

SUBSTITUTE FOR

SENATE BILL NO. 1095

(As amended, March 29, 2006)

<<A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15,
17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d,
31f, 32c, 32d, 32j, 32k, 32l, 39, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54,
54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c,
107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611,
388.1611a, 388.1611f, 388.1611g, 388.1611j, 388.1611k, 388.1614,
388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j,
388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a,
388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d,
388.1632j, 388.1632k, 388.1632l, 388.1639, 388.1639a, 388.1641, 88.1641a,
388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a,

Senate Bill No. 1095 as amended March 29, 2006
 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681,
 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1705,
 388.1705c, 388.1707, 388.1721, 388.1747, 388.1761a, and 388.1767),
 sections 3, 6, 11, 11a, 11f, 11g, 11j, 15, 18, 20, 20j, 22a, 22b,
 22d, 24, 26a, 31a, 31d, 32c, 32d, 32j, 39, 39a, 41, 41a, 51a, 51c,
 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105,
 105c, 107, 147, and 167 as amended and sections 11k, 26b, 31f, 32l,
 and 54a as added by 2005 PA 155, section 14 as amended by 1993 PA
 336, section 17a as amended by 2005 PA 95, section 17b as amended
 by 2005 PA 150, sections 25a and 161a as added by 1998 PA 553, section
 32k as added by 2004 PA 351, and section 121 as amended by 1995 PA 130,
 and by adding sections 11m, 11n, 22c, 22e, 24a, 24c, 29, 31c, 32, 32b,
 32m, 34, 34a, 35, 64, 65, 66, 98a, 99c, and 104; and to repeal acts and
 parts of acts.>>

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Average daily attendance", for the purposes of
 2 complying with federal law and except as used in section ~~6(4)(ee)~~
 3 **6(4)(BB)**, means 92% of the membership as defined in section 6(4).

4 (2) "Board" means the governing body of a district or public
 5 school academy.

6 (3) "Center" means the center for educational performance and
 7 information created in section 94a.

8 (4) "Cooperative education program" means a written voluntary
 9 agreement between and among districts to provide certain
 10 educational programs for pupils in certain groups of districts. The
 11 written agreement shall be approved by all affected districts at
 12 least annually and shall specify the educational programs to be
 13 provided and the estimated number of pupils from each district who

1 will participate in the educational programs.

2 (5) "Department", except in ~~sections 107 and 107b~~ **SECTION**
3 107, means the department of education.

4 (6) "District" means a local school district established under
5 the revised school code, a local act school district, or, except in
6 sections 6(4), 6(6), 13, 20, 22a, 23, 31a, 105, and 105c, a public
7 school academy. Except in sections 6(4), 6(6), 13, 20, 22a, 105,
8 and 105c, district also includes a university school.

9 (7) "District of residence", except as otherwise provided in
10 this subsection, means the district in which a pupil's custodial
11 parent or parents or legal guardian resides. For a pupil described
12 in section 24b, the pupil's district of residence is the district
13 in which the pupil enrolls under that section. For a pupil
14 described in section 6(4)(d), the pupil's district of residence
15 shall be considered to be the district or intermediate district in
16 which the pupil is counted in membership under that section. For a
17 pupil under court jurisdiction who is placed outside the district
18 in which the pupil's custodial parent or parents or legal guardian
19 resides, the pupil's district of residence shall be considered to
20 be the educating district or educating intermediate district.

21 (8) "District superintendent" means the superintendent of a
22 district, the chief administrator of a public school academy, or
23 the chief administrator of a university school.

24 Sec. 6. (1) "Center program" means a program operated by a
25 district or intermediate district for special education pupils from
26 several districts in programs for ~~the autistically impaired,~~
27 ~~trainable mentally impaired, severely mentally impaired, severely~~

1 ~~multiply impaired, hearing impaired, physically and otherwise~~
2 ~~health impaired, and visually impaired~~ PUPILS WITH AUTISM SPECTRUM
3 DISORDER, PUPILS WITH SEVERE COGNITIVE IMPAIRMENT, PUPILS WITH
4 MODERATE COGNITIVE IMPAIRMENT, PUPILS WITH SEVERE MULTIPLE
5 IMPAIRMENTS, PUPILS WITH HEARING IMPAIRMENT, PUPILS WITH VISUAL
6 IMPAIRMENT, AND PUPILS WITH PHYSICAL IMPAIRMENT OR OTHER HEALTH
7 IMPAIRMENT. Programs for ~~emotionally impaired~~ pupils WITH
8 EMOTIONAL IMPAIRMENT housed in buildings that do not serve regular
9 education pupils also qualify. Unless otherwise approved by the
10 department, a center program either shall serve all constituent
11 districts within an intermediate district or shall serve several
12 districts with less than 50% of the pupils residing in the
13 operating district. In addition, special education center program
14 pupils placed part-time in noncenter programs to comply with the
15 least restrictive environment provisions of section 612 of part B
16 of the individuals with disabilities education act, 20 USC 1412,
17 may be considered center program pupils for pupil accounting
18 purposes for the time scheduled in either a center program or a
19 noncenter program.

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

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

1 credential of equal status.

2 (4) "Membership", except as otherwise provided in this act,
3 means for a district, public school academy, university school, or
4 intermediate district the sum of the product of .75 times the
5 number of full-time equated pupils in grades K to 12 actually
6 enrolled and in regular daily attendance on the pupil membership
7 count day for the current school year, plus the product of .25
8 times the final audited count from the supplemental count day for
9 the immediately preceding school year. All pupil counts used in
10 this subsection are as determined by the department and calculated
11 by adding the number of pupils registered for attendance plus
12 pupils received by transfer and minus pupils lost as defined by
13 rules promulgated by the superintendent, and as corrected by a
14 subsequent department audit. The amount of the foundation allowance
15 for a pupil in membership is determined under section 20. In making
16 the calculation of membership, all of the following, as applicable,
17 apply to determining the membership of a district, public school
18 academy, university school, or intermediate district:

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

24 (b) If a pupil is educated in a district other than the
25 pupil's district of residence, if the pupil is not being educated
26 as part of a cooperative education program, if the pupil's district
27 of residence does not give the educating district its approval to

1 count the pupil in membership in the educating district, and if the
2 pupil is not covered by an exception specified in subsection (6) to
3 the requirement that the educating district must have the approval
4 of the pupil's district of residence to count the pupil in
5 membership, the pupil shall not be counted in membership in any
6 district.

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

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

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

19 (f) A pupil enrolled in a vocational education program
20 supported by a millage levied over an area larger than a single
21 district or in an area vocational-technical education program
22 established pursuant to section 690 of the revised school code, MCL
23 380.690, shall be counted only in the pupil's district of
24 residence.

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

27 (h) A pupil enrolled in a public school academy shall be

1 counted in membership in the public school academy.

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

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

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

24 (j) If a district is the authorizing body for a public school
25 academy, then, in the first school year in which pupils are counted
26 in membership on the pupil membership count day in the public
27 school academy, the determination of the district's membership

1 shall exclude from the district's pupil count for the immediately
2 preceding supplemental count day any pupils who are counted in the
3 public school academy on that first pupil membership count day who
4 were also counted in the district on the immediately preceding
5 supplemental count day.

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

11 (l) Pupils to be counted in membership shall be not less than 5
12 years of age on December 1 and less than 20 years of age on
13 September 1 of the school year except a special education pupil who
14 is enrolled and receiving instruction in a special education
15 program or service approved by the department and not having a high
16 school diploma who is less than 26 years of age as of September 1
17 of the current school year shall be counted in membership.

18 (m) An individual who has obtained a high school diploma shall
19 not be counted in membership. An individual who has obtained a
20 general educational development (G.E.D.) certificate shall not be
21 counted in membership. An individual participating in a job
22 training program funded under former section 107a or a jobs program
23 funded under former section 107b, administered by the Michigan
24 strategic fund or the department of labor and economic growth, or
25 participating in any successor of either of those 2 programs, shall
26 not be counted in membership.

27 (n) If a pupil counted in membership in a public school

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

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

22 (ii) If the public school academy provides instruction for less
23 than 1/2 of the class hours specified in subdivision (q), the
24 district or intermediate district providing the remainder of the
25 hours of instruction shall receive as its prorated share of the
26 full-time equated membership for each of those pupils an amount
27 equal to 1 times the product of the hours of instruction the

1 district or intermediate district provides divided by the number of
2 hours specified in subdivision (q) for full-time equivalency, and
3 the remainder of the full-time membership for each of those pupils
4 shall be allocated to the public school academy.

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

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

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

20 (r) Full-time equated memberships for pupils in kindergarten
21 shall be determined by dividing the number of class hours scheduled
22 and provided per year per kindergarten pupil by a number equal to
23 1/2 the number used for determining full-time equated memberships
24 for pupils in grades 1 to 12. ~~However, beginning in 2006-2007, if~~
25 ~~a pupil is eligible to enroll in kindergarten but is enrolled in a~~
26 ~~prekindergarten, developmental kindergarten, or similar class, the~~
27 ~~pupil shall not be counted as a pupil in membership, and the costs~~

1 ~~associated with educating the pupil shall instead be reported and~~
2 ~~reimbursed under section 31b.~~

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

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

21 (u) If, as a result of a disciplinary action, a district
22 determines through the district's alternative or disciplinary
23 education program that the best instructional placement for a pupil
24 is in the pupil's home **OR OTHERWISE APART FROM THE GENERAL SCHOOL**
25 **POPULATION**, if that placement is authorized in writing by the
26 district superintendent and district alternative or disciplinary
27 education supervisor, and if the district provides appropriate

1 instruction as described in this subdivision to the pupil at the
2 pupil's home **OR OTHERWISE APART FROM THE GENERAL SCHOOL POPULATION**,
3 the district may count the pupil in membership on a pro rata basis,
4 with the proration based on the number of hours of instruction the
5 district actually provides to the pupil divided by the number of
6 hours specified in subdivision (q) for full-time equivalency. For
7 the purposes of this subdivision, a district shall be considered to
8 be providing appropriate instruction if all of the following are
9 met:

10 (i) The district provides at least 2 nonconsecutive hours of
11 instruction per week to the pupil at the pupil's home **OR OTHERWISE**
12 **APART FROM THE GENERAL SCHOOL POPULATION** under the supervision of a
13 certificated teacher.

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

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

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

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

25 (w) If a pupil was enrolled in a public school academy on the
26 pupil membership count day, if the public school academy's contract
27 with its authorizing body is revoked or the public school academy

1 otherwise ceases to operate, and if the pupil enrolls in a district
2 within 45 days after the pupil membership count day, the department
3 shall adjust the district's pupil count for the pupil membership
4 count day to include the pupil in the count.

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

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

1 subdivision. The membership figure calculated under this
2 subdivision is the greater of the following:

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

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

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

19 ~~—— (aa) For 2005-2006 only, if a pupil who has been evacuated~~
20 ~~from another state and has relocated in this state due to a natural~~
21 ~~disaster enrolls in a district within 60 days after the pupil~~
22 ~~membership count day, the department shall adjust the district's~~
23 ~~pupil count for the pupil membership count day to include the pupil~~
24 ~~in the count.~~

25 **(AA)** ~~(bb)~~ Full-time equated memberships for preprimary-aged
26 special education pupils who are not enrolled in kindergarten but
27 are enrolled in a classroom program under R 340.1754 of the

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

8 **(BB)** ~~—(ee)—~~ Full-time equated memberships for pupils enrolled
9 in a public school academy that is wholly contained within a county
10 juvenile detention facility shall be considered to be the average
11 daily attendance of pupils enrolled in the public school academy
12 for the immediately preceding fiscal year, as reported by the
13 public school academy and audited by the intermediate district in
14 which the public school academy is located. However, if a public
15 school academy described in this subdivision does not provide
16 definitive information to the auditing intermediate district to
17 support the pupil memberships generated by average daily
18 attendance, then full-time equated memberships for pupils enrolled
19 in that public school academy shall be calculated as otherwise
20 provided under this subsection.

21 (5) "Public school academy" means a public school academy,
22 urban high school academy, or strict discipline academy operating
23 under the revised school code.

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

1 following:

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

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

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

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

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

16 (f) A pupil who has made an official written complaint or
17 whose parent or legal guardian has made an official written
18 complaint to law enforcement officials and to school officials of
19 the pupil's district of residence that the pupil has been the
20 victim of a criminal sexual assault or other serious assault, if
21 the official complaint either indicates that the assault occurred
22 at school or that the assault was committed by 1 or more other
23 pupils enrolled in the school the pupil would otherwise attend in
24 the district of residence or by an employee of the district of
25 residence. A person who intentionally makes a false report of a
26 crime to law enforcement officials for the purposes of this
27 subdivision is subject to section 411a of the Michigan penal code,

1 1931 PA 328, MCL 750.411a, which provides criminal penalties for
2 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

27 (i) A pupil enrolled in the Michigan virtual high school, for

1 the pupil's enrollment in the Michigan virtual high school.

2 (j) A pupil who is the child of a person who is employed by
3 the district. As used in this subdivision, "child" includes an
4 adopted child, **STEPCHILD**, or legal ward.

5 However, if a district that is not a first class district
6 educates pupils who reside in a first class district and if the
7 primary instructional site for those pupils is located within the
8 boundaries of the first class district, the educating district must
9 have the approval of the first class district to count those pupils
10 in membership. As used in this subsection, "first class district"
11 means a district organized as a school district of the first class
12 under the revised school code.

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

15 (a) Except as provided in subdivision (b), the fourth
16 Wednesday ~~in September each school year~~ **AFTER LABOR DAY EACH**
17 **SCHOOL YEAR OR, FOR A DISTRICT OR BUILDING IN WHICH SCHOOL IS NOT**
18 **IN SESSION ON THAT WEDNESDAY, WITH THE APPROVAL OF THE**
19 **SUPERINTENDENT, THE IMMEDIATELY FOLLOWING DAY ON WHICH SCHOOL IS IN**
20 **SESSION IN THE DISTRICT OR BUILDING.**

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

23 (i) Fourth Wednesday in July.

24 (ii) Fourth Wednesday ~~in September~~ **AFTER LABOR DAY.**

25 (iii) Second Wednesday in February.

26 (iv) Fourth Wednesday in April.

27 (8) "Pupils in grades K to 12 actually enrolled and in regular

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

1 of time in 1 day when pupils and a certificated teacher or legally
2 qualified substitute teacher are together and instruction is taking
3 place.

4 (9) "Rule" means a rule promulgated pursuant to the
5 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
6 24.328.

7 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
8 380.1852.

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

11 (12) "State board" means the state board of education.

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

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

18 (15) "Tuition pupil" means a pupil of school age attending
19 school in a district other than the pupil's district of residence
20 for whom tuition may be charged. Tuition pupil does not include a
21 pupil who is a special education pupil or a pupil described in
22 subsection (6)(d) to (j). A pupil's district of residence shall not
23 require a high school tuition pupil, as provided under section 111,
24 to attend another school district after the pupil has been assigned
25 to a school district.

26 (16) "State school aid fund" means the state school aid fund
27 established in section 11 of article IX of the state constitution

1 of 1963.

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

5 (18) "Textbook" means a book that is selected and approved by
6 the governing board of a district and that contains a presentation
7 of principles of a subject, or that is a literary work relevant to
8 the study of a subject required for the use of classroom pupils, or
9 another type of course material that forms the basis of classroom
10 instruction.

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

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

17 Sec. 11. (1) ~~For the fiscal year ending September 30, 2005,~~
18 ~~there is appropriated for the public schools of this state and~~
19 ~~certain other state purposes relating to education the sum of~~
20 ~~\$10,907,222,200.00 from the state school aid fund established by~~
21 ~~section 11 of article IX of the state constitution of 1963, the sum~~
22 ~~of \$41,100,000.00 from the proceeds of capitalization of the school~~
23 ~~bond loan fund revolving fund, and the sum of \$165,200,000.00 from~~
24 ~~the general fund.~~ For the fiscal year ending September 30, 2006,
25 there is appropriated for the public schools of this state and
26 certain other state purposes relating to education the sum of
27 ~~\$11,257,600,000.00~~ **\$11,205,863,200.00** from the state school aid

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1 fund established by section 11 of article IX of the state
2 constitution of 1963, the sum of \$44,500,000.00 from the proceeds
3 of capitalization of the school bond loan fund revolving fund, and
4 the sum of \$62,714,000.00 from the general fund. **FOR THE FISCAL**
5 **YEAR ENDING SEPTEMBER 30, 2007, THERE IS APPROPRIATED FOR THE**
6 **PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES**
7 **RELATING TO EDUCATION THE SUM OF <<\$11,668,853,800.00>> FROM THE STATE**
8 **SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE**
9 **STATE CONSTITUTION OF 1963 AND THE SUM OF \$35,000,000.00 FROM THE**
10 **GENERAL FUND.** In addition, available federal funds are appropriated
11 for each fiscal year.

12 (2) The appropriations under this section shall be allocated
13 as provided in this act. Money appropriated under this section from
14 the general fund shall be expended to fund the purposes of this act
15 before the expenditure of money appropriated under this section
16 from the state school aid fund. If the maximum amount appropriated
17 under this section from the state school aid fund for a fiscal year
18 exceeds the amount necessary to fully fund allocations under this
19 act from the state school aid fund, that excess amount shall not be
20 expended in that state fiscal year and shall not lapse to the
21 general fund, but instead shall be deposited into the school aid
22 stabilization fund created in section 11a.

23 (3) If the maximum amount appropriated under this section from
24 the state school aid fund and the school aid stabilization fund for
25 a fiscal year exceeds the amount available for expenditure from the
26 state school aid fund for that fiscal year, payments under sections
27 11f, 11g, 11j, 22a, 26a, 26b, 31d, **31F**, 51a(2), 51a(12), 51c, 53a,

1 and 56 shall be made in full. In addition, for districts beginning
2 operations after 1994-95 that qualify for payments under section
3 22b, payments under section 22b shall be made so that the
4 qualifying districts receive the lesser of an amount equal to the
5 1994-95 foundation allowance of the district in which the district
6 beginning operations after 1994-95 is located or \$5,500.00. The
7 amount of the payment to be made under section 22b for these
8 qualifying districts shall be as calculated under section 22a, with
9 the balance of the payment under section 22b being subject to the
10 proration otherwise provided under this subsection and subsection
11 (4). If proration is necessary, ~~after 2002-2003,~~ state payments
12 under each of the other sections of this act from all state funding
13 sources shall be prorated in the manner prescribed in subsection
14 (4) as necessary to reflect the amount available for expenditure
15 from the state school aid fund for the affected fiscal year.
16 However, if the department of treasury determines that proration
17 will be required under this subsection, or if the department of
18 treasury determines that further proration is required under this
19 subsection after an initial proration has already been made for a
20 fiscal year, the department of treasury shall notify the state
21 budget director, and the state budget director shall notify the
22 legislature at least 30 calendar days or 6 legislative session
23 days, whichever is more, before the department reduces any payments
24 under this act because of the proration. During the 30 calendar day
25 or 6 legislative session day period after that notification by the
26 state budget director, the department shall not reduce any payments
27 under this act because of proration under this subsection. The

1 legislature may prevent proration from occurring by, within the 30
2 calendar day or 6 legislative session day period after that
3 notification by the state budget director, enacting legislation
4 appropriating additional funds from the general fund,
5 countercyclical budget and economic stabilization fund, state
6 school aid fund balance, or another source to fund the amount of
7 the projected shortfall.

8 (4) If proration is necessary, the department shall calculate
9 the proration in district and intermediate district payments that
10 is required under subsection (3) as follows:

11 (a) The department shall calculate the percentage of total
12 state school aid allocated under this act for the affected fiscal
13 year for each of the following:

14 (i) Districts.

15 (ii) Intermediate districts.

16 (iii) Entities other than districts or intermediate districts.

17 (b) The department shall recover a percentage of the proration
18 amount required under subsection (3) that is equal to the
19 percentage calculated under subdivision (a) (i) for districts by
20 reducing payments to districts. This reduction shall be made by
21 calculating an equal dollar amount per pupil as necessary to
22 recover this percentage of the proration amount and reducing each
23 district's total state school aid from state sources, other than
24 payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, **31F**,
25 51a(2), 51a(12), 51c, and 53a, by that amount.

26 (c) The department shall recover a percentage of the proration
27 amount required under subsection (3) that is equal to the

1 percentage calculated under subdivision (a) (ii) for intermediate
2 districts by reducing payments to intermediate districts. This
3 reduction shall be made by reducing the payments to each
4 intermediate district, other than payments under sections 11f, 11g,
5 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage
6 basis.

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

14 (5) Except for the allocation under section 26a, any general
15 fund allocations under this act that are not expended by the end of
16 the state fiscal year are transferred to the school aid
17 stabilization fund created under section 11a.

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

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

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

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

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

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

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

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

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

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

3 (7) ~~Each school fiscal year for 2004-2005 and for 2005-2006~~
4 **FOR 2006-2007**, there is transferred from the school aid
5 stabilization fund to the state school aid fund the amount
6 necessary to fully fund the allocations under this act.

7 Sec. 11f. (1) From the appropriations under section 11, there
8 is allocated for the purposes of this section an amount not to
9 exceed \$32,000,000.00 for the fiscal year ending September 30,
10 ~~2006-2007~~ and for each succeeding fiscal year through the fiscal
11 year ending September 30, 2008. Payments under this section will
12 cease after September 30, 2008. These allocations are for paying
13 the amounts described in subsection (4) to districts and
14 intermediate districts, other than those receiving a lump sum
15 payment under subsection (2), that were not plaintiffs in the
16 consolidated cases known as Durant v State of Michigan, Michigan
17 supreme court docket no. 104458-104492 and that, on or before March
18 2, 1998, submitted to the state treasurer a board resolution
19 waiving any right or interest the district or intermediate district
20 has or may have in any claim or litigation based on or arising out
21 of any claim or potential claim through September 30, 1997 that is
22 or was similar to the claims asserted by the plaintiffs in the
23 consolidated cases known as Durant v State of Michigan. The waiver
24 resolution shall be in form and substance as required under
25 subsection (7). The state treasurer is authorized to accept such a
26 waiver resolution on behalf of this state. The amounts described in
27 this subsection represent offers of settlement and compromise of

1 any claim or claims that were or could have been asserted by these
2 districts and intermediate districts, as described in this
3 subsection.

