

**No. 48**  
**STATE OF MICHIGAN**  
**JOURNAL**  
**OF THE**  
**House of Representatives**  
**96th Legislature**  
**REGULAR SESSION OF 2011**

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House Chamber, Lansing, Wednesday, May 25, 2011.

1:30 p.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Agema—present	Gilbert—present	Lipton—present	Pscholka—present
Ananich—present	Glardon—present	Liss—present	Rendon—present
Barnett—present	Goike—present	Lori—present	Rogers—present
Bauer—present	Haines—present	Lund—present	Rutledge—present
Bledsoe—present	Hammel—present	Lyons—present	Santana—present
Bolger—present	Haugh—excused	MacGregor—present	Schmidt, R.—present
Brown—present	Haveman—present	MacMaster—present	Schmidt, W.—present
Brunner—present	Heise—present	McBroom—present	Scott—present
Bumstead—present	Hobbs—present	McCann—present	Segal—present
Byrum—present	Hooker—present	McMillin—present	Shaughnessy—present
Callton—present	Horn—present	Meadows—present	Shirkey—present
Cavanagh—present	Hovey-Wright—present	Melton—present	Slavens—present
Clemente—present	Howze—present	Moss—present	Smiley—present
Constan—present	Hughes—present	Muxlow—present	Somerville—present
Cotter—present	Huuki—present	Nathan—present	Stallworth—present
Crawford—present	Irwin—present	Nesbitt—present	Stamas—present
Daley—present	Jackson—present	O’Brien—present	Stanley—present
Damrow—present	Jacobsen—present	Oakes—present	Stapleton—present
Darany—present	Jenkins—present	Olson—present	Switalski—present
Denby—present	Johnson—present	Olumba—present	Talabi—present
Dillon—present	Kandrevas—present	Opsommer—present	Tlaib—present
Durhal—present	Knollenberg—present	Ouimet—present	Townsend—present
Farrington—present	Kowall—present	Outman—present	Tyler—present
Forlini—present	Kurtz—present	Pettalia—present	Walsh—present
Foster—present	LaFontaine—present	Poleski—present	Womack—present
Franz—present	Lane—present	Potvin—present	Yonker—present
Geiss—present	LeBlanc—present	Price—present	Zorn—present
Genetski—present	Lindberg—present		

e/d/s = entered during session

Rep. Lesia Liss, from the 28th District, offered the following invocation:

“Heavenly Father, we come to You today thankful for the opportunity to convene in this great Chamber. We pray that You bless this session as we are here today to do the legislative work for the people of the state of Michigan. Lord, the people of Michigan have put their trust in us to do what is best for Michigan. Please grant us wisdom and guide our actions so we may humbly serve those we represent. We ask for Your divine guidance as we deal with those important issues that affect the lives of every man, woman and child who live in this state.

Let the wounds of separation and division be healed by opening our hearts to listen to the truth on all sides, allowing us to find a higher truth that includes us all;

May we learn to honor and enjoy our diversity and differences as people, even as we more deeply touch our fundamental unity;

Lord, send Your love and protection to the men and women that have, are and will defend our freedom for all that we have and do is because of the sacrifice they have made. Grant us Your blessing, Amen.”

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Rep. Segal moved that Rep. Haugh be excused from today’s session.

The motion prevailed.

### **Motions and Resolutions**

Reps. Stapleton, Barnett, Bledsoe, Brown, Constan, Darany, Heise, Kandrevas, LeBlanc, Liss, Poleski, Price, Slavens and Tyler offered the following resolution:

#### **House Resolution No. 94.**

A resolution to declare June 4, 2011, as Childhood Cancer Survivors’ Day in the state of Michigan.

Whereas, Today, over 250,000 Americans are survivors of childhood cancer. Most children survive thanks to advances in early cancer detection, treatment and research; and

Whereas, Children’s Hospital of Michigan, the oldest and largest hospital caring for the children of Michigan, has an active, productive cancer survivor population. This demonstrates that a cancer diagnosis is no longer an automatic death sentence; and

Whereas, In addition to Childhood Cancer Survivors Day, communities all across America will be celebrating life Sunday, June 5, 2011, as part of the world’s largest cancer survivor event, the 24th annual National Cancer Survivors Day; now, therefore, be it

Resolved by the House of Representatives, That members of this legislative body declare June 4, 2011, as Childhood Cancer Survivors’ Day in the state of Michigan. We urge all citizens to join in this joyous celebration of life; and be it further

Resolved, That a copy of this resolution be transmitted to Children’s Hospital of Michigan as evidence of our support for their endeavors.

The question being on the adoption of the resolution,

The resolution was adopted.

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The Speaker called the Speaker Pro Tempore to the Chair.

### **Third Reading of Bills**

#### **House Bill No. 4379, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 30929 (MCL 324.30929), as added by 2004 PA 522.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 148****Yeas—103**

Agema	Gilbert	Liss	Rogers
Ananich	Glardon	Lori	Rutledge
Barnett	Goike	Lund	Santana
Bledsoe	Haines	Lyons	Schmidt, R.
Bolger	Hammel	MacGregor	Schmidt, W.
Brunner	Haveman	MacMaster	Scott
Bumstead	Heise	McBroom	Segal
Byrum	Hobbs	McCann	Shaughnessy
Callton	Hooker	McMillin	Shirkey
Cavanagh	Horn	Melton	Slavens
Clemente	Hovey-Wright	Moss	Smiley
Constan	Howze	Muxlow	Somerville
Cotter	Hughes	Nathan	Stallworth
Crawford	Huuki	Nesbitt	Stamas
Daley	Irwin	O'Brien	Stanley
Damrow	Jackson	Oakes	Stapleton
Darany	Jacobsen	Olson	Switalski
Denby	Jenkins	Opsommer	Talabi
Dillon	Johnson	Ouimet	Tlaib
Durhal	Kandrevas	Outman	Townsend
Farrington	Knollenberg	Pettalia	Tyler
Forlini	Kowall	Poleski	Walsh
Foster	Kurtz	Potvin	Womack
Franz	LaFontaine	Price	Yonker
Geiss	Lane	Pscholka	Zorn
Genetski	Lindberg	Rendon	

**Nays—6**

Bauer	LeBlanc	Meadows	Olumba
Brown	Lipton		

In The Chair: Walsh

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

**House Bill No. 4384, entitled**

A bill to amend 1975 PA 238, entitled "Child protection law," by amending section 7b (MCL 722.627b), as added by 1997 PA 167.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 149****Yeas—109**

Agema	Gilbert	Lipton	Pscholka
Ananich	Glardon	Liss	Rendon
Barnett	Goike	Lori	Rogers
Bauer	Haines	Lund	Rutledge

Bledsoe	Hammel	Lyons	Santana
Bolger	Haveman	MacGregor	Schmidt, R.
Brown	Heise	MacMaster	Schmidt, W.
Brunner	Hobbs	McBroom	Scott
Bumstead	Hooker	McCann	Segal
Byrum	Horn	McMillin	Shaughnessy
Callton	Hovey-Wright	Meadows	Shirkey
Cavanagh	Howze	Melton	Slavens
Clemente	Hughes	Moss	Smiley
Constan	Huuki	Muxlow	Somerville
Cotter	Irwin	Nathan	Stallworth
Crawford	Jackson	Nesbitt	Stamas
Daley	Jacobsen	O'Brien	Stanley
Damrow	Jenkins	Oakes	Stapleton
Darany	Johnson	Olson	Switalski
Denby	Kandrevas	Olumba	Talabi
Dillon	Knollenberg	Opsommer	Tlaib
Durhal	Kowall	Ouimet	Townsend
Farrington	Kurtz	Outman	Tyler
Forlini	LaFontaine	Pettalia	Walsh
Foster	Lane	Poleski	Womack
Franz	LeBlanc	Potvin	Yonker
Geiss	Lindberg	Price	Zorn
Genetski			

**Nays—0**

In The Chair: Walsh

The House agreed to the title of the bill.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 4385, entitled**

A bill to amend 1975 PA 238, entitled "Child protection law," (MCL 722.621 to 722.638) by adding section 7k.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 150****Yeas—109**

Agema	Gilbert	Lipton	Pscholka
Ananich	Glardon	Liss	Rendon
Barnett	Goike	Lori	Rogers
Bauer	Haines	Lund	Rutledge
Bledsoe	Hammel	Lyons	Santana
Bolger	Haveman	MacGregor	Schmidt, R.
Brown	Heise	MacMaster	Schmidt, W.
Brunner	Hobbs	McBroom	Scott
Bumstead	Hooker	McCann	Segal
Byrum	Horn	McMillin	Shaughnessy
Callton	Hovey-Wright	Meadows	Shirkey
Cavanagh	Howze	Melton	Slavens
Clemente	Hughes	Moss	Smiley
Constan	Huuki	Muxlow	Somerville

Cotter	Irwin	Nathan	Stallworth
Crawford	Jackson	Nesbitt	Stamas
Daley	Jacobsen	O'Brien	Stanley
Damrow	Jenkins	Oakes	Stapleton
Darany	Johnson	Olson	Switalski
Denby	Kandrevas	Olumba	Talabi
Dillon	Knollenberg	Opsommer	Tlaib
Durhal	Kowall	Ouimet	Townsend
Farrington	Kurtz	Outman	Tyler
Forlini	LaFontaine	Pettalia	Walsh
Foster	Lane	Poleski	Womack
Franz	LeBlanc	Potvin	Yonker
Geiss	Lindberg	Price	Zorn
Genetski			

### Nays—0

In The Chair: Walsh

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

### House Bill No. 4386, entitled

A bill to amend 1975 PA 238, entitled "Child protection law," by amending section 7 (MCL 722.627), as amended by 2008 PA 300.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

### Roll Call No. 151

### Yeas—109

Agema	Gilbert	Lipton	Pscholka
Ananich	Glardon	Liss	Rendon
Barnett	Goike	Lori	Rogers
Bauer	Haines	Lund	Rutledge
Bledsoe	Hammel	Lyons	Santana
Bolger	Haveman	MacGregor	Schmidt, R.
Brown	Heise	MacMaster	Schmidt, W.
Brunner	Hobbs	McBroom	Scott
Bumstead	Hooker	McCann	Segal
Byrum	Horn	McMillin	Shaughnessy
Callton	Hovey-Wright	Meadows	Shirkey
Cavanagh	Howze	Melton	Slavens
Clemente	Hughes	Moss	Smiley
Constan	Huuki	Muxlow	Somerville
Cotter	Irwin	Nathan	Stallworth
Crawford	Jackson	Nesbitt	Stamas
Daley	Jacobsen	O'Brien	Stanley
Damrow	Jenkins	Oakes	Stapleton
Darany	Johnson	Olson	Switalski
Denby	Kandrevas	Olumba	Talabi
Dillon	Knollenberg	Opsommer	Tlaib
Durhal	Kowall	Ouimet	Townsend
Farrington	Kurtz	Outman	Tyler

Forlini	LaFontaine	Pettalia	Walsh
Foster	Lane	Poleski	Womack
Franz	LeBlanc	Potvin	Yonker
Geiss	Lindberg	Price	Zorn
Genetski			

**Nays—0**

In The Chair: Walsh

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

**House Bill No. 4387, entitled**

A bill to amend 1975 PA 238, entitled “Child protection law,” by amending section 7b (MCL 722.627b), as added by 1997 PA 167.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 152****Yeas—109**

Agema	Gilbert	Lipton	Pscholka
Ananich	Glardon	Liss	Rendon
Barnett	Goike	Lori	Rogers
Bauer	Haines	Lund	Rutledge
Bledsoe	Hammel	Lyons	Santana
Bolger	Haveman	MacGregor	Schmidt, R.
Brown	Heise	MacMaster	Schmidt, W.
Brunner	Hobbs	McBroom	Scott
Bumstead	Hooker	McCann	Segal
Byrum	Horn	McMillin	Shaughnessy
Callton	Hovey-Wright	Meadows	Shirkey
Cavanagh	Howze	Melton	Slavens
Clemente	Hughes	Moss	Smiley
Constan	Huuki	Muxlow	Somerville
Cotter	Irwin	Nathan	Stallworth
Crawford	Jackson	Nesbitt	Stamas
Daley	Jacobsen	O’Brien	Stanley
Damrow	Jenkins	Oakes	Stapleton
Darany	Johnson	Olson	Switalski
Denby	Kandrevas	Olumba	Talabi
Dillon	Knollenberg	Opsommer	Tlaib
Durhal	Kowall	Ouimet	Townsend
Farrington	Kurtz	Outman	Tyler
Forlini	LaFontaine	Pettalia	Walsh
Foster	Lane	Poleski	Womack
Franz	LeBlanc	Potvin	Yonker
Geiss	Lindberg	Price	Zorn
Genetski			

**Nays—0**

In The Chair: Walsh

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

### Second Reading of Bills

#### House Bill No. 4565, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7212 (MCL 333.7212), as amended by 2010 PA 171.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Judiciary,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Tyler moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

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Rep. Stamas moved that House Committees be given leave to meet during the balance of today's session.  
 The motion prevailed.

By unanimous consent the House returned to the order of

#### Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills and joint resolution had been printed and placed upon the files of the members on Wednesday, May 25:

<b>House Bill Nos.</b>	<b>4668</b>	<b>4669</b>	<b>4670</b>	<b>4671</b>	<b>4672</b>	<b>4673</b>	<b>4674</b>	<b>4675</b>	<b>4676</b>	<b>4677</b>	<b>4678</b>
<b>House Joint Resolution</b>	<b>BB</b>										
<b>Senate Bill Nos.</b>	<b>391</b>	<b>392</b>	<b>393</b>	<b>394</b>	<b>395</b>	<b>396</b>	<b>397</b>	<b>398</b>			

### Reports of Select Committees

#### Senate Bill No. 171, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

#### First Conference Report

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

#### Senate Bill No. 171, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**COMMUNITY COLLEGES**

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$	283,880,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	283,880,500
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues.....		195,880,500
State general fund/general purpose .....	\$	88,000,000

**Sec. 102. OPERATIONS**

Alpena Community College .....	\$	4,984,300
Bay de Noc Community College.....		5,040,200
Delta College.....		13,336,200
Glen Oaks Community College.....		2,320,900
Gogebic Community College .....		4,140,500
Grand Rapids Community College.....		16,649,700
Henry Ford Community College .....		20,145,000
Jackson Community College .....		11,219,700
Kalamazoo Valley Community College.....		11,522,700
Kellogg Community College.....		9,047,900
Kirtland Community College .....		2,872,900
Lake Michigan College .....		4,937,700
Lansing Community College.....		28,651,900
Macomb Community College.....		30,490,300
Mid Michigan Community College.....		4,266,800
Monroe County Community College .....		4,094,000
Montcalm Community College .....		2,946,800
C.S. Mott Community College.....		14,526,400
Muskegon Community College.....		8,256,700
North Central Michigan College .....		2,886,500
Northwestern Michigan College.....		8,430,300
Oakland Community College .....		19,455,900
St. Clair County Community College .....		6,534,100
Schoolcraft College .....		11,477,300
Southwestern Michigan College.....		6,143,700
Washtenaw Community College.....		11,827,300
Wayne County Community College.....		15,425,900
West Shore Community College .....		2,248,900
GROSS APPROPRIATION .....	\$	283,880,500

Appropriated from:

Special revenue funds:		
State school aid fund.....		195,880,500
State general fund/general purpose .....	\$	88,000,000



PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2011-2012 is \$283,880,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$283,880,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$ 283,880,500
TOTAL.....	\$ 283,880,500

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The principal executive officer of each community college receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each principal executive officer shall strongly encourage firms with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2012 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2011. Each community college shall accrue its July and August 2012 payments to its institutional fiscal year ending June 30, 2012. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2010-2011 to the workforce development agency by November 1, 2011, the monthly installments shall be withheld from that community college until those data are submitted. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

Sec. 216. (1) A community college shall pay the employer’s contributions to the Michigan public school employees’ retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money appropriated under this act.

(2) A community college shall not pay an employer’s contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy. The appropriation in part 1 for a community college that fails to comply with JCOS requirements shall be reduced by 1% for each violation.

Sec. 218. (1) From the funds appropriated in part 1, each community college shall develop, post, and maintain, on a user-friendly and publicly accessible Internet site, a comprehensive report categorizing all institutional general fund expenditures made by the community college within a fiscal year. The report shall include institutional general fund expenditure amounts categorized both by each academic unit, administrative unit, or external initiative within the community college and by major expenditure category, including faculty and staff salaries and fringe benefits, facility-related costs, supplies and equipment, contracts, and transfers to and from other community college funds. The report shall also include a list of all employee positions funded partially or wholly through institutional general fund revenue that includes the position title, name, and annual salary or wage amount for each position. The community college shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

(2) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15, 2011, and post that information on the Internet website required under subsection (1):

- (a) Budgeted fiscal year 2011-2012 general fund revenue from tuition and fees.

- (b) Budgeted fiscal year 2011-2012 general fund revenue from state appropriations.
- (c) Budgeted fiscal year 2011-2012 general fund revenue from property taxes.
- (d) Budgeted fiscal year 2011-2012 total general fund revenue.
- (e) Budgeted fiscal year 2011-2012 total general fund expenditures.

Sec. 224. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

Sec. 225. (1) A committee shall be created to develop a process to improve the transferability of core college courses between community colleges and public universities on a statewide basis. Building off of the Michigan association of college registrars and academic officers agreement and existing articulation agreements in place between individual institutions, the committee shall work to develop equivalency standards of core college courses and identify equivalent courses offered by the institutions.

(2) The committee shall be composed of the following:

- (a) Ten representatives from community colleges selected by the Michigan community college association.
- (b) Ten representatives from public universities selected by the presidents council, state universities of Michigan.
- (c) One member of the house of representatives selected by the speaker of the house.
- (d) One member of the house of representatives selected by the minority leader of the house of representatives.
- (e) One member of the senate selected by the senate majority leader.
- (f) One member of the senate selected by the senate minority leader.

(3) The committee shall submit an interim project status report to the senate and house appropriations subcommittees on community colleges and higher education, the senate and house fiscal agencies, and the state budget director by March 1, 2012.

Sec. 234. Community colleges shall do the following:

(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

(b) Review, analyze, and eradicate activities that may tend to discriminate.

Sec. 247. Funds appropriated in part 1 shall not be used to enter into a lease for, or to purchase, a vehicle assembled or manufactured outside of the United States if competitively priced and comparable quality vehicles made in the state of Michigan or elsewhere in the United States of America are available.

Sec. 249. It is the intent of the legislature to encourage community college districts to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation, and utilizing group purchasing. Efficiency efforts shall also include reviewing proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements.

Sec. 250. (1) If the combined total of the maximum amount appropriated under this act from the state school aid fund for fiscal year 2011-2012 and the maximum amounts appropriated under the public acts making appropriations for K-12 state school aid and higher education for that fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under this act are subject to the proration provided under this subsection and subsection (2). If proration is necessary, state payments under this act from the state school aid fund shall be prorated in the manner prescribed in subsection (2) as necessary to reflect the amount available for expenditure from the state school aid fund for fiscal year 2011-2012. However, if the department of treasury determines that proration will be required under this section, or if the department of treasury determines that further proration is required under this section after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature in the manner provided for proration under section 11 of the state school aid act, 1979 PA 94, MCL 388.1611, and the legislature may take action to prevent the proration as described in that section.

(2) If proration is necessary under subsection (1), the department of treasury shall calculate the proration in payments under this act that is required under subsection (1) as follows:

(a) The department of treasury shall calculate the percentage of total state school aid allocated under this act and the public acts making appropriations for K-12 state school aid and higher education for the affected fiscal year that is used for payments for community colleges under this act.

(b) The department of treasury shall recover a percentage of the total proration amount required under subsection (1) that is equal to the percentage calculated under subdivision (a) by reducing payments to community colleges under this act on an equal percentage basis.

Sec. 251. A community college shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 252. It is the intent of the legislature that community colleges work with public universities in the state to implement statewide reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. In doing so, the institutions should work collaboratively and cooperatively to remove administrative barriers that result in understating the academic attainment of Michigan's citizens. It is the intent of the legislature that by August 1, 2012, statewide agreements be in place between community colleges and public universities that enable students who have earned a significant number of credits at a community college and transfer to a baccalaureate-granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.

Sec. 253. (1) A committee shall be created to develop a common set of scores using the ACT assessment to determine placement in developmental courses at community colleges for students who recently completed high school. The committee shall be composed of the following:

(a) Two members of the Michigan house of representatives. One member shall be designated by the speaker of the house, and 1 member shall be designated by the house minority leader.

(b) Two members of the Michigan senate. One member shall be designated by the senate majority leader, and 1 member shall be designated by the senate minority leader.

(c) Four representatives of Michigan public community colleges designated by the Michigan community colleges association.

(d) Four individuals representing K-12 education, with the speaker of the house, house minority leader, senate majority leader, and senate minority leader each designating 1 member.

(2) By March 1, 2012, the committee created under subsection (1) shall submit a report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office outlining the progress toward implementing a common set of ACT cutoff scores for placement into developmental education and credit-bearing courses.

Sec. 257. (1) It is the intent of the legislature that the senate and house appropriations subcommittees on community colleges, together with the Michigan community college association and other interested stakeholders, review any statutory mandates imposed on community colleges, including those identified by the legislative commission on statutory mandates established under former chapter 7B of the legislative council act, 1986 PA 268, and determine whether those mandates are necessary for the health and safety of students; are essential to the academic integrity of the community colleges; exceed any applicable federal requirements; are superfluous to the core academic programs of the community colleges; and materially impact local control and governance of the colleges.

(2) The senate and house subcommittees on community colleges shall review the estimated costs and benefits of each statutory mandate reviewed under subsection (1) and shall report their findings to the state budget director.

Sec. 258. It is the intent of the legislature that each community college receiving an appropriation in part 1 include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the national guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the national guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant. As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324.

#### **STATE AID - OPERATIONS**

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges," which shall be the basis for reporting data, and the "Activities Classification Structure Manual for Michigan Community Colleges," as amended, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment data reported for determining state aid under this act any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom reimbursement is provided by the state correctional system.

Sec. 304. It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years. Specifically, it is the intent of the legislature that the performance indicators task force review and implement 1 or more measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

Sec. 405. A community college receiving funds in part 1 shall cooperate with the state's efforts to establish a statewide P-20 education longitudinal data system to comply with the state fiscal stabilization fund provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

#### **REPORTS AND AUDITS**

Sec. 502. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(2) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the workforce development agency, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the workforce development agency, and the state budget director before November 15, 2011. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges."

Sec. 506. Each community college shall report the following to the workforce development agency no later than November 1, 2011:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the workforce development agency and the Michigan commission on Indian affairs.

(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

Sec. 507. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the prior academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 508. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the workforce development agency by August 31, 2011, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2011-2012 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2011-2012 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the workforce development agency within 15 days of being adopted.

Sec. 509. Each community college shall report to the workforce development agency the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2011.

#### PART 2A

#### PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2012-2013

#### **GENERAL SECTIONS**

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

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Darwin L. Booher  
 Roger Kahn  
 Conferees for the Senate

Ken Goike  
 Bob Genetski  
 Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 174, entitled**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; and to provide for the disposition of fees and other income received by the state agency.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect. The Conference Report was read as follows:

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 174, entitled**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; and to provide for the disposition of fees and other income received by the state agency.

