Climate, Master's~~
~~6 University of Michigan Ann Arbor, Master's of Medical~~
~~7 Science, M.M.S.~~
~~8 University of Michigan Dearborn, Business Analytics with a~~
~~9 Major in Business Analytics, M.S.~~
~~10 University of Michigan Dearborn, Supply Chain Management~~
~~11 with Minor in Supply Chain Management, M.S.~~
~~12 University of Michigan Flint, Accounting, M.S.~~
~~13 University of Michigan Flint, Master of Arts with~~
~~14 Certification Program, M.A.~~
~~15 University of Michigan Flint, Mathematics, M.A.~~
 16 EASTERN MICHIGAN UNIVERSITY, PHYSICIAN ASSISTANT STUDIES, M.S.
 17 GRAND VALLEY STATE UNIVERSITY, SPEECH-LANGUAGE PATHOLOGY, M.S.
 18 MICHIGAN STATE UNIVERSITY, BIOSTATISTICS, M.S.
 19 MICHIGAN STATE UNIVERSITY, FAMILY COMMUNITY SERVICES, M.A.
 20 MICHIGAN STATE UNIVERSITY, MANAGEMENT, STRATEGY, AND
 21 LEADERSHIP, M.S.
 22 OAKLAND UNIVERSITY, HIGHER EDUCATION LEADERSHIP, MASTER'S IN
 23 EDUCATION
 24 UNIVERSITY OF MICHIGAN-DEARBORN, EDUCATIONAL TECHNOLOGY, M.A.
 25 WAYNE STATE UNIVERSITY, MASTER OF LAWS IN UNITED STATES LAW,
 26 MASTER OF LAW
 27 WAYNE STATE UNIVERSITY, JOINT DEGREE PROGRAM IN LAW AND

1 **CRIMINAL JUSTICE, J.D./M.S.**

2 (c) Doctoral degree programs:

3 ~~Michigan State University, Doctor of Nursing Practice, D.N.P.~~

4 ~~Michigan State University, Educational Leadership, Ed.D.~~

5 ~~Michigan Technological University, Biochemistry and Molecular~~
6 ~~Biology, Ph.D.~~

7 ~~Northern Michigan University, Doctor of Nursing Practice,~~
8 ~~D.N.P.~~

9 ~~Oakland University, Early Education and Intervention, Ed.S.~~

10 ~~Oakland University, Psychology, Ph.D.~~

11 ~~Saginaw Valley State University, Doctor of Nursing Practice,~~
12 ~~D.N.P.~~

13 ~~University of Michigan Ann Arbor, Nutritional Sciences,~~
14 ~~Ph.D.~~

15 **UNIVERSITY OF MICHIGAN-FLINT, DPT/DOCTOR OF PHILOSOPHY IN**
16 **PHYSICAL THERAPY JOINT PROGRAM, PH.D.**

17 **UNIVERSITY OF MICHIGAN-FLINT, EDUCATIONAL LEADERSHIP, ED.D.**

18 (2) The listing of degree programs in subsection (1) does not
19 constitute legislative intent to provide additional dollars for
20 those programs.

21 (3) When submitting the listing of new degree programs for
22 purposes of section 289(2)(e), the presidents council of state
23 universities shall also provide a listing of degree programs that
24 institutions of higher education will no longer offer in subsequent
25 academic years.

26 Enacting section 1. (1) In accordance with section 30 of
27 article I of the state constitution of 1963, total state spending

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1 on school aid under article I as amended by this amendatory act
2 from state sources for fiscal year 2013-2014 is estimated at
3 [\$11,472,113,700.00] and state appropriations for school aid to be
4 paid to local units of government for fiscal year 2013-2014 are
5 estimated at [\$11,320,231,200.00].

6 (2) In accordance with section 30 of article IX of the state
7 constitution of 1963, total state spending from state sources for
8 community colleges for fiscal year 2013-2014 under article II is
9 estimated at \$334,877,600.00 and the amount of that state spending
10 from state sources to be paid to local units of government for
11 fiscal year 2013-2014 is estimated at \$334,877,600.00.

12 (3) In accordance with section 30 of article IX of the state
13 constitution of 1963, total state spending from state sources for
14 higher education for fiscal year 2013-2014 under article III is
15 estimated at \$1,333,547,100.00 and the amount of that state
16 spending from state sources to be paid to local units of government
17 for fiscal year 2013-2014 is estimated at \$0.00.

18 Enacting section 2. Sections 11q, 11t, 11u, 22g, 22h, 25, 25d,
19 32g, 32l, 93, 101a, 210a, 261, 273a, 275a, 293, and 293a of the
20 state school aid act of 1979, 1979 PA 94, MCL 388.1611q, 388.1611t,
21 388.1611u, 388.1622g, 388.1622h, 388.1625, 388.1625d, 388.1632g,
22 388.1632l, 388.1693, 388.1701a, 388.1810a, 388.1861, 388.1873a,
23 388.1875a, 388.1893, and 388.1893a, are repealed effective October
24 1, 2013.

25 Enacting section 3. (1) Except as otherwise provided in
26 subsection (2), this amendatory act takes effect October 1, 2013.

27 (2) Sections 252, 265, 265a, and 267 of the state school aid

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1 act of 1979, 1979 PA 94, MCL 388.1852, 388.1865, 388.1865a, and

2 388.1867, as amended by this amendatory act, [

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4] take effect upon enactment of this amendatory

5 act.