4 (2) In addition to any other money appropriated under this
5 act, there was appropriated from the state school aid fund an
6 amount not to exceed \$1,700,000.00 for the fiscal year ending
7 September 30, 1999. This appropriation was for paying the amounts
8 described in this subsection to districts and intermediate
9 districts that were not plaintiffs in the consolidated cases known
10 as Durant v State of Michigan; that, on or before March 2, 1998,
11 submitted to the state treasurer a board resolution waiving any
12 right or interest the district or intermediate district had or may
13 have had in any claim or litigation based on or arising out of any
14 claim or potential claim through September 30, 1997 that is or was
15 similar to the claims asserted by the plaintiffs in the
16 consolidated cases known as Durant v State of Michigan; and for
17 which the total amount listed in section 11h and paid under this
18 section was less than \$75,000.00. For a district or intermediate
19 district qualifying for a payment under this subsection, the entire
20 amount listed for the district or intermediate district in section
21 11h was paid in a lump sum on November 15, 1998 or on the next
22 business day following that date. The amounts paid under this
23 subsection represent offers of settlement and compromise of any
24 claim or claims that were or could have been asserted by these
25 districts and intermediate districts, as described in this
26 subsection.

27 (3) This section does not create any obligation or liability

1 of this state to any district or intermediate district that does
2 not submit a waiver resolution described in this section. This
3 section, any other provision of this act, and section 353e of the
4 management and budget act, 1984 PA 431, MCL 18.1353e, are not
5 intended to admit liability or waive any defense that is or would
6 be available to this state or its agencies, employees, or agents in
7 any litigation or future litigation with a district or intermediate
8 district.

9 (4) The amount paid each fiscal year to each district or
10 intermediate district under subsection (1) shall be 1/20 of the
11 total amount listed in section 11h for each listed district or
12 intermediate district that qualifies for a payment under subsection
13 (1). The amounts listed in section 11h and paid in part under this
14 subsection and in a lump sum under subsection (2) are offers of
15 settlement and compromise to each of these districts or
16 intermediate districts to resolve, in their entirety, any claim or
17 claims that these districts or intermediate districts may have
18 asserted for violations of section 29 of article IX of the state
19 constitution of 1963 through September 30, 1997, which claims are
20 or were similar to the claims asserted by the plaintiffs in the
21 consolidated cases known as Durant v State of Michigan. This
22 section, any other provision of this act, and section 353e of the
23 management and budget act, 1984 PA 431, MCL 18.1353e, shall not be
24 construed to constitute an admission of liability to the districts
25 or intermediate districts listed in section 11h or a waiver of any
26 defense that is or would have been available to the state or its
27 agencies, employees, or agents in any litigation or future

1 litigation with a district or intermediate district.

2 (5) The entire amount of each payment under subsection (1)
3 each fiscal year shall be paid on November 15 of the applicable
4 fiscal year or on the next business day following that date.

5 (6) Funds paid to a district or intermediate district under
6 this section shall be used only for textbooks, electronic
7 instructional material, software, technology, infrastructure or
8 infrastructure improvements, school buses, school security,
9 training for technology, or to pay debt service on voter-approved
10 bonds issued by the district or intermediate district before the
11 effective date of this section. For intermediate districts only,
12 funds paid under this section may also be used for other
13 nonrecurring instructional expenditures including, but not limited
14 to, nonrecurring instructional expenditures for vocational
15 education, or for debt service for acquisition of technology for
16 academic support services. Funds received by an intermediate
17 district under this section may be used for projects conducted for
18 the benefit of its constituent districts at the discretion of the
19 intermediate board. To the extent payments under this section are
20 used by a district or intermediate district to pay debt service on
21 debt payable from millage revenues, and to the extent permitted by
22 law, the district or intermediate district may make a corresponding
23 reduction in the number of mills levied for that debt service.

24 (7) The resolution to be adopted and submitted by a district
25 or intermediate district under this section and section 11g shall
26 read as follows:

27 "Whereas, the board of _____ (name of district

1 or intermediate district) desires to settle and compromise, in
2 their entirety, any claim or claims that the district (or
3 intermediate district) has or had for violations of section 29 of
4 article IX of the state constitution of 1963, which claim or claims
5 are or were similar to the claims asserted by the plaintiffs in the
6 consolidated cases known as Durant v State of Michigan, Michigan
7 supreme court docket no. 104458-104492.

8 Whereas, the district (or intermediate district) agrees to
9 settle and compromise these claims for the consideration described
10 in sections 11f and 11g of the state school aid act of 1979, 1979
11 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for
12 the district (or intermediate district) in section 11h of the state
13 school aid act of 1979, 1979 PA 94, MCL 388.1611h.

14 Whereas, the board of _____ (name of district or
15 intermediate district) is authorized to adopt this resolution.

16 Now, therefore, be it resolved as follows:

17 1. The board of _____ (name of district or
18 intermediate district) waives any right or interest it may have in
19 any claim or potential claim through September 30, 1997 relating to
20 the amount of funding the district or intermediate district is, or
21 may have been, entitled to receive under the state school aid act
22 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source
23 of state funding, by reason of the application of section 29 of
24 article IX of the state constitution of 1963, which claims or
25 potential claims are or were similar to the claims asserted by the
26 plaintiffs in the consolidated cases known as Durant v State of
27 Michigan, Michigan supreme court docket no. 104458-104492.

1 2. The board of _____ (name of district or
2 intermediate district) directs its secretary to submit a certified
3 copy of this resolution to the state treasurer no later than 5 p.m.
4 eastern standard time on March 2, 1998, and agrees that it will not
5 take any action to amend or rescind this resolution.

6 3. The board of _____ (name of district or
7 intermediate district) expressly agrees and understands that, if it
8 takes any action to amend or rescind this resolution, the state,
9 its agencies, employees, and agents shall have available to them
10 any privilege, immunity, and/or defense that would otherwise have
11 been available had the claims or potential claims been actually
12 litigated in any forum.

13 4. This resolution is contingent on continued payments by the
14 state each fiscal year as determined under sections 11f and 11g of
15 the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and
16 388.1611g. However, this resolution shall be an irrevocable waiver
17 of any claim to amounts actually received by the school district or
18 intermediate school district under sections 11f and 11g of the
19 state school aid act of 1979."

20 Sec. 11g. (1) From the ~~general fund~~ appropriation in section
21 11, there is allocated for this section an amount not to exceed
22 \$34,961,000.00 for the fiscal year ending September 30, ~~2006~~
23 **2007**. There is allocated for this section an amount not to exceed
24 \$35,000,000.00 for each succeeding fiscal year through the fiscal
25 year ending September 30, 2013. Payments under this section will
26 cease after September 30, 2013. These allocations are for paying
27 the amounts described in subsection (3) to districts and

1 intermediate districts, other than those receiving a lump sum
2 payment under section 11f(2), that were not plaintiffs in the
3 consolidated cases known as Durant v State of Michigan, Michigan
4 supreme court docket no. 104458-104492 and that, on or before March
5 2, 1998, submitted to the state treasurer a waiver resolution
6 described in section 11f. The amounts paid under this section
7 represent offers of settlement and compromise of any claim or
8 claims that were or could have been asserted by these districts and
9 intermediate districts, as described in this section.

10 (2) This section does not create any obligation or liability
11 of this state to any district or intermediate district that does
12 not submit a waiver resolution described in section 11f. This
13 section, any other provision of this act, and section 353e of the
14 management and budget act, 1984 PA 431, MCL 18.1353e, are not
15 intended to admit liability or waive any defense that is or would
16 be available to this state or its agencies, employees, or agents in
17 any litigation or future litigation with a district or intermediate
18 district regarding these claims or potential claims.

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

22 (a) 1/30 of the total amount listed in section 11h for the
23 district or intermediate district.

24 (b) If the district or intermediate district borrows money and
25 issues bonds under section 11i, an additional amount in each fiscal
26 year calculated by the department of treasury that, when added to
27 the amount described in subdivision (a), will cause the net present

1 value as of November 15, 1998 of the total of the 15 annual
2 payments made to the district or intermediate district under this
3 section, discounted at a rate as determined by the state treasurer,
4 to equal the amount of the bonds issued by that district or
5 intermediate district under section 11i and that will result in the
6 total payments made to all districts and intermediate districts in
7 each fiscal year under this section being no more than the amount
8 appropriated under this section in each fiscal year.

9 (4) The entire amount of each payment under this section each
10 fiscal year shall be paid on May 15 of the applicable fiscal year
11 or on the next business day following that date. If a district or
12 intermediate district borrows money and issues bonds under section
13 11i, the district or intermediate district shall use funds received
14 under this section to pay debt service on bonds issued under
15 section 11i. If a district or intermediate district does not borrow
16 money and issue bonds under section 11i, the district or
17 intermediate district shall use funds received under this section
18 only for the following purposes, in the following order of
19 priority:

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

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

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

27 (5) To the extent payments under this section are used by a

1 district or intermediate district to pay debt service on debt
2 payable from millage revenues, and to the extent permitted by law,
3 the district or intermediate district may make a corresponding
4 reduction in the number of mills levied for debt service.

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

9 Sec. 11j. From the appropriation in section 11, ~~from the~~
10 ~~proceeds of capitalization of the school bond loan fund revolving~~
11 ~~fund,~~ there is allocated an amount not to exceed ~~-\$41,100,000.00~~
12 ~~for 2004-2005, and there is allocated an amount not to exceed~~
13 ~~\$44,500,000.00 for 2005-2006,~~ **\$48,000,000.00 FOR 2006-2007** for
14 payments to the school loan bond redemption fund in the department
15 of treasury on behalf of districts and intermediate districts.
16 Notwithstanding section 11 or any other provision of this act,
17 funds allocated under this section are not subject to proration and
18 shall be paid in full.

19 Sec. 11k. For ~~2004-2005 and 2005-2006~~ **2006-2007**, there is
20 appropriated from the general fund to the school loan revolving
21 fund an amount equal to the amount of school bond loans assigned to
22 the Michigan municipal bond authority, not to exceed the total
23 amount of school bond loans held in reserve as long-term assets. As
24 used in this section, "school loan revolving fund" means that fund
25 created in section 16c of the shared credit rating act, 1985 PA
26 227, MCL 141.1066c.

27 **SEC. 11M. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**

1 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,500,000.00 FOR 2006-2007
2 FOR REIMBURSING DISTRICTS AND INTERMEDIATE DISTRICTS FOR COSTS
3 INCURRED IN OBTAINING THE CRIMINAL HISTORY CHECKS AND CRIMINAL
4 RECORDS CHECKS REQUIRED TO BE CONDUCTED ON SCHOOL EMPLOYEES AND
5 CONTRACTORS UNDER SECTION 1230G OF THE REVISED SCHOOL CODE, MCL
6 380.1230G. ALL OF THE FOLLOWING APPLY TO THE REIMBURSEMENT:

7 (A) A DISTRICT OR INTERMEDIATE DISTRICT MAY OBTAIN
8 REIMBURSEMENT FOR A CRIMINAL HISTORY CHECK AND CRIMINAL RECORDS
9 CHECK CONDUCTED ON A SCHOOL EMPLOYEE OR CONTRACTOR ONLY IF THE
10 DISTRICT OR INTERMEDIATE DISTRICT WAS REQUIRED TO OBTAIN A
11 FINGERPRINT-BASED CRIMINAL RECORDS CHECK ON THE SCHOOL EMPLOYEE OR
12 CONTRACTOR UNDER SECTION 1230A OF THE REVISED SCHOOL CODE, MCL
13 380.1230A, OR UNDER SECTION 53 OF THE PUPIL TRANSPORTATION ACT,
14 1990 PA 187, MCL 257.1853, BEFORE JANUARY 1, 2006 AND THE DISTRICT
15 OR INTERMEDIATE DISTRICT ACTUALLY OBTAINED A FINGERPRINT-BASED
16 CRIMINAL RECORDS CHECK ON THAT SCHOOL EMPLOYEE OR CONTRACTOR BEFORE
17 JANUARY 1, 2006.

18 (B) TO OBTAIN REIMBURSEMENT, THE DISTRICT OR INTERMEDIATE
19 DISTRICT SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER
20 PRESCRIBED BY THE DEPARTMENT. IN THE APPLICATION, THE DISTRICT OR
21 INTERMEDIATE DISTRICT SHALL CERTIFY THAT IT HAS COMPLIED WITH
22 SECTION 1230G OF THE REVISED SCHOOL CODE, MCL 380.1230G.

23 (2) THE MONEY APPROPRIATED UNDER THIS SECTION IS CONSIDERED A
24 WORK PROJECT APPROPRIATION AND ANY UNENCUMBERED OR UNALLOTTED FUNDS
25 REMAINING AT THE END OF THE FISCAL YEAR ARE CARRIED FORWARD INTO
26 THE SUCCEEDING FISCAL YEAR. THE FOLLOWING IS IN COMPLIANCE WITH
27 SECTION 451A OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL

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1 18.1451A:

2 (A) THE PURPOSE OF THE WORK PROJECT IS TO REIMBURSE DISTRICTS
3 AND INTERMEDIATE DISTRICTS FOR COSTS INCURRED IN OBTAINING THE
4 CRIMINAL HISTORY CHECKS AND CRIMINAL RECORDS CHECKS REQUIRED TO BE
5 CONDUCTED ON SCHOOL EMPLOYEES AND CONTRACTORS UNDER SECTION 1230G
6 OF THE REVISED SCHOOL CODE, MCL 380.1230G.

7 (B) THE PROJECT WILL BE ACCOMPLISHED AS PROVIDED UNDER THIS
8 SECTION AND SECTION 1230G OF THE REVISED SCHOOL CODE, MCL
9 380.1230G.

10 (C) THE TOTAL ESTIMATED COST OF THE PROJECT IS \$3,500,000.00.

11 (D) THE ESTIMATED COMPLETION DATE OF THE PROJECT IS JULY 2008.
12 <<SEC. 11N. FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
13 ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$22,800,000.00 FOR FISCAL
14 YEAR CASH-FLOW BORROWING COSTS SOLELY RELATED TO THE STATE SCHOOL AID
15 FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF
16 1963.>>

17 Sec. 14. If the ~~returns~~ **DATA** from an intermediate district
18 or district upon which a statement of the amount to be disbursed or
19 paid are **DETERMINED TO BE** defective **OR INCOMPLETE**, making it
20 impracticable to ascertain the apportionment to be disbursed or
21 paid, the department shall withhold the amount of the apportionment
22 that cannot be ascertained until the department is able to
23 ascertain by the best evidence available the facts upon which the
24 ratio and amount of the apportionment depend, and then shall make
25 the apportionment accordingly.

26 Sec. 15. (1) If a district or intermediate district fails to
27 receive its proper apportionment, the department, upon satisfactory
28 proof that the district or intermediate district was entitled
29 justly, shall apportion the deficiency in the next apportionment.
30 Subject to subsections (2) and (3), if a district or intermediate
31 district has received more than its proper apportionment, the
32 department, upon satisfactory proof, shall deduct the excess in the

1 next apportionment. Notwithstanding any other provision in this
2 act, state aid overpayments to a district, other than overpayments
3 in payments for special education or special education
4 transportation, may be recovered from any payment made under this
5 act other than a special education or special education
6 transportation payment. State aid overpayments made in special
7 education or special education transportation payments may be
8 recovered from subsequent special education or special education
9 transportation payments.

10 (2) If the result of an audit conducted by or for the
11 department affects the current fiscal year membership, affected
12 payments shall be adjusted in the current fiscal year. A deduction
13 due to an adjustment made as a result of an audit conducted by or
14 for the department, or as a result of information obtained by the
15 department from the district, an intermediate district, the
16 department of treasury, or the office of auditor general, shall be
17 deducted from the district's apportionments within the next fiscal
18 year after the fiscal year in which the adjustment is finalized. At
19 the request of the district and upon the district presenting
20 evidence satisfactory to the department of the hardship, the
21 department may grant up to an additional 4 years for the adjustment
22 if the district would otherwise experience a significant hardship.

23 (3) If, because of the receipt of new or updated data, the
24 department determines during a fiscal year that the amount paid to
25 a district or intermediate district under this act for a prior
26 fiscal year was incorrect under the law in effect for that year,
27 the department may make the appropriate deduction or payment in the

1 district's or intermediate district's allocation for the fiscal
2 year in which the determination is made. The deduction or payment
3 shall be calculated according to the law in effect in the fiscal
4 year in which the improper amount was paid.

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

8 (5) In addition to funds appropriated in section 11 for all
9 programs and services, there is appropriated each fiscal year for
10 ~~2004-2005 and 2005-2006~~ **AND 2006-2007** for ~~prior year~~ obligations
11 in excess of applicable ~~prior year~~ appropriations, an amount
12 equal to the collection of ~~prior year~~ overpayments, but not to
13 exceed amounts available from ~~prior year~~ overpayments.

14 Sec. 17a. (1) The department may withhold all or part of any
15 payment that a district or intermediate district is entitled to
16 receive under this act to the extent the withholdings are a
17 component part of a plan, developed and implemented pursuant to the
18 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
19 141.2821, or other statutory authority, for financing an
20 outstanding obligation upon which the district or intermediate
21 district defaulted. Amounts withheld shall be used to pay, on
22 behalf of the district or intermediate district, unpaid amounts or
23 subsequently due amounts, or both, of principal and interest on the
24 outstanding obligation upon which the district or intermediate
25 district defaulted.

26 (2) The state treasurer may withhold all or part of any
27 payment that a district or intermediate district is entitled to

1 receive under this act to the extent authorized or required under
2 section 15 of the school bond qualification, approval, and loan
3 act, 2005 PA 92, MCL 388.1935.

4 (3) Under an agreement entered into by a district or
5 intermediate district assigning all or a portion of the payment
6 that it is eligible to receive under this act to the Michigan
7 municipal bond authority or to the trustee of a pooled arrangement
8 or pledging the amount for payment of an obligation it incurred
9 with the Michigan municipal bond authority or with the trustee of a
10 pooled arrangement, the state treasurer shall transmit to the
11 Michigan municipal bond authority or a trustee designated by the
12 authority or to the trustee of a pooled arrangement the amount of
13 the payment that is assigned or pledged under the agreement.
14 Notwithstanding the payment dates prescribed by this act for
15 distributions under this act, the state treasurer may advance all
16 or part of a payment that is dedicated for distribution or for
17 which the appropriation authorizing the payment has been made if
18 and to the extent, under the terms of an agreement entered into by
19 a district or intermediate district and the Michigan municipal bond
20 authority, the payment that the district or intermediate district
21 is eligible to receive has been assigned to or pledged for payment
22 of an obligation it incurred with the Michigan municipal bond
23 authority. This subsection does not require the state to make an
24 appropriation to any school district or intermediate school
25 district and shall not be construed as creating an indebtedness of
26 the state, and any agreement made pursuant to this subsection shall
27 contain a statement to that effect. As used in this subsection,

1 "trustee of a pooled arrangement" means the trustee of a trust
2 approved by the state treasurer and, subject to the conditions and
3 requirements of that approval, established for the purpose of
4 offering for sale, as part of a pooled arrangement, certificates
5 representing undivided interests in notes issued by districts or
6 intermediate districts under section 1225 of the revised school
7 code, 1976 PA 451, MCL 380.1225. If a trustee applies to the state
8 treasurer for approval of a trust for the purposes of this
9 subsection, the state treasurer shall approve or disapprove the
10 trust within 10 days after receipt of the application.

11 Sec. 17b. (1) Not later than October 20, November 20, December
12 20, January 20, February 20, March 20, April 20, May 20, June 20,
13 July 20, and August 20, the department shall prepare ~~a statement~~
14 **ELECTRONIC FILES** of the amount to be distributed under this act in
15 the installment to the districts and intermediate districts and
16 deliver the ~~statement~~ **ELECTRONIC FILES** to the state treasurer,
17 and the state treasurer shall pay the installments on each of those
18 dates or, if the date is not a business day, on the immediately
19 preceding business day before that date. Except as otherwise
20 provided in this act, the portion of the district's or intermediate
21 district's state fiscal year entitlement to be included in each
22 installment shall be 1/11. A district or intermediate district
23 shall accrue the payments received in July and August to the school
24 fiscal year ending the immediately preceding June 30.

25 (2) The state treasurer shall make payment under this section
26 by drawing a warrant in favor of the treasurer of each district or
27 intermediate district for the amount payable to the district or

1 intermediate district according to the ~~statement~~ **ELECTRONIC FILES**
2 and delivering the warrant to the treasurer of each district or
3 intermediate district, or if the state treasurer receives a written
4 request by the treasurer of the district or intermediate district
5 specifying an account, by electronic funds transfer to that account
6 of the amount payable to the district or intermediate district
7 according to the ~~statement~~ **ELECTRONIC FILES**. The department may
8 make adjustments in payments made under this section through
9 additional payments when changes in law or errors in computation
10 cause the regularly scheduled payment to be less than the amount to
11 which the district or intermediate district is entitled pursuant to
12 this act.

13 (3) Except as otherwise provided in this act, grant payments
14 under this act shall be paid according to subsection (1).

15 (4) Upon the written request of a district or intermediate
16 district and the submission of proof satisfactory to the department
17 of a need of a temporary and nonrecurring nature, the
18 superintendent, with the written concurrence of the state treasurer
19 and the state budget director, may authorize an advance release of
20 funds due a district or intermediate district under this act. An
21 advance authorized under this subsection shall not cause funds to
22 be paid to a district or intermediate district more than 30 days
23 earlier than the established payment date for those funds.

24 Sec. 18. (1) Except as provided in another section of this
25 act, each district or other entity shall apply the money received
26 by the district or entity under this act to salaries and other
27 compensation of teachers and other employees, tuition,

1 transportation, lighting, heating, ventilation, water service, the
2 purchase of textbooks which are designated by the board to be used
3 in the schools under the board's charge, other supplies, and any
4 other school operating expenditures defined in section 7. However,
5 not more than 20% of the total amount received by a district under
6 article 2 or intermediate district under article 8 may be
7 transferred by the board to either the capital projects fund or to
8 the debt retirement fund for debt service. The money shall not be
9 applied or taken for a purpose other than as provided in this
10 section. The department shall determine the reasonableness of
11 expenditures and may withhold from a recipient of funds under this
12 act the apportionment otherwise due for the fiscal year following
13 the discovery by the department of a violation by the recipient.