Recommends:

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

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

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; and to provide for the disposition of fees and other income received by the state agency.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
 PART 1  
 LINE-ITEM APPROPRIATIONS  
 FOR FISCAL YEAR 2011-2012

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this act for the fiscal year ending September 30, 2012, from the following funds:

**DEPARTMENT OF EDUCATION  
 APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	554.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 117,313,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 117,313,000</b>
Federal revenues:		
Federal revenues .....		68,186,100
Federal indirect funds.....		4,181,000
IMLS, library services and technology act .....		5,562,100
Total federal revenues.....		77,929,200
Special revenue funds:		
Local cost sharing (schools for deaf/blind).....		6,835,000
Local school district service fees .....		324,200

	For Fiscal Year Ending Sept. 30, 2012
Total local revenues.....	7,159,200
Gifts, bequests, and donations.....	760,800
Private foundations.....	2,283,600
Total private revenues.....	3,044,400
Total local and private revenues.....	10,203,600
Certification fees.....	6,065,200
Commodity distribution fees.....	71,700
Student insurance revenues.....	218,600
Teacher college review fees.....	55,300
Teacher testing fees.....	344,500
Tenant rent.....	261,000
Training and orientation workshop fees.....	150,000
Total other state restricted revenues.....	7,166,300
State general fund/general purpose.....	\$ 22,013,900
<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions..... 14.0	
State board of education, per diem payments.....	\$ 24,400
Unclassified positions—6.0 FTE positions.....	645,600
State board/superintendent operations—14.0 FTE positions.....	2,032,000
GROSS APPROPRIATION.....	\$ 2,702,000
Appropriated from:	
Federal revenues:	
Federal revenues.....	114,400
Special revenue funds:	
Private foundations.....	28,100
Certification fees.....	627,000
State general fund/general purpose.....	\$ 1,932,500
<b>Sec. 103. CENTRAL SUPPORT</b>	
Full-time equated classified positions..... 19.6	
Central support—19.6 FTE positions.....	\$ 3,120,600
Worker's compensation.....	54,000
Building occupancy charges - property management services.....	2,728,200
Tenant rent.....	261,000
Training and orientation workshops.....	150,000
Terminal leave payments.....	554,700
GROSS APPROPRIATION.....	\$ 6,868,500
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,441,700
Federal indirect funds.....	2,294,700
Special revenue funds:	
Certification fees.....	413,800
Teacher testing fees.....	13,500
Tenant rent.....	261,000
Training and orientation workshop fees.....	150,000
State general fund/general purpose.....	\$ 2,293,800
<b>Sec. 104. INFORMATION TECHNOLOGY SERVICES</b>	
Information technology operations.....	\$ 3,332,900
GROSS APPROPRIATION.....	\$ 3,332,900
Appropriated from:	
Federal revenues:	
Federal revenues.....	494,600
Federal indirect funds.....	1,455,300

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	76,500
Certification fees .....	313,000
State general fund/general purpose .....	\$ 993,500
<b>Sec. 105. SPECIAL EDUCATION SERVICES</b>	
Full-time equated classified positions .....	47.0
Special education operations—47.0 FTE positions.....	\$ 7,909,900
GROSS APPROPRIATION .....	\$ 7,909,900
Appropriated from:	
Federal revenues:	
Federal revenues.....	7,463,200
Special revenue funds:	
Private foundations .....	110,100
Certification fees .....	39,500
State general fund/general purpose .....	\$ 297,100
<b>Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
Full-time equated classified positions .....	103.0
Michigan schools for the deaf and blind operations—102.0 FTE positions.....	\$ 13,632,000
Camp Tuhsmeheeta—1.0 FTE position .....	295,100
Private gifts - blind.....	200,000
Private gifts - deaf.....	250,000
GROSS APPROPRIATION .....	\$ 14,377,100
Appropriated from:	
Federal revenues:	
Federal revenues.....	6,326,700
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	6,758,500
Local school district service fees .....	312,500
Gifts, bequests, and donations.....	760,800
Student insurance revenue .....	218,600
State general fund/general purpose .....	\$ 0
<b>Sec. 107. PROFESSIONAL PREPARATION SERVICES</b>	
Full-time equated classified positions .....	34.0
Professional preparation operations—34.0 FTE positions .....	\$ 5,724,100
Department of attorney general.....	50,000
GROSS APPROPRIATION .....	\$ 5,774,100
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,386,700
Special revenue funds:	
Certification fees .....	3,564,900
Teacher college review fees.....	55,300
Teacher testing fees .....	331,000
State general fund/general purpose .....	\$ 436,200
<b>Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	26.0
Early childhood education and family services operations—26.0 FTE positions.....	\$ 4,295,700
GROSS APPROPRIATION .....	\$ 4,295,700
Appropriated from:	
Federal revenues:	
Federal revenues.....	3,388,300
Special revenue funds:	
Certification fees .....	59,100
State general fund/general purpose .....	\$ 848,300

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES**

Full-time equated classified positions .....	7.5	
State aid and school finance operations—7.5 FTE positions .....		\$ 985,400
<b>GROSS APPROPRIATION</b> .....		\$ 985,400
Appropriated from:		
State general fund/general purpose .....		\$ 985,400

**Sec. 110. AUDIT SERVICES**

Full-time equated classified positions .....	3.5	
Audit operations—3.5 FTE positions .....		\$ 541,800
<b>GROSS APPROPRIATION</b> .....		\$ 541,800
Appropriated from:		
Federal revenues:		
Federal indirect funds .....		431,000
Special revenue funds:		
Certification fees .....		55,200
State general fund/general purpose .....		\$ 55,600

**Sec. 111. ADMINISTRATIVE LAW SERVICES**

Full-time equated classified positions .....	2.0	
Administrative law operations—2.0 FTE positions .....		\$ 1,044,800
<b>GROSS APPROPRIATION</b> .....		\$ 1,044,800
Appropriated from:		
Federal revenues:		
Federal revenues .....		541,700
Special revenue funds:		
Certification fees .....		452,000
State general fund/general purpose .....		\$ 51,100

**Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY**

Full-time equated classified positions .....	64.1	
Educational assessment operations—64.1 FTE positions .....		\$ 11,272,500
<b>GROSS APPROPRIATION</b> .....		\$ 11,272,500
Appropriated from:		
Federal revenues:		
Federal revenues .....		9,704,500
State general fund/general purpose .....		\$ 1,568,000

**Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

Full-time equated classified positions .....	73.6	
Grants administration and school support services operations—67.6 FTE positions .....		\$ 10,937,400
College access challenge grant program—6.0 FTE positions .....		4,293,200
Federal and private grants .....		3,000,000
<b>GROSS APPROPRIATION</b> .....		\$ 18,230,600
Appropriated from:		
Federal revenues:		
Federal revenues .....		16,654,000
Special revenue funds:		
Local school district service fees .....		11,700
Private foundations .....		1,000,000
Commodity distribution fees .....		71,700
State general fund/general purpose .....		\$ 493,200

**Sec. 114. FIELD SERVICES**

Full-time equated classified positions .....	44.0	
Field services operations—44.0 FTE positions .....		\$ 9,302,700
<b>GROSS APPROPRIATION</b> .....		\$ 9,302,700
Appropriated from:		
Federal revenues:		
Federal revenues .....		8,537,900



	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Private foundations .....	572,100
Certification fees .....	51,600
State general fund/general purpose .....	\$ 141,100
<b>Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES</b>	
Full-time equated classified positions .....	55.7
Educational improvement and innovation operations—55.7 FTE positions .....	\$ 10,674,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 10,674,000</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	8,688,200
Special revenue funds:	
Private foundations .....	573,300
Certification fees .....	489,100
State general fund/general purpose .....	\$ 923,400
<b>Sec. 116. CAREER AND TECHNICAL EDUCATION</b>	
Full-time equated classified positions .....	27.0
Career and technical education operations—27.0 FTE positions .....	\$ 4,234,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 4,234,700</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,444,200
State general fund/general purpose .....	\$ 790,500
<b>Sec. 117. LIBRARY OF MICHIGAN</b>	
Full-time equated classified positions .....	33.0
Library of Michigan operations—32.0 FTE positions .....	\$ 3,808,500
Library services and technology program—1.0 FTE positions.....	5,562,100
State aid to libraries .....	5,445,700
Michigan elibrary .....	950,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,766,300</b>
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act .....	5,562,100
State general fund/general purpose .....	\$ 10,204,200

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2012 is \$29,180,200.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2012 is \$5,445,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF EDUCATION**

State aid to libraries .....	\$ 5,445,700
Total department of education .....	\$ 5,445,700

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

Sec. 203. As used in this act:

- (a) "Department" means the Michigan department of education.
- (b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (c) "FTE" means full-time equated.
- (d) "IMLS" means institute of museum and library services.

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

Sec. 205. Unless otherwise specified, the departments shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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

Sec. 207. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

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

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

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

Sec. 211. Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

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

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

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate standing committees on appropriations, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.

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

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

Sec. 215. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

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

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

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

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$700,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 225. It is the intent of the legislature that not later than 60 days after the state receives audited membership counts from intermediate school districts, the state superintendent of public instruction shall investigate and report to the legislature on the scope of and proposed solutions to pupil membership fraud and the incidence of students counted in membership in a district and not remaining in that district for the balance of the school year.

Sec. 226. Not later than November 15, 2012, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 227. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees responsible for the department budget, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

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

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

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

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

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

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

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

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

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

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

(2) From the amount appropriated in part 1 for tenant rent, the department may receive and expend funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of technology, management, and budget. These funds shall be used for the operation, maintenance, and renovation expenses associated with the leased space.

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

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

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

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

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

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

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

#### **PROFESSIONAL PREPARATION SERVICES**

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

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

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

#### **OFFICE OF EDUCATIONAL IMPROVEMENT AND INNOVATION**

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

#### **INFORMATION TECHNOLOGY**

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

#### **LIBRARY OF MICHIGAN**

Sec. 801. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and

software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

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

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

#### **GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

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

Sec. 902. The college access challenge grant program is a work project as provided in section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and as follows and as such appropriations for the program shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the project has been completed:

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

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

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

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

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

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

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

(c) The district in which each pupil is enrolled if other than the district with the seat-time waiver or the cyber school.

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

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

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

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

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

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

#### **PART 2A**

#### **PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2012-2013**

#### **GENERAL SECTIONS**

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

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; and to provide for the disposition of fees and other income received by the state agency.

Howard Walker  
Roger Kahn  
Conferees for the Senate

Bill Rogers  
Earl Poleski  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 175, entitled**

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect. The Conference Report was read as follows:

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 175, entitled**

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

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

A bill to make appropriations for the department of licensing and regulatory affairs and certain other state purposes for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. The amounts listed in this part are appropriated for the department of licensing and regulatory affairs, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2012, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	57.5	
Full-time equated classified positions .....	4,320.8	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 811,570,400</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		13,373,500
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 798,196,900</b>
Federal revenues:		
Total federal revenues.....		365,728,300
Special revenue funds:		
Total local revenues.....		7,859,900
Total private revenues.....		4,727,800
Total other state restricted revenues.....		388,808,100
State general fund/general purpose .....		<b>\$ 31,072,800</b>

**Sec. 102. DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions.....	57.5	
Full-time equated classified positions .....	129.0	
Unclassified salaries—57.5 FTE positions.....		\$ 4,531,900
Executive director programs—33.0 FTE positions.....		5,083,200
Property management .....		11,768,400
Rent .....		12,032,200
Worker’s compensation.....		758,400
Special project advances.....		200,000
Administrative services—96.0 FTE positions .....		9,925,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 44,299,900</b>

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOE-OEERE, multiple grants.....	3,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	4,163,400
DOL-ETA, unemployment insurance .....	11,774,000
DOL, federal funds.....	30,800
DOL, multiple grants for safety and health .....	767,000
Federal revenues.....	437,100
Title XVIII Medicare.....	300,100
Title XIX Medicaid .....	21,000
Title XIX Medicaid, facility certification fees .....	193,900
Special revenue funds:	
Private - special project advances .....	200,000
Local revenues.....	130,900
Bank fees.....	356,300
Boiler fee revenue .....	244,400
Construction code fund .....	1,127,200
Consumer finance fees .....	74,900
Contingent fund, penalty and interest account.....	39,200
Corporation fees .....	4,168,800
Credit union fees .....	366,100
Deferred presentment service transaction fees.....	24,900
Elevator fees .....	251,500
Fees and collections/asbestos .....	100,000
Fire service fees .....	755,400
Health professions regulatory fund .....	1,559,400
Health systems fees.....	404,000
Insurance licensing and regulation fees.....	1,738,500
Insurance bureau fund .....	514,100
Licensing and regulation fees.....	1,005,700
Liquor purchase revolving fund .....	4,791,100
MBLSLA fund.....	84,800
Mobile home code fund.....	252,600
Motor carrier fees.....	203,600
Private occupational school license fees .....	14,000
Public utility assessments.....	2,310,400
Radiological health fees .....	90,000
Safety education and training fund .....	719,800
Second injury fund .....	249,900
Securities fees.....	2,441,000
Self-insurers security fund.....	89,500
Silicosis and dust disease fund.....	111,100
Tax tribunal fund .....	181,400
Video franchise assessments.....	4,000
Workers' compensation administrative revolving fund .....	100,000
State general fund/general purpose .....	\$ 1,905,100
<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Full-time equated classified positions .....	377.0
Administration—35.0 FTE positions.....	\$ 7,392,600
Financial evaluation—232.0 FTE positions .....	34,613,400
Regulatory compliance and consumer assistance—110.0 FTE positions.....	18,465,500
GROSS APPROPRIATION .....	\$ 60,471,500
Appropriated from:	
Federal revenues:	
Federal revenues.....	2,000,000

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Bank fees .....	8,236,900
Captive insurance regulatory and supervision fund .....	256,800
Consumer finance fees .....	4,362,800
Credit union fees .....	6,382,400
Deferred presentment service transaction fees .....	2,705,800
Insurance bureau fund .....	20,584,400
Insurance continuing education fees .....	1,023,600
Insurance licensing and regulation fees.....	4,800,400
MBLSLA fund.....	4,300,600
Multiple employer welfare arrangement .....	72,600
Securities fees.....	4,745,200
Securities investor education and training fund .....	1,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 104. PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS</b>	
Full-time equated classified positions .....	195.0
Public service commission—190.0 FTE positions .....	\$ 27,158,500
METRO authority—5.0 FTE positions.....	355,900
GROSS APPROPRIATION .....	\$ 27,514,400
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	9,000
DOT, gas pipeline safety .....	677,800
Special revenue funds:	
Children's protection registry fund.....	272,600
Motor carrier fees.....	2,094,700
Public utility assessments.....	23,620,300
Restructuring mechanism assessments .....	440,000
Video franchise assessments.....	400,000
State general fund/general purpose .....	\$ 0
<b>Sec. 105. LIQUOR CONTROL COMMISSION</b>	
Full-time equated classified positions .....	152.0
Management support services—28.0 FTE positions .....	\$ 3,812,200
Liquor licensing and enforcement—124.0 FTE positions.....	13,801,300
GROSS APPROPRIATION .....	\$ 17,613,500
Appropriated from:	
Special revenue funds:	
Direct shipper enforcement revolving fund.....	120,000
Liquor license revenue .....	7,136,200
Liquor purchase revolving fund .....	10,357,300
State general fund/general purpose .....	\$ 0
<b>Sec. 106. OCCUPATIONAL REGULATION</b>	
Full-time equated classified positions .....	835.3
Boiler inspection program—25.0 FTE positions.....	\$ 2,931,000
Bureau of fire services—57.0 FTE positions .....	5,603,700
Code enforcement—120.0 FTE positions .....	14,022,200
Commercial services—175.0 FTE positions .....	19,812,600
Elevator inspection program—30.0 FTE positions .....	3,162,400
Bureau of health professions—160.0 FTE positions.....	26,945,900
Bureau of health systems—199.6 FTE positions .....	21,630,100
Health policy and regulation—8.8 FTE positions .....	2,646,500
Radiological health administration—21.4 FTE positions.....	3,179,700
Background check program—5.5 FTE positions .....	2,545,900
Manufactured housing and land resources program—22.0 FTE positions .....	2,733,700
Property development group—11.0 FTE positions .....	1,707,600
GROSS APPROPRIATION .....	\$ 106,921,300



For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	100,000
IDG from department of human services, background checks .....	1,000,000
Federal revenues:	
Clinical lab improvement .....	360,000
CMS transformation grant.....	3,000,000
DOT .....	60,000
FEMA .....	28,000
Mammography quality standards.....	710,400
Prescription drug monitoring.....	100,000
Title XVIII Medicare.....	9,287,900
Title XIX Medicaid .....	950,800
Title XIX Medicaid, facility certification fees .....	6,217,500
Special revenue funds:	
Private - civil monetary penalties.....	200,000
Accountancy enforcement fund.....	420,000
Boiler fee revenue .....	3,363,600
Builder enforcement fund.....	427,000
Construction code fund .....	13,186,600
Corporation fees .....	6,342,700
Elevator fees .....	3,565,400
Fire alarm fees.....	114,000
Fire safety standard and enforcement fund .....	40,000
Fire service fees .....	1,953,300
Health professions regulatory fund .....	22,972,000
Health systems fees .....	1,417,200
Licensing and regulation fees.....	11,302,800
Liquor purchase revolving fund .....	2,636,500
Mobile home code fund.....	2,733,700
Nurse professional fund.....	1,744,200
Pain management fees .....	1,728,600
Private occupational school license fees .....	832,200
Property development fees .....	298,900
Radiological health fees .....	2,469,300
Real estate appraiser continuing education fund.....	47,000
Real estate education fund .....	320,300
Real estate enforcement fund .....	364,600
Survey and remonumentation fund.....	776,700
Security business fund.....	321,100
Unarmed combat fund .....	66,900
State general fund/general purpose .....	\$ 5,462,100
<b>Sec. 107. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ 28,561,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 28,561,900</b>
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	13,365,600
Special revenue funds:	
Corporation fees .....	3,780,300
Fees and collections/asbestos .....	919,900
Safety education and training fund .....	8,477,300
Securities fees.....	2,018,800
State general fund/general purpose .....	\$ 0

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 108. EMPLOYMENT SERVICES**

Full-time equated classified positions .....	2,171.1	
Worker's compensation administration—96.6 FTE positions .....		\$ 8,918,200
Wage and hour division—33.0 FTE positions.....		3,136,700
Insurance funds administration—28.0 FTE positions .....		4,982,700
Supplemental benefit fund.....		820,000
Unemployment programs—1,302.7 FTE positions .....		136,315,200
Advocacy assistance program.....		1,500,000
Special audit and collections program—34.0 FTE positions .....		3,091,200
Training program for agency staff—2.1 FTE positions .....		1,827,700
Expanded fraud control program—33.2 FTE positions .....		3,561,300
Commission for the blind—107.0 FTE positions.....		26,728,500
Michigan rehabilitation services—513.5 FTE positions .....		71,720,500
Employment and labor relations—21.0 FTE positions .....		3,745,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 266,347,000</b>

Appropriated from:

Federal revenues:

DED-OPSE, multiple grants.....		1,222,900
DED-OSERS, centers for independent living .....		58,200
DED-OSERS, rehabilitation long-term training.....		316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		56,417,700
DED-OSERS, state grants for technical related assistance.....		65,300
DOL, employment and training administration.....		1,219,100
DOL-ETA, unemployment insurance .....		142,576,300
Federal revenues .....		20,265,900
HHS-SSA, supplemental security income.....		3,783,000

Special revenue funds:

Private - gifts, bequests, and donations.....		816,000
Private revenues.....		111,800
Local revenues.....		529,000
Corporation fees .....		2,862,400
Contingent fund, regular penalty and interest .....		1,500,000
Michigan commission for the blind business enterprise program fund .....		553,600
Rehabilitation service fees.....		1,352,300
Second injury fund .....		2,733,800
Securities fees.....		5,267,800
Self-insurers security fund.....		1,268,400
Silicosis and dust disease fund.....		1,032,000
Special fraud control fund.....		1,000,000
Workers' compensation administrative revolving fund .....		2,755,600
State general fund/general purpose .....		<b>\$ 18,639,000</b>

**Sec. 109. MICHIGAN ADMINISTRATIVE HEARING SYSTEM**

Full-time equated classified positions .....	232.4	
Michigan administrative hearing system—205.4 FTE positions.....		\$ 30,230,300
Office of regulatory reinvention—2.0 FTE positions.....		350,000
Michigan compensation appellate commission—25.0 FTE positions.....		3,033,600
<b>GROSS APPROPRIATION</b> .....		<b>\$ 33,613,900</b>

Appropriated from:

Interdepartmental grant revenues:

IDG - administrative hearings .....		12,273,500
Federal revenues:		
DOL-ETA, unemployment insurance .....		2,882,100
Federal revenue - administrative hearings and rules .....		7,596,900

Special revenue funds:

Construction code fund .....		29,000
Corporation fees .....		1,121,500

	For Fiscal Year Ending Sept. 30, 2012
Fire service fees .....	29,000
Insurance bureau fund .....	29,000
Insurance licensing and regulation fees.....	29,000
Licensing and regulation fees.....	29,000
Liquor license revenue .....	29,000
Motor carrier fees.....	29,000
Public utility assessments.....	29,000
Safety education and training fund .....	29,000
Securities fees.....	1,125,200
State restricted revenue - administrative hearings and rules .....	4,963,000
Tax tribunal fund .....	3,149,000
Workers' compensation administrative revolving fund .....	180,500
State general fund/general purpose .....	\$ 61,200
<b>Sec. 110. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 43,132,900
Liquor control commission IT upgrades .....	100
GROSS APPROPRIATION .....	\$ 43,133,000
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	21,797,800
DOL, multiple grants for safety and health .....	273,700
Federal revenues.....	3,365,300
Special revenue funds:	
Bank fees .....	219,500
Boiler fee revenue .....	280,500
Construction code fund .....	1,076,700
Consumer finance fees .....	95,100
Corporation fees .....	4,833,400
Credit union fees .....	192,100
Deferred presentment service transaction fees .....	85,700
Elevator fees .....	271,300
Fees and collections/asbestos .....	11,000
Fire service fees .....	503,500
Health professions regulatory fund .....	873,900
Health systems fees .....	186,400
Insurance continuing education fees .....	11,700
Insurance bureau fund .....	545,500
Insurance licensing and regulation fees.....	315,000
Licensing and regulation fees.....	1,430,900
Liquor purchase revolving fund .....	2,771,000
MBLSLA fund.....	104,100
Mobile home code fund.....	152,800
Motor carrier fees.....	148,900
Pain management fees .....	160,000
Public utility assessments.....	1,166,600
Radiological health fees .....	140,000
Safety education and training fund .....	624,700
Second injury fund .....	143,600
Securities fees.....	944,100
Self-insurers security fund.....	71,500
Silicosis and dust disease fund.....	61,500
Tax tribunal fund .....	210,000
State general fund/general purpose .....	\$ 65,200
<b>Sec. 111. DEPARTMENT GRANTS</b>	
Personal assistance services .....	\$ 459,500
Vocational rehabilitation customer support .....	56,908,400

	For Fiscal Year Ending Sept. 30, 2012
Independent living .....	4,908,600
Fire protection grants .....	9,273,900
Low-income energy efficiency assistance .....	95,000,000
Liquor law enforcement grants.....	6,600,000
Remonumentation grants .....	5,300,000
Private grant programs .....	3,000,000
Subregional libraries state aid .....	451,800
Utility consumer representation.....	950,000
Youth low-vision program .....	241,800
GROSS APPROPRIATION .....	\$ 183,094,000
Appropriated from:	
Federal revenues:	
DED-OSERS, centers for independent living .....	450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	37,056,700
DED-OSERS, rehabilitation services facilities .....	2,272,500
DED-OSERS, supported employment.....	1,541,300
DED-OSERS, state grants for technical related assistance.....	2,240,800
HHS-SSA, supplemental security income.....	5,868,400
Special revenue funds:	
Private - gifts, bequests, and donations .....	400,000
Private revenues.....	3,000,000
Local vocational rehabilitation match .....	7,000,000
Local vocational rehabilitation facilities match.....	200,000
Contingent fund, penalty and interest account.....	1,000,000
Low-income energy efficiency fund.....	95,000,000
Fire protection fund.....	8,500,000
Liquor purchase revolving fund .....	773,900
Liquor license revenue .....	6,600,000
Survey and remonumentation fund.....	5,300,000
Utility consumer representation fund.....	950,000
State general fund/general purpose .....	\$ 4,940,200

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2011-2012 is \$419,880,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$22,988,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

Fire protection grants .....	\$ 9,273,900
Liquor law enforcement .....	6,600,000
Remonumentation grants .....	5,300,000
Firefighters training council .....	1,363,000
Subregional libraries state aid .....	451,800
Total department of licensing and regulatory affairs.....	\$ 22,988,700

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

Sec. 203. As used in this act:

- (a) "DED" means the United States department of education.
- (b) "DED-OPSE" means the DED office of postsecondary education.
- (c) "DED-OSERS" means the DED office of special education rehabilitation services.
- (d) "Department" means the department of licensing and regulatory affairs.
- (e) "Director" means the director of the department.
- (f) "DOE-OEERE" means the United States department of energy, office of energy efficiency and renewable energy.
- (g) "DOL" means the United States department of labor.

- (h) "DOL-ETA" means the DOL employment and training administration.
- (i) "DOT" means the United States department of transportation.
- (j) "FEMA" means federal emergency management agency.
- (k) "Fire safety standard and enforcement fund" means fire safety standard and firefighter protection act enforcement fund created in section 9 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.499.
- (l) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (m) "FTE" means full-time equated.
- (n) "HHS" means the United States department of health and human services.
- (o) "HHS-SSA" means HHS social security administration.
- (p) "IDG" means interdepartmental grant.
- (q) "MAHS" means Michigan administrative hearing system.
- (r) "MARVIN" means Michigan's automated response voice interactive network.
- (s) "METRO" means metropolitan extension telecommunications rights-of-way oversight.
- (t) "MIOSHA" means Michigan occupational safety and health administration.
- (u) "Pain management fees" means the pain management education and controlled substances electronic monitoring and antidiversion fund.
- (v) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director shall take all reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. (1) Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

(2) The funds appropriated in part 1 for liquor control commission information technology are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for expenditure until the project has been completed. The total cost of the work project is estimated at \$1,000,000.00 and the tentative completion date is September 30, 2013.

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of technology, management, and budget.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. Not later than November 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

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

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

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

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

(2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

(3) Not later than January 1, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 220. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$45,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$31,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$600,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 225. Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 1, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 227. (1) The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

- (e) Labor law books.
- (f) Worker’s compensation health care services rules.
- (g) Construction code manuals.
- (h) Copies of transcripts from administrative law hearings.

(2) In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 231. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state’s central transparency website as the source for this information.

Sec. 232. The department shall not develop or produce any television productions.

Sec. 234. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the subcommittees, and the fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

**REGULATORY**

Sec. 301. (1) The appropriation in part 1 for fire protection grants shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

(2) Cities, villages, and townships with state-owned facilities shall report to the department no later than November 15 on a form developed by the department in order to be eligible to receive funds appropriated in part 1 for fire protection grants. The report shall indicate all of the following:

- (a) The ability to respond to state facilities in their service area.
- (b) The cost for being prepared and able to respond to fire service situations during the most recent fiscal year.
- (3) The department shall prepare a summary of the local submissions and provide it to the subcommittees, fiscal agencies, and the state budget director by March 31.

Sec. 301a. (1) Cities, villages, and townships receiving fire protection grant funds in accordance with 1977 PA 289, MCL 141.951 to 141.956, shall submit a report to the department detailing the expenditures made by the local unit from fire protection grant funds, the fire-related activities of the local unit’s police and fire departments on state property, and the costs of such activities. The local unit shall provide a report no later than January 1, covering the state fiscal year ending September 30, 2011.