14 **(2) WITHIN 30 DAYS AFTER A BOARD OR INTERMEDIATE BOARD ADOPTS**
15 **ITS ANNUAL OPERATING BUDGET FOR THE FOLLOWING SCHOOL FISCAL YEAR,**
16 **OR AFTER A BOARD OR INTERMEDIATE BOARD ADOPTS A SUBSEQUENT REVISION**
17 **TO THAT BUDGET, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL MAKE**
18 **THE BUDGET AND SUBSEQUENT BUDGET REVISIONS AVAILABLE ON ITS**
19 **WEBSITE, OR A DISTRICT MAY MAKE THE INFORMATION AVAILABLE ON ITS**
20 **INTERMEDIATE DISTRICT'S WEBSITE, IN A FORM AND MANNER PRESCRIBED BY**
21 **THE DEPARTMENT.**

22 **(3) —(2)—** For the purpose of determining the reasonableness of
23 expenditures and whether a violation of this act has occurred, the
24 department shall require that each district and intermediate
25 district have an audit of the district's or intermediate district's
26 financial and pupil accounting records conducted at least annually
27 at the expense of the district or intermediate district, as

1 applicable, by a certified public accountant or by the intermediate
2 district superintendent, as may be required by the department, or
3 in the case of a district of the first class by a certified public
4 accountant, the intermediate superintendent, or the auditor general
5 of the city. An intermediate district's annual financial audit
6 shall be accompanied by the intermediate district's pupil
7 accounting procedures report. A district's or intermediate
8 district's annual financial audit shall include an analysis of the
9 financial and pupil accounting data used as the basis for
10 distribution of state school aid. The pupil accounting records and
11 reports, audits, and management letters are subject to requirements
12 established in the auditing and accounting manuals approved and
13 published by the department. Except as otherwise provided in this
14 subsection, a district shall file the annual financial audit
15 reports with the intermediate district not later than 120 days
16 after the end of each school fiscal year and the intermediate
17 district shall forward the annual financial audit reports for its
18 constituent districts and for the intermediate district, and the
19 pupil accounting procedures report for the pupil membership count
20 day and supplemental count day, to the department not later than
21 November 15 of each year. The annual financial audit reports and
22 pupil accounting procedures reports shall be available to the
23 public in compliance with the freedom of information act, 1976 PA
24 442, MCL 15.231 to 15.246. Not later than December 1 of each year,
25 the department shall notify the state budget director and the
26 legislative appropriations subcommittees responsible for review of
27 the school aid budget of districts and intermediate districts that

1 have not filed an annual financial audit and pupil accounting
2 procedures report required under this section for the school year
3 ending in the immediately preceding fiscal year.

4 (4) ~~—(3)—~~ By November 15 of each year, each district and
5 intermediate district shall submit to the center, in a manner
6 prescribed by the center, annual comprehensive financial data
7 consistent with accounting manuals and charts of accounts approved
8 and published by the department. Effective with the report due on
9 November 15, 2006, for an intermediate district, the report shall
10 also contain the website address where the department can access
11 the report required under section 620 of the revised school code,
12 MCL 380.620.

13 (5) ~~—(4)—~~ By September 30 of each year, each district and
14 intermediate district shall file with the department the special
15 education actual cost report, known as "SE-4096", on a form and in
16 the manner prescribed by the department.

17 (6) ~~—(5)—~~ By October 7 of each year, each district and
18 intermediate district shall file with the department the
19 transportation expenditure report, known as "SE-4094", on a form
20 and in the manner prescribed by the department.

21 (7) ~~—(6) Not later than July 1, 1999, the department shall~~
22 ~~approve and publish pupil accounting and pupil auditing manuals.~~
23 The department shall review ~~those~~ **ITS PUPIL ACCOUNTING AND PUPIL**
24 **AUDITING** manuals at least annually and shall periodically update
25 those manuals to reflect changes in this act. ~~The pupil accounting~~
26 ~~manuals in effect for the 1996-97 school year, including subsequent~~
27 ~~revisions issued by the superintendent, shall be the interim~~

1 ~~manuals in effect until new manuals are approved and published.~~
2 ~~However, the clarification of class by class accounting provided in~~
3 ~~the department's April 15, 1998 memorandum on pupil accounting~~
4 ~~procedures shall be excluded from the interim manuals.~~

5 (8) ~~-(7)-~~ If a district that is a public school academy
6 purchases property using money received under this act, the public
7 school academy shall retain ownership of the property unless the
8 public school academy sells the property at fair market value.

9 (9) ~~-(8)-~~ If a district or intermediate district does not
10 comply with subsection ~~-(2)-~~, (3), (4), ~~-or-~~ (5), **OR (6)**, the
11 department shall withhold all state school aid due to the district
12 or intermediate district under this act, beginning with the next
13 payment due to the district or intermediate district, until the
14 district or intermediate district complies with subsections ~~-(2)-~~,
15 (3), (4), ~~-and-~~ (5), **AND (6)**. If the district or intermediate
16 district does not comply with subsections ~~-(2)-~~, (3), (4), ~~-and-~~
17 (5), **AND (6)** by the end of the fiscal year, the district or
18 intermediate district forfeits the amount withheld.

19 Sec. 20. (1) ~~For 2003-2004 and for 2004-2005, the basic~~
20 ~~foundation allowance is \$6,700.00 per membership pupil.~~ For 2005-
21 2006, the basic foundation allowance is \$6,875.00. **FOR 2006-2007,**
22 **THE BASIC FOUNDATION ALLOWANCE IS \$7,100.00.**

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

26 (3) Except as otherwise provided in this section, the amount
27 of a district's foundation allowance shall be calculated as

1 follows, using in all calculations the total amount of the
2 district's foundation allowance as calculated before any proration:

3 (a) Except as otherwise provided in this subsection, for a
4 district that in the immediately preceding state fiscal year had a
5 foundation allowance in an amount at least equal to the amount of
6 the basic foundation allowance for the immediately preceding state
7 fiscal year, the district shall receive a foundation allowance in
8 an amount equal to the sum of the district's foundation allowance
9 for the immediately preceding state fiscal year plus the dollar
10 amount of the adjustment from the immediately preceding state
11 fiscal year to the current state fiscal year in the basic
12 foundation allowance. However, for 2002-2003, the foundation
13 allowance for a district under this subdivision is an amount equal
14 to the sum of the district's foundation allowance for the
15 immediately preceding state fiscal year plus \$200.00.

16 (b) For a district that in the 1994-95 state fiscal year had a
17 foundation allowance greater than \$6,500.00, the district's
18 foundation allowance is an amount equal to the sum of the
19 district's foundation allowance for the immediately preceding state
20 fiscal year plus the lesser of the increase in the basic foundation
21 allowance for the current state fiscal year, as compared to the
22 immediately preceding state fiscal year, or the product of the
23 district's foundation allowance for the immediately preceding state
24 fiscal year times the percentage increase in the United States
25 consumer price index in the calendar year ending in the immediately
26 preceding fiscal year as reported by the May revenue estimating
27 conference conducted under section 367b of the management and

1 budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a
2 district that in the 1994-95 state fiscal year had a foundation
3 allowance greater than \$6,500.00, the district's foundation
4 allowance is an amount equal to the sum of the district's
5 foundation allowance for the immediately preceding state fiscal
6 year plus the lesser of \$200.00 or the product of the district's
7 foundation allowance for the immediately preceding state fiscal
8 year times the percentage increase in the United States consumer
9 price index in the calendar year ending in the immediately
10 preceding fiscal year as reported by the May revenue estimating
11 conference conducted under section 367b of the management and
12 budget act, 1984 PA 431, MCL 18.1367b.

13 (c) For a district that has a foundation allowance that is not
14 a whole dollar amount, the district's foundation allowance shall be
15 rounded up to the nearest whole dollar.

16 (d) For a district that received a payment under ~~former~~
17 section 22c **AS THAT SECTION WAS IN EFFECT** for 2001-2002, the
18 district's 2001-2002 foundation allowance shall be considered to
19 have been an amount equal to the sum of the district's actual 2001-
20 2002 foundation allowance as otherwise calculated under this
21 section plus the per pupil amount of the district's equity payment
22 for 2001-2002 under former section 22c **AS THAT SECTION WAS IN**
23 **EFFECT FOR 2001-2002.**

24 **(E) BEGINNING IN 2007-2008, FOR A DISTRICT THAT RECEIVES A**
25 **PAYMENT UNDER SECTION 22C FOR 2006-2007, THE DISTRICT'S 2006-2007**
26 **FOUNDATION ALLOWANCE SHALL BE CONSIDERED TO HAVE BEEN AN AMOUNT**
27 **EQUAL TO THE SUM OF THE DISTRICT'S ACTUAL 2006-2007 FOUNDATION**

1 ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS SECTION PLUS THE PER
2 PUPIL AMOUNT OF THE DISTRICT'S EQUITY PAYMENT FOR 2006-2007 UNDER
3 SECTION 22C.

4 (4) Except as otherwise provided in this subsection, the state
5 portion of a district's foundation allowance is an amount equal to
6 the district's foundation allowance or \$6,500.00, whichever is
7 less, minus the difference between the product of the taxable value
8 per membership pupil of all property in the district that is not a
9 principal residence or qualified agricultural property times the
10 lesser of 18 mills or the number of mills of school operating taxes
11 levied by the district in 1993-94 and the quotient of the ad
12 valorem property tax revenue of the district captured under 1975 PA
13 197, MCL 125.1651 to 125.1681, the tax increment finance authority
14 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
15 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
16 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
17 to 125.2672, divided by the district's membership excluding special
18 education pupils. For a district described in subsection (3)(b),
19 the state portion of the district's foundation allowance is an
20 amount equal to \$6,962.00 plus the difference between the
21 district's foundation allowance for the current state fiscal year
22 and the district's foundation allowance for 1998-99, minus the
23 difference between the product of the taxable value per membership
24 pupil of all property in the district that is not a principal
25 residence or qualified agricultural property times the lesser of 18
26 mills or the number of mills of school operating taxes levied by
27 the district in 1993-94 and the quotient of the ad valorem property

1 tax revenue of the district captured under 1975 PA 197, MCL
2 125.1651 to 125.1681, the tax increment finance authority act, 1980
3 PA 450, MCL 125.1801 to 125.1830, the local development financing
4 act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield
5 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
6 divided by the district's membership excluding special education
7 pupils. For a district that has a millage reduction required under
8 section 31 of article IX of the state constitution of 1963, the
9 state portion of the district's foundation allowance shall be
10 calculated as if that reduction did not occur. The \$6,500.00 amount
11 prescribed in this subsection shall be adjusted each year by an
12 amount equal to the dollar amount of the difference between the
13 basic foundation allowance for the current state fiscal year and
14 \$5,000.00, minus \$200.00.

15 (5) The allocation calculated under this section for a pupil
16 shall be based on the foundation allowance of the pupil's district
17 of residence. However, for a pupil enrolled in a district other
18 than the pupil's district of residence, if the foundation allowance
19 of the pupil's district of residence has been adjusted pursuant to
20 subsection (19), the allocation calculated under this section shall
21 not include the adjustment described in subsection (19). For a
22 pupil enrolled pursuant to section 105 or 105c in a district other
23 than the pupil's district of residence, the allocation calculated
24 under this section shall be based on the lesser of the foundation
25 allowance of the pupil's district of residence or the foundation
26 allowance of the educating district. For a pupil in membership in a
27 K-5, K-6, or K-8 district who is enrolled in another district in a

1 grade not offered by the pupil's district of residence, the
2 allocation calculated under this section shall be based on the
3 foundation allowance of the educating district if the educating
4 district's foundation allowance is greater than the foundation
5 allowance of the pupil's district of residence. The calculation
6 under this subsection shall take into account a district's per
7 pupil allocation under section 20j(2).

8 (6) Subject to subsection (7) and section 22b(3) and except as
9 otherwise provided in this subsection, for pupils in membership,
10 other than special education pupils, in a public school academy or
11 a university school, the allocation calculated under this section
12 is an amount per membership pupil other than special education
13 pupils in the public school academy or university school equal to
14 the sum of the local school operating revenue per membership pupil
15 other than special education pupils for the district in which the
16 public school academy or university school is located and the state
17 portion of that district's foundation allowance, or the sum of the
18 basic foundation allowance under subsection (1) plus \$300.00,
19 whichever is less. Notwithstanding section 101(2), for a public
20 school academy that begins operations after the pupil membership
21 count day, the amount per membership pupil calculated under this
22 subsection shall be adjusted by multiplying that amount per
23 membership pupil by the number of hours of pupil instruction
24 provided by the public school academy after it begins operations,
25 as determined by the department, divided by the minimum number of
26 hours of pupil instruction required under section 101(3). The
27 result of this calculation shall not exceed the amount per

1 membership pupil otherwise calculated under this subsection.

2 (7) If more than 25% of the pupils residing within a district
3 are in membership in 1 or more public school academies located in
4 the district, then the amount per membership pupil calculated under
5 this section for a public school academy located in the district
6 shall be reduced by an amount equal to the difference between the
7 product of the taxable value per membership pupil of all property
8 in the district that is not a principal residence or qualified
9 agricultural property times the lesser of 18 mills or the number of
10 mills of school operating taxes levied by the district in 1993-94
11 and the quotient of the ad valorem property tax revenue of the
12 district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the
13 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
14 125.1830, the local development financing act, 1986 PA 281, MCL
15 125.2151 to 125.2174, or the brownfield redevelopment financing
16 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the
17 district's membership excluding special education pupils, in the
18 school fiscal year ending in the current state fiscal year,
19 calculated as if the resident pupils in membership in 1 or more
20 public school academies located in the district were in membership
21 in the district. In order to receive state school aid under this
22 act, a district described in this subsection shall pay to the
23 authorizing body that is the fiscal agent for a public school
24 academy located in the district for forwarding to the public school
25 academy an amount equal to that local school operating revenue per
26 membership pupil for each resident pupil in membership other than
27 special education pupils in the public school academy, as

1 determined by the department.

2 (8) If a district does not receive an amount calculated under
3 subsection (9); if the number of mills the district may levy on a
4 principal residence and qualified agricultural property under
5 section 1211(1) of the revised school code, MCL 380.1211, is 0.5
6 mills or less; and if the district elects not to levy those mills,
7 the district instead shall receive a separate supplemental amount
8 calculated under this subsection in an amount equal to the amount
9 the district would have received had it levied those mills, as
10 determined by the department of treasury. A district shall not
11 receive a separate supplemental amount calculated under this
12 subsection for a fiscal year unless in the calendar year ending in
13 the fiscal year the district levies 18 mills or the number of mills
14 of school operating taxes levied by the district in 1993, whichever
15 is less, on property that is not a principal residence or qualified
16 agricultural property.

17 (9) For a district that had combined state and local revenue
18 per membership pupil in the 1993-94 state fiscal year of more than
19 \$6,500.00 and that had fewer than 350 pupils in membership, if the
20 district elects not to reduce the number of mills from which a
21 principal residence and qualified agricultural property are exempt
22 and not to levy school operating taxes on a principal residence and
23 qualified agricultural property as provided in section 1211(1) of
24 the revised school code, MCL 380.1211, and not to levy school
25 operating taxes on all property as provided in section 1211(2) of
26 the revised school code, MCL 380.1211, there is calculated under
27 this subsection for 1994-95 and each succeeding fiscal year a

1 separate supplemental amount in an amount equal to the amount the
2 district would have received per membership pupil had it levied
3 school operating taxes on a principal residence and qualified
4 agricultural property at the rate authorized for the district under
5 section 1211(1) of the revised school code, MCL 380.1211, and
6 levied school operating taxes on all property at the rate
7 authorized for the district under section 1211(2) of the revised
8 school code, MCL 380.1211, as determined by the department of
9 treasury. If in the calendar year ending in the fiscal year a
10 district does not levy 18 mills or the number of mills of school
11 operating taxes levied by the district in 1993, whichever is less,
12 on property that is not a principal residence or qualified
13 agricultural property, the amount calculated under this subsection
14 will be reduced by the same percentage as the millage actually
15 levied compares to the 18 mills or the number of mills levied in
16 1993, whichever is less.

17 (10) Subject to subsection (4), for a district that is formed
18 or reconfigured after June 1, 2002 by consolidation of 2 or more
19 districts or by annexation, the resulting district's foundation
20 allowance under this section beginning after the effective date of
21 the consolidation or annexation shall be the average of the
22 foundation allowances of each of the original or affected
23 districts, calculated as provided in this section, weighted as to
24 the percentage of pupils in total membership in the resulting
25 district who reside in the geographic area of each of the original
26 or affected districts. The calculation under this subsection shall
27 take into account a district's per pupil allocation under section

1 20j(2).

2 (11) Each fraction used in making calculations under this
3 section shall be rounded to the fourth decimal place and the dollar
4 amount of an increase in the basic foundation allowance shall be
5 rounded to the nearest whole dollar.

6 (12) State payments related to payment of the foundation
7 allowance for a special education pupil are not calculated under
8 this section but are instead calculated under section 51a.

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

15 (a) The pupil membership factor shall be computed by dividing
16 the estimated membership in the school year ending in the current
17 state fiscal year, excluding intermediate district membership, by
18 the estimated membership for the school year ending in the
19 subsequent state fiscal year, excluding intermediate district
20 membership. If a consensus membership factor is not determined at
21 the revenue estimating conference, the principals of the revenue
22 estimating conference shall report their estimates to the house and
23 senate subcommittees responsible for school aid appropriations not
24 later than 7 days after the conclusion of the revenue conference.

25 (b) The revenue adjustment factor shall be computed by
26 dividing the sum of the estimated total state school aid fund
27 revenue for the subsequent state fiscal year plus the estimated

1 total state school aid fund revenue for the current state fiscal
2 year, adjusted for any change in the rate or base of a tax the
3 proceeds of which are deposited in that fund and excluding money
4 transferred into that fund from the countercyclical budget and
5 economic stabilization fund under section 353e of the management
6 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
7 estimated total school aid fund revenue for the current state
8 fiscal year plus the estimated total state school aid fund revenue
9 for the immediately preceding state fiscal year, adjusted for any
10 change in the rate or base of a tax the proceeds of which are
11 deposited in that fund. If a consensus revenue factor is not
12 determined at the revenue estimating conference, the principals of
13 the revenue estimating conference shall report their estimates to
14 the house and senate subcommittees responsible for school aid
15 appropriations not later than 7 days after the conclusion of the
16 revenue conference.

17 (c) The index shall be calculated by multiplying the pupil
18 membership factor by the revenue adjustment factor. However, for
19 2005-2006 **AND 2006-2007**, the index shall be 1.00. If a consensus
20 index is not determined at the revenue estimating conference, the
21 principals of the revenue estimating conference shall report their
22 estimates to the house and senate subcommittees responsible for
23 school aid appropriations not later than 7 days after the
24 conclusion of the revenue conference.

25 (14) If the principals at the revenue estimating conference
26 reach a consensus on the index described in subsection (13)(c), the
27 basic foundation allowance for the subsequent state fiscal year

1 shall be at least the amount of that consensus index multiplied by
2 the basic foundation allowance specified in subsection (1).

3 (15) If at the January revenue estimating conference it is
4 estimated that pupil membership, excluding intermediate district
5 membership, for the subsequent state fiscal year will be greater
6 than 101% of the pupil membership, excluding intermediate district
7 membership, for the current state fiscal year, then it is the
8 intent of the legislature that the executive budget proposal for
9 the school aid budget for the subsequent state fiscal year include
10 a general fund/general purpose allocation sufficient to support the
11 membership in excess of 101% of the current year pupil membership.

12 (16) For a district that had combined state and local revenue
13 per membership pupil in the 1993-94 state fiscal year of more than
14 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
15 94 state fiscal year, that has at least 1 child educated in the
16 district in the current state fiscal year, and that levies the
17 number of mills of school operating taxes authorized for the
18 district under section 1211 of the revised school code, MCL
19 380.1211, a minimum amount of combined state and local revenue
20 shall be calculated for the district as provided under this
21 subsection. The minimum amount of combined state and local revenue
22 for 1999-2000 shall be \$67,000.00 plus the district's additional
23 expenses to educate pupils in grades 9 to 12 educated in other
24 districts as determined and allowed by the department. The minimum
25 amount of combined state and local revenue under this subsection,
26 before adding the additional expenses, shall increase each fiscal
27 year by the same percentage increase as the percentage increase in

1 the basic foundation allowance from the immediately preceding
2 fiscal year to the current fiscal year. The state portion of the
3 minimum amount of combined state and local revenue under this
4 subsection shall be calculated by subtracting from the minimum
5 amount of combined state and local revenue under this subsection
6 the sum of the district's local school operating revenue and an
7 amount equal to the product of the sum of the state portion of the
8 district's foundation allowance plus the amount calculated under
9 section 20j times the district's membership. As used in this
10 subsection, "additional expenses" means the district's expenses for
11 tuition or fees, not to exceed \$6,500.00 as adjusted each year by
12 an amount equal to the dollar amount of the difference between the
13 basic foundation allowance for the current state fiscal year and
14 \$5,000.00, minus \$200.00, plus a room and board stipend not to
15 exceed \$10.00 per school day for each pupil in grades 9 to 12
16 educated in another district, as approved by the department.

17 (17) For a district in which 7.75 mills levied in 1992 for
18 school operating purposes in the 1992-93 school year were not
19 renewed in 1993 for school operating purposes in the 1993-94 school
20 year, the district's combined state and local revenue per
21 membership pupil shall be recalculated as if that millage reduction
22 did not occur and the district's foundation allowance shall be
23 calculated as if its 1994-95 foundation allowance had been
24 calculated using that recalculated 1993-94 combined state and local
25 revenue per membership pupil as a base. A district is not entitled
26 to any retroactive payments for fiscal years before 2000-2001 due
27 to this subsection.

1 (18) For a district in which an industrial facilities
2 exemption certificate that abated taxes on property with a state
3 equalized valuation greater than the total state equalized
4 valuation of the district at the time the certificate was issued or
5 \$700,000,000.00, whichever is greater, was issued under 1974 PA
6 198, MCL 207.551 to 207.572, before the calculation of the
7 district's 1994-95 foundation allowance, the district's foundation
8 allowance for 2002-2003 is an amount equal to the sum of the
9 district's foundation allowance for 2002-2003, as otherwise
10 calculated under this section, plus \$250.00.

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

1 Law 107-110, in both mathematics and English language arts at all
2 applicable grade levels for all applicable subgroups, the district
3 may submit to the department an application for flexibility in
4 using the funds resulting from this adjustment that are
5 attributable to the pupils in the school or schools. The
6 application shall identify the affected school or schools and the
7 affected funds and shall contain a plan for using the funds for
8 specific purposes identified by the district that are designed to
9 reduce class size, but that may be different from the purposes
10 otherwise allowable under this subsection. The department shall
11 approve the application if the department determines that the
12 purposes identified in the plan are reasonably designed to reduce
13 class size. If the department does not act to approve or disapprove
14 an application within 30 days after it is submitted to the
15 department, the application is considered to be approved. If an
16 application for flexibility in using the funds is approved, the
17 district may use the funds identified in the application for any
18 purpose identified in the plan.

19 ~~—— (20) For a district that is a qualifying school district with~~
20 ~~a school reform board in place under part 5a of the revised school~~
21 ~~code, MCL 380.371 to 380.376, the district's foundation allowance~~
22 ~~for 2002-2003 shall be adjusted to be an amount equal to the sum of~~
23 ~~the district's foundation allowance, as otherwise calculated under~~
24 ~~this section, plus the quotient of \$15,000,000.00 divided by the~~
25 ~~district's membership for 2002-2003. If a district ceases to meet~~
26 ~~the requirements of this subsection, the department shall adjust~~
27 ~~the district's foundation allowance in effect at that time based on~~

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1 a 2002-2003 foundation allowance for the district that does not
 2 include the 2002-2003 adjustment under this subsection. This
 3 subsection only applies for 2002-2003, 2003-2004, and 2004-2005.

4 Beginning in 2005-2006, the foundation allowance of a district that
 5 received an adjustment under this subsection for those fiscal years
 6 shall be calculated as if those adjustments did not occur.

<<(20) 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 \$500,000.00 FOR A FISCAL YEAR
 AS A RESULT OF THIS ADJUSTMENT.

(21) FOR A DISTRICT IN WHICH THE SCHOOL ELECTORS VOTED IN 1993 ON A
 PROPOSAL TO OVERRIDE A MILLAGE REDUCTION REQUIRED UNDER SECTION 31 OF
 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 OF 4.38 MILLS FOR OPERATING
 PURPOSES BUT DID NOT APPROVE THE PROPOSAL, THE DISTRICT'S COMBINED STATE
 AND LOCAL REVENUE PER MEMBERSHIP PUPIL SHALL BE RECALCULATED AS IF THAT
 MILLAGE REDUCTION DID NOT OCCUR AND, BEGINNING IN 2006-2007, THE
 DISTRICT'S FOUNDATION ALLOWANCE SHALL BE CALCULATED AS IF ITS 1994-1995
 FOUNDATION ALLOWANCE HAD BEEN CALCULATED USING THE RECALCULATED 1993-1994
 COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL AS A BASE. 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 \$100.00 FOR
 A FISCAL YEAR AS A RESULT OF THIS ADJUSTMENT.

(22) FOR A DISTRICT IN WHICH 4.91 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, BEGINNING IN
 2006-2007, 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 2006-2007 DUE TO THIS SUBSECTION. A DISTRICT
 RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE MORE THAN
 \$100.00 FOR A FISCAL YEAR AS A RESULT OF THIS ADJUSTMENT.>>

7 <<(23)>> ~~(21)~~ Payments to districts, university schools, or
 8 public school academies shall not be made under this section.
 9 Rather, the calculations under this section shall be used to
 10 determine the amount of state payments under section 22b.

11 <<(24)>> ~~(22)~~ If an amendment to section 2 of article VIII of
 12 the state constitution of 1963 allowing state aid to some or all
 13 nonpublic schools is approved by the voters of this state, each

14 foundation allowance or per pupil payment calculation under this
15 section may be reduced.

16 <<(25)>> ~~-(23)-~~ As used in this section:

17 (a) "Combined state and local revenue" means the aggregate of
18 the district's state school aid received by or paid on behalf of
19 the district under this section and the district's local school
20 operating revenue.

21 (b) "Combined state and local revenue per membership pupil"
22 means the district's combined state and local revenue divided by
23 the district's membership excluding special education pupils.

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

26 (d) "Immediately preceding state fiscal year" means the state
27 fiscal year immediately preceding the current state fiscal year.

1 (e) "Local school operating revenue" means school operating
2 taxes levied under section 1211 of the revised school code, MCL
3 380.1211.

4 (f) "Local school operating revenue per membership pupil"
5 means a district's local school operating revenue divided by the
6 district's membership excluding special education pupils.

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

10 (h) "Principal residence" and "qualified agricultural
11 property" mean those terms as defined in section 7dd of the general
12 property tax act, 1893 PA 206, MCL 211.7dd.

13 (i) "School operating purposes" means the purposes included in
14 the operation costs of the district as prescribed in sections 7 and
15 18.

16 (j) "School operating taxes" means local ad valorem property
17 taxes levied under section 1211 of the revised school code, MCL
18 380.1211, and retained for school operating purposes.

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

24 Sec. 20j. (1) Foundation allowance supplemental payments for
25 ~~2005-2006~~ **2006-2007** to districts that in the 1994-95 state fiscal
26 year had a foundation allowance greater than \$6,500.00 shall be
27 calculated under this section.

1 (2) The per pupil allocation to each district under this
2 section shall be the difference between the dollar amount of the
3 adjustment from the 1998-99 state fiscal year to the current state
4 fiscal year in the basic foundation allowance minus the dollar
5 amount of the adjustment from the 1998-99 state fiscal year to the
6 current state fiscal year in the district's foundation allowance.

7 (3) If a district's local revenue per pupil does not exceed
8 the sum of its foundation allowance under section 20 plus the per
9 pupil allocation under subsection (2), the total payment to the
10 district calculated under this section shall be the product of the
11 per pupil allocation under subsection (2) multiplied by the
12 district's membership excluding special education pupils. If a
13 district's local revenue per pupil exceeds the foundation allowance
14 under section 20 but does not exceed the sum of the foundation
15 allowance under section 20 plus the per pupil allocation under
16 subsection (2), the total payment to the district calculated under
17 this section shall be the product of the difference between the sum
18 of the foundation allowance under section 20 plus the per pupil
19 allocation under subsection (2) minus the local revenue per pupil
20 multiplied by the district's membership excluding special education
21 pupils. If a district's local revenue per pupil exceeds the sum of
22 the foundation allowance under section 20 plus the per pupil
23 allocation under subsection (2), there is no payment calculated
24 under this section for the district.

25 (4) Payments to districts shall not be made under this
26 section. Rather, the calculations under this section shall be made
27 and used to determine the amount of state payments under section

1 22b.

2 Sec. 22a. (1) From the appropriation in section 11, there is
3 allocated an amount not to exceed ~~-\$6,615,000,000.00 for 2004-2005~~
4 ~~and an amount not to exceed \$6,459,000,000.00~~ **\$6,407,500,000.00**
5 for 2005-2006 **AND AN AMOUNT NOT TO EXCEED \$6,214,000,000.00 FOR**
6 **2006-2007** for payments to districts, qualifying university schools,
7 and qualifying public school academies to guarantee each district,
8 qualifying university school, and qualifying public school academy
9 an amount equal to its 1994-95 total state and local per pupil
10 revenue for school operating purposes under section 11 of article
11 IX of the state constitution of 1963. Pursuant to section 11 of
12 article IX of the state constitution of 1963, this guarantee does
13 not apply to a district in a year in which the district levies a
14 millage rate for school district operating purposes less than it
15 levied in 1994. However, subsection (2) applies to calculating the
16 payments under this section. Funds allocated under this section
17 that are not expended in the state fiscal year for which they were
18 allocated, as determined by the department, may be used to
19 supplement the allocations under sections 22b and 51c in order to
20 fully fund those calculated allocations for the same fiscal year.

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

26 (a) Except as otherwise provided in this subsection, the state
27 portion of a district's 1994-95 foundation allowance is an amount

1 equal to the district's 1994-95 foundation allowance or \$6,500.00,
2 whichever is less, minus the difference between the product of the
3 taxable value per membership pupil of all property in the district
4 that is not a homestead or qualified agricultural property times
5 the lesser of 18 mills or the number of mills of school operating
6 taxes levied by the district in 1993-94 and the quotient of the ad
7 valorem property tax revenue of the district captured under 1975 PA
8 197, MCL 125.1651 to 125.1681, the tax increment finance authority
9 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
10 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
11 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
12 to 125.2672, divided by the district's membership. For a district
13 that has a millage reduction required under section 31 of article
14 IX of the state constitution of 1963, the state portion of the
15 district's foundation allowance shall be calculated as if that
16 reduction did not occur.

17 (b) For a district that had a 1994-95 foundation allowance
18 greater than \$6,500.00, the state payment under this subsection
19 shall be the sum of the amount calculated under subdivision (a)
20 plus the amount calculated under this subdivision. The amount
21 calculated under this subdivision shall be equal to the difference
22 between the district's 1994-95 foundation allowance minus \$6,500.00
23 and the current year hold harmless school operating taxes per
24 pupil. If the result of the calculation under subdivision (a) is
25 negative, the negative amount shall be an offset against any state
26 payment calculated under this subdivision. If the result of a
27 calculation under this subdivision is negative, there shall not be

1 a state payment or a deduction under this subdivision. The taxable
2 values per membership pupil used in the calculations under this
3 subdivision are as adjusted by ad valorem property tax revenue
4 captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax
5 increment finance authority act, 1980 PA 450, MCL 125.1801 to
6 125.1830, the local development financing act, 1986 PA 281, MCL
7 125.2151 to 125.2174, or the brownfield redevelopment financing
8 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the
9 district's membership.

10 (3) Beginning in 2003-2004, for pupils in membership in a
11 qualifying public school academy or qualifying university school,
12 there is allocated under this section to the authorizing body that
13 is the fiscal agent for the qualifying public school academy for
14 forwarding to the qualifying public school academy, or to the board
15 of the public university operating the qualifying university
16 school, an amount equal to the 1994-95 per pupil payment to the
17 qualifying public school academy or qualifying university school
18 under section 20.

19 (4) A district, qualifying university school, or qualifying
20 public school academy may use funds allocated under this section in
21 conjunction with any federal funds for which the district,
22 qualifying university school, or qualifying public school academy
23 otherwise would be eligible.

24 (5) For a district that is formed or reconfigured after June
25 1, 2000 by consolidation of 2 or more districts or by annexation,
26 the resulting district's 1994-95 foundation allowance under this
27 section beginning after the effective date of the consolidation or

1 annexation shall be the average of the 1994-95 foundation
2 allowances of each of the original or affected districts,
3 calculated as provided in this section, weighted as to the
4 percentage of pupils in total membership in the resulting district
5 in the state fiscal year in which the consolidation takes place who
6 reside in the geographic area of each of the original districts. If
7 an affected district's 1994-95 foundation allowance is less than
8 the 1994-95 basic foundation allowance, the amount of that
9 district's 1994-95 foundation allowance shall be considered for the
10 purpose of calculations under this subsection to be equal to the
11 amount of the 1994-95 basic foundation allowance.

12 (6) As used in this section:

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

17 (b) "Current state fiscal year" means the state fiscal year
18 for which a particular calculation is made.

19 (c) "Current year hold harmless school operating taxes per
20 pupil" means the per pupil revenue generated by multiplying a
21 district's 1994-95 hold harmless millage by the district's current
22 year taxable value per membership pupil.

23 (d) "Hold harmless millage" means, for a district with a 1994-
24 95 foundation allowance greater than \$6,500.00, the number of mills
25 by which the exemption from the levy of school operating taxes on a
26 homestead and qualified agricultural property could be reduced as
27 provided in section 1211(1) of the revised school code, MCL

1 380.1211, and the number of mills of school operating taxes that
2 could be levied on all property as provided in section 1211(2) of
3 the revised school code, MCL 380.1211, as certified by the
4 department of treasury for the 1994 tax year.

5 (e) "Homestead" means that term as defined in section 1211 of
6 the revised school code, MCL 380.1211.

7 (f) "Membership" means the definition of that term under
8 section 6 as in effect for the particular fiscal year for which a
9 particular calculation is made.

10 (g) "Qualified agricultural property" means that term as
11 defined in section 1211 of the revised school code, MCL 380.1211.

12 (h) "Qualifying public school academy" means a public school
13 academy that was in operation in the 1994-95 school year and is in
14 operation in the current state fiscal year.

15 (i) "Qualifying university school" means a university school
16 that was in operation in the 1994-95 school year and is in
17 operation in the current fiscal year.

18 (j) "School operating taxes" means local ad valorem property
19 taxes levied under section 1211 of the revised school code, MCL
20 380.1211, and retained for school operating purposes.

21 (k) "Taxable value per membership pupil" means each of the
22 following divided by the district's membership:

23 (i) For the number of mills by which the exemption from the
24 levy of school operating taxes on a homestead and qualified
25 agricultural property may be reduced as provided in section 1211(1)
26 of the revised school code, MCL 380.1211, the taxable value of
27 homestead and qualified agricultural property for the calendar year

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1 ending in the current state fiscal year.

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

7 Sec. 22b. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed ~~-\$2,923,200,000.00 for 2004-2005~~
9 ~~and an amount not to exceed \$3,197,736,800.00~~ **\$3,217,550,000.00**
10 for 2005-2006 **AND AN AMOUNT NOT TO EXCEED <<\$3,604,550,200.00>> FOR**
11 **2006-2007** for discretionary nonmandated payments to districts under
12 this section. Funds allocated under this section that are not
13 expended in the state fiscal year for which they were allocated, as
14 determined by the department, may be used to supplement the
15 allocations under sections 22a and 51c in order to fully fund those
16 calculated allocations for the same fiscal year.

17 (2) Subject to subsection (3) and section 11, the allocation
18 to a district under this section shall be an amount equal to the
19 sum of the amounts calculated under sections 20, 20j, 51a(2),
20 51a(3), and 51a(12), minus the sum of the allocations to the
21 district under sections 22a and 51c.

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

1 require annual assessments at additional grade levels, in order to
2 receive an allocation under this section each district shall comply
3 with that requirement.

4 (4) From the allocation in subsection (1), the department
5 shall pay up to \$1,000,000.00 in litigation costs incurred by this
6 state associated with lawsuits filed by 1 or more districts or
7 intermediate districts against this state. If the allocation under
8 this section is insufficient to fully fund all payments required
9 under this section, the payments under this subsection shall be
10 made in full before any proration of remaining payments under this
11 section.

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

27 (6) If the local claims review board or a court of competent

1 jurisdiction makes a final determination that this state is in
2 violation of section 29 of article IX of the state constitution of
3 1963 regarding state payments to districts, the state budget
4 director shall use work project funds under subsection (5) or
5 allocate from the discretionary funds for nonmandated payments
6 under this section the amount as may be necessary to satisfy the
7 amount owed to districts before making any payments to districts
8 under subsection (2).

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

17 (8) If payments resulting from a final determination by the
18 local claims review board or a court of competent jurisdiction that
19 there has been a violation of section 29 of article IX of the state
20 constitution of 1963 exceed the amount allocated for discretionary
21 nonmandated payments under this section, the legislature shall
22 provide for adequate funding for this state's constitutional
23 obligations at its next legislative session.

24 (9) If a lawsuit challenging payments made to districts
25 related to costs reimbursed by federal title XIX medicaid funds is
26 filed against this state during 2001-2002, 2002-2003, or 2003-2004,
27 50% of the amount allocated in subsection (1) not previously paid

1 out for 2002-2003, 2003-2004, and each succeeding fiscal year is a
2 work project appropriation and the funds are carried forward into
3 the following fiscal year. The purpose of the work project is to
4 provide for any payments that may be awarded to districts as a
5 result of the litigation. The work project shall be completed upon
6 resolution of the litigation. In addition, this state reserves the
7 right to terminate future federal title XIX medicaid reimbursement
8 payments to districts if the amount or allocation of reimbursed
9 funds is challenged in the lawsuit. As used in this subsection,
10 "title XIX" means title XIX of the social security act, 42 USC 1396
11 to 1396v.

12 **SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
13 **ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$41,200,000.00 TO**
14 **MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE**
15 **OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20 FOR 2006-2007 OF**
16 **LESS THAN \$7,160.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN**
17 **AMOUNT CALCULATED BY SUBTRACTING THE DISTRICT'S 2006-2007**
18 **FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT FROM \$7,160.00 AND**
19 **MULTIPLYING THE RESULT BY THE DISTRICT'S MEMBERSHIP.**

20 Sec. 22d. (1) From the amount allocated under section 22b, an
21 amount not to exceed \$750,000.00 is allocated for ~~2005-2006~~ 2006-
22 2007 for additional payments to small, geographically isolated
23 districts under this section.

24 (2) To be eligible for a payment under this section, a
25 district shall meet all of the following:

- 26 (a) Operates grades K to 12.
27 (b) Has fewer than 250 pupils in membership.

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

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

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

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

23 **SEC. 22E. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
24 **ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$100.00 FOR DEFICIT**
25 **ADJUSTMENTS.**

26 Sec. 24. (1) From the appropriation in section 11, there is
27 allocated for ~~2005-2006~~ 2006-2007 an amount not to exceed

1 ~~\$8,000,000.00~~ **\$10,000,000.00** for payments to the educating
2 district or intermediate district for educating pupils assigned by
3 a court or the department of human services to reside in or to
4 attend a juvenile detention facility or child caring institution
5 licensed by the department of human services and approved by the
6 department to provide an on-grounds education program. The amount
7 of the payment under this section to a district or intermediate
8 district shall be calculated as prescribed under subsection (2).

9 (2) ~~For 2005-2006, 70% of the total amount allocated under~~
10 ~~this section shall be allocated by paying to the educating district~~
11 ~~or intermediate district an amount equal to the lesser of the~~
12 ~~district's or intermediate district's added cost or the~~
13 ~~department's approved per pupil allocation for the district or~~
14 ~~intermediate district, and 30% of the total amount allocated under~~
15 ~~this section shall be allocated by paying to the educating district~~
16 ~~or intermediate district an amount equal to the district's or~~
17 ~~intermediate district's added cost.~~ For 2006-2007, 80% of the
18 total amount allocated under this section shall be allocated by
19 paying to the educating district or intermediate district an amount
20 equal to the lesser of the district's or intermediate district's
21 added cost or the department's approved per pupil allocation for
22 the district or intermediate district, and 20% of the total amount
23 allocated under this section shall be allocated by paying to the
24 educating district or intermediate district an amount equal to the
25 district's or intermediate district's added cost. For 2007-2008,
26 90% of the total amount allocated under this section shall be
27 allocated by paying to the educating district or intermediate

1 district an amount equal to the lesser of the district's or
2 intermediate district's added cost or the department's approved per
3 pupil allocation for the district or intermediate district, and 10%
4 of the total amount allocated under this section shall be allocated
5 by paying to the educating district or intermediate district an
6 amount equal to the district's or intermediate district's added
7 cost. Beginning with allocations for 2008-2009, 100% of the total
8 amount allocated under this section shall be allocated by paying to
9 the educating district or intermediate district an amount equal to
10 the lesser of the district's or intermediate district's added cost
11 or the department's approved per pupil allocation for the district
12 or intermediate district. For the purposes of this subsection:

13 (a) "Added cost" means 100% of the added cost each fiscal year
14 for educating all pupils assigned by a court or the department of
15 human services to reside in or to attend a juvenile detention
16 facility or child caring institution licensed by the department of
17 human services or the department of labor and economic growth and
18 approved by the department to provide an on-grounds education
19 program. Added cost shall be computed by deducting all other
20 revenue received under this act for pupils described in this
21 section from total costs, as approved by the department, in whole
22 or in part, for educating those pupils in the on-grounds education
23 program or in a program approved by the department that is located
24 on property adjacent to a juvenile detention facility or child
25 caring institution. Costs reimbursed by federal funds are not
26 included.

27 (b) "Department's approved per pupil allocation" for a

1 district or intermediate district shall be determined by dividing
2 the total amount allocated under this section for a fiscal year by
3 the full-time equated membership total for all pupils approved by
4 the department to be funded under this section for that fiscal year
5 for the district or intermediate district.

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

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

17 **SEC. 24A. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
18 **ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR 2006-2007 FOR**
19 **PAYMENTS TO INTERMEDIATE DISTRICTS FOR PUPILS WHO ARE PLACED IN**
20 **JUVENILE JUSTICE SERVICE FACILITIES OPERATED BY THE DEPARTMENT OF**
21 **HUMAN SERVICES. EACH INTERMEDIATE DISTRICT SHALL RECEIVE AN AMOUNT**
22 **EQUAL TO THE STATE SHARE OF THOSE COSTS THAT ARE CLEARLY AND**
23 **DIRECTLY ATTRIBUTABLE TO THE EDUCATIONAL PROGRAMS FOR PUPILS PLACED**
24 **IN FACILITIES DESCRIBED IN THIS SECTION THAT ARE LOCATED WITHIN THE**
25 **INTERMEDIATE DISTRICT'S BOUNDARIES. THE INTERMEDIATE DISTRICTS**
26 **RECEIVING PAYMENTS UNDER THIS SECTION SHALL COOPERATE WITH THE**
27 **DEPARTMENT OF HUMAN SERVICES TO ENSURE THAT ALL FUNDING ALLOCATED**

1 UNDER THIS SECTION IS UTILIZED BY THE INTERMEDIATE DISTRICT AND
2 DEPARTMENT OF HUMAN SERVICES FOR EDUCATIONAL PROGRAMS FOR PUPILS
3 DESCRIBED IN THIS SECTION. PUPILS DESCRIBED IN THIS SECTION ARE NOT
4 ELIGIBLE TO BE FUNDED UNDER SECTION 24. HOWEVER, A PROGRAM
5 RESPONSIBILITY OR OTHER FISCAL RESPONSIBILITY ASSOCIATED WITH THESE
6 PUPILS SHALL NOT BE TRANSFERRED FROM THE DEPARTMENT OF HUMAN
7 SERVICES TO A DISTRICT OR INTERMEDIATE DISTRICT UNLESS THE DISTRICT
8 OR INTERMEDIATE DISTRICT CONSENTS TO THE TRANSFER.