(2) The department shall provide a standard template for use by local units of government when submitting a report to the department.

(3) The department shall prepare a summary of the local submissions and provide it to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 302. Money appropriated under this act for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>		<u>Fee</u>
\$101,000.00 or less		minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00		\$1.30 per \$1,000.00
\$10,000,001.00 or more		\$1.10 per \$1,000.00
		or a maximum fee of \$60,000.00.

Sec. 302a. In addition to the funds appropriated in part 1, the funds credited to the cigarette fire safety standard and firefighter protection act fund created in section 13 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.503, shall be appropriated to be expended for the purposes provided for in the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.491 to 29.513. These funds are appropriated for expenditure when they are received.

Sec. 303. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year.

Sec. 304. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 320. If the revenue collected by the department from licensing and regulation fees collected by the bureau of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 330. Funds earned or authorized by the DOL in excess of the gross appropriation in part 1 for the unemployment insurance agency from the DOL are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. The unemployment insurance agency shall provide the subcommittees, fiscal agencies, and state budget office with quarterly status reports on the development of the agency's integrated system project. The quarterly status reports shall include, but not be limited to, a summary of the expenditures for the project, project budget information, a summary of the tasks completed and milestones reached to date, the percentage of the total project completed to date, and a summary of the tasks anticipated to be completed in the subsequent quarter.

Sec. 333. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet MARVIN system. The department shall implement improvements to the Internet MARVIN system that promote greater ease of access and security with a goal of reaching 50% of users certifying by using the Internet MARVIN system.

Sec. 340. MIOSHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. The department shall not promulgate or adopt a rule more stringent than the applicable federal standard unless specifically authorized by statute.

Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$80,000.00 shall be allocated to nonprofit organizations representing the mining industry in Michigan.

Sec. 361. (1) The public service commission shall report by November 1 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(2) The funds collected from public utilities for low-income energy efficiency fund grants as provided under orders issued by the public service commission pursuant to 1939 PA 3, MCL 460.1 to 460.11, that are unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 368. No later than March 1, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the previous fiscal year. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 380. Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered prior to August 23, 2010. Pursuant to available funds, the payment of final judgments shall be made in the order in which the final judgments were entered and began accruing interest.

Sec. 390. The Michigan tax tribunal and the Michigan administrative hearing system shall submit a report on the number of cases heard and the number of cases decided by MAHS hearings officers, contractual hearings officers, and tribunal members during the fiscal year. The report shall also include information on case filings and dispositions, the number of active and pending cases before the small claims division and the entire tribunal, and the agencies' plan to eliminate the



backlog of cases. The report shall be submitted to the subcommittees, fiscal agencies, and state budget office not later than November 1, 2012.

#### **OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Sec. 401. In addition to the funds appropriated in part 1, the funds collected by the office of financial and insurance regulation in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

#### **MICHIGAN REHABILITATION SERVICES AND MICHIGAN COMMISSION FOR THE BLIND**

Sec. 603. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 604. All funds appropriated in part 1 for independent living shall be used for the support of centers for independent living in compliance with federal rules and regulations for such centers, by existing centers in serving underserved areas, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the department. Funds must be used in a manner consistent with the state plan for independent living.

Sec. 610. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 611. The Michigan commission for the blind and the Michigan rehabilitation services shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 613. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 615. The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

#### **HEALTH REGULATION**

Sec. 708. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Sec. 714. The department shall report by April 1 to the subcommittees, fiscal agencies, and state budget director on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. The report shall consist of the number of allegations filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 716. The department shall give priority in investigations of alleged wrongdoing by licensed health care professionals to instances that are alleged to have occurred within 2 years of the initial complaint.

Sec. 718. The department shall gather information on its most frequently cited complaint deficiencies for the prior 3 fiscal years. The department shall determine whether there is an increase in the number of citations from 1 year to the next and

assess the cause of the increase, if any, and whether education and training of nursing facility staff or department staff is needed. The department shall provide the results of the study to the subcommittees, fiscal agencies, and state budget director by May 1.

Sec. 726. (1) The department shall submit a report by April 1 to the subcommittees, fiscal agencies, and state budget director that includes all data on the amount collected from medical marihuana program application and renewal fees along with the cost of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(2) If the required fees are shown to be insufficient to offset all expenses of implementing and administering the medical marihuana program, the department shall review and revise the application and renewal fees accordingly to ensure that all expenses of implementing and administering the medical marihuana program are offset as is permitted under section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

(3) The department shall submit a report by January 1 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:

- (a) The number of initial applications received.
- (b) The number of initial applications approved and the number of initial applications denied.
- (c) The average amount of time, from receipt to approval or denial, to process an initial application.
- (d) The number of renewal applications received.
- (e) The number of renewal applications approved and the number of renewal applications denied.
- (f) The average amount of time, from receipt to approval or denial, to process a renewal application.
- (g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (i) The percentage of registry cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (j) The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

Sec. 727. By October 1, 2011, the department shall establish and implement a bid process to identify a private or public contractor to provide management of the medical marihuana program. By January 1, the department shall transfer responsibility for management of the medical marihuana program to the contractor identified by the bid process.

Sec. 729. (1) A hospital or freestanding surgical outpatient facility may report whether a registered nurse, qualified by training and experience in operating room nursing, is present as a circulating nurse in each separate operating room where surgery is being performed for the duration of the operative procedure. This section does not preclude a circulating nurse from leaving the operating room as part of the procedure, leaving the operating room as part of the operative procedure, leaving the operating room for short periods, or, in accordance with employer rules or regulations, being relieved during an operative procedure by another circulating nurse assigned to continue the operative procedure.

(2) The department shall report any data collected pursuant to subsection (1) on the use of a circulating nurse in the operating room of hospitals and freestanding surgical outpatient facilities to the legislature on an annual basis. The circulating nurse shall assist administration in assuring regulatory compliance data are collected, including the verification of the circulating nurse.

Sec. 731. (1) The bureau of health systems shall prepare a report detailing the number of facilities, locations, and beds for each type of health facility licensed, certified, inspected, or otherwise regulated by the bureau. The report shall also include the bureau's cost to license, certify, inspect, or otherwise regulate each type of facility. The data required by this subsection shall be collected and reported on acute care hospitals, home health agencies, hospices, hospice residences, psychiatric units in general hospitals, psychiatric hospitals, partial hospitalization psychiatric programs, outpatient surgical facilities, laboratories, end stage renal disease facilities, rural health clinics, substance abuse programs, long-term care facilities including nursing homes, hospital long-term care units, county medical care facilities, and radiation machines.

(2) By February 1, the bureau of health systems shall work with interested stakeholders to recommend to the governor and the legislature a schedule of fees to be charged by the bureau for regulating health facilities. The fee schedule proposed by the bureau shall bear a direct relationship to the cost of the service or act, including overhead expenses. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for

fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of licensing and regulatory affairs and certain other state purposes for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Mark C. Jansen  
Roger Kahn  
Conferees for the Senate

Al Pscholka  
Bill Rogers  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 176, entitled**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect. The Conference Report was read as follows:

**First Conference Report**

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

**Senate Bill No. 176, entitled**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	1,334.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 414,520,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		9,043,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 405,476,800</b>

	For Fiscal Year Ending Sept. 30, 2012
Federal revenues:	
Total federal revenues.....	159,701,500
Special revenue funds:	
Total private revenues.....	711,800
Total other state restricted revenues.....	223,571,900
State general fund/general purpose.....	\$ 21,491,600
<b>FUND SOURCE SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	1,334.5
<b>GROSS APPROPRIATION.....</b>	<b>\$ 414,520,000</b>
Interdepartmental grant revenues:	
IDG, MDOT - Michigan transportation fund.....	1,165,900
IDG, MDSP.....	1,095,900
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services.....	4,728,000
Total interdepartmental grants and intradepartmental transfers.....	9,043,200
<b>ADJUSTED GROSS APPROPRIATION.....</b>	<b>\$ 405,476,800</b>
Federal revenues:	
Federal funds.....	159,701,500
Special revenue funds:	
Private funds.....	711,800
Aboveground storage tank fees.....	489,700
Air emissions fees.....	10,163,900
Campground fund.....	292,700
Clean Michigan initiative - response activities.....	5,500,000
Clean Michigan initiative fund - clean water fund.....	4,030,700
Cleanup and redevelopment fund.....	16,555,600
Community pollution prevention fund.....	250,000
Electronic waste recycling fund.....	269,800
Environmental education fund.....	260,900
Environmental pollution prevention fund.....	2,425,900
Environmental protection bond fund.....	1,452,500
Environmental protection fund.....	5,832,200
Environmental response fund.....	8,236,000
Fees and collections.....	348,000
Financial instruments.....	5,000,000
Great Lakes protection fund.....	1,051,500
Groundwater discharge permit fees.....	1,624,400
Hazardous materials transportation permit fund.....	912,400
Infrastructure construction fund.....	434,300
Land and water permit fees.....	5,695,800
Landfill maintenance trust fund.....	28,200
Medical waste emergency response fund.....	330,000
Metallic mining surveillance fee revenue.....	38,000
Mineral well regulatory fee revenue.....	213,100
NPDES fees.....	4,298,400
Oil and gas regulatory fund.....	10,632,700
Orphan well fund.....	2,207,000
Public swimming pool fund.....	690,200
Public utility assessments.....	264,800
Public water supply fees.....	4,682,500
Refined petroleum fund.....	37,642,400
Retired engineers technical assistance program.....	1,860,200
Revitalization revolving loan fund.....	94,100
Revolving loan revenue bonds.....	11,400,000
Sand extraction fee revenue.....	81,000

	For Fiscal Year Ending Sept. 30, 2012
Scrap tire regulatory fund.....	5,328,800
Septage waste contingency fund .....	17,000
Septage waste program fund .....	609,000
Settlement funds .....	2,490,900
Sewage sludge land application fees .....	993,700
Small business pollution prevention revolving loan fund .....	146,700
Soil erosion and sedimentation control training fund .....	134,100
Solid waste management fund - staff account.....	4,822,600
State site cleanup fund .....	4,400,000
Stormwater permit fees .....	3,345,300
Strategic water quality initiatives fund.....	40,000,000
Underground storage tank fees.....	2,575,500
Waste reduction fee revenue.....	4,851,100
Wastewater operator training fees .....	550,700
Water analysis fees .....	3,947,900
Water pollution control revolving fund .....	3,530,500
Water quality protection fund.....	100,000
Water use reporting fees.....	439,200
Total other state restricted revenues .....	223,571,900
State general fund/general purpose .....	\$ 21,491,600
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	14.0
Unclassified salaries—6.0 FTE positions.....	\$ 500,000
Executive direction—14.0 FTE positions.....	1,656,400
GROSS APPROPRIATION .....	\$ 2,156,400
Appropriated from:	
Federal revenues:	
Federal funds .....	72,100
Special revenue funds:	
Environmental response fund .....	140,500
Oil and gas regulatory fund.....	231,900
Refined petroleum fund.....	414,500
Settlement funds.....	58,100
State general fund/general purpose .....	\$ 1,239,300
<b>Sec. 103. OFFICE OF THE GREAT LAKES</b>	
Full-time equated classified positions .....	18.0
Office of the Great Lakes—18.0 FTE positions.....	\$ 2,697,700
GROSS APPROPRIATION .....	\$ 2,697,700
Appropriated from:	
Federal revenues:	
Federal funds .....	1,591,500
Special revenue funds:	
Great Lakes protection fund.....	680,800
Settlement funds .....	106,600
State general fund/general purpose .....	\$ 318,800
<b>Sec. 104. GREAT LAKES RESTORATION INITIATIVE</b>	
Great Lakes restoration initiative .....	\$ 25,000,000
GROSS APPROPRIATION .....	\$ 25,000,000
Appropriated from:	
Federal revenues:	
Federal funds .....	25,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 105. DEPARTMENT SUPPORT SERVICES</b>	
Full-time equated classified positions .....	37.0
Central support services—37.0 FTE positions.....	\$ 3,905,400

	For Fiscal Year Ending Sept. 30, 2012
Accounting service center .....	1,224,700
Administrative hearings .....	489,700
Automated data processing .....	2,053,400
Building occupancy charges .....	5,985,000
Environmental support projects .....	5,000,000
Rent - privately owned property .....	1,960,800
GROSS APPROPRIATION .....	\$ 20,619,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDSP .....	86,700
IDT, interdivisional charges .....	2,053,400
IDT, laboratory services .....	502,700
Federal revenues:	
Federal funds .....	5,200
Special revenue funds:	
Aboveground storage tank fees .....	55,900
Air emissions fees .....	1,597,600
Campground fund .....	15,100
Cleanup and redevelopment fund .....	1,332,600
Environmental pollution prevention fund .....	105,100
Environmental protection fund .....	5,500
Environmental response fund .....	614,000
Fees and collections .....	38,300
Financial instruments .....	5,000,000
Great Lakes protection fund .....	82,500
Groundwater discharge permit fees .....	188,200
Hazardous material transportation permit fund .....	34,900
Land and water permit fees .....	309,300
Medical waste emergency response fund .....	40,400
Metallic mining surveillance fee revenue .....	1,300
Mineral well regulatory fee revenue .....	15,200
NPDES fees .....	412,100
Oil and gas regulatory fund .....	1,016,800
Orphan well fund .....	40,400
Public swimming pool fund .....	64,100
Public utility assessments .....	49,400
Public water supply fees .....	254,100
Refined petroleum fund .....	1,879,200
Sand extraction fee revenue .....	1,000
Scrap tire regulatory fund .....	200,300
Septage waste program fund .....	34,000
Settlement funds .....	192,500
Sewage sludge land application fees .....	107,400
Small business pollution prevention revolving loan fund .....	19,000
Soil erosion and sedimentation control training fund .....	5,300
Solid waste management fund - staff account .....	581,400
Stormwater permit fees .....	184,400
Underground storage tank fees .....	219,100
Waste reduction fee revenue .....	365,200
Wastewater operator training fees .....	6,000
Water analysis fees .....	355,600
Water use reporting fees .....	8,900
State general fund/general purpose .....	\$ 2,538,900
<b>Sec. 106. OFFICE OF ENVIRONMENTAL ASSISTANCE</b>	
Full-time equated classified positions .....	44.0
Office of environmental assistance—44.0 FTE positions .....	\$ 6,915,500
GROSS APPROPRIATION .....	\$ 6,915,500

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
Federal funds .....	880,100
Special revenue funds:	
Private funds .....	537,600
Air emissions fees .....	124,500
Environmental education fund.....	260,900
Retired engineers technical assistance program .....	1,860,200
Settlement funds .....	248,400
Small business pollution prevention revolving loan fund .....	118,900
Waste reduction fee revenue.....	2,884,900
State general fund/general purpose .....	\$ 0

**Sec. 107. WATER RESOURCE DIVISION**

Full-time equated classified positions .....	321.0	
Land and water interface permit programs—85.0 FTE positions .....		\$ 14,806,800
Program direction and project assistance—30.0 FTE positions .....		2,775,000
Water withdrawal assessment program—4.0 FTE positions .....		756,600
Expedited water/wastewater permits—3.0 FTE positions .....		434,300
Fish contaminant monitoring.....		316,100
Groundwater discharge—22.0 FTE positions.....		2,868,800
NPDES nonstormwater program—89.0 FTE positions .....		11,690,400
Surface water—88.0 FTE positions.....		15,163,600
GROSS APPROPRIATION .....		\$ 48,811,600

Appropriated from:

Interdepartmental grant revenues:	
IDG, MDOT - Michigan transportation fund .....	1,108,100
Federal revenues:	
Federal funds .....	14,298,800
Special revenue funds:	
Clean Michigan initiative fund - clean water fund.....	4,030,700
Environmental protection fund .....	2,546,100
Environmental response fund .....	183,700
Groundwater discharge permit fees .....	1,356,900
Infrastructure construction fund .....	434,300
Land and water permit fees .....	5,251,400
NPDES fees.....	3,685,600
Refined petroleum fund.....	429,400
Soil erosion and sedimentation control training fund .....	126,300
Stormwater permit fees .....	2,972,600
Water pollution control revolving fund .....	734,300
Water use reporting fees .....	426,100
State general fund/general purpose .....	\$ 11,227,300

**Sec. 108. LAW ENFORCEMENT DIVISION**

Full-time equated classified positions .....	14.0	
Environmental investigations—14.0 FTE positions .....		\$ 2,396,900
GROSS APPROPRIATION .....		\$ 2,396,900

Appropriated from:

Federal revenues:	
Federal funds .....	703,100
Special revenue funds:	
Aboveground storage tank fees .....	5,100
Air emissions fees .....	150,600
Campground fund.....	2,800
Cleanup and redevelopment fund .....	126,700
Environmental pollution prevention fund.....	10,400

	For Fiscal Year Ending Sept. 30, 2012
Environmental protection fund .....	45,400
Environmental response fund .....	65,300
Fees and collections .....	3,800
Great Lakes protection fund .....	8,300
Groundwater discharge permit fees .....	17,300
Hazardous material transportation permit fund .....	3,500
Land and water permit fees .....	36,800
Medical waste emergency response fund .....	4,100
Metallic mining surveillance fee revenue .....	500
Mineral well regulatory fee revenue .....	1,600
NPDES fees .....	41,600
Oil and gas regulatory fund .....	114,200
Orphan well fund .....	4,100
Public swimming pool fund .....	5,100
Public water supply fees .....	25,400
Refined petroleum fund .....	291,600
Sand extraction fee revenue .....	500
Scrap tire regulatory fund .....	97,000
Septage waste program fund .....	3,400
Settlement funds .....	22,200
Sewage sludge land application fees .....	9,800
Small business pollution prevention revolving loan fund .....	1,900
Stormwater permit fees .....	18,400
Soil erosion and sedimentation control training fund .....	600
Underground storage tank fees .....	21,900
Waste reduction fee revenue .....	45,700
Wastewater operator training fees .....	600
Water analysis fees .....	28,400
Water use reporting fees .....	900
State general fund/general purpose .....	\$ 478,300
<b>Sec. 109. AIR QUALITY DIVISION</b>	
Full-time equated classified positions .....	208.0
Air quality programs—208.0 FTE positions .....	\$ 24,228,800
<b>GROSS APPROPRIATION</b> .....	<u>\$ 24,228,800</u>
Appropriated from:	
Federal revenues:	
Federal funds .....	7,488,200
Special revenue funds:	
Air emissions fees .....	7,739,500
Environmental response fund .....	119,800
Fees and collections .....	254,900
Oil and gas regulatory fund .....	121,600
Refined petroleum fund .....	3,163,200
Waste reduction fee revenue .....	1,200,000
State general fund/general purpose .....	\$ 4,141,600
<b>Sec. 110. ENVIRONMENTAL RESOURCE MANAGEMENT DIVISION</b>	
Full-time equated classified positions .....	324.5
Drinking water and environmental health—109.5 FTE positions .....	\$ 15,098,900
Hazardous waste management program—51.0 FTE positions .....	6,593,200
Low-level radioactive waste authority—2.0 FTE positions .....	199,300
Medical waste program—2.0 FTE positions .....	271,000
Municipal assistance—34.0 FTE positions .....	6,020,800
Radiological protection program—12.0 FTE positions .....	1,295,300
Scrap tire regulatory program—11.0 FTE positions .....	1,198,600
Oil, gas, and mineral services—60.0 FTE positions .....	11,176,500



	For Fiscal Year Ending Sept. 30, 2012
Sewage sludge land application program—6.0 FTE positions.....	841,600
Solid waste management program—37.0 FTE positions .....	4,462,800
GROSS APPROPRIATION .....	\$ 47,158,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	979,600
Federal revenues:	
Federal funds .....	15,793,400
Special revenue funds:	
Campground fund.....	264,600
Electronic waste recycling fund .....	269,800
Environmental pollution prevention fund .....	2,205,800
Fees and collections .....	32,100
Hazardous material transportation permit fund.....	861,300
Medical waste emergency response fund .....	271,000
Metallic mining surveillance fee revenue.....	35,700
Mineral well regulatory fee revenue.....	190,800
Oil and gas regulatory fund.....	8,715,400
Orphan well fund.....	2,148,000
Public swimming pool fund .....	602,400
Public utility assessments.....	199,300
Public water supply fees.....	2,556,900
Refined petroleum fund.....	601,100
Sand extraction fee revenue.....	79,200
Scrap tire regulatory fund.....	1,198,600
Septage waste contingency fund .....	17,000
Septage waste program fund .....	281,600
Sewage sludge land application fees .....	841,600
Solid waste management fund - staff account.....	4,030,500
Stormwater permit fees .....	103,100
Strategic water quality initiatives fund.....	400,000
Waste reduction fee revenue.....	162,500
Wastewater operator training fees .....	541,900
Water pollution control revolving fund .....	2,621,500
State general fund/general purpose .....	\$ 1,153,300
<b>Sec. 111. REMEDIATION DIVISION</b>	
Full-time equated classified positions .....	354.0
Contaminated site investigations, cleanup and revitalization—207.0 FTE positions.....	\$ 26,130,600
Federal cleanup project management—60.0 FTE positions .....	9,254,400
Laboratory services—48.0 FTE positions .....	7,702,600
Aboveground storage tank program—8.0 FTE positions .....	856,400
Underground storage tank program—31.0 FTE positions.....	3,865,100
Environmental bond site reclamation program.....	1,452,500
Brownfield grants and loans.....	5,500,000
Emergency cleanup actions .....	4,000,000
Environmental cleanup support .....	1,840,000
Environmental cleanup and redevelopment program .....	30,000,000
State sites cleanup program.....	4,400,000
Refined petroleum product cleanup program .....	20,000,000
Superfund cleanup .....	3,000,000
GROSS APPROPRIATION .....	\$ 118,001,600
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services .....	4,068,600
Federal revenues:	
Federal funds .....	10,035,000

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Private funds.....	174,200
Aboveground storage tank fees .....	410,400
Clean Michigan initiative - response activities .....	5,500,000
Cleanup and redevelopment fund.....	14,626,300
Environmental protection bond fund.....	1,452,500
Environmental protection fund.....	3,234,100
Environmental response fund.....	6,846,500
Landfill maintenance trust fund.....	28,200
Public water supply fees.....	276,800
Refined petroleum fund.....	29,592,000
Revitalization revolving loan fund.....	94,100
Settlement funds.....	1,782,400
State site cleanup fund.....	4,400,000
Strategic water quality initiatives fund.....	30,000,000
Underground storage tank fees.....	2,123,300
Water analysis fees.....	3,357,200
State general fund/general purpose .....	\$ 0
<b>Sec. 112. GRANTS</b>	
Coastal management grants.....	\$ 1,750,000
Drinking water program grants .....	1,330,000
Federal - Great Lakes remedial action plan grants .....	700,000
Federal - nonpoint source water pollution grants.....	6,500,000
Grants to counties - air pollution .....	83,700
Great Lakes research and protection grants .....	250,000
Noncommunity water grants.....	1,400,000
Pollution prevention local grants.....	250,000
Radon grants.....	90,000
Scrap tire grants .....	3,500,000
Septage waste compliance grants.....	275,000
Strategic water quality initiative loans .....	9,600,000
Water quality protection grants .....	100,000
Water pollution control and drinking water revolving funds .....	82,943,000
GROSS APPROPRIATION .....	\$ 108,771,700
Appropriated from:	
Federal revenues:	
Federal funds.....	81,913,000
Special revenue funds:	
Community pollution prevention fund .....	250,000
Great Lakes protection fund.....	250,000
Public water supply fees.....	1,400,000
Refined petroleum fund.....	83,700
Revolving loan revenue bonds.....	11,400,000
Scrap tire regulatory fund.....	3,500,000
Septage waste program fund .....	275,000
Strategic water quality initiatives fund.....	9,600,000
Water quality protection fund.....	100,000
State general fund/general purpose .....	\$ 0
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 7,762,800
GROSS APPROPRIATION .....	\$ 7,762,800
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services .....	156,700
IDG, MDSP.....	29,600
IDG, MDOT - Michigan transportation fund .....	57,800

	For Fiscal Year Ending Sept. 30, 2012
Federal revenues:	
Federal funds .....	1,921,100
Special revenue funds:	
Aboveground storage tank fees .....	18,300
Air emissions fees .....	551,700
Campground fund .....	10,200
Cleanup and redevelopment fund .....	470,000
Environmental pollution prevention fund .....	104,600
Environmental protection fund .....	1,100
Environmental response fund .....	266,200
Fees and collections .....	18,900
Great Lakes protection fund .....	29,900
Groundwater discharge permit fees .....	62,000
Hazardous material transportation permit fund .....	12,700
Land and water permit fees .....	98,300
Medical waste emergency response fund .....	14,500
Metallic mining surveillance fee revenue .....	500
Mineral well regulatory fee revenue .....	5,500
NPDES fees .....	159,100
Oil and gas regulatory fund .....	432,800
Orphan well fund .....	14,500
Public swimming pool fund .....	18,600
Public utility assessments .....	16,100
Public water supply fees .....	169,300
Refined petroleum fund .....	1,187,700
Sand extraction fee revenue .....	300
Scrap tire regulatory fund .....	332,900
Septage waste program fund .....	15,000
Settlement funds .....	80,700
Sewage sludge land application fees .....	34,900
Small business pollution prevention revolving loan fund .....	6,900
Soil erosion and sedimentation control training fund .....	1,900
Solid waste management fund - staff account .....	210,700
Stormwater permit fees .....	66,800
Underground storage tank fees .....	211,200
Waste reduction fee revenue .....	192,800
Wastewater operator training fees .....	2,200
Water analysis fees .....	206,700
Water pollution control revolving fund .....	174,700
Water use reporting fees .....	3,300
State general fund/general purpose .....	\$ 394,100

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2011-2012 is \$245,063,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$2,175,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**GRANTS**

Noncommunity water grants .....	\$ 1,400,000
Scrap tire grants .....	500,000
Septage waste compliance program .....	275,000
<b>TOTAL</b> .....	<b>\$ 2,175,000</b>

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

Sec. 203. As used in this act:

- (a) "Department" means the department of environmental quality.
- (b) "Director" means the director of the department.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.
- (f) "MDOT" means the state transportation department.
- (g) "MDSP" means the department of state police.
- (h) "NPDES" means national pollution discharge elimination system.