9 SEC. 24C. FROM THE APPROPRIATION IN SECTION 11, THERE IS
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,253,100.00 FOR 2006-2007 FOR
11 PAYMENTS TO DISTRICTS FOR PUPILS WHO ARE ENROLLED IN A NATIONALLY
12 ADMINISTERED COMMUNITY BASED EDUCATION AND YOUTH MENTORING PROGRAM,
13 KNOWN AS THE YOUTH CHALLENGE PROGRAM, THAT IS LOCATED WITHIN THE
14 DISTRICT AND IS ADMINISTERED BY THE DEPARTMENT OF MILITARY AND
15 VETERAN'S AFFAIRS. A DISTRICT RECEIVING PAYMENTS UNDER THIS SECTION
16 SHALL CONTRACT WITH THE DEPARTMENT OF MILITARY AND VETERAN'S
17 AFFAIRS TO ENSURE THAT ALL FUNDING ALLOCATED UNDER THIS SECTION IS
18 UTILIZED BY THE DISTRICT AND THE DEPARTMENT OF MILITARY AND
19 VETERAN'S AFFAIRS FOR THE YOUTH CHALLENGE PROGRAM.

20 Sec. 25a. If a pupil described in section ~~6(6)(g)~~ 6(6)(F)
21 enrolls pursuant to section ~~6(6)(g)~~ 6(6)(F) during a school year
22 in a district other than the district in which the pupil is counted
23 in membership, the educating district shall report the enrollment
24 information to the department and to the district in which the
25 pupil is counted in membership, and the district in which the pupil
26 is counted in membership shall pay to the educating district an
27 amount equal to the amount of the foundation allowance received by

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1 the district in which the pupil is counted in membership, prorated
 2 according to the number of days of the school year ending in the
 3 fiscal year the pupil is educated in the educating district
 4 compared to the number of days of the school year ending in the
 5 fiscal year the pupil was actually enrolled in the district in
 6 which the pupil is counted in membership. If a district does not
 7 make the payment required under this section within 30 days after
 8 receipt of the report, the department shall calculate the amount
 9 owed, shall deduct that amount from the remaining state school aid
 10 payments to the district for that fiscal year under this act, and
 11 shall pay that amount to the educating district. The district in
 12 which the pupil is counted in membership and the educating district
 13 shall provide to the department all information the department
 14 requires to enforce this section.

15 Sec. 26a. From the **STATE SCHOOL AID FUND** appropriation in
 16 section 11, there is allocated an amount not to exceed
 17 ~~\$45,000,000.00~~ <<**\$37,900,000.00**>> for ~~2005-2006~~ **2006-2007, AND FROM**
 18 **THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN**
 19 **AMOUNT NOT TO EXCEED <<\$12,300,000.00>> FOR 2006-2007** to reimburse
 20 districts, intermediate districts, and the state school aid fund
 21 pursuant to section 12 of the Michigan renaissance zone act, 1996
 22 PA 376, MCL 125.2692, for taxes levied in ~~2005~~ **2006** or for
 23 payments to districts as reimbursement for interest paid as a
 24 result of property tax refunds. The allocations shall be made not
 25 later than 60 days after the department of treasury certifies to
 26 the department and to the state budget director that the department
 27 of treasury has received all necessary information to properly

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(1 of 2)

1 determine the amounts due to each eligible recipient.

2 Sec. 26b. (1) ~~Beginning in 2005-2006, there is allocated from~~
 3 **FROM** the general fund appropriation in section 11, **THERE IS**
 4 **ALLOCATED FOR 2006-2007** an amount not to exceed \$2,400,000.00 for
 5 payments to districts, intermediate districts, and community
 6 college districts for the portion of the payment in lieu of taxes
 7 obligation that is attributable to districts, intermediate
 8 districts, and community college districts pursuant to section 2154
 9 of the natural resources and environmental protection act, 1994 PA
 10 451, MCL 324.2154.

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

**<<SEC. 29. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
 ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2006-2007 FOR ADDITIONAL
 PAYMENTS TO ELIGIBLE DISTRICTS FOR DECLINING ENROLLMENT ASSISTANCE.**

**(2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF ALL
 OF THE FOLLOWING APPLY:**

**(A) THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR IS
 LESS THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR THE IMMEDIATELY PRECEDING
 FISCAL YEAR AND THE DISTRICT'S PUPIL MEMBERSHIP FOR THE IMMEDIATELY
 PRECEDING FISCAL YEAR IS LESS THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR
 THE PREVIOUSLY PRECEDING FISCAL YEAR AS CALCULATED UNDER SECTION 6 FOR
 THAT FISCAL YEAR.**

**(B) THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP 1 IS GREATER THAN THE
 DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR AS CALCULATED
 UNDER SECTION 6.**

**(C) THE DISTRICT IS NOT ELIGIBLE TO RECEIVE FUNDING UNDER SECTIONS
 6(4)(Y) OR 22D OF THIS ACT.**

**(3) PAYMENTS TO EACH ELIGIBLE DISTRICT SHALL BE EQUAL TO THE
 DIFFERENCE BETWEEN THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP AND THE
 DISTRICT'S PUPIL MEMBERSHIP AS CALCULATED UNDER SECTION 6 FOR THE CURRENT
 FISCAL YEAR MULTIPLIED BY THE DISTRICT'S FOUNDATION ALLOWANCE AS
 CALCULATED UNDER SECTION 20. IF THE TOTAL AMOUNT OF THE PAYMENTS
 CALCULATED UNDER THIS SUBSECTION EXCEEDS THE ALLOCATION FOR THIS SECTION,
 THE PAYMENT TO EACH DISTRICT SHALL BE PRORATED ON AN EQUAL PERCENTAGE
 BASIS.**

**(4) FOR THE PURPOSES OF THIS SECTION, "AVERAGE PUPIL MEMBERSHIP"
 MEANS THE AVERAGE OF THE DISTRICT'S MEMBERSHIP FOR THE 3-FISCAL-YEAR
 PERIOD ENDING WITH THE CURRENT FISCAL YEAR, CALCULATED BY ADDING THE
 DISTRICT'S ACTUAL MEMBERSHIP FOR EACH OF THOSE 3 FISCAL YEARS, AS**

OTHERWISE CALCULATED UNDER SECTION 6, AND DIVIDING THE SUM OF THOSE 3 MEMBERSHIP FIGURES BY 3.>>

15 Sec. 31a. (1) From the money appropriated in section 11, there
16 is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed
17 ~~\$314,200,000.00~~ **<<\$321,350,000.00>>** for payments to eligible districts
18 and eligible public school academies under this section. Subject to
19 subsection ~~-(12)-~~ **<<(13)>>**, the amount of the additional allowance
20 under this section, **OTHER THAN FUNDING UNDER SUBSECTION <<(6) OR (7)**
21 **>>**, shall be based on the number of actual pupils in membership
22 in the district or public school academy who met the income
23 eligibility criteria for free breakfast, lunch, or milk in the
24 immediately preceding state fiscal year, as determined under the
25 Richard B. Russell national school lunch act, 42 USC 1751 to ~~1769h~~
26 **1769I**, and reported to the department by October 31 of the
27 immediately preceding fiscal year and adjusted not later than

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1 December 31 of the immediately preceding fiscal year. However, for
2 a public school academy that began operations as a public school
3 academy after the pupil membership count day of the immediately
4 preceding school year, the basis for the additional allowance under
5 this section shall be the number of actual pupils in membership in
6 the public school academy who met the income eligibility criteria
7 for free breakfast, lunch, or milk in the current state fiscal
8 year, as determined under the Richard B. Russell national school
9 lunch act.

10 (2) To be eligible to receive funding under this section,
11 other than funding under subsection (6) << OR (7) >>, a district or
12 public school academy that has not been previously determined to be
13 eligible shall apply to the department, in a form and manner
14 prescribed by the department, and a district or public school
15 academy must meet all of the following:

16 (a) The sum of the district's or public school academy's
17 combined state and local revenue per membership pupil in the
18 current state fiscal year, as calculated under section 20, plus the
19 amount of the district's per pupil allocation under section 20j(2),
20 is less than or equal to \$6,500.00 adjusted by the dollar amount of
21 the difference between the basic foundation allowance under section
22 20 for the current state fiscal year and \$5,000.00, minus \$200.00.

23 (b) The district or public school academy agrees to use the
24 funding only for purposes allowed under this section and to comply
25 with the program and accountability requirements under this
26 section.

27 (3) Except as otherwise provided in this subsection, an

1 eligible district or eligible public school academy shall receive
2 under this section for each membership pupil in the district or
3 public school academy who met the income eligibility criteria for
4 free breakfast, lunch, or milk, as determined under the Richard B.
5 Russell national school lunch act and as reported to the department
6 by October 31 of the immediately preceding fiscal year and adjusted
7 not later than December 31 of the immediately preceding fiscal
8 year, an amount per pupil equal to 11.5% of the sum of the
9 district's foundation allowance or public school academy's per
10 pupil amount calculated under section 20, plus the amount of the
11 district's per pupil allocation under section 20j(2), not to exceed
12 \$6,500.00 adjusted by the dollar amount of the difference between
13 the basic foundation allowance under section 20 for the current
14 state fiscal year and \$5,000.00, minus \$200.00, or of the public
15 school academy's per membership pupil amount calculated under
16 section 20 for the current state fiscal year. A public school
17 academy that began operations as a public school academy after the
18 pupil membership count day of the immediately preceding school year
19 shall receive under this section for each membership pupil in the
20 public school academy who met the income eligibility criteria for
21 free breakfast, lunch, or milk, as determined under the Richard B.
22 Russell national school lunch act and as reported to the department
23 by October 31 of the current fiscal year and adjusted not later
24 than December 31 of the current fiscal year, an amount per pupil
25 equal to 11.5% of the public school academy's per membership pupil
26 amount calculated under section 20 for the current state fiscal
27 year.

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

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

7 (5) Except as otherwise provided in subsection ~~-(11)-~~ **<<(12)>>**, a
 8 district or public school academy that receives funds under this
 9 section and that operates a school breakfast program under section
 10 1272a of the revised school code, MCL 380.1272a, shall use from the
 11 funds received under this section an amount, not to exceed \$10.00
 12 per pupil for whom the district or public school academy receives
 13 funds under this section, necessary to operate the school breakfast
 14 program.

15 (6) From the funds allocated under subsection (1), there is
 16 allocated for ~~2005-2006-~~ **2006-2007** an amount not to exceed
 17 ~~\$3,743,000.00-~~ **\$5,743,000.00** to support ~~teen~~ **CHILD AND ADOLESCENT**
 18 **health centers. FROM THE FUNDS ALLOCATED IN THIS SUBSECTION,**
 19 **\$2,000,000.00 SHALL BE AWARDED TO THE 11 CHILD AND ADOLESCENT**
 20 **HEALTH CENTERS THAT RECEIVED PLANNING GRANTS FROM THE DEPARTMENT OF**
 21 **COMMUNITY HEALTH IN 2005 AND WERE APPROVED FOR OPERATING A CENTER,**
 22 **BUT FOR WHICH OPERATING FUNDS WERE NOT AWARDED.** These grants shall
 23 be awarded for ~~-3-~~ **5** consecutive years beginning with 2003-2004 in
 24 a form and manner approved jointly by the department and the
 25 department of community health. Each grant recipient shall remain
 26 in compliance with the terms of the grant award or shall forfeit
 27 the grant award for the duration of the ~~-3-year-~~ **5-YEAR** period

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1 after the noncompliance. Beginning in 2004-2005, to continue to
 2 receive funding for a ~~teen~~ **CHILD AND ADOLESCENT** health center
 3 under this section a grant recipient shall ensure that the ~~teen~~
 4 **CHILD AND ADOLESCENT** health center has an advisory committee and
 5 that at least one-third of the members of the advisory committee
 6 are parents or legal guardians of school-aged children. A ~~teen~~
 7 **CHILD AND ADOLESCENT** health center program shall recognize the role
 8 of a child's parents or legal guardian in the physical and
 9 emotional well-being of the child. **FUNDING UNDER THIS SUBSECTION**
 10 **SHALL BE USED TO SUPPORT CHILD AND ADOLESCENT HEALTH CENTER**
 11 **SERVICES PROVIDED TO CHILDREN UP TO AGE 21.** If any funds allocated
 12 under this subsection are not used for the purposes of this
 13 subsection for the fiscal year in which they are allocated, those
 14 unused funds shall be used that fiscal year to avoid or minimize
 15 any proration that would otherwise be required under subsection
 16 ~~(12)~~ **<<(13)>>** for that fiscal year.

17 (7) **FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS**
 18 **ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$5,150,000.00 FOR**
 19 **PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR THE STATE**
 20 **PORTION OF THE HEARING AND VISION SCREENINGS AS DESCRIBED IN**
 21 **SECTION 9301 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.9301.**
 22 **A LOCAL PUBLIC HEALTH DEPARTMENT SHALL PAY AT LEAST 50% OF THE**
 23 **TOTAL COST OF THE SCREENINGS. THE FREQUENCY OF THE SCREENINGS SHALL**
 24 **BE AS REQUIRED UNDER R 325.13091 TO R 325.13096 AND R 325.3271 TO R**
 25 **325.3276 OF THE MICHIGAN ADMINISTRATIVE CODE.**

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

23 <<(9)>> ~~-(8)-~~ In order to receive funds under this section, a
24 district or public school academy shall allow access for the
25 department or the department's designee to audit all records
26 related to the program for which it receives those funds. The
27 district or public school academy shall reimburse the state for all

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1 disallowances found in the audit.

2 <<(10)>> ~~-(9)-~~ Subject to subsections (5), (6), <<(7), AND (12) and
3 ~~(11)-~~ >>, any district may use up to 100% of the funds it
4 receives under this section to reduce the ratio of pupils to
5 teachers in grades K-6, or any combination of those grades, in
6 school buildings in which the percentage of pupils described in
7 subsection (1) exceeds the district's aggregate percentage of those
8 pupils. Subject to subsections (5), (6), <<(7), AND (12) and ~~-(11)-~~
9 >>,

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

21 <<(11)>> ~~-(10)-~~ A district or public school academy may use funds
22 received under this section for adult high school completion,
23 general educational development (G.E.D.) test preparation, adult
24 English as a second language, or adult basic education programs
25 described in section 107.

26 <<(12)>> ~~-(11)-~~ For an individual school or schools operated by a
27 district or public school academy receiving funds under this
section that have been determined by the department to meet the

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1 adequate yearly progress standards of the federal no child left
2 behind act of 2001, Public Law 107-110, in both mathematics and
3 English language arts at all applicable grade levels for all
4 applicable subgroups, the district or public school academy may
5 submit to the department an application for flexibility in using
6 the funds received under this section that are attributable to the
7 pupils in the school or schools. The application shall identify the
8 affected school or schools and the affected funds and shall contain
9 a plan for using the funds for specific purposes identified by the
10 district that are designed to benefit at-risk pupils in the school,
11 but that may be different from the purposes otherwise allowable
12 under this section. The department shall approve the application if
13 the department determines that the purposes identified in the plan
14 are reasonably designed to benefit at-risk pupils in the school. If
15 the department does not act to approve or disapprove an application
16 within 30 days after it is submitted to the department, the
17 application is considered to be approved. If an application for
18 flexibility in using the funds is approved, the district may use
19 the funds identified in the application for any purpose identified
20 in the plan.

21 <<(13)>> ~~-(12)-~~ If necessary, and before any proration required
22 under section 11, the department shall prorate payments under this
23 section by reducing the amount of the per pupil payment under this
24 section by a dollar amount calculated by determining the amount by
25 which the amount necessary to fully fund the requirements of this
26 section exceeds the maximum amount allocated under this section and
27 then dividing that amount by the total statewide number of pupils

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1 who met the income eligibility criteria for free breakfast, lunch,
2 or milk in the immediately preceding fiscal year, as described in
3 subsection (1).

4 <<(14)>> ~~—(13)—~~ If a district is formed by consolidation after
5 June 1, 1995, and if 1 or more of the original districts was not
6 eligible before the consolidation for an additional allowance under
7 this section, the amount of the additional allowance under this
8 section for the consolidated district shall be based on the number
9 of pupils described in subsection (1) enrolled in the consolidated
10 district who reside in the territory of an original district that
11 was eligible before the consolidation for an additional allowance
12 under this section.

13 <<(15)>> ~~—(14)—~~ A district or public school academy that does not
14 meet the eligibility requirement under subsection (2)(a) is
15 eligible for funding under this section if at least 1/4 of the
16 pupils in membership in the district or public school academy met
17 the income eligibility criteria for free breakfast, lunch, or milk
18 in the immediately preceding state fiscal year, as determined and
19 reported as described in subsection (1), and at least 4,500 of the
20 pupils in membership in the district or public school academy met
21 the income eligibility criteria for free breakfast, lunch, or milk
22 in the immediately preceding state fiscal year, as determined and
23 reported as described in subsection (1). A district or public
24 school academy that is eligible for funding under this section
25 because the district meets the requirements of this subsection
26 shall receive under this section for each membership pupil in the
27 district or public school academy who met the income eligibility

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1 criteria for free breakfast, lunch, or milk in the immediately
2 preceding fiscal year, as determined and reported as described in
3 subsection (1), an amount per pupil equal to 11.5% of the sum of
4 the district's foundation allowance or public school academy's per
5 pupil allocation under section 20, plus the amount of the
6 district's per pupil allocation under section 20j(2), not to exceed
7 \$6,500.00 adjusted by the dollar amount of the difference between
8 the basic foundation allowance under section 20 for the current
9 state fiscal year and \$5,000.00, minus \$200.00.

10 <<(16)>> ~~—(15)—~~ As used in this section, "at-risk pupil" means a
11 pupil for whom the district has documentation that the pupil meets
12 at least 2 of the following criteria: is a victim of child abuse or
13 neglect; is below grade level in English language and communication
14 skills or mathematics; is a pregnant teenager or teenage parent; is
15 eligible for a federal free or reduced-price lunch subsidy; has
16 atypical behavior or attendance patterns; or has a family history
17 of school failure, incarceration, or substance abuse. For pupils
18 for whom the results of at least the applicable Michigan education
19 assessment program (MEAP) test have been received, at-risk pupil
20 also includes a pupil who does not meet the other criteria under
21 this subsection but who did not achieve at least a score of level 2
22 on the most recent MEAP English language arts, mathematics, or
23 science test for which results for the pupil have been received.
24 For pupils for whom the results of the Michigan merit examination
25 have been received, at-risk pupil also includes a pupil who does
26 not meet the other criteria under this subsection but who did not
27 achieve proficiency on the reading component of the most recent

1 Michigan merit examination for which results for the pupil have
2 been received, did not achieve proficiency on the mathematics
3 component of the most recent Michigan merit examination for which
4 results for the pupil have been received, or did not achieve basic
5 competency on the science component of the most recent Michigan
6 merit examination for which results for the pupil have been
7 received. For pupils in grades K-3, at-risk pupil also includes a
8 pupil who is at risk of not meeting the district's core academic
9 curricular objectives in English language arts or mathematics.

10 **SEC. 31C. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
11 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,875,000.00 FOR 2006-2007**
12 **FOR GRANTS TO ELIGIBLE DISTRICTS TO FUND PILOT PROGRAMS DESIGNED TO**
13 **ADDRESS THE NEEDS OF PUPILS WHOSE PARENT OR PARENTS ARE**
14 **INCARCERATED. FOR THE PURPOSES OF THIS SECTION, ELIGIBLE DISTRICTS**
15 **ARE THOSE FOR WHICH THE QUOTIENT OF PUPILS IN MEMBERSHIP ELIGIBLE**
16 **FOR FREE BREAKFAST, MILK, OR LUNCH AS DETERMINED UNDER THE RICHARD**
17 **B. RUSSELL NATIONAL SCHOOL LUNCH ACT AND AS REPORTED TO THE**
18 **DEPARTMENT BY OCTOBER 31, 2005 AND ADJUSTED NOT LATER THAN DECEMBER**
19 **31, 2005, DIVIDED BY THE DISTRICT'S CURRENT YEAR MEMBERSHIP IS AT**
20 **LEAST 0.6.**

21 **(2) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, UPON**
22 **APPROVAL BY THE DEPARTMENT EACH DISTRICT ELIGIBLE FOR FUNDING UNDER**
23 **THIS SECTION SHALL RECEIVE A GRANT OF \$75,000.00. IF THE DISTRICT**
24 **IS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL**
25 **CODE, THEN UPON APPROVAL BY THE DEPARTMENT THE DISTRICT SHALL**
26 **RECEIVE A GRANT OF \$150,000.00. A DISTRICT MUST SUBMIT A GRANT**
27 **APPLICATION INDICATING THE SERVICES TO BE PROVIDED WITH GRANT FUNDS**

1 TO THE DEPARTMENT BY NOVEMBER 15, 2006, AND THE DEPARTMENT SHALL
2 NOTIFY ELIGIBLE DISTRICTS OF THEIR GRANT STATUS BY JANUARY 15,
3 2007. AS PART OF THE PILOT PROGRAM, A DISTRICT AWARDED FUNDING
4 UNDER THIS SECTION SHALL DO AT LEAST ALL OF THE FOLLOWING:

5 (A) PROVIDE VIDEO CONFERENCING OR AUDIO CONFERENCING
6 OPPORTUNITIES, OR BOTH, BETWEEN A DISTRICT PUPIL AND HIS OR HER
7 INCARCERATED PARENT OR PARENTS ON A REGULAR BASIS.

8 (B) PROVIDE ACADEMIC OR SOCIAL SUPPORT BY QUALIFIED PERSONS TO
9 PUPILS WHOSE PARENT OR PARENTS ARE INCARCERATED.

10 (3) IF GRANT FUNDS REMAIN UNALLOCATED AFTER THE DEPARTMENT
11 DETERMINES THE GRANT STATUS OF ELIGIBLE DISTRICTS, THEN THE
12 REMAINING FUNDS SHALL BE DISTRIBUTED TO DISTRICTS APPROVED FOR
13 FUNDING ON AN EQUAL PERCENTAGE BASIS.

14 (4) NOT LATER THAN NOVEMBER 15, 2007, A DISTRICT THAT RECEIVED
15 A GRANT UNDER THIS SECTION IN 2006-2007 SHALL SUBMIT TO THE
16 DEPARTMENT A SUMMARY OF ACTIVITIES PROVIDED WITH THE GRANT FUNDS,
17 NUMBER OF PUPILS SERVED, AND AN EVALUATION OF WHETHER THE PROGRAM
18 WAS SUCCESSFUL.

19 Sec. 31d. (1) From the appropriations in section 11, there is
20 allocated an amount not to exceed \$22,495,100.00 for ~~2005-2006~~
21 2006-2007 for the purpose of making payments to districts and other
22 eligible entities under this section.

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

1 computed by the department using the methods of calculation adopted
2 by the Michigan supreme court in the consolidated cases known as
3 Durant v State of Michigan, Michigan supreme court docket no.
4 104458-104492.

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

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

15 (5) From the federal funds appropriated in section 11, there
16 is allocated for ~~2005-2006~~ **2006-2007** all available federal
17 funding, estimated at ~~\$303,684,000.00~~ **\$320,000,000.00**, for the
18 national school lunch program and all available federal funding,
19 estimated at \$2,506,000.00, for the emergency food assistance
20 program.

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

24 Sec. 31f. (1) From the appropriations in section 11, there is
25 allocated an amount not to exceed ~~\$0.00 for 2004-2005~~
26 **\$9,625,000.00 FOR 2006-2007** for the purpose of making payments to
27 districts to reimburse for the cost of providing breakfast. ~~The~~

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1 ~~funds appropriated under this section shall be made available to~~
 2 ~~all eligible applicant districts as determined under section 702 of~~
 3 ~~2004 PA 346.~~

4 (2) THE FUNDS ALLOCATED UNDER THIS SECTION FOR SCHOOL
 5 BREAKFAST PROGRAMS SHALL BE MADE AVAILABLE TO ALL ELIGIBLE
 6 APPLICANT DISTRICTS THAT MEET ALL OF THE FOLLOWING CRITERIA:

7 (A) THE DISTRICT PARTICIPATES IN THE FEDERAL SCHOOL BREAKFAST
 8 PROGRAM AND MEETS ALL STANDARDS AS PRESCRIBED BY 7 CFR PARTS 220
 9 AND 245.

10 (B) EACH BREAKFAST ELIGIBLE FOR PAYMENT MEETS THE FEDERAL
 11 STANDARDS DESCRIBED IN SUBDIVISION (A).

12 (3) THE PAYMENT FOR A DISTRICT UNDER THIS SECTION IS AT A PER
 13 MEAL RATE EQUAL TO THE LESSER OF THE DISTRICT'S ACTUAL COST OR 100%
 14 OF THE COST OF A BREAKFAST SERVED BY AN EFFICIENTLY OPERATED
 15 BREAKFAST PROGRAM AS DETERMINED BY THE DEPARTMENT, LESS FEDERAL
 16 REIMBURSEMENT, PARTICIPANT PAYMENTS, AND OTHER STATE REIMBURSEMENT.
 17 DETERMINATION OF EFFICIENT COST BY THE DEPARTMENT SHALL BE
 18 DETERMINED BY USING A STATISTICAL SAMPLING OF STATEWIDE AND
 19 REGIONAL COST AS REPORTED IN A MANNER APPROVED BY THE DEPARTMENT
 20 FOR THE PRECEDING SCHOOL YEAR.

21 SEC. 32. FROM THE APPROPRIATIONS IN SECTION 11 FOR 2006-2007,
 22 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$91,000,100.00 FROM THE
 23 STATE SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED <<\$12,950,000.00>>
 24 FROM THE GENERAL FUND TO FUND THE GREAT START EARLY CHILDHOOD
 25 PROGRAMS, AS PROVIDED UNDER SECTIONS 32B, 32C, 32D, 32J, <<32K,>> 32I,
 AND
 26 32M. THE PROGRAMS FUNDED UNDER THIS SECTION PROVIDE A COMPREHENSIVE
 27 EARLY CHILDHOOD SYSTEM WITH THE PURPOSES OF CREATING A COORDINATED

1 COLLABORATIVE SYSTEM FOR EARLY LEARNING, IMPROVING PARENTING
2 SKILLS, ENCOURAGING EARLY MATHEMATICS AND READING LITERACY
3 TRAINING, IMPROVING SCHOOL READINESS, AND MITIGATING THE NEED FOR
4 SPECIAL EDUCATION SERVICES.

5 SEC. 32B. (1) FROM THE FUNDS ALLOCATED UNDER SECTION 32, THERE
6 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2006-2007 FOR
7 COMPETITIVE GRANTS TO INTERMEDIATE DISTRICTS FOR THE CREATION OF
8 GREAT START COMMUNITIES OR OTHER COMMUNITY PURPOSES AS IDENTIFIED
9 BY THE EARLY CHILDHOOD INVESTMENT CORPORATION. THESE DOLLARS MAY
10 NOT BE EXPENDED UNTIL THE EARLY CHILDHOOD INVESTMENT CORPORATION
11 HAS IDENTIFIED MATCHING DOLLARS OF AT LEAST AN EQUAL AMOUNT.

12 (2) THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL AWARD
13 GRANTS TO ELIGIBLE INTERMEDIATE DISTRICTS IN AN AMOUNT TO BE
14 DETERMINED BY THE CORPORATION.

15 (3) IN ORDER TO RECEIVE FUNDING, EACH INTERMEDIATE DISTRICT
16 APPLICANT SHALL AGREE TO CONVENE LOCAL GREAT START COLLABORATIVES
17 TO ADDRESS THE AVAILABILITY OF THE 6 COMPONENTS OF A GREAT START
18 SYSTEM IN ITS COMMUNITIES: PHYSICAL HEALTH, SOCIAL-EMOTIONAL
19 HEALTH, FAMILY SUPPORTS, BASIC NEEDS, ECONOMIC STABILITY AND
20 SAFETY, AND PARENTING EDUCATION AND EARLY EDUCATION AND CARE, TO
21 ENSURE THAT EVERY CHILD IN THE COMMUNITY IS READY FOR KINDERGARTEN.
22 SPECIFICALLY, EACH GRANT WILL FUND THE FOLLOWING:

23 (A) A COMMUNITY NEEDS ASSESSMENT AND STRATEGIC PLAN FOR THE
24 DEVELOPMENT OF A COMPREHENSIVE SYSTEM OF EARLY CHILDHOOD SERVICES
25 AND SUPPORTS, ACCESSIBLE TO ALL CHILDREN FROM BIRTH TO KINDERGARTEN
26 AND THEIR FAMILIES.

27 (B) IDENTIFICATION OF LOCAL RESOURCES AND SERVICES FOR

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1 CHILDREN WITH DISABILITIES, DEVELOPMENTAL DELAYS, OR SPECIAL NEEDS
2 AND THEIR FAMILIES.

3 (C) COORDINATION AND EXPANSION OF HIGH-QUALITY EARLY CHILDHOOD
4 AND CHILDCARE PROGRAMS.

5 (D) EVALUATION OF LOCAL PROGRAMS.

6 Sec. 32c. (1) From the ~~general fund appropriation in section~~
7 ~~11~~ **FUNDS ALLOCATED FROM THE GENERAL FUND UNDER SECTION 32**, there
8 is allocated an amount not to exceed ~~<<\$250,000.00~~ **<<\$500,000.00>>** for
~~2005-2006~~
9 **2006-2007** to the department for grants for community-based
10 collaborative prevention services designed to promote marriage and
11 foster positive parenting skills; improve parent/child interaction,
12 especially for children 0-3 years of age; promote access to needed
13 community services; increase local capacity to serve families at
14 risk; improve school readiness; and support healthy family
15 environments that discourage alcohol, tobacco, and other drug use.
16 The allocation under this section is to fund secondary prevention
17 programs as defined by the children's trust fund for the prevention
18 of child abuse and neglect.

19 (2) The funds allocated under subsection (1) shall be
20 distributed through a joint request for proposals process
21 established by the department in conjunction with the children's
22 trust fund and the ~~state's interagency systems reform~~ **INTERAGENCY**
23 **DIRECTOR'S** workgroup. Projects funded with grants awarded under
24 this section shall meet all of the following:

25 (a) Be secondary prevention initiatives and voluntary to
26 consumers. This appropriation is not intended to serve the needs of
27 children for whom and families in which neglect or abuse has been

1 substantiated.

2 (b) Demonstrate that the planned services are part of a
3 community's integrated comprehensive family support strategy
4 endorsed by the ~~local multi-purpose collaborative body~~ **COMMUNITY**
5 **COLLABORATIVE**.

6 (c) Provide a 25% local match, of which not more than 10% may
7 be in-kind services, unless this requirement is waived by the
8 interagency ~~systems reform~~ **DIRECTOR'S** workgroup.

9 (3) Notwithstanding section 17b, payments under this section
10 may be made pursuant to an agreement with the department.

11 (4) Not later than January 30 of the next fiscal year, the
12 department shall prepare and submit to the governor and the
13 legislature an annual report of outcomes achieved by the providers
14 of the community-based collaborative prevention services funded
15 under this section for a fiscal year.

16 Sec. 32d. (1) From ~~the state school aid fund money~~
17 ~~appropriated under section 11~~ **FUNDS ALLOCATED UNDER SECTION 32**,
18 there is allocated an amount not to exceed ~~\$72,600,000.00~~
19 **\$80,000,000.00** for ~~2005-2006~~ **2006-2007** for school readiness or
20 preschool and parenting program grants to enable eligible
21 districts, as determined under section 37, to develop or expand, in
22 conjunction with whatever federal funds may be available,
23 including, but not limited to, federal funds under title I of the
24 elementary and secondary education act of 1965, 20 USC 6301 to
25 6578, chapter 1 of title I of the Hawkins-Stafford elementary and
26 secondary school improvement amendments of 1988, Public Law 100-
27 297, and the head start act, 42 USC 9831 to ~~9852a~~ **9852**,

1 comprehensive compensatory programs designed to do 1 or both of the
2 following:

3 (a) Improve the readiness and subsequent achievement of
4 educationally disadvantaged children as defined by the department
5 who will be at least 4, but less than 5 years of age, as of
6 December 1 of the school year in which the programs are offered,
7 and who show evidence of 2 or more risk factors as defined in the
8 state board report entitled "children at risk" that was adopted by
9 the state board on April 5, 1988.

10 (b) Provide preschool and parenting education programs similar
11 to those under former section 32b as in effect for 2001-2002.

12 (2) A comprehensive compensatory program funded under this
13 section ~~may~~ **SHALL** include an age-appropriate educational
14 curriculum, **AS DESCRIBED IN THE EARLY CHILDHOOD STANDARDS OF**
15 **QUALITY FOR PREKINDERGARTEN CHILDREN ADOPTED BY THE STATE BOARD,**
16 **THAT PREPARES CHILDREN FOR SUCCESS IN SCHOOL, INCLUDING LANGUAGE,**
17 **EARLY LITERACY, AND EARLY MATHEMATICS. IN ADDITION, THE**
18 **COMPREHENSIVE PROGRAM SHALL INCLUDE** nutritional services, health
19 screening for participating children, a plan for parent and legal
20 guardian involvement, and provision of referral services for
21 families eligible for community social services.

22 (3) In addition to the allocation under subsection (1), from
23 the general fund money allocated under section ~~11~~ **32**, there is
24 allocated an amount not to exceed \$200,000.00 for ~~2005-2006~~ **2006-**
25 **2007** for a competitive grant to continue a longitudinal evaluation
26 of children who have participated in the Michigan school readiness
27 program.

1 (4) A district receiving a grant under this section may
2 contract for the provision of the comprehensive compensatory
3 program and retain for administrative services an amount equal to
4 not more than 5% of the grant amount. A district may expend not
5 more than 10% of the total grant amount for administration of the
6 program.

7 (5) A grant recipient receiving funds under this section shall
8 report to the department on the midyear report the number of
9 children participating in the program who meet the income or other
10 eligibility criteria specified under section 37(3)(g) and the total
11 number of children participating in the program. For children
12 participating in the program who meet the income or other
13 eligibility criteria specified under section 37(3)(g), grant
14 recipients shall also report whether or not a parent is available
15 to provide care based on employment status. For the purposes of
16 this subsection, "employment status" shall be defined by the
17 department of human services in a manner consistent with maximizing
18 the amount of spending that may be claimed for temporary assistance
19 for needy families maintenance of effort purposes.

20 Sec. 32j. (1) From the ~~appropriations in section 11~~ **FUNDS**
21 **ALLOCATED UNDER SECTION 32**, there is allocated an amount not to
22 exceed ~~\$3,326,000.00~~ **\$10,000,000.00** for ~~2005-2006~~ **2006-2007** for
23 great parents, great start grants to intermediate districts to
24 provide programs for parents with preschool children. The purpose
25 of these programs is to encourage early **MATHEMATICS AND READING**
26 literacy, improve school readiness, reduce the need for special
27 education services, and foster the maintenance of stable families

1 by encouraging positive parenting skills.

2 (2) To qualify for funding under this section, a program shall
3 provide services to all families with children age 5 or younger
4 residing within the intermediate district who choose to
5 participate, including at least all of the following services:

6 (a) Providing parents with information on child development
7 from birth to age 5.

8 (b) Providing parents with methods to enhance parent-child
9 interaction **THAT PROMOTE SOCIAL AND EMOTIONAL DEVELOPMENT FOR**
10 **INFANTS AND TODDLERS AND AGE-APPROPRIATE LANGUAGE, MATHEMATICS, AND**
11 **EARLY READING SKILLS**; including, but not limited to, encouraging
12 parents to read to their preschool children at least 1/2 hour per
13 day.

14 (c) Providing parents with examples of learning opportunities
15 to promote intellectual, physical, and social growth of
16 preschoolers, **INCLUDING THE ACQUISITION OF AGE-APPROPRIATE**
17 **LANGUAGE, MATHEMATICS, AND EARLY READING SKILLS.**

18 (d) Promoting access to needed community services through a
19 community-school-home partnership.

20 (e) Promoting marriage.

21 (3) To receive a grant under this section, an intermediate
22 district shall submit a plan to the department not later than
23 October 1, ~~2005~~ **2006** in the form and manner prescribed by the
24 department. The plan shall do all of the following in a manner
25 prescribed by the department:

26 (a) Provide a plan for the delivery of the program components
27 described in subsection (2) that provides for educators trained in

1 child development to help parents understand their role in their
2 child's developmental process, thereby promoting school readiness
3 and mitigating the need for special education services.

4 (b) Demonstrate an adequate collaboration of local entities
5 involved in providing programs and services for preschool children
6 and their parents.

7 (c) Provide a projected budget for the program to be funded.
8 The intermediate district shall provide at least a 20% local match
9 from local public or private resources for the funds received under
10 this section. Not more than 1/2 of this matching requirement, up to
11 a total of 10% of the total project budget, may be satisfied
12 through in-kind services provided by participating providers of
13 programs or services. In addition, not more than 10% of the grant
14 may be used for program administration.

15 (4) Each intermediate district receiving a grant under this
16 section shall agree to include a data collection system approved by
17 the department. The data collection system shall provide a report
18 by October 15 of each year on the number of children in families
19 with income below 200% of the federal poverty level that received
20 services under this program and the total number of children who
21 received services under this program.

22 (5) The department or superintendent, as applicable, shall do
23 all of the following:

24 (a) The superintendent shall approve or disapprove the plans
25 and notify the intermediate district of that decision not later
26 than November 15, ~~2005~~ 2006. The amount allocated by each
27 intermediate district shall be at least an amount equal to ~~3.5%~~

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1 300.66% of the intermediate district's ~~2002-2003~~ 2005-2006

2 payment under **THIS** section. ~~81.~~

3 (b) The department shall ensure that all programs funded under
4 this section utilize the most current validated research-based
5 methods and curriculum for providing the program components
6 described in subsection (2).

7 (c) The department shall submit a report to the state budget
8 director and the senate and house fiscal agencies summarizing the
9 data collection reports described in subsection (4) by December 1
10 of each year.

11 (6) An intermediate district receiving funds under this
12 section shall use the funds only for the program funded under this
13 section. An intermediate district receiving funds under this
14 section may carry over any unexpended funds received under this
15 section to subsequent fiscal years and may expend those unused
16 funds in subsequent fiscal years.

<<Sec. 32k. (1) From the funds ~~appropriated in section 11~~ **ALLOCATED UNDER SECTION 32**, there is allocated **FOR 2006-2007** an amount not to exceed \$0.00 for a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with the family independence agency under this section.

(3) The department shall, through a competitive bid process, provide grants or contracts up to \$0.00 in state school aid funds for the program based on community needs. A county shall receive no more than 20% of the funds allocated under this section for this program. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs funded under this section shall include, at a minimum, at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Academic assistance, including assistance with reading and writing.
- (e) Preparation toward future self-sufficiency.
- (f) Leadership development.
- (g) Case management or mentoring.

(h) Parental involvement.

(i) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By August 30, ~~2005~~ 2007, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services and education, the senate and house appropriations subcommittees for this act, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

(a) Juvenile crime.

(b) Aggressive behavior.

(c) Academic achievement.

(d) Development of new skills and interests.

(e) School attendance and dropout rates.

(f) Behavioral changes in school.

(8) Private foundations may contribute funding to this program, as determined by the department.>>

17 Sec. 32~~l~~. (1) From the ~~general fund money appropriated in~~

18 ~~section 11~~ **FUNDS ALLOCATED FROM THE GENERAL FUND UNDER SECTION 32,**

19 there is allocated for ~~2005-2006~~ 2006-2007 an amount not to

20 exceed \$12,250,000.00 for competitive school readiness program

21 grants **FOR THE PURPOSES OF PREPARING CHILDREN FOR SUCCESS IN**

22 **SCHOOL, INCLUDING LANGUAGE, EARLY LITERACY, AND EARLY MATHEMATICS.**

23 These grants shall be made available through a competitive

24 application process as follows:

25 (a) Any public or private nonprofit legal entity or agency may

26 apply for a grant under this section. However, a district or

27 intermediate district may not apply for a grant under this section

1 unless the district or intermediate district is acting as a fiscal
2 agent for a child caring organization regulated under 1973 PA 116,
3 MCL 722.111 to 722.128.

4 (b) An applicant shall submit an application in the form and
5 manner prescribed by the department.

6 (c) The department shall establish a diverse interagency
7 committee to review the applications. The committee shall be
8 composed of representatives of the department, appropriate
9 community, volunteer, and social service agencies and
10 organizations, and parents.

11 (d) The superintendent shall award the grants and shall give
12 priority for awarding the grants based upon the following criteria:

13 (i) Compliance with the state board-approved early childhood
14 standards of quality for prekindergarten.

15 (ii) Active and continuous involvement of the parents or
16 guardians of the children participating in the program.

17 (iii) Employment of teachers possessing proper training,
18 including a valid Michigan teaching certificate with an early
19 childhood (ZA) endorsement, a valid Michigan teaching certificate
20 with a child development associate credential, or a bachelor's
21 degree in child development with a specialization in preschool
22 teaching, and employment of paraprofessionals possessing proper
23 training in early childhood development, including an associate's
24 degree in early childhood education or child development or the
25 equivalent, or a child development associate (CDA) credential, or
26 the equivalent, as approved by the state board. A paraprofessional
27 who does not meet these requirements may be employed for not more

1 than 2 years while obtaining proper credentials if he or she has
2 completed at least 1 course in an appropriate training program.

3 (iv) Evidence of collaboration with the community of providers
4 in early childhood development programs including documentation of
5 the total number of children in the community who would meet the
6 criteria established in subparagraph (vi), and who are being served
7 by other providers, and the number of children who will remain
8 unserved by other community early childhood programs if this
9 program is funded.

10 (v) The extent to which these funds will supplement other
11 federal, state, local, or private funds.

12 (vi) The extent to which these funds will be targeted to
13 children who will be at least 4, but less than 5, years of age as
14 of December 1 of the year in which the programs are offered and who
15 show evidence of 2 or more "at-risk" factors as defined in the
16 state board report entitled "children at risk" that was adopted by
17 the state board on April 5, 1988.

18 (vii) The program offers supplementary day care and thereby
19 offers full-day programs as part of its early childhood development
20 program.

21 (viii) The application contains a plan approved by the
22 department to conduct and report annual school readiness program
23 evaluations and continuous improvement plans using criteria
24 approved by the department. At a minimum, the evaluations shall
25 include a self-assessment of program quality and assessment of the
26 gains in educational readiness and progress of the children
27 participating in the program.

1 (e) An application shall demonstrate that the program has
2 established or has joined a multidistrict, multiagency school
3 readiness advisory committee that is involved in the planning and
4 evaluation of the program and that provides for the involvement of
5 parents and appropriate community, volunteer, and social service
6 agencies and organizations. The advisory committee shall include at
7 least 1 parent or guardian of a program participant for every 18
8 children enrolled in the program, with a minimum of 2 parent or
9 guardian representatives. The advisory committee shall do all of
10 the following:

11 (i) Review the mechanisms and criteria used to determine
12 referrals for participation in the school readiness program.

13 (ii) Review the health screening program for all participants.

14 (iii) Review the nutritional services provided to all
15 participants.

16 (iv) Review the mechanisms in place for the referral of
17 families to community social service agencies, as appropriate.

18 (v) Review the collaboration with and the involvement of
19 appropriate community, volunteer, and social service agencies and
20 organizations in addressing all aspects of education disadvantage.

21 (vi) Review, evaluate, and make recommendations for changes in
22 the school readiness program.

23 (2) To be eligible for a grant under this section, a program
24 shall demonstrate that more than 50% of the children participating
25 in the program live with families with a household income that is
26 less than or equal to 250% of the federal poverty level.

27 (3) The superintendent may award grants under this section at

1 whatever level the superintendent determines appropriate. However,
2 the amount of a grant under this section, when combined with other
3 sources of state revenue for this program, shall not exceed
4 \$3,300.00 per participating child or the cost of the program,
5 whichever is less.

6 (4) Except as otherwise provided in this subsection, an
7 applicant that receives a **NEW** grant under this section for ~~2005-~~
8 ~~2006-~~ **2006-2007** shall also receive priority for funding under this
9 section for ~~2006-2007 and~~ **2007-2008 AND 2008-2009**. However, after
10 3 fiscal years of continuous funding, an applicant is required to
11 compete openly with new programs and other programs completing
12 their third year. All grant awards under this section are
13 contingent on the availability of funds and documented evidence of
14 grantee compliance with early childhood standards of quality for
15 prekindergarten, as approved by the state board, and with all
16 operational, fiscal, administrative, and other program
17 requirements.