Sec. 204. The civil service commission shall bill the department and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

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

Sec. 206. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 207. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 208. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 213. (1) Funds appropriated in part 1 shall not be used by the department to promulgate a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 214. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 216. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
- (b) The nature of the problem encountered at the site.
- (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
- (d) The estimated date that site closure activities will be completed.
- (e) The amount of the allocation, or the anticipated financing for the site.
- (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (g) The number of brownfield projects that were successfully redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 217. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 1993 PA 353, 2003 PA 173, and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund contained in 2000 PA 275 and 2002 PA 520 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2004 PA 309, 2004 PA 350, 2005 PA 11, 2006 PA 343, and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, and 2003 PA 171 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154, 2007 PA 121, 2008 PA 247, 2009 PA 118, and 2010 PA 189 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 219. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 221. Not later than November 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on environmental quality, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 223. Part 1 of this act provides authorizations to fund 1,334.5 FTE classified positions during the fiscal year ending September 30, 2012. Line-item appropriations include limitations on the number of payroll hours to be funded,

on the basis of 2,088 hours per each FTE position. The department shall report the number of funded FTE positions within 15 days after the effective date of this act. The number of classified employees compensated through each line item is limited by the authorized FTE positions indicated in this act, as adjusted for the number of reported funded FTE positions. The report shall be provided to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies.

Sec. 224. On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on environmental quality and the senate and house fiscal agencies.

Sec. 225. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
  - (b) Fiscal year-to-date expenditures by appropriation unit.
  - (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
  - (d) The number of active department employees by job classification.
  - (e) Job specifications and wage rates.
- (2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 226. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 225.

Sec. 227. The department shall provide a report on the implementation of a permit application status tracking tool on the department's public internet website to the house and senate appropriations subcommittees on environmental quality, the standing committees of the house and senate with primary responsibility for environmental quality issues, and the house and senate fiscal agencies by December 31, 2011. This permit application status tracking tool shall allow permit applicants and the general public to track and review pending permit applications. Searchable parameters shall include, but are not limited to, applicant name and address, county of request, date of application, most recent activity, and status of the permit application. The report shall include the estimated cost of the proposed tool, the information technology requirements that would be needed for the database, the FTE and/or contractual requirements to develop and maintain the proposed tool, an estimated timeline of the implementation of the tool, and any potential foreseen challenges to its implementation.

Sec. 228. The department shall develop a customer satisfaction evaluation program. The program shall utilize customer satisfaction surveys to receive feedback in select program areas to help identify opportunities for improvements and efficiencies. The department shall provide a report on the customer satisfaction evaluation program and the feedback received to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by July 1, 2012.

Sec. 229. (1) The department shall submit a report identifying specific permit programs for which an expedited permitting option to fast track the permit process could be developed and instituted. The report shall include, but is not limited to, all of the following:

- (a) A listing of the proposed permit programs.
  - (b) Estimates of the amount of time a pending permit would be granted with the expedited process compared to the amount of time with the normal permit process in those programs.
  - (c) Any estimated increase in cost to the department or the applicant for the expedited program.
- (2) The report described in subsection (1) shall be submitted to the house and senate appropriations subcommittees on environmental quality, the standing committees of the house and senate with primary responsibility for environmental quality issues, and the house and senate fiscal agencies by December 31, 2011.

#### **REMEDIATION DIVISION**

Sec. 301. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for emergency cleanup actions and the refined petroleum product cleanup program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2016.

Sec. 303. Effective October 1, 2011, surplus funds not to exceed \$1,000,000.00 in the cleanup and redevelopment trust fund are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 304. Effective October 1, 2011, surplus funds not to exceed \$1,000,000.00 in the community pollution prevention fund created in section 3f of 1976 IL 1, MCL 445.573f, are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 305. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 306. The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

<b>Site Name</b>	<b>County</b>
Alcona Oil Company	Alcona
Former Tavern & Gas Station	Alcona
Paragon Metal Works/Mikado Total	Alcona
Chatham Corners Store	Alger
Christmas Sports Enterprises	Alger
Midway Resort Inc.	Alger
Superior Shell Munising	Alger
Fennville Feed Supply	Allegan
New Salem Grocery	Allegan
Country Party Store	Alpena
Hubbard Lake Garage	Alpena
Bellaire Bay Mart	Antrim
Res. Wells Torch Lake Twp.	Antrim
Torch River Pit Stop	Antrim
Arvon Township School	Baraga
Blankenstein Pontiac	Barry
Bud's of Honor	Benzie
Village of Honor Res. Wells	Benzie
Berrien County Sheriff's Substation	Berrien
Coloma Citgo	Berrien
Fredrick's Auto Clinic	Berrien
Randy's Amoco	Berrien
Sterling Express Ltd.	Berrien
Baker Oil (E. Michigan)	Calhoun
Helmer I-94 Inc.	Calhoun
Korner Krossroads Party Store	Calhoun
Indian Lake Mini Super	Cass
Rigg's Corner Store	Cass
Service Mart 2, Union	Cass
Unocal 76, Edwardsburg (Energy Oil)	Cass
Arnold's Bait and Tackle	Charlevoix
Northern Oil (former)	Charlevoix
Club Rd. Property	Cheboygan
Park Shell Service	Chippewa
Ackels Car Care	Clinton
Bay Petroleum Corp.	Eaton
Bob's Marathon	Eaton
Beckon & Larks Lake Rd.	Emmet
Farmers Petroleum Coop - Petoskey	Emmet
Action Auto #10	Genesee
Central Distributing	Genesee
City of Davison-Mill St.	Genesee
Flint FD Fleet Admin.	Genesee
Flint Water Department Service Center	Genesee
Sunshine Foods #119 Burton	Genesee
United Cleaners Inc.	Genesee
Watkins & Himelohoch Inc.	Genesee
Bondale Dinkens	Gladwin
Winegar's Trading Post	Gladwin

4 Corners	Grand Traverse
Stop N Shop	Grand Traverse
Woodland Shop N Go #175	Grand Traverse
KD's Country Store	Gratiot
Pat's Service	Gratiot
Wilson's Grocery	Gratiot
Action Auto Store #30	Ingham
Bay Gas Station	Ingham
Bay Petroleum W. Willow	Ingham
Bay Petroleum, S. MLK	Ingham
Citgo #7	Ingham
Clark Station #1995	Ingham
Former Clark #531	Ingham
Fresh-Up Car Wash	Ingham
Miller Oil Company	Ingham
Forest Park School District	Iron
Alamo General Store	Kalamazoo
Bud's Auto Repair	Kalamazoo
Dutton Mills	Kent
Former Clark #1481	Kent
Great Northern Packaging	Kent
MSI #635	Kent
Hurly's Lodge	Lake
Church & Sons Gas Station	Lapeer
E.J. Green	Lapeer
P.T. Auto Sales	Lapeer
Schaudt's Service Station	Lapeer
Former Ted's Standard	Leelanau
Lakeside Resort and Party Store	Leelanau
Clark Store #2128	Livingston
Lakeland Montessori School	Livingston
The Oasis Truck Stop	Livingston
Bob's Standard Service	Luce
Action Auto (former)	Macomb
Memphis Shell	Macomb
Sokana Mobil	Macomb
Muffler Man	Manistee
Harvey Oil Co. Inc.	Marquette
Joe & Son's Service	Marquette
Quick Lube	Mason
Morley General Store	Mecosta
Jack's Mobil	Menominee
Dutch Hutch	Missaukee
Rinckey's Store	Missaukee
A.N. Russell & Son Inc.	Montcalm
Coral General Store	Montcalm
Edmore Mobil	Montcalm
R.V. Jensen Inc.	Montcalm
Lowell St. Hillman Twp.	Montmorency
Wyson's General Store	Montmorency
Bennett Pump	Muskegon
Bernie's Amoco	Muskegon
Grant Mini Mart	Newaygo
Wesco #14/Triangle Market	Newaygo
Emma Milner Property, Waterford	Oakland
Jenny Enterprises/Wine Basket, Highland	Oakland
Little Caesar's Pizza, Ortonville	Oakland



Wayne Oakland Oil Company	Oakland
Village of Mears GW Contam.	Oceana
Kimball's Western	Ogemaw
Rose City Feed & Tack	Ogemaw
Andy's Standard	Osceola
Lowing's Auto	Osceola
Neal's Service	Osceola
Tiel Oil Company	Osceola
Don's Marathon	Oscoda
West Otsego Lake Grocery	Otsego
Radio Tavern	Presque Isle
Westervelt, 805 S.	Saginaw
Former Sav-U Station	Shiawassee
Frank's Service	Shiawassee
Decker Service	St. Joseph
Payless SuperAmerica	St. Joseph
State Rd. 6842, Millington	Tuscola
Clark Store #1126	Van Buren
Drew, Ripple Property	Van Buren
Roy Smothers	Van Buren
Jimmie's Filling Station	Washtenaw
Total #2542 (Huron Mini-mart)	Washtenaw
B & H Food & Gas/Dix-Toledo Petro Mart	Wayne
Cal's Car Care, Incorporated - BTEX	Wayne
City of Detroit - DOT - 5800 Russell St.	Wayne
Garden Gas Station	Wayne
Hail Investments	Wayne
JJ Curran Crane	Wayne
K & A Gas	Wayne
Master Petroleum	Wayne
Micks Auto	Wayne
Speedy's Gas & Goodies	Wayne
Welcome Gas on Telegraph	Wayne
Peterson's Standard	Wexford

Sec. 307. Effective October 1, 2011, surplus funds not to exceed \$2,000,000.00 in the small business pollution prevention assistance revolving loan fund created in section 14513 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.14513, are appropriated to the environmental pollution prevention fund created in section 11130 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11130.

Sec. 308. Effective October 1, 2011, surplus funds not to exceed \$1,300,000.00 in the small business pollution prevention assistance revolving loan fund created in section 14513 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.14513, are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 309. The funds appropriated in part 1 for the brownfield grants and loans program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is \$5,500,000.00.
- (d) The tentative completion date is September 30, 2016.

Sec. 310. The funds appropriated in part 1 for the environmental bond site reclamation program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is \$1,452,500.00.
- (d) The tentative completion date is September 30, 2016.

Sec. 311. The department shall enter into a memorandum of understanding with the department of treasury to develop a process for the review and approval of tax exemption certificates in accordance with the list of commonly approved air

pollution control equipment adopted by the state tax commission on August 16, 2010 and the list of commonly approved water pollution equipment adopted by the state tax commission on August 16, 2010.

#### **WATER RESOURCES DIVISION**

Sec. 401. From the funds appropriated in part 1 for surface water, \$100,000.00 shall be allocated to support the 1 additional FTE position for the aquatic nuisance control program that was added in the fiscal year ending September 30, 2011. The department shall report to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by September 30, 2012 on the use of this funding and the number of permit applications processed by the program in 2012.

Sec. 402. From the funds appropriated in part 1, the department shall fund a groundwater dispute resolution process in such a manner that maintains a strategically selected dispute resolution process given funds available. The department may utilize any and all available resources in providing this process and shall report to the legislature on the need for additional funds.

Sec. 403. From the funds appropriated in part 1, contingent upon the creation of an aquatic invasive species advisory council, the department shall support funding for the advisory council to provide recommendations to appropriate parties and bodies for a basin-wide approach to managing invasive species.

#### **GRANTS**

Sec. 501. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

#### **RESOURCE MANAGEMENT DIVISION**

Sec. 601. (1) The department shall develop a report that addresses implementation of the state's solid waste policy. At a minimum, the report shall do both of the following:

(a) Identify options for long-term funding for the solid waste management program. For each option, the report shall take into account the extent to which additional activities or materials, or both, such as recycling, composting, and beneficial reuse would impact the long-term funding of the solid waste management program.

(b) Assess the feasibility of contracting out landfill inspections.

(2) The department shall provide the report prepared under subsection (1) to the state budget director, the house and senate appropriations subcommittees on environmental quality, and the house and senate fiscal agencies by June 30, 2012.

#### **ONE-TIME BASIS ONLY**

Sec. 1001. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$6,000,000.00 for the Muskegon cleanup site.

#### **PART 2A**

#### **PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2012-2013**

#### **GENERAL SECTIONS**

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

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Mike Green  
Roger Kahn  
Conferees for the Senate

Eileen Kowall  
Jon Bumstead  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

#### **Senate Bill No. 180, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013;

to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect. The Conference Report was read as follows:

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 180, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Recommends:

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

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

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**JUDICIARY**

APPROPRIATION SUMMARY

Full-time equated exempted positions .....	491.0		
GROSS APPROPRIATION .....		\$	256,973,200
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers .....			3,573,500
ADJUSTED GROSS APPROPRIATION .....		\$	253,399,700
Federal revenues:			
Total federal revenues.....			5,539,500
Special revenue funds:			
Total local revenues.....			6,342,700
Total private revenues.....			842,500
Total other state restricted revenues .....			88,140,700
State general fund/general purpose .....		\$	152,534,300

**Sec. 102. SUPREME COURT**

Full-time equated exempted positions .....	243.0		
Supreme court administration—97.0 FTE positions .....		\$	11,184,900
Judicial institute—13.0 FTE positions .....			1,979,000
State court administrative office—60.0 FTE positions .....			10,548,900
Judicial information systems—22.0 FTE positions.....			3,174,700
Direct trial court automation support—36.0 FTE positions.....			6,342,700
Foster care review board—12.0 FTE positions .....			1,289,800
Community dispute resolution—3.0 FTE positions .....			2,335,500
Other federal grants.....			275,100
Drug treatment courts.....			7,133,000
Community court pilot project .....			20,000
GROSS APPROPRIATION .....		\$	44,283,600

Appropriated from:

Interdepartmental grant revenues:			
IDG from department of state police .....			1,800,000

	For Fiscal Year Ending Sept. 30, 2012
IDG from department of corrections .....	1,050,000
IDG from state police - Michigan justice training fund.....	300,000
Federal revenues:	
DOJ, victims assistance programs .....	50,000
DOJ, drug court training and evaluation .....	300,000
DOT, national highway traffic safety administration .....	1,300,000
HHS, access and visitation grant.....	550,000
HHS, children’s justice grant .....	206,300
HHS, court improvement project.....	1,160,000
HHS, title IV-D child support program.....	907,700
HHS, title IV-E foster care program .....	540,400
Other federal grant revenues .....	275,100
Special revenue funds:	
Local - user fees .....	6,342,700
Private.....	169,000
Private - interest on lawyers trust accounts.....	232,700
Private - state justice institute .....	370,800
Community dispute resolution fund .....	2,335,500
Law exam fees.....	536,200
Drug court fund .....	1,920,500
Miscellaneous revenue.....	227,900
Justice system fund.....	700,000
State court fund .....	339,000
State general fund/general purpose .....	\$ 22,669,800
<b>Sec. 103. COURT OF APPEALS</b>	
Full-time equated exempted positions .....	190.0
Court of appeals operations—190.0 FTE positions .....	\$ 19,143,800
<b>GROSS APPROPRIATION</b> .....	\$ 19,143,800
Appropriated from:	
Special revenue funds:	
Court filing/motion fees .....	1,458,500
Miscellaneous revenue.....	77,800
State general fund/general purpose .....	\$ 17,607,500
<b>Sec. 104. BRANCHWIDE APPROPRIATIONS</b>	
Full-time equated exempted positions .....	4.0
Branchwide appropriations—4.0 FTE positions.....	\$ 8,338,700
<b>GROSS APPROPRIATION</b> .....	\$ 8,338,700
Appropriated from:	
State general fund/general purpose .....	\$ 8,338,700
<b>Sec. 105. JUSTICES’ AND JUDGES’ COMPENSATION</b>	
Full-time judges positions .....	607.0
Supreme court justices’ salaries—7.0 justices .....	\$ 1,152,300
Court of appeals judges’ salaries—26.0 judges .....	3,937,400
District court judges’ state base salaries—252.0 judges .....	23,321,900
District court judicial salary standardization.....	11,522,500
Probate court judges’ state base salaries—103.0 judges.....	9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judges’ state base salaries—219.0 judges .....	20,628,800
Circuit court judicial salary standardization.....	10,013,600
Judges’ retirement system defined contributions .....	3,894,300
OASI, social security.....	5,511,000
<b>GROSS APPROPRIATION</b> .....	\$ 94,279,400
Appropriated from:	
Special revenue funds:	
Court fee fund .....	7,090,200

	For Fiscal Year Ending Sept. 30, 2012
State general fund/general purpose .....	\$ 87,189,200
<b>Sec. 106. JUDICIAL AGENCIES</b>	
Full-time equated exempted positions .....	7.0
Judicial tenure commission—7.0 FTE positions .....	\$ 961,500
GROSS APPROPRIATION .....	\$ 961,500
Appropriated from:	
State general fund/general purpose .....	\$ 961,500
<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	
Full-time equated exempted positions .....	47.0
Appellate public defender program—39.0 FTE positions .....	\$ 5,322,800
Appellate assigned counsel administration—8.0 FTE positions .....	906,300
GROSS APPROPRIATION .....	\$ 6,229,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund.....	423,500
Federal revenues:	
Other federal grant revenues .....	250,000
Special revenue funds:	
Private - interest on lawyers trust accounts.....	70,000
Miscellaneous revenue.....	113,100
State general fund/general purpose .....	\$ 5,372,500
<b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE</b>	
Indigent civil legal assistance.....	\$ 7,937,000
GROSS APPROPRIATION .....	\$ 7,937,000
Appropriated from:	
Special revenue funds:	
State court fund .....	7,937,000
State general fund/general purpose .....	\$ 0
<b>Sec. 109. TRIAL COURT OPERATIONS</b>	
Court equity fund reimbursements .....	\$ 60,835,100
Judicial technology improvement fund .....	4,815,000
GROSS APPROPRIATION .....	\$ 65,650,100
Appropriated from:	
Special revenue funds:	
Court equity fund .....	50,440,000
Judicial technology improvement fund .....	4,815,000
State general fund/general purpose .....	\$ 10,395,100
<b>Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>	
Drug case-flow program.....	\$ 250,000
Drunk driving case-flow program .....	3,300,000
Juror compensation reimbursement .....	6,600,000
GROSS APPROPRIATION .....	\$ 10,150,000
Appropriated from:	
Special revenue funds:	
Drug fund .....	250,000
Drunk driving fund.....	3,300,000
Juror compensation fund .....	6,600,000
State general fund/general purpose .....	\$ 0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2011-2012 is \$240,675,000.00 and state spending from state resources to be paid to local units

of government for fiscal year 2011-2012 is \$119,875,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT

State court administrative office.....	\$ 511,900
Drug treatment courts.....	6,833,000

TRIAL COURT OPERATIONS

Court equity fund reimbursements.....	\$ 60,835,100
Judicial technology improvement fund.....	4,815,000

JUSTICES' AND JUDGES' COMPENSATION

District court judicial salary standardization.....	\$ 11,522,500
Probate court judges' state base salaries.....	9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judicial salary standardization.....	10,013,600
Grant to OASI contribution fund, employers share, social security.....	896,900

GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drunk driving case-flow program.....	\$ 3,300,000
Drug case-flow program.....	250,000
Juror compensation reimbursement.....	6,600,000

<b>TOTAL.....</b>	<b>\$ 119,875,600</b>
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Sec. 202. (1) The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this act:

- (a) "DOJ" means the United States department of justice.
- (b) "DOT" means the United States department of transportation.
- (c) "FTE" means full-time equated.
- (d) "HHS" means the United States department of health and human services.
- (e) "IDG" means interdepartmental grant.
- (f) "OASI" means old age survivor's insurance.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 208. The reporting requirements of this act shall be completed with the approval of, and at the direction of, the supreme court, except as otherwise provided in this act. The judicial branch shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2012 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the chief justice or his or her designee may grant an exception to allow the travel. Any exceptions granted by the chief justice or his or her designee shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, the state court administrative office shall prepare a travel report listing all travel by judicial branch employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the budget for the judicial branch. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 219. Not later than November 15, 2012, the judiciary shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 221. From the funds appropriated in part 1, the judicial branch shall develop, post, and maintain, on a user-friendly and publicly accessible Internet site, all expenditures made by the judicial branch within a fiscal year. The posting shall include the purpose for which each expenditure is made. The judicial branch shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on the judiciary, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

#### **JUDICIAL BRANCH**

Sec. 301. Pursuant to the appropriations in part 1, the direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 306. The supreme court and the state court administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 309. By April 1, 2012, the state court administrative office shall provide an update on the status of the pilot mental health courts to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall evaluate and collect data on the performance of drug treatment court programs. The state court administrative office shall provide an annual review of the performance of drug courts as prescribed in section 1078(6) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1078. All of the following apply to that annual review:

(a) It shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions.

(b) It shall be completed no later than April 1 of each year and shall also be provided to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

(c) The evaluation of a program funded with federal Byrne funds shall be consistent with the requirements contained in the federal Byrne grant for that program.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(3) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(4) The judiciary shall receive \$1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of state police to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

(5) If United States department of transportation, national highway traffic safety administration federal funding is awarded to the judiciary for the support of drug treatment courts in an amount that exceeds the amount appropriated in part 1, the judiciary may receive and expend the funds in an amount not exceeding \$450,000.00 above the amount appropriated in part 1 for the support of drug treatment courts.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

Sec. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 318. The funds appropriated in part 1 for the community court pilot project shall be used for the purposes of administering a pilot program of neighborhood-focused community courts. The state court administrative office shall work collaboratively with the designated courts when establishing the community courts.

Sec. 320. (1) From the funds appropriated in part 1 for drug treatment courts, \$1,000,000.00 shall be administered by the state court administrative office to distribute to qualifying counties to support a swift-and-sure sanctions pilot program. A qualifying county shall apply to the state court administrative office for a portion of the funds appropriated in part 1.

(2) A qualifying county that receives funding under this section shall provide a report on the pilot program to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies. The report shall include all of the following:

(a) The number of offenders who participate in the pilot program.

(b) The criminal history of offenders who participate in the pilot program.

(c) The recidivism rate of offenders who participate in the pilot program, including the rate of return to jail, prison, or both.

(d) A detailed description of the establishment and parameters of the pilot program.

(3) As used in this section:

(a) "Pilot program" means a swift-and-sure sanctions pilot program.

(b) "Qualifying county" means a county that has both of the following:

(i) A drug treatment court.

(ii) A unified trial court system.

Sec. 321. It is the intent of the legislature that the judicial branch support a statewide legal self-help Internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals representing themselves in civil legal proceedings.

Sec. 322. (1) If Byrne formula grant funding is awarded to the state appellate defender office for criminal defense review and training on evidence-based sentencing in problem-solving courts, the state appellate defender office may receive and expend Byrne formula grant funds in an amount not exceeding \$525,000.00 as an interdepartmental grant from the department of state police.

(2) If Byrne formula grant funding is awarded to the state appellate defender office for criminal defense review and representation of defendants in cases that involve potentially unreliable evidence processed by the now-closed Detroit police crime laboratory, the state appellate defender office may receive and expend Byrne formula grant funds in an amount not exceeding \$225,000.00 as an interdepartmental grant from the department of state police.



PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

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

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

John Proos  
Roger Kahn  
Conferees for the Senate

Kevin Cotter  
Anthony G. Forlini  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 182, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect. The Conference Report was read as follows:

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 182, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF NATURAL RESOURCES  
APPROPRIATION SUMMARY**

Full-time equated unclassified positions..... 6.0

	For Fiscal Year Ending Sept. 30, 2012
Full-time equated classified positions .....	2,173.4
GROSS APPROPRIATION .....	\$ 330,195,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	1,935,000
ADJUSTED GROSS APPROPRIATION .....	\$ 328,260,800
Federal revenues:	
Total federal revenues.....	69,319,800
Special revenue funds:	
Total private revenues.....	2,842,400
Total other state restricted revenues.....	242,267,400
State general fund/general purpose .....	\$ 13,831,200
<b>FUND SOURCE SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	2,173.4
GROSS APPROPRIATION .....	\$ 330,195,800
Interdepartmental grant revenues:	
IDG, land acquisition services to work orders.....	415,800
IDG, MacMullan conference center revenue.....	1,519,200
Total interdepartmental grants and intradepartmental transfers .....	1,935,000
ADJUSTED GROSS APPROPRIATION .....	\$ 328,260,800
Federal revenues:	
Federal funds .....	69,319,800
Total federal revenues.....	69,319,800
Special revenue funds:	
Private funds.....	2,842,400
Total private revenues.....	2,842,400
Aircraft fees.....	284,800
Cervidae licensing and inspection fees .....	124,100
Clean Michigan initiative fund.....	26,800
Commercial forest fund.....	59,400
Forest development fund .....	34,829,300
Forest land user charges .....	656,600
Forest recreation account.....	2,147,000
Game and fish protection fund.....	63,371,400
Game and fish protection fund - deer habitat reserve.....	2,682,100
Game and fish protection fund - fisheries settlement .....	937,600
Game and fish protection fund - turkey permit fees .....	1,530,800
Game and fish protection fund - waterfowl fees.....	117,100
Game and fish - wildlife resource protection fund .....	1,147,600
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	54,600
History fees fund.....	373,900
Land exchange facilitation fund.....	5,882,700
Local public recreation facilities fund.....	857,000
Mackinac Island state park fund .....	1,746,800
Mackinac Island state park operation fund .....	182,600
Marine safety fund .....	3,914,500
Michigan heritage publications fund .....	51,100
Michigan natural resources trust fund.....	979,000
Michigan state parks endowment fund.....	25,772,300
Michigan state waterways fund.....	23,617,700
Michigan trailways fund.....	30,900
Museum operations fund .....	549,000
Nongame wildlife fund.....	744,700
Off-road vehicle safety education fund .....	311,700
Off-road vehicle trail improvement fund.....	3,959,200
Park improvement fund .....	45,859,700
Permanent snowmobile trail easement fund.....	700,000

	For Fiscal Year Ending Sept. 30, 2012
Public use and replacement deed fees.....	49,900
Recreation improvement account .....	1,510,300
Recreation passport fees .....	5,264,300
Snowmobile registration fee revenue .....	1,754,100
Snowmobile trail improvement fund .....	10,135,700
Sportsmen against hunger fund .....	51,100
Total other state restricted revenues .....	242,267,400
State general fund/general purpose .....	\$ 13,831,200
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions .....	10.0
Natural resources commission.....	\$ 79,500
Unclassified salaries—6.0 FTE positions.....	315,500
Executive direction and citizen advisory councils—10.0 FTE positions .....	1,700,600
GROSS APPROPRIATION .....	\$ 2,095,600
Appropriated from:	
Special revenue funds:	
Forest development fund .....	307,000
Forest land user charges .....	5,800
Forest recreation account.....	9,800
Game and fish protection fund.....	772,700
Game and fish protection fund - deer habitat reserve.....	24,100
Game and fish protection fund - turkey permit fees .....	9,100
Game and fish protection fund - waterfowl fees.....	700
Game and fish protection fund - wildlife resource protection fund.....	9,100
Land exchange facilitation fund .....	16,200
Marine safety fund .....	17,700
Michigan natural resources trust fund.....	1,000
Michigan state parks endowment fund.....	147,100
Michigan state waterways fund.....	133,800
Nongame wildlife fund.....	3,200
Off-road vehicle trail improvement fund.....	35,300
Park improvement fund .....	328,600
Recreation improvement account .....	2,800
Snowmobile registration fee revenue .....	6,100
Snowmobile trail improvement fund .....	19,200
State general fund/general purpose .....	\$ 246,300
<b>Sec. 103. GREAT LAKES RESTORATION INITIATIVE</b>	
Great Lakes restoration initiative .....	\$ 10,000,000
GROSS APPROPRIATION .....	\$ 10,000,000
Appropriated from:	
Federal revenues:	
Federal funds .....	10,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 104. DEPARTMENT SUPPORT SERVICES</b>	
Full-time equated classified positions .....	126.2
Central support services—119.2 FTE positions .....	\$ 15,012,500
Accounting service center .....	1,348,500
Science and policy—7.0 FTE positions .....	703,700
Building occupancy charges .....	3,115,400
Rent - privately owned property.....	488,400
Gifts and bequests .....	500,000
GROSS APPROPRIATION .....	\$ 21,168,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, land acquisition services to work orders.....	415,800

	For Fiscal Year Ending Sept. 30, 2012
Federal revenues:	
Federal funds .....	214,900
Special revenue funds:	
Private funds .....	500,000
Clean Michigan initiative fund .....	26,800
Forest development fund .....	2,784,300
Forest land user charges .....	22,700
Forest recreation account .....	47,100
Game and fish protection fund .....	4,531,500
Game and fish protection fund - deer habitat reserve .....	291,800
Game and fish protection fund - turkey permit fees .....	126,700
Game and fish protection fund - waterfowl fees .....	2,100
Game and fish protection fund - wildlife resource protection fund .....	36,700
Land exchange facilitation fund .....	5,704,200
Marine safety fund .....	365,400
Michigan natural resources trust fund .....	958,000
Michigan state parks endowment fund .....	539,800
Michigan state waterways fund .....	564,400
Nongame wildlife fund .....	19,600
Off-road vehicle trail improvement fund .....	25,100
Park improvement fund .....	1,331,200
Public use and replacement deed fees .....	49,900
Recreation improvement account .....	23,700
Snowmobile registration fee revenue .....	44,700
Snowmobile trail improvement fund .....	195,400
State general fund/general purpose .....	\$ 2,346,700
<b>Sec. 105. COMMUNICATION AND CUSTOMER SERVICES</b>	
Full-time equated classified positions .....	129.3
Marketing, education and technology—78.3 FTE positions .....	\$ 13,368,200
Historical administration and services—36.0 FTE positions .....	3,958,200
Archives—8.0 FTE positions .....	800,100
Museum stores—6.0 FTE positions .....	549,000
Special programs (Mann house)—1.0 FTE positions .....	113,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 18,788,800</b>
Appropriated from:	
Federal revenues:	
Federal funds .....	2,072,200
Special revenue funds:	
Private funds .....	650,100
Forest development fund .....	122,600
Forest recreation account .....	15,400
Game and fish protection fund .....	8,261,900
Game and fish protection fund - youth hunting and fishing education and outreach fund .....	49,800
History fees fund .....	373,900
Land exchange facilitation fund .....	42,600
Marine safety fund .....	32,800
Michigan heritage publications fund .....	51,100
Michigan state parks endowment fund .....	82,600
Michigan state waterways fund .....	136,100
Museum operations fund .....	549,000
Nongame wildlife fund .....	11,300
Off-road vehicle safety education fund .....	54,100
Off-road vehicle trail improvement fund .....	20,400
Park improvement fund .....	2,406,400
Recreation passport fees .....	21,900

	For Fiscal Year Ending Sept. 30, 2012
Snowmobile registration fee revenue .....	65,100
Snowmobile trail improvement fund .....	42,100
Sportsmen against hunger fund .....	51,100
State general fund/general purpose .....	\$ 3,676,300
<b>Sec. 106. WILDLIFE MANAGEMENT</b>	
Full-time equated classified positions .....	206.0
Wildlife management—197.0 FTE positions .....	\$ 28,619,900
Natural resources heritage—9.0 FTE positions .....	1,178,000
State game and wildlife area maintenance .....	750,000
GROSS APPROPRIATION .....	\$ 30,547,900
Appropriated from:	
Federal revenues:	
Federal funds .....	14,971,100
Special revenue funds:	
Private funds .....	168,700
Cervidae licensing and inspection fees .....	76,000
Forest development fund .....	69,400
Game and fish protection fund .....	9,435,800
Game and fish protection fund - deer habitat reserve .....	2,167,800
Game and fish protection fund - turkey permit fees .....	1,323,900
Game and fish protection fund - waterfowl fees .....	106,200
Nongame wildlife fund .....	662,600
State general fund/general purpose .....	\$ 1,566,400
<b>Sec. 107. FISHERIES MANAGEMENT</b>	
Full-time equated classified positions .....	232.0
Aquatic resource mitigation—2.0 FTE positions .....	\$ 937,600
Fish production—60.0 FTE positions .....	8,892,400
Fisheries resource management—170.0 FTE positions .....	19,882,700
Cormorant population mitigation program .....	100,000
GROSS APPROPRIATION .....	\$ 29,812,700
Appropriated from:	
Federal revenues:	
Federal funds .....	11,459,600
Special revenue funds:	
Private funds .....	120,400
Game and fish protection fund .....	17,295,100
Game and fish protection fund - fisheries settlement .....	937,600
State general fund/general purpose .....	\$ 0
<b>Sec. 108. LAW ENFORCEMENT</b>	
Full-time equated classified positions .....	228.0
General law enforcement—228.0 FTE positions .....	\$ 29,118,700
GROSS APPROPRIATION .....	\$ 29,118,700
Appropriated from:	
Federal revenues:	
Federal funds .....	5,338,900
Special revenue funds:	
Cervidae licensing and inspection fees .....	48,100
Forest recreation account .....	65,200
Game and fish protection fund .....	17,804,100
Game and fish protection fund - wildlife resource protection fund .....	1,050,200
Marine safety fund .....	1,433,600
Off-road vehicle safety education fund .....	87,400
Off-road vehicle trail improvement fund .....	1,065,100
Park improvement fund .....	65,200

	For Fiscal Year Ending Sept. 30, 2012
Snowmobile registration fee revenue .....	908,700
State general fund/general purpose .....	\$ 1,252,200
<b>Sec. 109. RECREATION DIVISION</b>	
Full-time equated classified positions .....	809.9
MacMullan conference center—15.0 FTE positions .....	\$ 1,519,200
Recreational boating—163.5 FTE positions.....	15,905,000
State parks—631.4 FTE positions.....	52,705,700
State parks improvement revenue bonds - debt service .....	1,153,700
GROSS APPROPRIATION .....	\$ 71,283,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue.....	1,519,200
Federal revenues:	
Federal funds .....	125,900
Special revenue funds:	
Private funds.....	380,900
Michigan state parks endowment fund.....	12,486,000
Michigan state waterways fund.....	15,905,000
Off-road vehicle trail improvement fund.....	210,700
Park improvement fund .....	40,413,500
Recreation passport fees .....	242,400
State general fund/general purpose .....	\$ 0
<b>Sec. 110. MACKINAC ISLAND STATE PARK COMMISSION</b>	
Full-time equated classified positions .....	37.0
Historical facilities system—15.0 FTE positions .....	\$ 1,746,800
Mackinac Island state park operations—22.0 FTE positions .....	182,600
GROSS APPROPRIATION .....	\$ 1,929,400
Appropriated from:	
Special revenue funds:	
Mackinac Island state park fund .....	1,746,800
Mackinac Island state park operation fund .....	182,600
State general fund/general purpose .....	\$ 0
<b>Sec. 111. FOREST MANAGEMENT DIVISION</b>	
Full-time equated classified positions .....	395.0
Adopt-a-forest program .....	\$ 25,000
Cooperative resource programs—12.0 FTE positions .....	1,134,700
Forest management and timber market development—177.0 FTE positions.....	23,520,500
Forest fire equipment.....	431,500
Wildfire protection—122.0 FTE positions .....	12,474,800
Forest management initiatives—10.0 FTE positions.....	844,800
Forest recreation—48.0 FTE positions.....	5,338,900
Minerals management—26.0 FTE positions .....	3,056,100
GROSS APPROPRIATION .....	\$ 46,826,300
Appropriated from:	
Federal revenues:	
Federal funds .....	3,053,900
Special revenue funds:	
Private funds.....	922,300
Aircraft fees.....	284,800
Commercial forest fund.....	54,600
Forest development fund .....	29,037,100
Forest land user charges .....	577,700
Forest recreation account.....	1,855,900
Game and fish protection fund.....	1,829,700
Michigan state parks endowment fund.....	2,278,000
Michigan state waterways fund.....	470,200

	For Fiscal Year Ending Sept. 30, 2012
Michigan trailways fund.....	30,900
Off-road vehicle safety education fund.....	6,600
Off-road vehicle trail improvement fund.....	638,100
Recreation improvement account .....	356,600
Snowmobile registration fee revenue .....	15,600
Snowmobile trail improvement fund.....	1,759,500
State general fund/general purpose .....	\$ 3,654,800
<b>Sec. 112. GRANTS</b>	
Federal - clean vessel act grants .....	\$ 400,000
Federal - forest stewardship grants.....	3,125,000
Federal - land and water conservation fund payments.....	2,566,900
Federal - rural community fire protection.....	300,000
Federal - urban forestry grants.....	3,024,000
Grants to communities - federal oil, gas, and timber payments .....	3,450,000
National recreational trails .....	3,900,000
Game and nongame wildlife fund grants .....	10,000
Grant to counties - marine safety.....	3,647,400
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants .....	1,953,500
Recreation improvement fund grants.....	1,100,000
Recreation passport local grants.....	857,000
Snowmobile law enforcement grants.....	673,000
Snowmobile local grants program.....	8,004,000
Trail easements .....	700,000
Deer habitat improvement partnership initiative .....	50,000
GROSS APPROPRIATION .....	\$ 33,910,800
Appropriated from:	
Federal revenues:	
Federal funds .....	18,333,300
Special revenue funds:	
Private funds.....	100,000
Game and fish protection fund - deer habitat reserve.....	50,000
Local public recreation facilities fund.....	857,000
Marine safety fund .....	1,980,000
Nongame wildlife fund.....	10,000
Off-road vehicle safety education fund.....	150,000
Off-road vehicle trail improvement fund.....	1,953,500
Permanent snowmobile trail easement fund.....	700,000
Recreation improvement account .....	1,100,000
Snowmobile registration fee revenue .....	673,000
Snowmobile trail improvement fund.....	8,004,000
State general fund/general purpose .....	\$ 0
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 9,633,500
GROSS APPROPRIATION .....	\$ 9,633,500
Appropriated from:	
Special revenue funds:	
Commercial forest fund.....	4,800
Forest development fund .....	1,708,900
Forest land user charges .....	50,400
Forest recreation account.....	53,600
Game and fish protection fund.....	3,440,600
Game and fish protection fund - deer habitat reserve.....	148,400
Game and fish protection fund - turkey permit fees .....	71,100
Game and fish protection fund - waterfowl fees.....	8,100
Game and fish protection fund - wildlife resource protection fund.....	51,600

	For Fiscal Year Ending Sept. 30, 2012
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	4,800
Land exchange facilitation fund .....	119,700
Marine safety fund .....	85,000
Michigan natural resources trust fund.....	20,000
Michigan state parks endowment fund.....	738,800
Michigan state waterways fund.....	478,200
Nongame wildlife fund.....	38,000
Off-road vehicle safety education fund.....	13,600
Off-road vehicle trail improvement fund.....	11,000
Park improvement fund .....	1,314,800
Recreation improvement account .....	27,200
Snowmobile registration fee revenue .....	40,900
Snowmobile trail improvement fund.....	115,500
State general fund/general purpose .....	\$ 1,088,500
<b>Sec. 114. CAPITAL OUTLAY</b>	
<b>(a) STATE PARK AND FOREST AREA IMPROVEMENTS</b>	
State parks repair and maintenance.....	\$ 14,500,000
Forest roads, bridges, and facilities.....	900,000
GROSS APPROPRIATION .....	\$ 15,400,000
Appropriated from:	
Special revenue funds:	
Forest development fund .....	800,000
Forest recreation account.....	100,000
Michigan state parks endowment fund.....	9,500,000
Recreation passport fees.....	5,000,000
State general fund/general purpose .....	\$ 0
<b>(b) WATERWAYS BOATING PROGRAM</b>	
Infrastructure improvements - local projects.....	\$ 480,000
Infrastructure improvements - state projects .....	1,950,000
Field initiatives - routine maintenance, paving, small-scale projects at state facilities .....	600,000
Land acquisition - acquire land for future boating access site development .....	400,000
Boating program, state boating access projects:	
South Higgins Lake, Roscommon County, new entrance, launch ramp, maneuver area, parking and traffic flow improvements (total authorized cost \$1,000,000; federal share \$750,000, state share \$250,000).....	1,000,000
Cass Lake, Oakland County, parking improvements, maneuver area, launch ramp/road traffic flow improvements (total authorized cost \$2,000,000; federal share \$1,500,000; state share \$500,000).....	2,000,000
Boating program, harbors and docks, state facilities:	
East Tawas, Iosco County, harbor renovation, dock replacements, dredging, fueling station, new electrical/utilities, phase I (total authorized cost \$1,000,000; state share \$1,000,000) ...	1,000,000
Fayette, Delta County, replace and expand existing dock, phase I (total authorized cost \$400,000; federal share \$300,000, state share \$100,000) .....	400,000
Boating program, harbors and docks, local facilities:	
Cedarville, Mackinac County, dredging, steel sheet piling, parking improvements, launch ramps, docks, updated electrical/utilities, service building (total authorized cost \$2,040,000; state share \$1,020,000; local share \$1,020,000) .....	1,020,000
Manistique, Schoolcraft County, marina improvements, new docks, new service building, phase I (total authorized cost \$1,660,000; state share \$830,000; local share \$830,000) .....	830,000
GROSS APPROPRIATION .....	\$ 9,680,000
Appropriated from:	
Federal revenues:	
Federal funds .....	3,750,000
Special revenue funds:	
Michigan state waterways fund.....	5,930,000
State general fund/general purpose .....	\$ 0



PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2011-2012 is \$256,098,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$6,550,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

GRANTS

Grants to counties – marine safety .....	\$ 1,980,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants .....	450,000
Recreation improvement fund grants.....	110,000
Recreation passport local grants.....	857,000
Snowmobile law enforcement grants.....	673,000

CAPITAL OUTLAY

Waterways boating program .....	\$ 2,330,000
<b>TOTAL.....</b>	<b>\$ 6,550,000</b>

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

Sec. 203. As used in this act:

- (a) "Commission" means the natural resources commission.
- (b) "Department" means the department of natural resources.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.

Sec. 204. The civil service commission shall bill the department and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

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

Sec. 206. Appropriations of state restricted game and fish protection funds have been made in the following amounts to the following departments and agencies in their respective appropriation acts:

Legislative auditor general .....	\$ 22,000
Attorney general.....	797,100
Department of technology, management, and budget .....	408,500
Department of treasury .....	1,201,500

Sec. 207. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, \$6,000,000.00 for the fiscal year ending September 30, 2012.

Sec. 208. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director of the department shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 214. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 216. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 217. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than November 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on natural resources, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 223. Before January 31, 2012, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2010-2011, including the county and municipality in which each project is located.

Sec. 233. On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on natural resources and environment and the senate and house fiscal agencies.

Sec. 234. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

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

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

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

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

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 235. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 234.

#### **EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT**

Sec. 301. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2012, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2012, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department at a rate which allows the department to recover its costs for providing these services.

Sec. 304. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 305. As appropriated in part 1, proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 306. As appropriated in part 1, funds collected by the department for historical markers; document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software shall be used for expenses necessary to provide the required services. The department may charge fees for the aforementioned services, including admission fees. It is the intent of the legislature that if sufficient revenues are available, as a condition of the expenditure of revenue from admission fees to the Michigan historical museum, admission to the museum shall be free for children under 18 years of age. The department may accept voluntary admissions contributions of \$2.00 for children under 18 years of age. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 308. By October 21, 2011, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the fiscal year ending September 30, 2011. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

Sec. 309. By January 1, 2012, the department shall produce a report identifying active oil and gas leases entered into before July 1995 which are larger than 160 acres in size and where the acreage held in a producing unit is less than or equal to 1/4 of the total lease acreage.

#### **WILDLIFE DIVISION**

Sec. 402. It is the intent of the legislature that, from the funds appropriated in part 1, the department shall reimburse the department of agriculture and rural development for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

#### **FISHERIES DIVISION**

Sec. 501. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department shall develop priority and cost estimates for all projects recommended for grants under subsection (1).

Sec. 502. As a condition of expenditure of fisheries management appropriations under part 1, the department of natural resources shall not impede the certification process for water control structures on Michigan waterways. The department of natural resources shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

#### **RECREATION DIVISION**

Sec. 601. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2012.

Sec. 602. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities in any state park or recreation area.

#### **FOREST MANAGEMENT DIVISION**

Sec. 701. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to the department to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation

shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 702. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe treatment on 79,000 acres, prepare appropriate treatment for not less than 67,500 acres at the current average rate of 12.5 to 15 cords per acre, and offer those cords for sale in 2012, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2011 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall increase the number of prepared acres if it appears that regional market demand requires increased volumes of harvested timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department shall complete and deliver these reports no later than 45 days after the end of the fiscal quarter.

Sec. 703. In addition to the money appropriated in this act, the department may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department shall notify the state budget office that expenditure under this section is required. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2012.

Sec. 704. The department shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

Sec. 705. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for sufficient foresters to mark timber, pursuant to section 702.

Sec. 706. It is the intent of the legislature that forest campgrounds proposed for closure by the department will be open and accessible to the general public.

Sec. 707. The department shall complete the development of a strategic plan to incorporate selected state forest campgrounds into the state park system as mini-state parks in order to qualify them for funding under section 2045 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2045, from state recreation passport revenue. Both currently open and closed campgrounds shall be included in the strategic plan. To fully develop this program and to test its viability throughout the state, the department shall finish designing and implementing a pilot program that includes 6 forest campgrounds selected on a broad geographical basis from those forest campgrounds closed by Executive Order No. 2009-22. In making the selection for the pilot program, the department shall select 3 forest campgrounds from the Upper Peninsula and 3 from the Lower Peninsula. The department shall report to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies by October 31, 2011 on the design of the pilot program, the status of the plan's implementation, and any additional state forest campground closures that are planned for fiscal year 2011-2012 or have occurred since the issuance of Executive Order No. 2009-22.

Sec. 710. The department shall provide a report on the wildfire protection use of department aircraft to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies by December 1, 2011. The report shall include the following information for the preceding fiscal year: how many airplanes the department owns, how much the airplanes cost annually, which DNR divisions used the aircraft throughout the year, how many wildfires occurred in which the aircraft were used to help provide detection, surveillance, or suppression support, and how many flight hours were logged for the fleet in that year.

#### **LAW ENFORCEMENT**

Sec. 801. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department on the use of grant money received under this section.

Sec. 802. The department shall provide a report on the marine safety grant program to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies by December 1, 2011. The report shall include the following information for the preceding year: the total amount of revenue received for watercraft registrations, the amount deposited into the marine safety fund, and the expenditures made from the marine safety fund, including the amounts expended for department administration, other state agencies, the law enforcement division, and grants to counties. The report shall also include the distribution methodology used by the department to distribute the marine safety grants and a list of the grants and the amounts awarded by county.

**GRANTS**

Sec. 901. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2011, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2011.

Sec. 902. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

**CAPITAL OUTLAY**

Sec. 1001. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting local units of government, public colleges and universities, or other governmental entities in this state with the construction and improvement of recreational boating facilities within this state. Subject to the approval of the state administrative board, this money shall be allocated by the department to the federal government, or to the governmental entities involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within the state, and to meet requirements of the federal government.

Sec. 1002. (1) The director of the department shall allocate lump-sum appropriations to the department made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1003. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 1004. Upon receiving notification that necessary permits have been obtained, the department shall fund a capital outlay project to construct a breakwall at the Grand Marais harbor according to a plan to be prepared by Burt Township. The project has an estimated completion cost of \$7,000,000.00 and an estimated completion date of September 30, 2015.

**ONE-TIME BASIS ONLY**

Sec. 1101. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$4,000,000.00 for the Grand Marais harbor capital outlay project provided for in section 1004.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

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

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Mike Green  
Roger Kahn  
Conferees for the Senate

Jon Bumstead  
Eileen Kowall  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 183, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 101, 104, 107, 109, 147, and 152a (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1701, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 101, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, and by adding sections 12, 22f, and 166f; and to repeal acts and parts of acts.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**First Conference Report**

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

**Senate Bill No. 183, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 101, 104, 107, 109, 147, and 152a (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1701, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 101, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, and by adding sections 12, 22f, and 166f; and to repeal acts and parts of acts.

Recommends:

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

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

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, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, and by adding sections 12, 22f, 147a, and 147b; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 6. (1) "Center program" means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils

placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

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

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

(4) "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .75-.90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25-.10 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

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

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

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

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

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

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

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

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

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

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

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

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

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(l) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except as follows:

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

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

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating homeless pupils and that is located in a city with a population of more than ~~750,000~~**500,000**.

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

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

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership **UNLESS THE INDIVIDUAL IS A STUDENT WITH A DISABILITY AS DEFINED IN R 340.1702 OF THE MICHIGAN ADMINISTRATIVE CODE**. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of energy, labor, and economic growth, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

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

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

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

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

(r) ~~Except as otherwise provided in this subdivision, full-time~~**FULL-TIME** equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. **HOWEVER, BEGINNING IN 2012-2013, FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN KINDERGARTEN SHALL BE DETERMINED BY DIVIDING THE NUMBER OF CLASS HOURS SCHEDULED AND PROVIDED PER YEAR PER KINDERGARTEN PUPIL BY THE SAME NUMBER USED FOR DETERMINING FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN GRADES 1 TO 12.**

(s) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by



the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

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

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

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

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

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

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

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

(w) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of ~~.75~~**.90** times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of ~~.25~~**.10** times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(y) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and, beginning in 2007-2008, if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

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

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

(z) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district receives the same amount of membership aid for the pupil as if the pupil were counted in the district on the supplemental count day of the preceding school year.

(aa) Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are receiving ~~nonclassroom~~**EARLY CHILDHOOD SPECIAL EDUCATION** services under R 340.1755 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per pupil by 180.

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

(cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program, ~~described in section 64,~~ the membership is the average of the full-time equated membership on the pupil membership

count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.

(dd) A district that educates a pupil who attends a United States Olympic education center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(ee) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district.

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

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

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

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

(c) A pupil enrolled in a public school academy or university school.

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

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

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

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

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

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

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

(l) A pupil enrolled in a district other than the pupil's district of residence in a **MIDDLE COLLEGE** program described in ~~section 64~~ if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

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

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

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110.