18 (5) **NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES**
19 **UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE AND IN A MANNER**
20 **DETERMINED BY THE DEPARTMENT.**

21 **SEC. 32M. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN**
22 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
23 **\$1,000,000.00 FOR 2006-2007 FOR GRANTS UNDER THIS SECTION. THE**
24 **DEPARTMENT SHALL MAKE GRANTS TO APPLICANT DISTRICTS OR INTERMEDIATE**
25 **DISTRICTS TO ASSIST IN FUNDING PROGRAMS TO PROVIDE PRESCHOOL**
26 **CHILDREN WITH A BOOK EACH MONTH FROM BIRTH TO AGE 5.**

27 (2) **ALL OF THE FOLLOWING APPLY TO A GRANT UNDER THIS SECTION:**

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1 (A) A DISTRICT OR INTERMEDIATE DISTRICT SHALL APPLY FOR THE
2 GRANT TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE
3 DEPARTMENT.

4 (B) THE GRANTS SHALL BE DISTRIBUTED THROUGH A COMPETITIVE
5 PROCESS ESTABLISHED BY THE DEPARTMENT. THE SELECTION OF GRANT
6 RECIPIENTS SHALL BE BASED ON THE ABILITY OF THE GRANT RECIPIENT TO
7 SERVE CHILDREN IN THE AREA AND THE NEED FOR THE PROGRAM IN THE AREA
8 SERVED BY THE GRANT RECIPIENT.

9 (C) A GRANT RECIPIENT SHALL PROVIDE A LOCAL MATCH FROM LOCALLY
10 RAISED FUNDS AT LEAST EQUAL TO THE AMOUNT OF THE GRANT UNDER THIS
11 SECTION.

12 (D) GRANT FUNDS SHALL BE USED ONLY FOR COSTS OF PROVIDING
13 PRESCHOOL CHILDREN WITH A BOOK EACH MONTH FROM BIRTH TO AGE 5. A
14 GRANT RECIPIENT MAY OPERATE THE PROGRAM ITSELF OR WORK WITHIN A
15 CONTRACTUAL OR COOPERATIVE ARRANGEMENT WITH ANOTHER LOCAL UNIT OF
16 GOVERNMENT, A FOUNDATION, OR ANOTHER NONPROFIT ENTITY.

17 (E) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
18 MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

<<SEC. 34. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2006-2007 TO THE
DEPARTMENT FOR GRANTS TO DISTRICTS UNDER THIS SECTION.

(2) NOT MORE THAN 76% OF THE MONEY ALLOCATED UNDER THIS SECTION
SHALL BE USED FOR GRANTS TO DISTRICTS FOR THE FIRST YEAR OF A 5-YEAR
GRANT PROGRAM TO DEVELOP AN EARLY INTERVENING MODEL PROGRAM FOR GRADES K
TO 3. THE EARLY INTERVENING PROGRAM WILL INSTRUCT CLASSROOM TEACHERS AND
SUPPORT STAFF ON HOW TO MONITOR INDIVIDUAL PUPIL LEARNING AND HOW TO
PROVIDE SPECIFIC SUPPORT OR LEARNING STRATEGIES TO PUPILS AS EARLY AS
POSSIBLE IN ORDER TO REDUCE THE NEED FOR SPECIAL EDUCATION PLACEMENT. THE
PROGRAM WILL 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. ALL OF THE FOLLOWING APPLY TO THE GRANTS:

(A) EACH SITE FUNDED BY A GRANT SHALL SERVE AS EITHER A MODEL SITE
OF PRACTICE OR A SITE OF IMPROVEMENT. A MODEL SITE WILL SERVE AS AN
ONGOING MODEL THAT PROVIDES THE EARLY INTERVENING PROGRAM FOR PUPILS AND
CONDUCTS PROFESSIONAL DEVELOPMENT ON SITE FOR PERSONNEL VISITING FROM A
SITE OF IMPROVEMENT. A SITE OF IMPROVEMENT IS A SITE THAT SEEKS TO
IMPLEMENT THE EARLY INTERVENING PROGRAM.

(B) THE GRANTS SHALL BE DISTRIBUTED THROUGH A PROCESS ESTABLISHED BY THE DEPARTMENT. THE SELECTION OF GRANT RECIPIENTS SHALL BE BASED ON THE ABILITY TO SERVE AS A MODEL SITE OF PRACTICE OR, FOR A SITE OF IMPROVEMENT, BASED ON THE HIGHEST DEMONSTRATED NEED TO IMPROVE OPPORTUNITIES FOR LEARNING SUCCESS AS REFLECTED BY EITHER A COMBINED PERCENTAGE OF PUPILS WHO ARE LEARNING DISABLED, EMOTIONALLY IMPAIRED, OR SPEECH AND LANGUAGE IMPAIRED THAT IS HIGHER THAN THE STATEWIDE PERCENTAGE OF THOSE PUPILS OR A PERCENTAGE OF PUPILS READING BELOW GRADE LEVEL AS MEASURED BY THE STATEWIDE THIRD GRADE ENGLISH LANGUAGE ARTS ASSESSMENT THAT IS HIGHER THAN THE STATEWIDE PERCENTAGE OF THOSE PUPILS, AS DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL ENSURE GEOGRAPHIC DIVERSITY IN AWARDING GRANTS.

(C) THE DEPARTMENT SHALL AWARD UP TO 19 GRANTS, WITH NOT MORE THAN 4 OF THE GRANTS FOR DEVELOPMENT OF MODEL SITES OF PRACTICE AND NOT MORE THAN 15 OF THE GRANTS FOR SITES OF IMPROVEMENT. A MODEL SITE OF PRACTICE SHALL USE THE GRANT FUNDS TO MAKE PROFESSIONAL DEVELOPMENT ON HOW TO PROVIDE THE PROGRAM AVAILABLE ON SITE TO PERSONNEL FROM SITES OF IMPROVEMENT. A SITE OF IMPROVEMENT SHALL USE THE GRANT FUNDS TO PAY FOR THE EXPENSES OF OBTAINING THIS PROFESSIONAL DEVELOPMENT AND OTHER EXPENSES RELATED TO IMPLEMENTING AN EARLY INTERVENING PROGRAM.

(D) THE AMOUNT OF A GRANT TO A DISTRICT SHALL BE \$40,000.00.

(E) A GRANT SHALL BE USED FOR EARLY INTERVENING PROGRAMS FOR PUPILS AT THE ELEMENTARY LEVEL ONLY.

(3) NOT MORE THAN 24% OF THE MONEY ALLOCATED UNDER THIS SECTION SHALL BE USED FOR GRANTS TO DISTRICTS FOR PROGRAMS THAT 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. THESE GRANTS SHALL BE DISTRIBUTED THROUGH A COMPETITIVE PROCESS ESTABLISHED BY THE DEPARTMENT. A GRANT SHALL BE USED FOR PROVIDING THESE PROGRAMS FOR PUPILS AT THE ELEMENTARY LEVEL ONLY.

(4) THE DEPARTMENT SHALL DEVELOP GUIDELINES ON THE USE OF THE GRANT FUNDS ALLOCATED UNDER THIS SECTION. THESE GUIDELINES SHALL ENSURE THAT THE USE OF THESE GRANT FUNDS IS CONSISTENT WITH RESEARCH AND INSTRUCTIONAL PROGRAMS THAT INCLUDE DATA-DRIVEN PROCESSES AND PROVEN METHODS OF SUCCESS.

(5) PROGRAMS FUNDED UNDER THIS SECTION SHALL INVITE VISITATION AND FEEDBACK FROM THE REGIONAL LITERACY TRAINING CENTER IN WHICH SERVICE AREA THE RECIPIENT DISTRICT IS LOCATED, AS IDENTIFIED BY THE DEPARTMENT.

(6) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

(7) NOT LATER THAN JANUARY 30 OF THE NEXT FISCAL YEAR, THE DEPARTMENT SHALL PREPARE AND SUBMIT TO THE GOVERNOR, THE SENATE AND HOUSE STANDING COMMITTEES ON EDUCATION, AND THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES HAVING JURISDICTION OVER STATE SCHOOL AID AN ANNUAL REPORT OF OUTCOMES ACHIEVED BY THE GRANT RECIPIENTS FUNDED UNDER THIS SECTION FOR A FISCAL YEAR. FOR THIS REPORT, THE FUNDED SITES SHALL COLLECT DATA PRESCRIBED BY THE DEPARTMENT AND REPORT TO THE DEPARTMENT ON THE PERCENTAGE OF PUPILS READING AT GRADE LEVEL BEFORE IMPLEMENTATION OF THE PROGRAM AND THE PERCENTAGE OF PUPILS READING AT GRADE LEVEL AFTER

IMPLEMENTATION OF THE PROGRAM, AS MEASURED BY THE STATEWIDE THIRD GRADE ENGLISH LANGUAGE ARTS ASSESSMENT.

SEC. 34A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2006-2007 FOR COMPETITIVE GRANTS TO ELIGIBLE DISTRICTS FOR MATHEMATICS AND READING LITERACY PROGRAMS FOR PUPILS IN GRADES K TO 3 TO PREPARE ALL STUDENTS TO ACHIEVE ADEQUATE YEARLY PROGRESS AS DEFINED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110.

(2) DISTRICTS MAY SUBMIT 1 APPLICATION FOR A MAXIMUM OF 5 ELEMENTARY SCHOOL BUILDINGS PER APPLICATION. THE DEPARTMENT SHALL GIVE PRIORITY TO THOSE APPLICATIONS THAT MEET THE FOLLOWING 4 CRITERIA:

(A) DISTRICTS WITH ELEMENTARY SCHOOL BUILDINGS THAT DID NOT ACHIEVE ADEQUATE YEARLY PROGRESS AS DEFINED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110, FOR 2 OUT OF THE LAST 3 SCHOOL YEARS DUE TO STUDENT PROFICIENCY IN MATHEMATICS OR READING.

(B) IN ADDITION, PRIORITY IN AWARDING GRANTS SHALL BE GIVEN TO PROGRAMS THAT:

(i) REDUCE THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION PROGRAMS AND SERVICES.

(ii) IMPROVE STANDARDIZED ASSESSMENT SCORES IN THE AREAS OF MATHEMATICS AND READING.

(iii) CAN BE REPLICATED IN OTHER ELEMENTARY SCHOOLS IN THE STATE IF FOUND TO BE SUCCESSFUL IN MEETING THE GOALS OF THIS SECTION.

(3) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED MATHEMATICS OR READING IMPROVEMENT PROGRAM MUST MEET ALL OF THE FOLLOWING CRITERIA:

(A) BE A RESEARCH-BASED, VALIDATED, STRUCTURED PROGRAM.

(B) PROVIDE AN ASSESSMENT OF MATHEMATICS OR READING SKILLS OF PUPILS IN GRADES K TO 3 TO IDENTIFY THOSE PUPILS WHO ARE PERFORMING BELOW GRADE-LEVEL STATE STANDARDS IN MATHEMATICS OR READING AND MUST PROVIDE SPECIAL ASSISTANCE TO SUCH PUPILS.

(C) INCLUDE CONTINUOUS ASSESSMENT OF PUPILS AND INDIVIDUALIZED EDUCATION PLANS FOR PUPILS.

(D) BE PART OF A LOCAL BOARD-APPROVED 1 SCHOOL IMPROVEMENT PLAN.

(4) A GRANT APPLICATION SHALL BE SUBMITTED TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. TO BE CONSIDERED FOR A GRANT UNDER THIS SECTION, A GRANT APPLICATION MUST PROVIDE AT LEAST ALL OF THE FOLLOWING:

(A) IDENTIFICATION OF A MATHEMATICS OR READING IMPROVEMENT PROGRAM THAT MEETS ALL OF THE CRITERIA IN SUBSECTION (3).

(B) A PROJECTED BUDGET FOR THE PROGRAM. ALLOWABLE EXPENSES SHALL BE DETERMINED BY THE DEPARTMENT, BUT MAY INCLUDE CURRICULA AND MATERIAL AND SUPPLY PURCHASES, AS WELL AS TEACHER PROFESSIONAL DEVELOPMENT.

(C) DISTRICTS MUST 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.

(D) DISTRICTS RECEIVING A GRANT UNDER THIS SECTION MUST AGREE TO SET ASIDE 1.5% OF THE GRANT AWARD FOR DATA COLLECTION AND STATEWIDE EVALUATION ACTIVITIES.

(E) A DISTRICT MAY EXPEND NOT MORE THAN 5% OF THE TOTAL GRANT AMOUNT FOR ADMINISTRATION OF THE PROGRAM.

(F) FOR EACH SCHOOL BUILDING RECEIVING FUNDING UNDER THIS SECTION, THE AMOUNT OF THE GRANT SHALL NOT EXCEED \$100,000.00 PER SCHOOL BUILDING ANNUALLY.

(5) A PROGRAM RECEIVING FUNDING UNDER THIS SECTION MAY BE CONDUCTED OUTSIDE OF REGULAR SCHOOL HOURS OR OUTSIDE OF THE REGULAR SCHOOL CALENDAR.

(6) SUBJECT TO AVAILABLE REVENUES, FUNDING TO DISTRICTS UNDER THIS SECTION IS INTENDED TO BE THE FIRST YEAR OF 3 YEARS OF FUNDING. FUNDS ALLOCATED UNDER THIS SECTION MAY BE EXPENDED THROUGH THE END OF THE FOLLOWING FISCAL YEAR.

SEC. 35. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2006-2007 FOR COMPETITIVE GRANTS TO ELIGIBLE DISTRICTS TO IMPLEMENT, EXPAND, OR ENHANCE MIDDLE SCHOOL AFTERSCHOOL PROGRAMS THAT PROVIDE ACADEMIC ENRICHMENT OPPORTUNITIES DESIGNED TO HELP STUDENTS MEET LOCAL, STATE AND FEDERAL STANDARDS IN MATHEMATICS, SCIENCE, AND COMPUTER TECHNOLOGY AND TO PREPARE STUDENTS FOR A MORE RIGOROUS HIGH SCHOOL CURRICULUM.

(2) DISTRICTS MAY SUBMIT APPLICATIONS FOR A MAXIMUM OF 5 SCHOOL BUILDINGS PER APPLICATION FOR MIDDLE SCHOOL AFTERSCHOOL PROGRAMS. ALL STUDENTS WHO ATTEND THOSE SCHOOLS ARE ELIGIBLE TO ATTEND THE AFTERSCHOOL PROGRAM. THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICATIONS THAT MEET THE FOLLOWING CRITERIA:

(A) DISTRICTS WITH ENROLLMENT AREAS HAVING A 50% OR HIGHER POVERTY RATE AS DETERMINED BY THE MOST RECENT UNITED STATES CENSUS DATA.

(B) SCHOOL BUILDINGS WITH 30% OR MORE ENROLLED STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE LUNCH, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769H.

(C) SCHOOL BUILDINGS THAT DID NOT ACHIEVE ADEQUATE YEARLY PROGRESS AS DEFINED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110, FOR 2 OUT OF THE LAST 3 SCHOOL YEARS DUE TO STUDENT PROFICIENCY IN MATHEMATICS OR SCIENCE.

(D) SCHOOL BUILDINGS THAT ARE IN CONSORTIUM WITH AT LEAST 1 COMMUNITY-BASED ORGANIZATION THAT PROVIDES SERVICES TO YOUTH THAT ARE CONSISTENT WITH THE GOALS OF THIS PROGRAM.

(3) ELIGIBLE PROGRAMS MUST PROVIDE THE FOLLOWING COMPONENTS:

(A) OPERATE A MINIMUM OF 3 HOURS EACH DAY AFTER REGULARLY SCHEDULED SCHOOL DAYS, 5 SCHOOL DAYS PER WEEK, DURING THE SCHOOL YEAR. ELIGIBLE PROGRAMS MAY ALSO OPERATE DURING ANY OTHER HOURS OR PERIODS WHEN SCHOOL IS NOT IN SESSION.

(B) INCLUDE AN ARRAY OF SUPERVISED SERVICES SUCH AS TUTORIAL SERVICES, HOMEWORK ASSISTANCE, AND ACADEMIC ENRICHMENT ACTIVITIES THAT ARE DESIGNED TO HELP STUDENTS MEET LOCAL, STATE, AND FEDERAL STANDARDS IN MATHEMATICS, SCIENCE, AND COMPUTER TECHNOLOGY AND TO PREPARE STUDENTS FOR A RIGOROUS HIGH SCHOOL CURRICULUM. IN ADDITION, ELIGIBLE PROGRAMS ARE ENCOURAGED TO INCLUDE OTHER ACTIVITIES THAT PROVIDE OPPORTUNITIES FOR

LEARNING MATHEMATICS, SCIENCE, AND COMPUTER TECHNOLOGY SKILLS, INCLUDING, BUT NOT LIMITED TO:

- (i) RECREATIONAL ACTIVITIES
- (ii) MUSICAL AND ARTISTIC ACTIVITIES
- (iii) OPPORTUNITIES TO USE ADVANCED TECHNOLOGY, PARTICULARLY FOR THOSE STUDENTS WHO DO NOT HAVE ACCESS TO COMPUTERS OR TELECOMMUNICATIONS AT HOME.
- (iv) ACTIVITIES THAT ENCOURAGE ADULT FAMILY MEMBERS TO SUPPORT THEIR CHILDREN'S ACADEMIC ACHIEVEMENT.
- (v) YOUTH DEVELOPMENT ACTIVITIES, INCLUDING DRUG AND VIOLENCE PREVENTION PROGRAMS.

(C) IN ADDITION TO THE COMPONENTS 1 DESCRIBED IN SUBDIVISION (B), ELIGIBLE MIDDLE SCHOOL AFTERSCHOOL PROGRAMS MUST PROVIDE CAREER PATHWAY AND POSTSECONDARY EDUCATION GUIDANCE AND COUNSELING.

(4) A GRANT APPLICATION SHALL BE SUBMITTED TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. TO BE CONSIDERED FOR A GRANT UNDER THIS SECTION, A GRANT APPLICATION MUST PROVIDE AT LEAST ALL OF THE FOLLOWING:

(A) A PLAN FOR THE DELIVERY OF THE PROGRAM COMPONENTS DESCRIBED IN SUBSECTION (3).

(B) EVIDENCE OF ADEQUATE COLLABORATION OF LOCAL ENTITIES INVOLVED IN PROVIDING PROGRAMS AND SERVICES FOR SCHOOL-AGE CHILDREN. A LETTER OF SUPPORT OR COLLABORATION FROM AN AREA MULTIPURPOSE COLLABORATIVE BODY IS 1 FORM OF SUFFICIENT EVIDENCE.

(C) A PROJECTED BUDGET FOR EACH OF THE PROGRAM SITES TO BE FUNDED. ALLOWABLE EXPENSES SHALL BE DETERMINED BY THE DEPARTMENT.

(D) FOR THOSE SCHOOL BUILDINGS THAT DO NOT MEET THE PRIORITY DESCRIBED IN SUBSECTION (2) (B), DISTRICTS MUST PROVIDE AT LEAST A 20% LOCAL MATCH FROM LOCAL PUBLIC OR PRIVATE RESOURCES FOR THAT SCHOOL BUILDING, WHICH MAY BE SATISFIED THROUGH IN-KIND SERVICES PROVIDED BY COMMUNITY-BASED ORGANIZATIONS.

(E) DISTRICTS RECEIVING A GRANT UNDER THIS SECTION MUST AGREE TO SET ASIDE 1.5% OF THE GRANT AWARD FOR DATA COLLECTION AND STATEWIDE EVALUATION.

(F) DISTRICTS RECEIVING A GRANT UNDER THIS SECTION MAY CONTRACT FOR THE PROVISION OF THE AFTERSCHOOL PROGRAM AND RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT EQUAL TO NOT MORE THAN 5% OF THE GRANT AMOUNT. A DISTRICT MAY EXPEND NOT MORE THAN 10% OF THE TOTAL GRANT AMOUNT FOR ADMINISTRATION 1 OF THE PROGRAM.

(G) A PROVISION FOR IMPLEMENTING A SLIDING SCALE OF TUITION BASED UPON A STUDENT'S FAMILY INCOME. TUITION MAY NOT BE CHARGED TO A STUDENT WHOSE FAMILY INCOME IS AT OR BELOW 250% OF THE FEDERAL POVERTY GUIDELINES PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(H) IF THE PROGRAM IS PROVIDED IN A NON-SCHOOL FACILITY, THE FACILITY MUST BE LICENSED AS A CHILD CARE CENTER AND MUST BE AT LEAST AS AVAILABLE AND AS ACCESSIBLE TO STUDENTS AS THE SCHOOL BUILDING. APPLICATIONS MUST ADDRESS HOW STUDENTS WILL BE SAFELY TRANSPORTED OR ESCORTED TO AND FROM OFF-CAMPUS LOCATIONS.

(5) SUBJECT TO AVAILABLE REVENUES, FUNDING TO DISTRICTS UNDER THIS SECTION IS INTENDED TO BE THE FIRST YEAR OF 5 YEARS OF FUNDING. FUNDS ALLOCATED UNDER THIS SECTION MAY BE EXPENDED THROUGH THE END OF THE FOLLOWING FISCAL YEAR.

(6) FOR THE PURPOSES OF THIS SECTION, "MIDDLE SCHOOL AFTERSCHOOL PROGRAM" IS DEFINED AS A PROGRAM SERVING STUDENTS IN GRADES 6, 7, OR 8, EXCEPT IN A K-6 BUILDING OR AN 8-12 BUILDING.>>

19 Sec. 39. (1) The tentative allocation for each fiscal year to
20 each eligible district under section 32d shall be determined by
21 multiplying the number of children determined in section 38 or the
22 number of children the district indicates it will be able to serve
23 under section 37(2)(c), whichever is less, by ~~-\$3,300.00-~~ **\$3,400.00**
24 and shall be distributed among districts in decreasing order of
25 concentration of eligible children as determined by section 38
26 until the money allocated in section 32d is distributed. If the
27 number of children a district indicates it will be able to serve

1 under section 37(2)(c) includes children able to be served in a
2 full-day program, then the number able to be served in a full-day
3 program shall be doubled for the purposes of making this
4 calculation of the lesser of the number of children determined in
5 section 38 and the number of children the district indicates it
6 will be able to serve under section 37(2)(c) and determining the
7 amount of the tentative allocation to the district under section
8 32d.