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

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

(a) Except as provided in subdivision (b), the ~~fourth~~ **FIRST** Wednesday ~~after Labor day~~ **IN OCTOBER** each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

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

(i) Fourth Wednesday in July.

(ii) ~~Fourth~~ **FIRST** Wednesday ~~after Labor day~~ **IN OCTOBER**.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

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

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

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

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

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

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(c) to (o). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

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

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

(19) "Textbook" means a book, **ELECTRONIC BOOK, OR OTHER INSTRUCTIONAL PRINT OR ELECTRONIC RESOURCE** that is selected and approved by the governing board of a district and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

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

(21) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 11. (1) Subject to subsection ~~(5)~~, ~~(3)~~, for the fiscal year ending September 30, 2011, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$~~10,937,260.500~~ **\$10,757,260,500.00** from the state school aid fund and the sum of \$18,642,400.00 from the general fund. For the fiscal year ending September 30,

2011, there is also appropriated the remaining balance of the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, estimated at \$184,256,600.00, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. **SUBJECT TO SUBSECTION (3), FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$10,887,098,700.00 FROM THE STATE SCHOOL AID FUND AND THE SUM OF \$118,642,400.00 FROM THE GENERAL FUND.** In addition, all other available federal funds, except those otherwise appropriated under section 11p, are appropriated for the fiscal year ending September 30, 2011 **AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012.**

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a. ~~For 2009-2010 only, if the department determines before bookclosing for the 2009-2010 state fiscal year that the maximum amount appropriated under this section from the state school aid fund for 2009-2010 exceeds the amount necessary to fully fund allocations under this act from the state school aid fund for 2009-2010 and that state support for elementary and secondary education for 2009-2010 will fall below the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, then there is appropriated for 2009-2010 from the school aid stabilization fund an amount equal to \$30,000,000.00 or the amount that the department determines is necessary for the state support for elementary and secondary education to meet the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, whichever is greater. The department shall use any funds appropriated under this subsection as follows:~~

~~(a) First, to allocate \$10,000,000.00 to provide funding to each intermediate district in an amount equal to the product of 14.75% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2009-2010 under 2010 PA 110.~~

~~(b) Second, to allocate the amount necessary, estimated at \$10,000,000.00, to provide funding under this subdivision to districts for which the amount of per-pupil funding calculated and allocated under section 11p(2) is less than \$154.00. The payment to a district under this subdivision is an amount equal to the difference between \$154.00 and the per-pupil funding amount calculated and allocated under section 11p(2) for the district, multiplied by the district's 2010-2011 membership used for the October 2010 payment.~~

~~(c) Third, to allocate any remaining funds to reduce the amount of the per-pupil reduction under section 11d(1) for 2009-2010.~~

(3) If the **COMBINED TOTAL OF THE** maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund **AND THE MAXIMUM AMOUNTS APPROPRIATED UNDER THE PUBLIC ACTS MAKING APPROPRIATIONS FOR COMMUNITY COLLEGES AND STATE UNIVERSITIES FROM THE STATE SCHOOL AID FUND** for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources **AND STATE APPROPRIATIONS TO COMMUNITY COLLEGES AND STATE UNIVERSITIES FROM THE STATE SCHOOL AID FUND** shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3), **AND THE DEPARTMENT OF TREASURY SHALL CALCULATE THE PRORATION IN COMMUNITY COLLEGE AND STATE UNIVERSITY PAYMENTS THAT IS REQUIRED UNDER SUBSECTION (3)**, as follows:

(a) The department **AND THE DEPARTMENT OF TREASURY** shall calculate the percentage of total state school aid allocated under this act **AND THE PUBLIC ACTS MAKING APPROPRIATIONS FOR COMMUNITY COLLEGES AND STATE UNIVERSITIES** for the affected fiscal year for each of the following:

- (i) Districts.
- (ii) Intermediate districts.
- (iii) Entities other than districts or intermediate districts.
- (iv) **COMMUNITY COLLEGES AND STATE UNIVERSITIES.**

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

**(E) THE DEPARTMENT OF TREASURY SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (3) THAT IS EQUAL TO THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A)(iv) FOR COMMUNITY COLLEGES AND STATE UNIVERSITIES THAT RECEIVE FUNDING FROM THE STATE SCHOOL AID FUND BY REDUCING PAYMENTS TO THESE COMMUNITY COLLEGES AND STATE UNIVERSITIES ON AN EQUAL PERCENTAGE BASIS.**

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

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

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

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

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

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

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

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

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

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 11(3) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 11(4).

(7) For ~~2010-2011~~, **2011-2012**, **IN ADDITION TO THE APPROPRIATIONS IN SECTION 11**, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this act.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed \$39,000,000.00 for the fiscal year ending September 30, ~~2011~~ **2012** and for each succeeding fiscal year through the fiscal year ending September 30, 2015, after which these payments will cease. These allocations are for paying the amounts described in subsection (3) to

districts and intermediate districts, other than those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

(2) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in section 11f. This section and any other provision of this act are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

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

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

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

(4) The entire amount of each payment under this section each fiscal year shall be paid on May 15 of the applicable fiscal year or on the next business day following that date. If a district or intermediate district borrows money and issues bonds under section 11i, the district or intermediate district shall use funds received under this section to pay debt service on bonds issued under section 11i. If a district or intermediate district does not borrow money and issue bonds under section 11i, the district or intermediate district shall use funds received under this section only for the following purposes, in the following order of priority:

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

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

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

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

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

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,167,800.00~~ **\$93,575,300.00** for 2010-2011 **2011-2012** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For ~~2010-2011~~, **2011-2012**, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriations in section 11, there is allocated for ~~2009-2010 an amount not to exceed \$12,000,000.00 and for 2010-2011 there is allocated an amount not to exceed \$45,000,000.00~~ **\$15,000,000.00 AND THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$20,000,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

**SEC. 12. IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE AND ALLOCATE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 THE SAME AMOUNTS OF MONEY FROM THE SAME SOURCES FOR THE SAME PURPOSES AS ARE APPROPRIATED AND ALLOCATED UNDER THIS ACT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, AS ADJUSTED FOR CHANGES IN PUPIL MEMBERSHIP, TAXABLE VALUES, SPECIAL EDUCATION COSTS, AND AVAILABLE REVENUE. THESE ADJUSTMENTS WILL BE DETERMINED AFTER THE JANUARY 2012 CONSENSUS REVENUE ESTIMATING CONFERENCE.**

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this act, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this act other than a special education or special education transportation payment. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment if the district would otherwise experience a significant hardship.

(3) If, because of the receipt of new or updated data, the department determines during a fiscal year that the amount paid to a district or intermediate district under this act for a prior fiscal year was incorrect under the law in effect for that year, the department may make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the improper amount was paid.

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

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2010-2011~~ **2011-2012** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 18. (1) Except as provided in another section of this act, each district or other entity shall apply the money received by the district or entity under this act to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks which are designated by the board to be used in the schools under the board's charge, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under article 2 or intermediate district under article 8 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this act the apportionment otherwise due upon a violation by the recipient.

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

(a) The annual operating budget and subsequent budget revisions.

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

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

(A) Salaries and wages.

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

(C) Retirement benefit costs.

(D) All other personnel costs.

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

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

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

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

(iii) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.

**(iv) THE BIDS REQUIRED UNDER SECTION 5 OF THE PUBLIC EMPLOYEE HEALTH BENEFITS ACT, 2007 PA 106, MCL 124.75.**

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

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

(f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

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

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

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

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

~~(c) An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report.~~

~~(C) (d)~~ A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid.

~~(D) (e)~~ The pupil **AND FINANCIAL** accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.

~~(E) (f)~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A ALL OF THE FOLLOWING SHALL BE DONE NOT LATER THAN NOVEMBER 15 EACH YEAR:**

~~(i) A district shall file the annual financial audit reports with the intermediate district not later than 120 days after the end of each school fiscal year and the DEPARTMENT.~~

~~(ii) THE INTERMEDIATE DISTRICT SHALL FILE THE ANNUAL FINANCIAL AUDIT REPORTS FOR THE INTERMEDIATE DISTRICT WITH THE DEPARTMENT.~~

~~(iii) THE intermediate district shall forward the annual financial~~ **ENTER THE PUPIL MEMBERSHIP** audit reports for its constituent districts and for the intermediate district, and ~~the pupil accounting procedures report for the pupil membership count day and supplemental count day, to the department not later than November 15 of each year.~~ **IN THE MICHIGAN STUDENT DATA SYSTEM.**

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

~~(G) (h)~~ Not later than ~~December~~ **JANUARY** 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(5) By November 15 of each year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report. ~~The department shall make this information available online to districts and intermediate districts, and shall include per-pupil amounts spent on instruction and instructional support service functions, and indicate how much of those costs were attributable to salaries. Districts and intermediate districts shall include a link on their websites to the website where the department posts this information.~~

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

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

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

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



(10) If a district or intermediate district does not comply with subsections (4), (5), (6), and (7), the department shall withhold all state school aid due to the district or intermediate district under this act, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), and (7). If the district or intermediate district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

Sec. 20. (1) For ~~2009-2010 and for 2010-2011~~, **2011-2012**, the basic foundation allowance is ~~\$8,489.00~~ **\$8,019.00**.

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

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

(a) For a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$20.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. For ~~2009-2010 and for 2010-2011~~, **2011-2012**, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for the immediately preceding state fiscal year. **2010-2011, MINUS \$470.00**. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance **FOR 2011-2012** in an amount equal to the ~~sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.~~ **2010-2011, MINUS \$470.00**.

(c) Except as otherwise provided in subdivision (d), for a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (D), FOR 2011-2012, FOR A DISTRICT THAT IN THE 1994-1995 STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE 2010-2011 FISCAL YEAR MINUS \$470.00.**

(d) ~~If House Bill No. 6212 of the 95th Legislature is enacted into law, then beginning in 2011-2012, for~~ **FOR** a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00 and that had a foundation allowance for the 2009-2010 state fiscal year, as otherwise calculated under this section, that was less than the basic foundation allowance, the district's foundation allowance for 2011-2012 and each succeeding fiscal year shall be considered to be an amount equal to the basic foundation allowance.

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

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

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

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. ~~For the purposes of state law, federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, that is appropriated under section 11 and allocated under section 22b, is considered to be part of the state portion of a district's foundation allowance and is considered to be part of the total state school aid paid to a public school academy.~~

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection ~~(19)~~, **(15)**, the allocation calculated under this section shall not include the adjustment described in subsection ~~(19)~~, **(15)**. For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. ~~The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).~~

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

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per

membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

~~(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property under section 1211 of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies the district's certified mills on property that is nonexempt property.~~

~~(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property are exempt and not to levy school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.~~

~~(8) (10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).~~

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

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

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

~~(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.~~

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

~~(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2009-2010 and for 2010-2011, 2011-2012, the index shall be 1.00-0.93575. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.~~

(12) ~~(14)~~If the principals at the revenue estimating conference reach a consensus on the index described in subsection ~~(13)(c);~~ ~~(11)(C)~~, the lowest foundation allowance among all districts for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the lowest foundation allowance among all districts for the immediately preceding state fiscal year.

~~(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.~~

~~(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be \$67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.~~

~~(13) (17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**~~

~~(14) (18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus \$250.00. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**~~

~~(15) (19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the~~

plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 68.5% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

(20) ~~An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:~~

(a) ~~Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.~~

(b) ~~Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.~~

(16) ~~(21)~~For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than \$800,000.00 for a fiscal year as a result of this adjustment. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

(17) ~~(22)~~For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than \$500,000.00 for a fiscal year as a result of this adjustment. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

(18) ~~(23)~~Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

(19) ~~(24)~~If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(20) ~~(26)~~As used in this section:

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

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

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

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

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

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

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

(h) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately

preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies]. For ~~2009-2010 and 2010-2011~~, **2011-2012**, maximum public school academy allocation means ~~\$7,580.00~~ **\$7,110.00**.

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

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

(k) "Principal residence", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

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

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

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

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

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for ~~2010-2011~~, **2011-2012**, the department and the department of treasury shall comply with all of the following:

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

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

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,796,241,000.00 for 2009-2010 and an amount not to exceed \$5,764,000,000.00~~ **\$5,737,000,000.00 for 2010-2011 AND AN AMOUNT NOT TO EXCEED \$5,691,000,000.00 FOR 2011-2012** for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

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

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy or qualifying university school, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy, or to the board of the public university operating the qualifying university school, an amount equal to the 1994-95 per pupil payment to the qualifying public school academy or qualifying university school under section 20.

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

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

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

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

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

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

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

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

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

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

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

(j) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

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

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

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

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

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

Sec. 22b. (1) From the state funds appropriated in section 11, there is allocated for 2009-2010 an amount not to exceed \$3,289,000,000.00 and there is allocated for 2010-2011 an amount not to exceed \$3,573,500,000.00 **\$3,558,424,700.00 AND THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$3,032,300,000.00** for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) In addition to the funds allocated in subsection (1), ~~there is allocated an amount estimated at \$450,000,000.00 for 2009-2010 and~~ there is allocated an amount estimated at \$184,256,600.00 for 2010-2011 from the federal funds awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5. These funds shall be distributed in a form and manner determined by the department based on an equal dollar amount per the number of membership pupils used to calculate the final state aid payment of the immediately preceding fiscal year and shall be expended in a manner prescribed by federal law.

(3) Subject to subsection (4) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, ~~20j~~, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

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

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

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

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

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

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

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

(7) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(8) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, ~~and 51c~~, **51C, AND 152A**. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (3). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.



(9) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (8) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (3).

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

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

(12) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed \$2,025,000.00 is allocated for ~~2010-2011~~ **2011-2012** for additional payments to small, geographically isolated **SUPPLEMENTAL PAYMENTS TO RURAL** districts under this section.

(2) From the allocation under subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$750,000.00 for payments under this subsection to districts that meet all of the following:

- (a) Operates grades K to 12.
- (b) Has fewer than 250 pupils in membership.
- (c) Each school building operated by the district meets at least 1 of the following:
  - (i) Is located in the Upper Peninsula at least 30 miles from any other public school building.
  - (ii) Is located on an island that is not accessible by bridge.

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

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$1,275,000.00 for payments under this subsection to districts that meet all of the following:

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

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

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

Sec. 22e. (1) ~~Beginning in 2008-2009, an~~ **FOR 2011-2012, AN** amount ~~will be~~ **IS** allocated each fiscal year from the appropriation in section 11 for additional payments under this subsection to districts that meet the eligibility requirements under subsection (2). For ~~2010-2011~~, **2011-2012**, there is allocated for this purpose from the appropriation in section 11 an amount not to exceed ~~\$1,300,000.00~~ **\$700,000.00. THESE ADDITIONAL PAYMENTS SHALL NOT BE MADE AFTER 2011-2012.**

(2) To be eligible for a payment under subsection (1), a district must be determined by the department and the department of treasury to meet all of the following:

- (a) The district levies 1 of the following operating millage amounts:
  - (i) All of the operating millage it is authorized to levy under section 1211 of the revised school code, MCL 380.1211.
  - (ii) The amount of operating millage it is authorized to levy after a voluntary reduction of its operating millage rate adopted by the board of the district.

(iii) The amount of operating millage it is authorized to levy after a millage reduction required under the limitation of section 31 of article IX of the state constitution of 1963, if a ballot question asking for approval to levy millage in excess of the limitation has been rejected in the district.

(b) The district receives a reduced amount of local school operating revenue under section 1211 of the revised school code, MCL 380.1211, as a result of the exemptions of industrial personal property and commercial personal property that were enacted in 2007 PA 37.

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

**(D) THE DISTRICT HAS 500 OR FEWER PUPILS IN MEMBERSHIP.**

(3) Subject to subsection (4), the amount of the additional funding to each eligible district under subsection (1) is the sum of the following and shall be paid to the eligible districts in the same manner as payments under section 22b:

(a) The product of the taxable value of the district's industrial personal property for the calendar year ending in the fiscal year multiplied by the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(b) The product of the taxable value of the district's commercial personal property for the calendar year ending in the fiscal year multiplied by the lesser of 12 mills or the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(4) The amount of the additional funding to an eligible district under subsection (1) for a fiscal year shall not exceed 15% of the total amount allocated under subsection (1) for that fiscal year.

(5) If the total amount of the payments calculated under subsection (3) for a fiscal year exceeds the allocation under subsection (1) for that fiscal year, the payment to each district under subsection (1) shall be prorated on an equal percentage basis.

~~(6) In addition to the amount allocated under subsection (1), for 2010-2011 only there is also allocated from the appropriation in section 11 the amount of \$500,000.00 to a district that is eligible for a payment under subsection (1) and that levied 1.8 mills in 1993 to finance an operating deficit.~~

**SEC. 22F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2011-2012 ONLY AN AMOUNT NOT TO EXCEED \$154,000,000.00 TO PROVIDE INCENTIVE PAYMENTS TO DISTRICTS THAT MEET FINANCIAL BEST PRACTICES UNDER THIS SECTION. THE MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2010-2011. THE AMOUNT OF THE INCENTIVE PAYMENT IS AN AMOUNT EQUAL TO \$100.00 PER PUPIL. A DISTRICT SHALL RECEIVE AN INCENTIVE PAYMENT UNDER THIS SECTION IF THE DISTRICT SATISFIES AT LEAST 4 OF THE FOLLOWING REQUIREMENTS NOT LATER THAN JUNE 1, 2012:**

**(A) IF A DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE DISTRICT DOES NOT PAY ON BEHALF OF ANY EMPLOYEE A TOTAL AMOUNT THAT IS GREATER THAN THE STATE MAXIMUM ALLOWABLE EMPLOYER CONTRIBUTION FOR HEALTH CARE SERVICES BENEFITS, AS DESCRIBED IN SUBSECTION (3), DEPENDING ON THE COVERAGE OPTION.**

**(B) IF A DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE DISTRICT IS THE POLICYHOLDER FOR EACH OF ITS INSURANCE POLICIES THAT COVERS 1 OR MORE OF THESE BENEFITS. A DISTRICT THAT DOES NOT DIRECTLY EMPLOY ITS STAFF IS CONSIDERED TO HAVE SATISFIED THIS REQUIREMENT.**

**(C) IF A DISTRICT DID NOT ENTER INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN TO REDUCE SCHOOL OPERATING COSTS UNDER FORMER SECTION 11D AS IT WAS IN EFFECT FOR 2010-2011, THE DISTRICT ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN THAT IS IN COMPLIANCE WITH DEPARTMENT GUIDELINES DESCRIBED IN SUBSECTION (2). IF A DISTRICT ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN UNDER FORMER SECTION 11D, THE DISTRICT CONTINUES TO IMPLEMENT THAT PLAN AND REPORT TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1 OF EACH FISCAL YEAR THE DISTRICT'S PROGRESS IN IMPLEMENTING THAT PLAN.**

**(D) THE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON THE PROVISION OF PUPIL TRANSPORTATION, FOOD SERVICE, CUSTODIAL, OR 1 OR MORE OTHER NONINSTRUCTIONAL SERVICES WITH A VALUE OF AT LEAST \$50,000.00.**

**(E) THE DISTRICT PROVIDES TO PARENTS AND COMMUNITY MEMBERS A DASHBOARD OR REPORT CARD DEMONSTRATING THE DISTRICT'S EFFORTS TO MANAGE ITS FINANCES RESPONSIBLY. THE**

**DASHBOARD OR REPORT CARD SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE:**

- (i) GRADUATION AND DROPOUT RATES.**
- (ii) AVERAGE CLASS SIZE IN GRADES KINDERGARTEN TO 3.**
- (iii) COLLEGE READINESS AS MEASURED BY MICHIGAN MERIT EXAMINATION TEST SCORES.**
- (iv) ELEMENTARY AND MIDDLE SCHOOL MEAP SCORES.**
- (v) TEACHER, PRINCIPAL, AND SUPERINTENDENT SALARY INFORMATION INCLUDING AT LEAST MINIMUM, AVERAGE, AND MAXIMUM PAY LEVELS.**
- (vi) GENERAL FUND BALANCE.**
- (vii) THE TOTAL NUMBER OF DAYS OF INSTRUCTION PROVIDED.**

**(2) THE DEPARTMENT SHALL MAINTAIN THE GUIDELINES FOR THE SERVICE CONSOLIDATION PLANS THAT WERE DEVELOPED FOR FORMER SECTION 11D AS IT WAS IN EFFECT FOR 2010-2011. THE GUIDELINES MAY IDENTIFY, BUT ARE NOT LIMITED TO, ALLOWABLE COST-SHARING ARRANGEMENTS FOR THE PROVISION OF NONINSTRUCTIONAL AND INSTRUCTIONAL SERVICES AND THE CREATION OF JOINT OPERATING AGREEMENTS BETWEEN AND AMONG DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER UNITS OF LOCAL GOVERNMENT. THE DEPARTMENT SHALL CREATE BENCHMARKS TO MEASURE SUCCESS IN IMPLEMENTING SERVICE CONSOLIDATION PLANS, INCLUDING, BUT NOT LIMITED TO, DEMONSTRATED COST REDUCTIONS AND EFFICIENCY. IN DETERMINING ELIGIBILITY FOR INCENTIVE PAYMENTS, THE DEPARTMENT SHALL RECOGNIZE SERVICE CONSOLIDATION AND COOPERATION AND COST REDUCTIONS ALREADY IN EFFECT AS WELL AS CONTINUED PROGRESS.**

**(3) FOR THE PURPOSES OF THIS SECTION, THE STATE MAXIMUM ALLOWABLE EMPLOYER CONTRIBUTION ON BEHALF OF ANY EMPLOYEE IS AN AMOUNT EQUAL TO 90% OF THE COMBINED TOTAL COSTS FOR THE EMPLOYEE FOR THE SCHOOL FISCAL YEAR FOR MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT FOR EACH OF THE FOLLOWING COVERAGE OPTIONS:**

- (A) EMPLOYEE ONLY COVERAGE.**
- (B) EMPLOYEE AND SPOUSE COVERAGE.**
- (C) EMPLOYEE AND CHILDREN COVERAGE.**
- (D) FULL FAMILY COVERAGE.**

**(4) A DISTRICT THAT ACCEPTS FUNDS ALLOCATED UNDER THIS SECTION ACKNOWLEDGES THAT THE INCENTIVE PAYMENT UNDER THIS SECTION IS FOR 2011-2012 ONLY AND THAT FUNDS WILL NOT BE APPROPRIATED FOR THE PURPOSES OF THIS SECTION FOR SUBSEQUENT FISCAL YEARS.**

**(5) IF THE DEPARTMENT DETERMINES THAT A DISTRICT HAS INTENTIONALLY SUBMITTED FALSE INFORMATION IN ORDER TO QUALIFY FOR AN INCENTIVE PAYMENT UNDER THIS SECTION, THE DISTRICT FORFEITS AN AMOUNT EQUAL TO THE AMOUNT IT RECEIVED UNDER THIS SECTION FROM ITS TOTAL STATE SCHOOL AID FOR 2012-2013.**

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

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

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services or the department of energy, labor, and economic growth and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

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

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils

that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

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

Sec. 24a. From the appropriation in section 11, ~~there is allocated an amount not to exceed \$1,751,300.00 for 2009-2010 and there is allocated an amount not to exceed \$1,440,000.00~~ **\$1,197,500.00** for ~~2010-2011~~ **2011-2012** for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed \$742,300.00 for ~~2010-2011~~ **2011-2012** for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is located within the district and is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

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

(b) The district may retain for its administrative expenses an amount not to exceed 3% of the amount of the payment the district receives under this section.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$26,300,000.00 for ~~2010-2011~~ **2011-2012** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2010-2011~~. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$3,400,000.00~~ **\$2,890,000.00** for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$317,695,500.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year **IN THE FORM AND MANNER PRESCRIBED BY THE CENTER**. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

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

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, ~~plus the amount of the district's per pupil allocation under section 20j(2)~~, is less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

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

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding

fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, ~~plus the amount of the district's per pupil allocation under section 20j(2)~~, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), or (7). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 20% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

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

(6) From the funds allocated under subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

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

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

(12) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

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

(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

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

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

(15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(16) Except as otherwise provided in subsection (18), a district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall

receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(17) A district that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 75% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), the district receives an adjustment under section 20(19), and the district does not receive any state portion of its foundation allowance as calculated under section 20. A district that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(18) For a district described in subsection (16), the total allocation to the district otherwise due under this section, after any reduction under subsection (14), shall be further reduced by 25%.

(16) (19) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

**(17) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE FUNDS RECEIVED UNDER THIS SECTION TO PROVIDE AN ANTI-BULLYING OR CRISIS INTERVENTION PROGRAM.**

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 for ~~2010-2011~~ **2011-2012** for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

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

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

(5) From the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** all available federal funding, estimated at \$400,000,000.00, for the national school lunch program and all available federal funding, estimated at \$2,506,000.00, for the emergency food assistance program.

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

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

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$9,625,000.00 for ~~2010-2011~~ **2011-2012** for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

Sec. 32b. (1) From the funds appropriated under section 11, there is allocated an amount not to exceed ~~\$6,000,000.00~~ **\$5,900,000.00** for ~~2010-2011~~ **2011-2012** for competitive grants to intermediate districts for the creation and continuance of great start communities or other community purposes as identified by the early childhood investment corporation. These dollars may not be expended until both of the following conditions have been met:

(a) The early childhood investment corporation has identified matching dollars of at least an amount equal to the amount of the matching dollars for 2006-2007.

(b) The executive committee of the corporation includes, in addition to the members of the executive committee provided for by the interlocal agreement creating the corporation under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to 124.512, 4 members appointed by the governor as provided in this subdivision. Not later than 30 days after the convening of a regular legislative session in an odd-numbered year, the speaker of the house of representatives, the house minority leader, the senate majority leader, and the senate minority leader shall each submit to the governor a list of 3 or more individuals as nominees for appointment as members of the executive committee of the corporation. The corporation shall notify each of the legislative leaders of this requirement to submit a list of nominees not later than 30 days before the date that the list is due. Within 60 days of the submission to the governor of nominees by each of the 4 legislative leaders, the governor shall appoint 1 member of the executive committee from each list of nominees submitted by each of the 4 legislative leaders. A member appointed under this subdivision shall serve a term as a member of the executive committee through the next regular legislative session unless he or she resigns or is otherwise unable to serve. When a vacancy occurs other than by expiration of a term, the corporation shall notify the legislative leader who originally nominated the member of the vacancy and that legislative leader shall submit to the governor a list of 3 or more individuals as nominees for appointment to fill the vacancy within 30 days after being notified by the corporation of the vacancy. The governor shall make an appointment to fill that vacancy in the same manner as the original appointment not later than 60 days after the date the vacancy occurs.

(2) The early childhood investment corporation shall award grants to eligible intermediate districts in an amount to be determined by the corporation.

(3) In order to receive funding, each intermediate district applicant shall agree to convene a local great start collaborative to address the availability of the 6 components of a great start system in its communities: physical health, social-emotional health, family supports, basic needs, economic stability and safety, and parenting education and early education and care, to ensure that every child in the community is ready for kindergarten. Specifically, each grant will fund the following:

(a) The completion of a community needs assessment and strategic plan for the creation of a comprehensive system of early childhood services and supports, accessible to all children from birth to kindergarten and their families.

(b) Identification of local resources and services for children with disabilities, developmental delays, or special needs and their families.

(c) Coordination and expansion of infrastructure to support high-quality early childhood and childcare programs.

(d) Evaluation of local programs.

(4) Not later than December 1 of each fiscal year, for the grants awarded under this section for the immediately preceding fiscal year, the department shall provide to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report detailing the amount of each grant awarded under this section, the grant recipients, the activities funded by each grant under this section, and an analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(5) An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

**(6) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT START COLLABORATIVES UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START READINESS PROGRAMS UNDER SECTION 32D AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK**



**WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.**

(7) ~~(6)~~-Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

Sec. 32d. (1) For ~~2010-2011, 2011-2012~~, there is allocated to eligible ~~districts~~-**INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS** for great start readiness programs an amount not to exceed \$89,400,000.00 **\$104,275,000.00** from the state school aid fund money appropriated in section 11. ~~In addition, from the general fund appropriation in section 11, there is allocated an amount not to exceed \$8,875,000.00 for competitive great start readiness program grants.~~ Funds allocated under this section shall be used to provide part-day or full-day comprehensive free compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show ~~evidence of 2 or more risk factors~~-**MEET THE PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES** as defined by the state board.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by a district for programs described in this subdivision shall not exceed the lesser of the amount spent by the district under this subdivision for 2006-2007 or the amount spent under this subdivision in any subsequent fiscal year.

(2) ~~To be eligible to receive payments under this section, a district shall comply with this section and section 39. To receive competitive grant payments under this section, an eligible grant recipient shall comply with this section and section 32l.~~ **FUNDS ALLOCATED UNDER THIS SECTION SHALL BE ALLOCATED TO INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS. AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING FUNDING UNDER THIS SECTION SHALL ACT AS THE FIDUCIARY FOR THE GREAT START READINESS PROGRAMS. FOR 2011-2012, THE FIDUCIARY INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS SHALL ALLOCATE THE FUNDING UNDER THIS SECTION AS FOLLOWS:**

**(A) AN AMOUNT NOT TO EXCEED \$95,400,000.00 ALLOCATED TO DISTRICTS AND CONSORTIA OF DISTRICTS AS DIRECTED BY THE DEPARTMENT BASED ON THE FORMULA IN SECTION 39. IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDS ALLOCATED UNDER THIS SUBDIVISION FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A DISTRICT OR CONSORTIUM OF DISTRICTS SHALL COMPLY WITH THIS SECTION AND SECTION 39.**

**(B) AN AMOUNT NOT TO EXCEED \$8,875,000.00 ALLOCATED IN GRANTS TO COMPETITIVE GREAT START READINESS PROGRAMS AS DIRECTED BY THE DEPARTMENT BASED ON THE GRANT AWARD PROCESS IN SECTION 32l. IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDS ALLOCATED UNDER THIS SECTION FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A COMPETITIVE GREAT START READINESS PROGRAM SHALL COMPLY WITH THIS SECTION AND SECTION 32l.**

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for ~~2010-2011~~-**2011-2012** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day or ~~full-day~~-**SCHOOL-DAY** programs that contain all of the following program components, as determined by the department:

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

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

(c) Nutritional services for all program participants.

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

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

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

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

(h) Participation in a multidistrict, multiagency, school readiness advisory committee that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee shall review the program components listed in this subsection and make recommendations for changes to the great start readiness program for which it is an advisory committee.

(i) ~~For great start readiness programs operated by a district or consortium of districts, provide for the~~ **THE** ongoing articulation of the ~~early childhood, kindergarten, and first grade programs offered by the district or districts.~~ **PROGRAM PROVIDER.**

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

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

(b) Ensure that more than 75% of the children participating in an eligible great start readiness program are children who live with families with a household income that is equal to or less than 300% of the federal poverty level.

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

(i) Teachers possessing proper training. For programs ~~the district manages itself,~~ **MANAGED DIRECTLY BY AN INTERMEDIATE DISTRICT**, a valid teaching certificate and an early childhood ~~(ZA)~~ **(ZA OR ZS)** endorsement are required. This provision does not apply to ~~a~~ **AN INTERMEDIATE DISTRICT OR COMPETITIVE PROGRAM** that subcontracts with an eligible child development program. In that situation, a teacher must have a valid Michigan teaching certificate with an early childhood ~~(ZA)~~ **(ZA OR ZS)** endorsement, a valid Michigan **ELEMENTARY** teaching certificate with a child development associate credential, or a bachelor's degree in child development with specialization in preschool teaching. However, ~~both of the following apply to this subparagraph:~~

~~(A) If a~~ **IF AN INTERMEDIATE** district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be employed by the **INTERMEDIATE** district if the **INTERMEDIATE** district provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within ~~4~~ **2** years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

~~(B) For a subcontracted program, the department shall consider a teacher with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements under this subparagraph.~~

(ii) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, ~~or the equivalent as approved by the state board.~~ However, if ~~a~~ **AN INTERMEDIATE** district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the **INTERMEDIATE** district may employ paraprofessionals who have completed at least 1 course **THAT EARNS COLLEGE CREDIT** in early childhood education or child development if the **INTERMEDIATE** district provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. The program budget shall indicate the extent to which these funds will supplement other federal, state, local, or private funds. Funds received under this section shall not be used to supplant any federal funds by the applicant to serve children eligible for a federally funded existing preschool program that has the capacity to serve those children.

(6) For a grant recipient that enrolls pupils in a ~~full-day~~ **SCHOOL-DAY** program funded under this section, each child enrolled in the ~~full-day~~ **SCHOOL-DAY** program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a ~~full-day~~ **SCHOOL-DAY** program. As used in this subsection, "full-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a full-day program must enroll all children for the full day to be considered a full-day program.

(7) ~~A district or consortium of districts~~ **AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** receiving a grant under this section may contract with for-profit or nonprofit preschool center providers that meet all requirements of subsection (4) and retain for administrative services an amount equal to not more than 5% of the grant amount. ~~A~~ **AN INTERMEDIATE** district, ~~or~~ consortium of **INTERMEDIATE** districts, **OR COMPETITIVE GRANT PROGRAM** may expend not more than 10% of the total grant amount for administration of the program.

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

(9) A recipient of funds under this section shall report to the department ~~on the midyear report~~ **IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT** the number of children participating in the program who meet the income or other eligibility criteria prescribed by the department and the total number of children participating in the program. For children participating in the program who meet the income or other eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, “employment status” shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(10) As used in this section: ~~“part-day-~~

(A) **“PART-DAY program”** means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a ~~full-day~~ **SCHOOL-DAY** program, ~~as defined in subsection (6):~~

(B) **“SCHOOL-DAY PROGRAM” MEANS A PROGRAM THAT OPERATES FOR AT LEAST THE SAME LENGTH OF DAY AS A DISTRICT’S FIRST GRADE PROGRAM FOR A MINIMUM OF 4 DAYS PER WEEK, 30 WEEKS PER YEAR. A CLASSROOM THAT OFFERS A SCHOOL-DAY PROGRAM MUST ENROLL ALL CHILDREN FOR THE SCHOOL DAY TO BE CONSIDERED A SCHOOL-DAY PROGRAM.**

(11) A ~~district or intermediate district~~ **GRANT RECIPIENT** receiving funds under this section is encouraged to establish a sliding scale of tuition rates based upon a child’s family income for the purpose of expanding eligible programs under this section. A ~~district or intermediate district~~ **GRANT RECIPIENT** may charge tuition for programs provided under this section according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the program eligibility requirements under this section.

**(12) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT START READINESS PROGRAMS UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER SECTION 32B AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.**

Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$5,000,000.00 for ~~2010-2011~~ **2011-2012** for great parents, great start grants to intermediate districts to provide programs for parents with young children. The purpose of these programs is to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster the maintenance of stable families by encouraging positive parenting skills.

(2) To qualify for funding under this section, a program shall provide services to all families with children age 5 or younger residing within the intermediate district who choose to participate, including at least all of the following services:

(a) Providing parents with information on child development from birth to age 5.

(b) Providing parents with methods to enhance parent-child interaction that promote social and emotional development and age-appropriate language, mathematics, and early reading skills for young children; including, but not limited to, encouraging parents to read to their preschool children at least 1/2 hour per day.

(c) Providing parents with examples of learning opportunities to promote intellectual, physical, and social growth of young children, including the acquisition of age-appropriate language, mathematics, and early reading skills.

(d) Promoting access to needed community services through a community-school-home partnership.

(3) To receive a grant under this section, an intermediate district shall submit a plan to the department not later than October 15, ~~2010-2011~~ in the form and manner prescribed by the department. The plan shall do all of the following in a manner prescribed by the department:

(a) Provide a plan for the delivery of the program components described in subsection (2) that targets resources based on family need and provides for educators trained in child development to help parents understand their role in their child’s developmental process, thereby promoting school readiness and mitigating the need for special education services.

(b) Demonstrate an adequate collaboration of local entities involved in providing programs and services for preschool children and their parents and, where there is a great start collaborative, demonstrate that the planned services are part of the community’s great start strategic plan.

(c) Provide a projected budget for the program to be funded. The intermediate district shall provide at least a 20% local match from local public or private resources for the funds received under this section. Not more than 1/2 of this matching requirement,

up to a total of 10% of the total project budget, may be satisfied through in-kind services provided by participating providers of programs or services. In addition, not more than 10% of the grant may be used for program administration.

(4) Each intermediate district receiving a grant under this section shall agree to include a data collection system approved by the department. The data collection system shall provide a report by October 15 of each year on the number of children in families with income below 200% of the federal poverty level that received services under this program and the total number of children who received services under this program.

(5) The department or superintendent, as applicable, shall do all of the following:

(a) The superintendent shall approve or disapprove the plans and notify the intermediate district of that decision not later than November 15, ~~2010~~-**2011**. The amount allocated to each intermediate district shall be at least an amount equal to 100% of the intermediate district's ~~2009-2010~~-**2010-2011** payment under this section.

(b) The department shall ensure that all programs funded under this section utilize the most current validated research-based methods and curriculum for providing the program components described in subsection (2).

~~(c) The department shall submit a report to the state budget director and the senate and house fiscal agencies summarizing the data collection reports described in subsection (4) by December 1 of each year.~~

(6) An intermediate district receiving funds under this section shall use the funds only for the program funded under this section. An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

**(7) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER SECTION 32B AND FUNDING FOR GREAT START READINESS PROGRAMS UNDER SECTION 32D. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.**

Sec. 39. (1) A district receiving funds **FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** under section 32d shall submit a preapplication, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan, which is endorsed by the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

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

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

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

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

(2) A district receiving funds **FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** under section 32d shall also submit a final application for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the district complies with the program components established by the department pursuant to section 32d.

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

(4) ~~Beginning in 2008-2009, the~~ **THE** initial allocation for each fiscal year to each eligible district under section 32d shall be determined by multiplying the number of children determined by the formula under subsection (3) or the number of children the district indicates it will be able to serve under subsection (1)(c), whichever is less, by \$3,400.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children a district indicates it will be able to serve under subsection (1)(c) includes children able to be served in a ~~full-day-SCHOOL-DAY~~ program, then the number able to be served in a ~~full-day-SCHOOL-DAY~~ program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined by the formula under subsection (3) and the number of children the district indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the district under section 32d. A district may contract with a head start agency to serve children enrolled in head start with a ~~full-day-SCHOOL-DAY~~ program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of children each eligible district served in the immediately preceding fiscal year ~~; including the number of children the district would have served if it had not satisfied all or part of the reduction under section 11d from funding under this section,~~ or the number of children the district indicates it will be able to serve under subsection (1)(c), whichever is less, minus the number of children for which the district received funding in subsection (4) by \$3,400.00.

(6) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children the district indicates it will be able to serve under subsection (1)(c) exceeds the number of children for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of children the district indicates it will be able to serve under subsection (1)(c) less the number of children for which funds have been received under subsections (4) and (5) by \$3,400.00 until the funds allocated for eligible districts in section 32d are distributed.

(7) If a district is participating in a program under section 32d for the first year, the maximum allocation under this section is 32 multiplied by \$3,400.00.

(8) A district that offers supplementary ~~day-CHILD~~ care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under section 32d over other eligible districts. **AS USED IN THIS SUBSECTION, "FULL-DAY PROGRAM" MEANS A PROGRAM THAT PROVIDES SUPPLEMENTARY CHILD CARE THAT TOTALS AT LEAST 10 HOURS OF PROGRAMMING PER DAY.**

(9) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated using the formula under subsection (3). However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation for eligible districts under section 32d.

(10) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the district may include additional eligible children but shall not receive additional funding under section 32d for those children.

(11) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a district or intermediate district to serve as the fiscal agent for the consortium's allocation. A consortium shall submit a single application for the total number of children to be served. The consortium may decide, with approval of all consortium members, to serve numbers of children based on the allocation to each district or based on the allocation to the entire consortium, allowing children residing in any district in the consortium to be served by the consortium at any location.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$761,973,600.00, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

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

(b) An amount estimated at \$7,461,800.00 for the purpose of improving teaching and learning through a more effective use of technology, funded from DED-OESE, educational technology state grant funds.

(c) An amount estimated at \$109,411,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(d) An amount estimated at \$10,322,300.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(e) An amount estimated at \$8,550,000.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(f) An amount estimated at \$1,760,000.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(g) An amount estimated at \$1,000.00 to help schools develop and implement comprehensive school reform programs, funded from DED-OESE, title I and title X, comprehensive school reform funds.

(h) An amount estimated at \$517,479,800.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(i) An amount estimated at \$2,152,700.00 for the purpose of providing unified family literacy programs, funded from DED-OESE, title I, even start funds.

(j) An amount estimated at \$8,807,200.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(k) An amount estimated at \$24,733,200.00 to promote high-quality school reading instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.

(l) An amount estimated at \$2,849,000.00 for the purpose of implementing innovative strategies for improving student achievement, funded from DED-OESE, title VI, innovative strategies funds.

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

(n) An amount estimated at \$17,586,100.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$32,359,700.00, for the following programs that are funded by federal grants:

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

(b) An amount estimated at \$1,814,100.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at \$1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

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

(3) To the extent allowed under federal law, the funds allocated under subsection (1)(h), (i), (k), and (n) may be used for 1 or more reading improvement programs that meet at least 1 of the following:

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

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

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

(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.

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

(5) For the purposes of applying for federal grants appropriated under this act, the department shall allow an intermediate district to submit a ~~consolidated~~ **CONSORTIUM** application on behalf of 2 or more districts with the agreement of those districts **AS APPROPRIATE ACCORDING TO FEDERAL RULES AND GUIDELINES.**

(6) As used in this section:

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

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

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

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

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

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance, ~~and shall report not later than November 15 of each even-numbered year its findings and~~

~~recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the state budget director.~~

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2009-2010 ~~an amount not to exceed \$1,016,342,000.00 and there is allocated for 2010-2011 an amount not to exceed \$1,057,883,000.00~~ **\$947,683,000.00 AND THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$977,469,100.00** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at ~~\$350,700,000.00 for 2009-2010 and estimated at \$385,700,000.00 for 2010-2011,~~ **AND ESTIMATED AT \$363,400,000.00 FOR 2011-2012**, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated each fiscal year the amount necessary, estimated at ~~\$234,780,000.00 for 2009-2010 and estimated at \$248,200,000.00~~ **\$236,300,000.00** for 2010-2011 **AND ESTIMATED AT \$245,500,000.00 FOR 2011-2012**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times ~~the sum of the foundation allowance under section 20 of the pupil's district of residence, plus the amount of the district's per pupil allocation under section 20j(2),~~ not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year. ~~and that district's per pupil allocation under section 20j(2).~~

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

(3) From the funds allocated under subsection (1), there is allocated ~~each fiscal year for 2009-2010 and for 2010-2011~~ **ONLY** the amount necessary, estimated at ~~\$1,329,000.00 for 2009-2010 and estimated at \$1,400,000.00 for 2010-2011,~~ to make payments to districts and intermediate districts under this subsection. **FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO MAKE PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION.** If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess

from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department each fiscal year for ~~2009-2010 and for 2010-2011~~ **AND FOR 2011-2012** to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated ~~an amount not to exceed \$1,750,000.00 for 2009-2010 and an amount not to exceed \$2,200,000.00 for 2010-2011~~ **AND FOR 2011-2012** to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of ~~this article,~~ **SECTIONS 51A TO 58**, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

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

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

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

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

(8) From the allocation in subsection (1), there is allocated ~~each fiscal year for 2009-2010 and for 2010-2011~~ **ONLY** an amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district



shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

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

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

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

(12) From the funds allocated in subsection (1), there is allocated each fiscal year the amount necessary, estimated at ~~\$6,200,000.00 for 2009-2010 and estimated at \$6,600,000.00~~ **\$5,000,000.00** for 2010-2011, **AND ESTIMATED AT \$6,800,000.00 FOR 2011-2012**, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times ~~the sum of the foundation allowance under section 20 of the pupil's district of residence, plus the amount of the district's per pupil allocation under section 20j(2),~~ not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year. ~~and that district's per pupil allocation under section 20j(2).~~ This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

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

(c) ~~Emotionally impaired pupils~~ **PUPILS WITH AN EMOTIONAL IMPAIRMENT** counted in membership by an intermediate district and provided educational services by the department of community health.

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

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

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

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

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

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsections (2), (3), and (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

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

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated each fiscal year ~~for 2009-2010 and for 2010-2011~~ **AND FOR 2011-2012** the amount necessary, estimated at ~~\$702,500,000.00 for 2009-2010 and estimated at \$732,100,000.00~~ **\$635,400,000.00** for 2010-2011 **AND ESTIMATED AT \$669,900,000.00 FOR 2011-2012**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** all available federal funding, estimated at \$74,000,000.00, for special education programs that are funded by federal grants. All federal

funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for ~~2010-2011~~**2011-2012**:

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Not more than \$13,500,000.00 of the allocation for ~~2010-2011~~**2011-2012** in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of the allocation for ~~2010-2011~~**2011-2012** in section 51a(1) shall be allocated under this section.

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

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

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

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

(2) From the allocation under section 51a(1), there is allocated ~~an amount not to exceed \$39,281,100.00 for 2009-2010 and an amount not to exceed \$36,881,100.00 for 2010-2011~~**2011-2012** to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in ~~2008-2009~~**2010-2011** shall be made in ~~2009-2010~~**2011-2012** at an amount per ~~2008-2009~~**2010-2011** membership pupil computed by subtracting from ~~\$180,600.00~~**\$174,700.00** the ~~2008-2009~~**2010-2011** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2008-2009~~**2010-2011**

millage levied. Reimbursement for those millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$181,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$26,611,300.00 for 2010-2011 **2011-2012** to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be based on the type of career and technical education programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

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

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

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

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

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

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

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

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,000,000.00 each fiscal year for 2009-2010 and for 2010-2011 **2011-2012** to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2008-2009 **2010-2011** shall be made in 2009-2010 **2011-2012** at an amount per 2008-2009 **2010-2011** membership pupil computed by subtracting from \$191,000.00 **\$190,400.00** the 2008-2009 **2010-2011** taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 **2010-2011** millage levied. Reimbursement for the millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$194,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,028,500.00 for 2009-2010 and there is allocated an amount not to exceed \$2,058,800.00 **\$2,558,800.00** for 2010-2011 **AND AN AMOUNT NOT TO EXCEED \$3,154,600.00 FOR 2011-2012** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

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

(4) From the funds allocated in subsection (1), there is allocated ~~an amount not to exceed \$1,403,500.00 for 2009-2010 and an amount not to exceed \$433,800.00~~ **\$933,800.00** for 2010-2011 **AND AN AMOUNT NOT TO EXCEED \$1,529,600.00 FOR 2011-2012** for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to each affected district in a time and manner determined jointly by the department and the department of state police. The department shall reimburse each district and intermediate district for costs detailed on the statement within 30 days after receipt of the statement. Districts for which services are provided shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for ~~2010-2011~~ **2011-2012** to the intermediate districts the sum necessary, but not to exceed ~~\$65,376,800.00~~ **\$62,108,000.00**, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for ~~2010-2011~~ **2011-2012** an amount equal to ~~80%~~ **95%** of the amount allocated under this subsection for ~~2008-2009-2010-2011~~. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

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

(3) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies and the state budget director not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

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

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

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

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

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

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

(6) ~~If the amount of the allocation to intermediate districts under subsection (1) is reduced in a fiscal year after 2010-2011 from the amount of that allocation for 2010-2011, that reduced allocation shall not result in an intermediate district's allocation being less than the funding actually received by or paid on behalf of the intermediate district for the 1994-95 fiscal year under former section 146a(1) and section 147(1), as those sections were in effect for the 1994-95 fiscal year.~~

Sec. 93. From the general fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$1,500,000.00~~ **\$1,304,300.00** to the library of Michigan for state aid to libraries payments to help support the provision of the Michigan electronic library in public schools and public libraries. The library of Michigan shall distribute the payments to libraries under this section in an amount equal to ~~25.0%~~ of the allocation each library received under the state aid to libraries appropriation enacted under 2009 PA 115. **PURSUANT TO THE STATE AID TO PUBLIC LIBRARIES ACT, 1977 PA 89, MCL 397.551 TO 397.576.**

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

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

(b) Create, maintain, and enhance this state's statewide longitudinal data system and ensure that it meets the requirements of subsection ~~(6)~~-(4).

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

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

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

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

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

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

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

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

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

~~(3) The state budget director shall appoint a CEPI advisory committee to provide advice to the director. The CEPI advisory committee shall consist of the following members:~~

~~(a) One representative from the house fiscal agency;~~

~~(b) One representative from the senate fiscal agency;~~

~~(c) One representative from the state budget office;~~

~~(d) One representative from the state education agency;~~

~~(e) One representative each from the department of energy, labor, and economic growth and the department of treasury;~~

~~(f) Three representatives from intermediate school districts;~~

~~(g) One representative from each of the following educational organizations:~~

~~(i) Michigan association of school boards;~~

~~(ii) Michigan association of school administrators;~~

~~(iii) Michigan school business officials;~~

~~(h) One representative representing private sector firms responsible for auditing school records;~~

~~(i) Other representatives as the state budget director determines are necessary.~~

~~(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:~~

~~(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible;~~

~~(b) Defining the roles of all stakeholders in the data collection system;~~

~~(c) Recommending timelines for the implementation and ongoing collection of data;~~

~~(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data;~~

~~(e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data;~~

~~(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data. These privacy policies shall ensure that a student's social security number is not released to the public for any purpose;~~

~~(g) Working with stakeholders to develop a state research agenda;~~

~~(h) Other matters as determined by the state budget director or the director of the center.~~

~~(3) (5) The center may enter into any interlocal agreements necessary to fulfill its functions.~~

~~(4) (6) The center shall ensure that the statewide longitudinal data system required under subsection (1)(b) meets all of the following:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(ii) Contains student-level transcript information, including information on courses completed and grades earned.

(iii) Contains student-level college readiness test scores.

(j) For data elements related to postsecondary education only:

(i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:

(A) Enrollment in remedial coursework.

(B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

~~(5) (7)~~ From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~\$3,621,100.00~~ **\$5,501,700.00** for ~~2010-2011~~ **2011-2012** to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for ~~2010-2011~~ **2011-2012** the amount necessary, estimated at ~~\$10,067,800.00 for 2010-2011~~, **\$2,893,200.00**, to support the operations of the center **AND TO ESTABLISH A LONGITUDINAL DATA SYSTEM AS PROVIDED UNDER THIS SECTION IN COMPLIANCE WITH THE ASSURANCE PROVIDED TO THE UNITED STATES DEPARTMENT OF EDUCATION IN ORDER TO RECEIVE STATE FISCAL STABILIZATION FUNDS**. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

~~(6) (8)~~ From the federal funds allocated in subsection ~~(7)~~, ~~(5)~~, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$850,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30 of each fiscal year, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.

~~(9)~~ In addition to the amount allocated under subsection ~~(7)~~ there is also allocated from the general fund money appropriated in section 11 for ~~2010-2011~~ an additional amount not to exceed \$1,800,000.00 for the purpose of establishing a longitudinal data system as provided under this section in compliance with the assurance provided to the federal department of education in order to receive state fiscal stabilization funds. In addition, there is allocated for ~~2010-2011~~ from the state school aid fund money appropriated under section 11 an amount not to exceed \$8,440,000.00 to support the efforts of districts to match individual teacher and student records. The funds shall be distributed to districts in an amount and manner determined by the center.

~~(7) (10)~~ From the federal funds allocated in subsection ~~(7)~~, ~~(5)~~, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$242,000.00 to support the efforts of postsecondary institutions to comply with the requirements of this state's statewide longitudinal data system. The funds shall be distributed to postsecondary institutions in an amount and manner determined by the center.

~~(8) (11)~~ The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund and state restricted fund revenues.

~~(9) (12)~~ Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(10) ~~(13)~~The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection ~~(7)~~(5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

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

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$1,687,500.00 for ~~2010-2011~~ **2011-2012** to provide a grant to the Michigan virtual university for the development, implementation, and operation of the Michigan virtual high school; to provide professional development opportunities for educators; and to fund other purposes described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at \$2,700,000.00.

(2) The Michigan virtual high school shall have the following goals:

(a) Significantly expand curricular offerings for high schools across this state through agreements with districts or licenses from other recognized providers.

(b) Create statewide instructional models using interactive multimedia tools delivered by electronic means, including, but not limited to, the internet, digital broadcast, or satellite network, for distributed learning at the high school level.

(c) Provide pupils with opportunities to develop skills and competencies through online learning.

(d) Grant high school diplomas through a dual enrollment method with districts.

(e) Act as a broker for college level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471, and dual enrollment courses from postsecondary education institutions.

(f) Maintain the accreditation status of the Michigan virtual high school from recognized national and international accrediting entities.

(3) The Michigan virtual high school course offerings shall include, but are not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) General education development test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs that teach Michigan educators how to develop and deliver online instructional services.

(4) From the federal funds allocated in subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at \$1,700,000.00 from DED-OESE, title II, improving teacher quality funds for a grant to the Michigan virtual university for the purpose of this subsection. With the approval of the department, the Michigan virtual university shall coordinate the following activities related to DED-OESE, title II, improving teacher quality funds in accordance with federal law:

(a) Develop, and assist districts in the development and use of, proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as strategies that involve delivery through the use of technology, peer networks, and distance learning.

(b) Encourage and support the training of teachers and administrators to effectively integrate technology into curricula and instruction.

(c) Coordinate the activities of eligible partnerships that include higher education institutions for the purposes of providing professional development activities for teachers, paraprofessionals, and principals as defined in federal law.

(d) Offer teachers opportunities to learn new skills and strategies for developing and delivering instructional services.

(e) Provide online professional development opportunities for educators to update and expand knowledge and skills needed to support the Michigan merit curriculum core content standards and credit requirements.

(5) The Michigan virtual university shall offer at least 200 hours of online professional development for classroom teachers under this section each fiscal year beginning in 2006-2007 without charge to the teachers or to districts or intermediate districts.

(6) From the federal funds appropriated in subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at \$1,000,000.00 from the DED-OESE, title II, educational technology grant funds to support e-learning and virtual school initiatives consistent with the goals contained in the United States national educational technology plan issued in January 2005. These funds shall be used to support activities designed to build the capacity of the Michigan virtual university and shall not be used to supplant other funding. Not later than November 30, 2010, from the funds allocated in this subsection, the department shall award a single grant of \$1,000,000.00 to a consortium or partnership established by the Michigan virtual

university that meets the requirements of this subsection. To be eligible for this funding, a consortium or partnership established by the Michigan virtual university shall include at least 1 intermediate district and at least 1 high-need local district. All of the following apply to this funding:

(a) An eligible consortium or partnership must demonstrate the following:

- (i) Prior success in delivering online courses and instructional services to K-12 pupils throughout this state.
- (ii) Expertise in designing, developing, and evaluating online K-12 course content.
- (iii) Experience in maintaining a statewide help desk service for pupils, online teachers, and other school personnel.
- (iv) Knowledge and experience in providing technical assistance and support to K-12 schools in the area of online education.

(v) Experience in training and supporting K-12 educators in this state to teach online courses.

(vi) Demonstrated technical expertise and capacity in managing complex technology systems.

(vii) Experience promoting twenty-first century learning skills through the use of online technologies.

(b) The Michigan virtual university, which operates the Michigan virtual high school, shall perform the following tasks related to this funding:

(i) Strengthen its capacity by pursuing activities, policies, and practices that increase the overall number of Michigan virtual high school course enrollments and course completions by at-risk students.

(ii) Examine the curricular and specific course content needs of middle and high school students in the areas of mathematics and science.

(iii) Design, develop, and acquire online courses and related supplemental resources aligned to state standards to create a comprehensive and rigorous statewide catalog of online courses and instructional services.

(iv) Continue to evaluate and conduct pilot programs for new and innovative online tools, resources, and courses.

(v) Evaluate existing online teaching and learning practices and develop continuous improvement strategies to enhance student achievement.

(vi) Develop, support, and maintain the technology infrastructure and related software required to deliver online courses and instructional services to students statewide.

(7) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan virtual high school, the student may use the services provided by the Michigan virtual high school to the district without charge to the student beyond what is charged to a district pupil using the same services.

(8) Not later than December 1, ~~2010~~, **OF EACH FISCAL YEAR**, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan virtual high school for the preceding state fiscal year:

(a) A list of the Michigan schools served by the Michigan virtual high school.

(b) A list of online course titles available to Michigan schools.

(c) The total number of online course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(e) A summary of DED-OESE, title IIA, teacher quality grant and DED-OESE, title IID, education technology grant expenditures.

(f) Identification of unmet educational needs that could be addressed by the Michigan virtual high school.

(9) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 99. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$2,515,000.00 for ~~2010-2011~~ **2011-2012** and from the general fund appropriation in section 11, there is allocated an amount not to exceed \$110,000.00 for ~~2010-2011~~ **2011-2012** to support the activities and programs of mathematics and science centers and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.



(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) In order to receive state or federal funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) Not later than September 30, 2013, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(9) The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(10) In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

**(11) NOT LATER THAN JULY 1 OF EACH YEAR, A MATHEMATICS AND SCIENCE CENTER THAT RECEIVES FUNDS UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT ON THE FOLLOWING PERFORMANCE MEASURES:**

**(A) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR STUDENTS WHO ENROLLED IN MATHEMATICS AND SCIENCE ACTIVITIES PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE CENTER.**

**(B) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR TEACHERS WHO ENROLLED IN PROFESSIONAL DEVELOPMENT ACTIVITIES PROVIDED BY THE MATHEMATICS AND SCIENCE CENTER.**

**(12) (H)**-As used in this section:

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

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

Sec. 104. (1) In order to receive state aid under this act, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$40,194,400.00~~ **\$35,194,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at ~~\$3,250,000.00~~ **\$8,250,000.00**, funded from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) As used in this section:

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

(b) "DED-OSERS" means the DED office of special education and rehabilitative services.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$22,000,000.00 for ~~2010-2011~~ **2011-2012** for adult education programs authorized under this section. Funds appropriated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, a program shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) Except as otherwise provided in subsection (5), ~~from the amount allocated under subsection (1), at least \$21,800,000.00~~ **THE MONEY ALLOCATED UNDER THIS SECTION** shall be distributed as follows:

(a) For districts and consortia that received payments for ~~2009-2010~~ **2010-2011** under this section, the amount allocated to each for ~~2010-2011~~ **2011-2012** shall be based on the number of participants served by the district or consortium for ~~2010-2011~~ **2011-2012**, using the amount allocated per full-time equated participant under subsection (7), up to a maximum total allocation under this subsection in an amount equal to ~~100%~~ **100.9%** of the amount the district or consortium received for ~~2009-2010~~ **2010-2011** under this section before any reallocations made for ~~2009-2010~~ **2010-2011** under subsection (5).

(b) A district or consortium that received funding in ~~2009-2010~~ **2010-2011** under this section may operate independently of a consortium or join or form a consortium for ~~2010-2011~~ **2011-2012**. The allocation for ~~2010-2011~~ **2011-2012** to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in ~~2009-2010~~ **2010-2011**. A district or consortium described in this subdivision shall notify the department of its intention with regard to ~~2010-2011~~ **2011-2012** by October 1, ~~2010~~ **2011**.

(c) If a district had a declaration of financial emergency in place under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and that declaration was revoked during 2005, the district may operate a program under this section independently of a consortium or may join or form a consortium to operate a program under this section. The allocation for ~~2010-2011~~ **2011-2012** to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in ~~2009-2010~~ **2010-2011** or, for a district for which a declaration of financial emergency was revoked during 2005, based on the amount the district received under this section using a 3-year average of the 3 most recent fiscal years the district received funding under this section. A district or consortium described in this subdivision shall notify the department of its intention with regard to ~~2010-2011~~ **2011-2012** by October 1, ~~2010~~ **2011**.

(5) A district that operated an adult education program in ~~2009-2010~~ **2010-2011** and does not intend to operate a program in ~~2010-2011~~ **2011-2012** shall notify the department by October 1, ~~2010~~ **2011** of its intention. The money intended to be allocated under this section to a district that does not operate a program in ~~2010-2011~~ **2011-2012** and the unspent money originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (4) and any other unallocated money under this section shall instead be proportionately reallocated to the other districts described in subsection (4)(a) that are operating an adult education program in ~~2010-2011~~ **2011-2012** under this section.

~~(6) From the amount allocated under subsection (1), up to a maximum of \$200,000.00 shall be allocated for not more than 1 grant not to exceed \$200,000.00 for expansion of an existing innovative community college program that focuses on educating adults. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:~~

~~(a) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities;~~

~~(b) Is located off-campus in an urban residential setting with documented high poverty and low high school graduation rates;~~

~~(c) Provides general educational development (G.E.D.) test preparation courses and workshops;~~

~~(d) Provides developmental courses taught by college faculty that prepare students to be successful in college-level courses;~~

~~(e) Uses learning communities to allow for shared, rather than isolated, learning experiences;~~

~~(f) Provides on-site tutoring;~~

~~(g) Provides access to up-to-date technology, including personal computers.~~

~~(h) Partners with a financial institution to provide financial literacy education.~~

~~(i) Assists students in gaining access to financial aid.~~

~~(j) Provides on-site academic advising to students.~~

~~(k) Provides vouchers for reduced G.E.D. testing costs.~~

~~(l) Partners with local agencies to provide referrals for social services as needed.~~

~~(m) Enrolls participants as students of the community college.~~

~~(n) Partners with philanthropic and business entities to provide capital funding.~~

~~(6) (7)~~ The amount allocated under this section per full-time equated participant is \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

~~(7) (8)~~ An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection ~~(12)~~ **(11)** until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(ii) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

~~(8) (9)~~ A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection ~~(12)~~ **(11)** for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant passes the G.E.D. test.

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

~~(9) (10)~~ A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection ~~(12)~~ **(11)** for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

~~(10) (11)~~ A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection ~~(12)~~ **(11)** until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by department-approved assessment instruments administered at least after every 90 hours of attendance.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(11) ~~(12)~~—A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency, as defined by the department in the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(12) ~~(13)~~—As used in this section, “participant” means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(13) ~~(14)~~—A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection ~~(8), (9), (10), or (11)~~ **(7), (8), (9), OR (10)** may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(14) ~~(15)~~—An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(15) ~~(16)~~—A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(16) ~~(17)~~—A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant’s family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant’s income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

(17) ~~(18)~~—In order to receive funds under this section, a district shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department’s designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(18) ~~(19)~~—All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

(19) ~~(20)~~—As used in this section, “department” means the ~~department of energy, labor, and economic growth~~ **WORKFORCE DEVELOPMENT AGENCY**.

Sec. 109. (1) Subject to subsection (2), in order to receive funds under this act, each district or intermediate district shall provide appropriate instructional services, as determined by the district or intermediate district, to an enrolled pupil who is certified by the pupil’s attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days. The district or intermediate district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section.

(2) A district or intermediate district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district’s or intermediate district’s prior knowledge only if the district or intermediate district is notified of the pupil’s placement by the hospital, treatment center, facility, or the pupil’s parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd-numbered year, the department shall prepare and distribute **ELECTRONICALLY** to each district and intermediate district ~~a written~~ **AND MAKE AVAILABLE ON ITS WEBSITE AN** explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation **ELECTRONICALLY** to any other person upon request.

Sec. 147. The allocation for 2010-2011 for the public school employees’ retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget. ~~The FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, THE~~ annual level percentage of payroll contribution rate

is estimated at ~~19.41%~~ for the ~~2010-2011~~ state **15.96% FOR PENSION AND AT 8.50% FOR RETIREE HEALTH CARE FOR THE 2011-2012** fiscal year. **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 14.73% FOR PENSION AND 8.50% FOR RETIREE HEALTH CARE FOR THE 2011-2012 FISCAL YEAR.** **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 18.62% FOR PENSION AND 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL YEAR.** **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 17.39% FOR PENSION AND 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL YEAR.** The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of ~~27-26~~ years for ~~2010-2011~~. However, the contribution rate for ~~2010-2011~~ may be reduced by an amount approved by the public school employees' retirement system board if reforms in the public school employees' retirement system are enacted and in effect by ~~December 31, 2010-2011-2012~~. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

**SEC. 147A. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2011-2012 ONLY AN AMOUNT NOT TO EXCEED \$155,000,000.00 FOR 1-TIME PAYMENTS TO PARTICIPATING DISTRICTS. THE MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2010-2011. A DISTRICT THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE DISTRICT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012. THE AMOUNT ALLOCATED TO EACH PARTICIPATING DISTRICT UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING DISTRICT'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL FOR ALL PARTICIPATING DISTRICTS FOR THE STATE FISCAL YEAR ENDING SEPTEMBER 30, 2011. AS USED IN THIS SECTION, "PARTICIPATING DISTRICT" MEANS A DISTRICT THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR SEPTEMBER 2011.**

**SEC. 147B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$133,000,000.00 FOR 2011-2012 ONLY FOR THE PURPOSES OF THIS SECTION. THE MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END SCHOOL AID FUND BALANCE FOR 2010-2011. MONEY ALLOCATED UNDER THIS SECTION SHALL BE DEPOSITED IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND.**

**(2) THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND. THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND. THE STATE TREASURER SHALL CREDIT TO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND INTEREST AND EARNINGS FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND. MONEY IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND FOR AUDITING PURPOSES.**

**(3) IT IS THE INTENT OF THE LEGISLATURE THAT THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SENATE MAJORITY LEADER, OR BOTH, SHALL CONVENE A WORKGROUP TO EXAMINE RETIREMENT OBLIGATIONS AND POTENTIAL REFORMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ESTABLISHED UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408. THE CHAIR OF THE SENATE APPROPRIATIONS COMMITTEE AND CHAIR OF THE HOUSE APPROPRIATIONS COMMITTEE, OR HIS OR HER DESIGNEE, EACH SHALL BE A MEMBER OF THE WORKGROUP, AND THE WORKGROUP SHALL REPORT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SENATE MAJORITY LEADER, AS APPLICABLE, BY FEBRUARY 1, 2012, ON REFORMS IDENTIFIED, TIMELINES FOR IMPLEMENTING REFORMS, AND ESTIMATED COSTS AND SAVINGS OF THE IDENTIFIED REFORMS.**

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$25,624,500.00~~ **\$34,064,500.00** to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 217 from state sources for fiscal year 2010-2011 is estimated at \$10,775,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,673,832,600.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid in this amendatory act from state sources for fiscal year 2011-2012 is estimated at \$11,005,741,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,716,987,100.00.

Enacting section 2. Sections 11d, 11p, 20j, 20k, 29, 32c, 41, 64, 65, 92, 99i, 99p, 158b, and 166c, of the state school aid act of 1979, 1979 PA 94, MCL 388.1611d, 388.1611p, 388.1620j, 388.1620k, 388.1629, 388.1632c, 388.1641, 388.1664, 388.1665, 388.1692, 388.1699i, 388.1699p, 388.1758b, and 388.1766c, are repealed effective October 1, 2011.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2011.

(2) Sections 11, 11m, 22a, 22b, 51a, 51c, and 74 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m, 388.1622a, 388.1622b, 388.1651a, 388.1651c, and 388.1674, as amended by this amendatory act, take effect upon enactment of this amendatory act.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, and by adding sections 12, 22f, 147a, and 147b; and to repeal acts and parts of acts.

Howard Walker  
Roger Kahn  
Conferees for the Senate

Bill Rogers  
Earl Poleski  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

### Reports of Standing Committees

The Committee on Regulatory Reform, by Rep. Crawford, Chair, reported

#### **House Bill No. 4240, entitled**

A bill to amend 1969 PA 306, entitled "Administrative procedures act of 1969," by amending sections 32, 40, 43, 61, and 64 (MCL 24.232, 24.240, 24.243, 24.261, and 24.264), section 40 as amended by 1999 PA 262, section 43 as amended by 1989 PA 288, and section 61 as amended by 1982 PA 413.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Crawford, Yonker, Opsommer, Daley, Stamas, Shirkey, Franz, McBroom and Rendon  
Nays: None

The Committee on Regulatory Reform, by Rep. Crawford, Chair, reported

**House Bill No. 4326, entitled**

A bill to amend 1969 PA 306, entitled "Administrative procedures act of 1969," by amending section 32 (MCL 24.232).  
With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Crawford, Yonker, Opsommer, Daley, McMillin, Stamas, Shirkey, Franz, McBroom and Rendon  
Nays: None

The Committee on Regulatory Reform, by Rep. Crawford, Chair, reported

**House Bill No. 4500, entitled**

A bill to amend 1969 PA 306, entitled "Administrative procedures act of 1969," by amending section 53 (MCL 24.253),  
as amended by 2004 PA 23.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Crawford, Yonker, Opsommer, Daley, McMillin, Stamas, Shirkey, Franz, McBroom, Rendon, Melton,  
Slavens and Womack  
Nays: None

The Committee on Regulatory Reform, by Rep. Crawford, Chair, reported

**House Bill No. 4573, entitled**

A bill to amend 1969 PA 306, entitled "Administrative procedures act of 1969," by amending sections 3, 32, 39, 40, 43,  
45, 61, and 64 (MCL 24.203, 24.232, 24.239, 24.240, 24.243, 24.245, 24.261, and 24.264), section 3 as amended by 1988  
PA 277, section 39 as amended by 2004 PA 23, section 40 as amended by 1999 PA 262, section 43 as amended by 1989  
PA 288, section 45 as amended by 2004 PA 491, and section 61 as amended by 1982 PA 413, and by adding section 45b.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Crawford, Yonker, Opsommer, Daley, Stamas, Shirkey, Franz, McBroom and Rendon  
Nays: None

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Crawford, Chair, of the Committee on Regulatory Reform, was received and read:  
Meeting held on: Wednesday, May 25, 2011

Present: Reps. Crawford, Yonker, Opsommer, Daley, McMillin, Stamas, Shirkey, Franz, McBroom, Rendon, Melton,  
Byrum, Slavens and Womack

Absent: Rep. Haugh

Excused: Rep. Haugh

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4623, entitled**

A bill to amend 1964 PA 284, entitled "City income tax act," by amending sections 3 and 3c of chapter 1 (MCL 141.503 and 141.503c), section 3 as amended by 2007 PA 209 and section 3c as amended by 1998 PA 500.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Constan, Barnett, Kandreas, Meadows, Townsend, Cavanagh and Hobbs

Nays: Rep. Nesbitt

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4624, entitled**

A bill to amend 1990 PA 100, entitled "City utility users tax act," by amending the title and section 2 (MCL 141.1152), the title as amended by 1998 PA 548 and section 2 as amended by 2005 PA 197.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Constan, Barnett, Kandreas, Meadows, Townsend, Cavanagh and Hobbs

Nays: Rep. Nesbitt

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**Senate Bill No. 118, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 6 (MCL 205.56), as amended by 2004 PA 173.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson, Ouimet, Constan, Barnett, Kandreas, Meadows, Townsend, Cavanagh and Hobbs

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Gilbert, Chair, of the Committee on Tax Policy, was received and read:

Meeting held on: Wednesday, May 25, 2011

Present: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson, Ouimet, Constan, Barnett, Kandreas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Transportation, by Rep. Opsommer, Chair, reported

**House Resolution No. 75.**

A resolution to express opposition to the federal government withholding road funding to the states based on passage of the Safe Teen and Novice Driver Uniform Protection Act (STAND UP Act).

(For text of resolution, see House Journal No. 39, p. 574.)

With the recommendation that the resolution be adopted.



## Favorable Roll Call

## To Report Out:

Yeas: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet and Somerville  
 Nays: Reps. Talabi, Nathan, Liss, Byrum, Smiley and Roy Schmidt

The Committee on Transportation, by Rep. Opsommer, Chair, reported  
**House Concurrent Resolution No. 12.**

A concurrent resolution to express opposition to the federal government withholding road funding to the states based on passage of the Safe Teen and Novice Driver Uniform Protection Act (STAND UP Act).

(For text of concurrent resolution, see House Journal No. 39, p. 576.)

With the recommendation that the concurrent resolution be adopted.

## Favorable Roll Call

## To Report Out:

Yeas: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet and Somerville  
 Nays: Reps. Talabi, Nathan, Liss, Byrum, Smiley and Roy Schmidt

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Opsommer, Chair, of the Committee on Transportation, was received and read:  
 Meeting held on: Wednesday, May 25, 2011

Present: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet, Somerville, Geiss, Talabi, Nathan, Liss, Byrum, Smiley and Roy Schmidt

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Scott, Chair, of the Committee on Education, was received and read:  
 Meeting held on: Wednesday, May 25, 2011

Present: Reps. Scott, Hooker, Crawford, McMillin, Franz, Heise, Hughes, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Brown, Darany, Howze, Hobbs, Rutledge, Stallworth and Geiss

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Knollenberg, Chair, of the Committee on Banking and Financial Services, was received and read:

Meeting held on: Wednesday, May 25, 2011

Present: Reps. Knollenberg, Lyons, Farrington, Foster, Huuki, Olson, Pettalia, Womack, Switalski, Clemente and Stanley

**Messages from the Governor**

Date: May 24, 2011

Time: 3:18 p.m.

## To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4113 (Public Act No. 33, I.E.), being**

An act to amend 1980 PA 299, entitled “An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations and to regulate certain persons and activities relative to those occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to provide

immunity from certain civil liability for certain entities and certain related occupations under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending section 2506 (MCL 339.2506), as amended by 1988 PA 463.

(Filed with the Secretary of State May 24, 2011, at 4:13 p.m.)

Date: May 24, 2011  
Time: 3:20 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4227 (Public Act No. 34, I.E.), being**

An act to prohibit certain covenants attaching to nonresidential real property; to prohibit the imposition of certain fees upon transfer of that real property; and to provide for remedies.

(Filed with the Secretary of State May 24, 2011, at 4:15 p.m.)

Date: May 24, 2011  
Time: 3:24 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4228 (Public Act No. 35, I.E.), being**

An act to prohibit certain covenants attaching to residential real property; to prohibit the imposition of certain fees upon transfer of that real property; and to provide for remedies.

(Filed with the Secretary of State May 24, 2011, at 4:17 p.m.)

### Introduction of Bills

Rep. McBroom introduced

**House Bill No. 4679, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 224 (MCL 257.224), as amended by 2006 PA 177.

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

Rep. Slavens introduced

**House Bill No. 4680, entitled**

A bill to designate the official fruit of this state.

The bill was read a first time by its title and referred to the Committee on Government Operations.

Reps. Dillon, Ananich, Hobbs, Hovey-Wright, McCann, Olumba, Bledsoe, Barnett and Lipton introduced

**House Bill No. 4681, entitled**

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 30 (MCL 206.30), as amended by 2009 PA 134.

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

Reps. Yonker, Heise, Santana, Pscholka, Dillon, Hobbs, Hughes, Jenkins, Lori, Hooker, Johnson, Zorn, Rendon, Lindberg, Roy Schmidt, Olumba, Potvin, Daley and Liss introduced

**House Bill No. 4682, entitled**

A bill to amend 1972 PA 106, entitled “Highway advertising act of 1972,” by amending section 11a (MCL 252.311a), as amended by 2009 PA 86.

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

Rep. Opsommer introduced

**House Bill No. 4683, entitled**

A bill to amend 1986 PA 32, entitled “Emergency 9-1-1 service enabling act,” by amending section 405 (MCL 484.1405), as amended by 2007 PA 165.

The bill was read a first time by its title and referred to the Committee on Energy and Technology.

Reps. Townsend, McCann, Irwin, Liss, Ananich, Melton, Brunner, Kandrevas, Lane, Rutledge and Switalski introduced **House Joint Resolution CC, entitled**

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 2, 3, and 6 of article IV, to modify congressional and legislative apportionment and districting.

The joint resolution was read a first time by its title and referred to the Committee on Redistricting and Elections.

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Rep. McBroom moved that the House adjourn.  
The motion prevailed, the time being 2:50 p.m.

The Speaker Pro Tempore declared the House adjourned until Thursday, May 26, at 12:00 Noon.

GARY L. RANDALL  
Clerk of the House of Representatives