9 (2) A district that received funds under this section in at
10 least 1 of the 2 immediately preceding fiscal years shall receive
11 priority in funding over other eligible districts. However, funding
12 beyond 3 state fiscal years is contingent upon the availability of
13 funds and documented evidence satisfactory to the department of
14 compliance with all operational, fiscal, administrative, and other
15 program requirements.

16 (3) A district that offers supplementary day care funded by
17 funds other than those received under this section and therefore
18 offers full-day programs as part of its early childhood development
19 program shall receive priority in the allocation of funds under
20 this section over other eligible districts other than those
21 districts funded under subsection (2).

22 (4) For any district with 315 or more eligible pupils, the
23 number of eligible pupils shall be 65% of the number calculated
24 under section 38. However, none of these districts may have less
25 than 315 pupils for purposes of calculating the tentative
26 allocation under section 32d.

27 (5) If, taking into account the total amount to be allocated

1 to the district as calculated under this section, a district
2 determines that it is able to include additional eligible children
3 in the school readiness program without additional funds under this
4 section, the district may include additional eligible children but
5 shall not receive additional funding under this section for those
6 children.

7 (6) For a district that enrolls pupils in a full-day program
8 under section 32d, each child enrolled in the full-day program
9 shall be counted as 2 children served by the program for purposes
10 of determining the number of children to be served and for
11 determining the allocation under section 32d. A district's
12 allocation shall not be increased solely on the basis of providing
13 a full-day program.

14 (7) As used in this section, "full-day program" means a
15 program that operates for at least the same length of day as the
16 district's first grade program for a minimum of 4 days per week, 30
17 weeks per year. A classroom that offers a full-day program must
18 enroll all children for the full day to be considered a full-day
19 program.

20 Sec. 39a. (1) From the federal funds appropriated in section
21 11, there is allocated for ~~2005-2006~~ **2006-2007** to districts,
22 intermediate districts, and other eligible entities all available
23 federal funding, estimated at ~~-\$652,919,600.00~~ **\$636,978,000.00**,
24 for the federal programs under the no child left behind act of
25 2001, Public Law 107-110. These funds are allocated as follows:

26 (a) An amount estimated at ~~-\$12,050,500.00~~ **\$9,625,800.00** to
27 provide students with drug- and violence-prevention programs and to

1 implement strategies to improve school safety, funded from DED-
2 OESE, drug-free schools and communities funds.

3 (b) An amount estimated at ~~-\$9,401,400.00~~ **\$6,140,900.00** for
4 the purpose of improving teaching and learning through a more
5 effective use of technology, funded from DED-OESE, educational
6 technology state grant funds.

7 (c) An amount estimated at \$106,249,200.00 for the purpose of
8 preparing, training, and recruiting high-quality teachers and class
9 size reduction, funded from DED-OESE, improving teacher quality
10 funds.

11 (d) An amount estimated at \$7,627,400.00 for programs to teach
12 English to limited English proficient (LEP) children, funded from
13 DED-OESE, language acquisition state grant funds.

14 (e) An amount estimated at \$8,550,000.00 for the Michigan
15 charter school subgrant program, funded from DED-OESE, charter
16 school funds.

17 (f) An amount estimated at \$58,000.00 for Michigan model
18 partnership for character education programs, funded from DED-OESE,
19 title X, fund for improvement of education funds.

20 (g) An amount estimated at \$468,700.00 for rural and low
21 income schools, funded from DED-OESE, rural and low income school
22 funds.

23 (h) An amount estimated at ~~-\$6,231,800.00~~ **\$3,115,900.00** to
24 help schools develop and implement comprehensive school reform
25 programs, funded from DED-OESE, title I and title X, comprehensive
26 school reform funds.

27 (i) An amount estimated at \$428,860,300.00 to provide

1 supplemental programs to enable educationally disadvantaged
2 children to meet challenging academic standards, funded from DED-
3 OESE, title I, disadvantaged children funds.

4 (j) An amount estimated at ~~-\$6,314,100.00~~ **\$3,022,700.00** for
5 the purpose of providing unified family literacy programs, funded
6 from DED-OESE, title I, even start funds.

7 (k) An amount estimated at \$8,186,200.00 for the purpose of
8 identifying and serving migrant children, funded from DED-OESE,
9 title I, migrant education funds.

10 (l) An amount estimated at \$22,928,000.00 to promote high-
11 quality school reading instruction for grades K-3, funded from DED-
12 OESE, title I, reading first state grant funds.

13 (m) An amount estimated at ~~-\$5,698,000.00~~ **\$2,848,900.00** for
14 the purpose of implementing innovative strategies for improving
15 student achievement, funded from DED-OESE, title VI, innovative
16 strategies funds.

17 (n) An amount estimated at \$29,296,000.00 for the purpose of
18 providing high-quality extended learning opportunities, after
19 school and during the summer, for children in low-performing
20 schools, funded from DED-OESE, twenty-first century community
21 learning center funds. Of these funds, \$25,000.00 may be used to
22 support the Michigan after-school partnership. All of the following
23 apply to the Michigan after-school partnership:

24 (i) The department shall collaborate with the department of
25 human services to extend the duration of the Michigan after-school
26 initiative, to be renamed the Michigan after-school partnership and
27 oversee its efforts to implement the policy recommendations and

1 strategic next steps identified in the Michigan after-school
2 initiative's report of December 15, 2003.

3 (ii) Funds shall be used to leverage other private and public
4 funding to engage the public and private sectors in building and
5 sustaining high-quality out-of-school-time programs and resources.
6 The co-chairs, representing the department and the department of
7 human services, shall name a fiduciary agent and may authorize the
8 fiduciary to expend funds and hire people to accomplish the work of
9 the Michigan after-school partnership.

10 (iii) Participation in the Michigan after-school partnership
11 shall be expanded beyond the membership of the initial Michigan
12 after-school initiative to increase the representation of parents,
13 youth, foundations, employers, and others with experience in
14 education, child care, after-school and youth development services,
15 and crime and violence prevention, and to include representation
16 from the Michigan department of community health. Each year, on or
17 before December 31, the Michigan after-school partnership shall
18 report its progress in reaching the recommendations set forth in
19 the Michigan after-school initiative's report to the legislature
20 and the governor.

21 ~~—— (e) An amount estimated at \$1,000,000.00 for community service~~
22 ~~state grants, funded from DED OESE, community service state grant~~
23 ~~funds.~~

24 (2) From the federal funds appropriated in section 11, there
25 is allocated for ~~2005-2006~~ **2006-2007** to districts, intermediate
26 districts, and other eligible entities all available federal
27 funding, estimated at \$4,646,400.00, for the following programs

1 that are funded by federal grants:

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

5 (b) An amount estimated at \$1,500,100.00 to provide services
6 to homeless children and youth, funded from DED-OVAE, homeless
7 children and youth funds.

8 (c) An amount estimated at \$1,000,000.00 for refugee children
9 school impact grants, funded from HHS-ACF, refugee children school
10 impact funds.

11 (d) An amount estimated at \$1,445,600.00 for serve America
12 grants, funded from the corporation for national and community
13 service funds.

14 (e) An amount estimated at \$100,700.00 to encourage interstate
15 and intrastate coordination of migrant education, funded from DED-
16 OESE, title I, migrant education program funds.

17 (3) To the extent allowed under federal law, the funds
18 allocated under subsection (1)(i), (j), and (l) may be used for 1 or
19 more reading improvement programs that meet at least 1 of the
20 following:

21 (a) A research-based, validated, structured reading program
22 that aligns learning resources to state standards and includes
23 continuous assessment of pupils and individualized education plans
24 for pupils.

25 (b) A mentoring program that is a research-based, validated
26 program or a statewide 1-to-1 mentoring program and is designed to
27 enhance the independence and life quality of pupils who are

1 mentally impaired by providing opportunities for mentoring and
2 integrated employment.

3 (c) A cognitive development program that is a research-based,
4 validated educational service program focused on assessing and
5 building essential cognitive and perceptual learning abilities to
6 strengthen pupil concentration and learning.

7 (d) A structured mentoring-tutorial reading program for pupils
8 in preschool to grade 4 that is a research-based, validated program
9 that develops individualized educational plans based on each
10 pupil's age, assessed needs, reading level, interests, and learning
11 style.

12 (4) All federal funds allocated under this section shall be
13 distributed in accordance with federal law and with flexibility
14 provisions outlined in Public Law 107-116, and in the education
15 flexibility partnership act of 1999, Public Law 106-25.
16 Notwithstanding section 17b, payments of federal funds to
17 districts, intermediate districts, and other eligible entities
18 under this section shall be paid on a schedule determined by the
19 department.

20 (5) As used in this section:

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

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

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

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

1 (e) "HHS-ACF" means the HHS administration for children and
2 families.

3 Sec. 41. From the appropriation in section 11, there is
4 allocated an amount not to exceed \$2,800,000.00 for ~~2005-2006~~
5 **2006-2007** to applicant districts and intermediate districts
6 offering programs of instruction for pupils of limited English-
7 speaking ability under section 1153 of the revised school code, MCL
8 380.1153. Reimbursement shall be on a per pupil basis and shall be
9 based on the number of pupils of limited English-speaking ability
10 in membership on the pupil membership count day. Funds allocated
11 under this section shall be used solely for instruction in
12 speaking, reading, writing, or comprehension of English. A pupil
13 shall not be counted under this section or instructed in a program
14 under this section for more than 3 years.

15 Sec. 41a. From the federal funds appropriated in section 11,
16 there is allocated an amount estimated at \$1,232,100.00 for ~~2005-~~
17 ~~2006-~~ **2006-2007** from the United States department of education -
18 office of elementary and secondary education, language acquisition
19 state grant funds, to districts and intermediate districts offering
20 programs of instruction for pupils of limited English-speaking
21 ability.

22 Sec. 51a. (1) ~~From the appropriation in section 11, there is~~
23 ~~allocated for 2004-2005 an amount not to exceed \$896,383,000.00~~
24 ~~from state sources and all available federal funding under sections~~
25 ~~611 to 619 of part B of the individuals with disabilities education~~
26 ~~act, 20 USC 1411 to 1419, estimated at \$329,850,000.00 plus any~~
27 ~~carryover federal funds from previous year appropriations.~~ From

Senate Bill No. 1095 as amended March 29, 2006

1 the appropriation in section 11, there is allocated for 2005-2006
2 an amount not to exceed ~~-\$955,883,000.00~~ **\$936,083,000.00** from
3 state sources and all available federal funding under sections 611
4 to 619 of part B of the individuals with disabilities education
5 act, 20 USC 1411 to 1419, estimated at \$345,850,000.00, plus any
6 carryover federal funds from previous year appropriations. **FROM THE**
7 **APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN**
8 **AMOUNT NOT TO EXCEED <<\$993,433,000.00>> FROM STATE SOURCES AND ALL**
9 **AVAILABLE FEDERAL FUNDING UNDER SECTIONS 611 TO 619 OF PART B OF**
10 **THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, 20 USC 1411 TO**
11 **1419, ESTIMATED AT \$350,700,000.00, PLUS ANY CARRYOVER FEDERAL**
12 **FUNDS FROM PREVIOUS YEAR APPROPRIATIONS.** The allocations under this
13 subsection are for the purpose of reimbursing districts and
14 intermediate districts for special education programs, services,
15 and special education personnel as prescribed in article 3 of the
16 revised school code, MCL 380.1701 to 380.1766; net tuition payments
17 made by intermediate districts to the Michigan schools for the deaf
18 and blind; and special education programs and services for pupils
19 who are eligible for special education programs and services
20 according to statute or rule. For meeting the costs of special
21 education programs and services not reimbursed under this article,
22 a district or intermediate district may use money in general funds
23 or special education funds, not otherwise restricted, or
24 contributions from districts to intermediate districts, tuition
25 payments, gifts and contributions from individuals, or federal
26 funds that may be available for this purpose, as determined by the
27 intermediate district plan prepared pursuant to article 3 of the

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1 revised school code, MCL 380.1701 to 380.1766. All federal funds
 2 allocated under this section in excess of those allocated under
 3 this section for 2002-2003 may be distributed in accordance with
 4 the flexible funding provisions of the individuals with
 5 disabilities education act, ~~title VI of Public Law 91-230~~ **PUBLIC**
 6 **LAW 108-446**, including, but not limited to, 34 CFR 300.234 and
 7 300.235. Notwithstanding section 17b, payments of federal funds to
 8 districts, intermediate districts, and other eligible entities
 9 under this section shall be paid on a schedule determined by the
 10 department.

11 (2) From the funds allocated under subsection (1), there is
 12 allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
 13 **FOR 2006-2007** the amount necessary, estimated at ~~-\$175,500,000.00~~
 14 ~~for 2004-2005 and \$187,700,000.00~~ **\$193,500,000.00** for 2005-2006
 15 **AND <<\$207,250,000.00>>** **FOR 2006-2007**, for payments toward reimbursing
 16 districts and intermediate districts for 28.6138% of total approved
 17 costs of special education, excluding costs reimbursed under
 18 section 53a, and 70.4165% of total approved costs of special
 19 education transportation. Allocations under this subsection shall
 20 be made as follows:

21 (a) The initial amount allocated to a district under this
 22 subsection toward fulfilling the specified percentages shall be
 23 calculated by multiplying the district's special education pupil
 24 membership, excluding pupils described in subsection (12), times
 25 the sum of the foundation allowance under section 20 of the pupil's
 26 district of residence plus the amount of the district's per pupil
 27 allocation under section 20j(2), not to exceed \$6,500.00 adjusted

1 by the dollar amount of the difference between the basic foundation
2 allowance under section 20 for the current fiscal year and
3 \$5,000.00 minus \$200.00, or, for a special education pupil in
4 membership in a district that is a public school academy or
5 university school, times an amount equal to the amount per
6 membership pupil calculated under section 20(6). For an
7 intermediate district, the amount allocated under this subdivision
8 toward fulfilling the specified percentages shall be an amount per
9 special education membership pupil, excluding pupils described in
10 subsection (12), and shall be calculated in the same manner as for
11 a district, using the foundation allowance under section 20 of the
12 pupil's district of residence, not to exceed \$6,500.00 adjusted by
13 the dollar amount of the difference between the basic foundation
14 allowance under section 20 for the current fiscal year and
15 \$5,000.00 minus \$200.00, and that district's per pupil allocation
16 under section 20j(2).

17 (b) After the allocations under subdivision (a), districts and
18 intermediate districts for which the payments under subdivision (a)
19 do not fulfill the specified percentages shall be paid the amount
20 necessary to achieve the specified percentages for the district or
21 intermediate district.

22 (3) From the funds allocated under subsection (1), there is
23 allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
24 **FOR 2006-2007** the amount necessary, estimated at ~~-\$3,000,000.00 for~~
25 ~~2004-2005 and \$2,500,000.00~~ **\$1,900,000.00** for 2005-2006 **AND**
26 **\$2,100,000.00 FOR 2006-2007**, to make payments to districts and
27 intermediate districts under this subsection. If the amount

1 allocated to a district or intermediate district for a fiscal year
2 under subsection (2)(b) is less than the sum of the amounts
3 allocated to the district or intermediate district for 1996-97
4 under sections 52 and 58, there is allocated to the district or
5 intermediate district for the fiscal year an amount equal to that
6 difference, adjusted by applying the same proration factor that was
7 used in the distribution of funds under section 52 in 1996-97 as
8 adjusted to the district's or intermediate district's necessary
9 costs of special education used in calculations for the fiscal
10 year. This adjustment is to reflect reductions in special education
11 program operations or services between 1996-97 and subsequent
12 fiscal years. Adjustments for reductions in special education
13 program operations or services shall be made in a manner determined
14 by the department and shall include adjustments for program or
15 service shifts.

16 (4) If the department determines that the sum of the amounts
17 allocated for a fiscal year to a district or intermediate district
18 under subsection (2)(a) and (b) is not sufficient to fulfill the
19 specified percentages in subsection (2), then the shortfall shall
20 be paid to the district or intermediate district during the fiscal
21 year beginning on the October 1 following the determination and
22 payments under subsection (3) shall be adjusted as necessary. If
23 the department determines that the sum of the amounts allocated for
24 a fiscal year to a district or intermediate district under
25 subsection (2)(a) and (b) exceeds the sum of the amount necessary
26 to fulfill the specified percentages in subsection (2), then the
27 department shall deduct the amount of the excess from the

1 district's or intermediate district's payments under this act for
2 the fiscal year beginning on the October 1 following the
3 determination and payments under subsection (3) shall be adjusted
4 as necessary. However, if the amount allocated under subsection
5 (2)(a) in itself exceeds the amount necessary to fulfill the
6 specified percentages in subsection (2), there shall be no
7 deduction under this subsection.

8 (5) State funds shall be allocated on a total approved cost
9 basis. Federal funds shall be allocated under applicable federal
10 requirements, except that an amount not to exceed \$3,500,000.00 may
11 be allocated by the department each fiscal year ~~for 2004-2005 and~~
12 for 2005-2006 **AND FOR 2006-2007** to districts, intermediate
13 districts, or other eligible entities on a competitive grant basis
14 for programs, equipment, and services that the department
15 determines to be designed to benefit or improve special education
16 on a statewide scale.

17 (6) From the amount allocated in subsection (1), there is
18 allocated an amount not to exceed \$2,200,000.00 each fiscal year
19 ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** to reimburse
20 100% of the net increase in necessary costs incurred by a district
21 or intermediate district in implementing the revisions in the
22 administrative rules for special education that became effective on
23 July 1, 1987. As used in this subsection, "net increase in
24 necessary costs" means the necessary additional costs incurred
25 solely because of new or revised requirements in the administrative
26 rules minus cost savings permitted in implementing the revised
27 rules. Net increase in necessary costs shall be determined in a

1 manner specified by the department.

2 (7) For purposes of this article, all of the following apply:

3 (a) "Total approved costs of special education" shall be
4 determined in a manner specified by the department and may include
5 indirect costs, but shall not exceed 115% of approved direct costs
6 for section 52 and section 53a programs. The total approved costs
7 include salary and other compensation for all approved special
8 education personnel for the program, including payments for social
9 security and medicare and public school employee retirement system
10 contributions. The total approved costs do not include salaries or
11 other compensation paid to administrative personnel who are not
12 special education personnel as defined in section 6 of the revised
13 school code, MCL 380.6. Costs reimbursed by federal funds, other
14 than those federal funds included in the allocation made under this
15 article, are not included. Special education approved personnel not
16 utilized full time in the evaluation of students or in the delivery
17 of special education programs, ancillary, and other related
18 services shall be reimbursed under this section only for that
19 portion of time actually spent providing these programs and
20 services, with the exception of special education programs and
21 services provided to youth placed in child caring institutions or
22 juvenile detention programs approved by the department to provide
23 an on-grounds education program.

24 (b) Except as otherwise provided in subdivision (c), beginning
25 with the 2004-2005 fiscal year, a district or intermediate district
26 that employed special education support services staff to provide
27 special education support services in 2003-2004 or in a subsequent

1 fiscal year and that in a fiscal year after 2003-2004 receives the
2 same type of support services from another district or intermediate
3 district shall report the cost of those support services for
4 special education reimbursement purposes under this act. This
5 subdivision does not prohibit the transfer of special education
6 classroom teachers and special education classroom aides if the
7 pupils counted in membership associated with those special
8 education classroom teachers and special education classroom aides
9 are transferred and counted in membership in the other district or
10 intermediate district in conjunction with the transfer of those
11 teachers and aides.

12 ~~—— (c) If the department determines before bookclosing for 2004-~~
13 ~~2005 that the amounts allocated under this section for 2004-2005~~
14 ~~will exceed expenditures under this section for 2004-2005, then for~~
15 ~~2004-2005 only, for a district or intermediate district whose~~
16 ~~reimbursement for 2004-2005 would otherwise be affected by~~
17 ~~subdivision (b), subdivision (b) does not apply to the calculation~~
18 ~~of the reimbursement for that district or intermediate district and~~
19 ~~reimbursement for that district or intermediate district shall be~~
20 ~~calculated in the same manner as it was for 2003-2004. If the~~
21 ~~amount of the excess allocations under this section is not~~
22 ~~sufficient to fully fund the calculation of reimbursement to those~~
23 ~~districts and intermediate districts under this subdivision, then~~
24 ~~the calculations and resulting reimbursement under this subdivision~~
25 ~~shall be prorated on an equal percentage basis.~~

26 (C) ~~(d)~~ Reimbursement for ancillary and other related
27 services, as defined by R 340.1701c of the Michigan administrative

1 code, shall not be provided when those services are covered by and
2 available through private group health insurance carriers or
3 federal reimbursed program sources unless the department and
4 district or intermediate district agree otherwise and that
5 agreement is approved by the state budget director. Expenses, other
6 than the incidental expense of filing, shall not be borne by the
7 parent. In addition, the filing of claims shall not delay the
8 education of a pupil. A district or intermediate district shall be
9 responsible for payment of a deductible amount and for an advance
10 payment required until the time a claim is paid.

11 (8) From the allocation in subsection (1), there is allocated
12 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-**
13 **2007** an amount not to exceed \$15,313,900.00 to intermediate
14 districts. The payment under this subsection to each intermediate
15 district shall be equal to the amount of the 1996-97 allocation to
16 the intermediate district under subsection (6) of this section as
17 in effect for 1996-97.

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

24 (10) Special education personnel transferred from 1 district
25 to another to implement the revised school code shall be entitled
26 to the rights, benefits, and tenure to which the person would
27 otherwise be entitled had that person been employed by the

1 receiving district originally.

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

8 (12) From the funds allocated in subsection (1), there is
9 allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
10 **FOR 2006-2007** the amount necessary, estimated at ~~-\$7,000,000.00 for~~
11 ~~2004-2005 and \$6,600,000.00~~ **\$6,500,000.00** for 2005-2006 **AND**
12 **\$7,800,000.00 FOR 2006-2007**, to pay the foundation allowances for
13 pupils described in this subsection. The allocation to a district
14 under this subsection shall be calculated by multiplying the number
15 of pupils described in this subsection who are counted in
16 membership in the district times the sum of the foundation
17 allowance under section 20 of the pupil's district of residence
18 plus the amount of the district's per pupil allocation under
19 section 20j(2), not to exceed \$6,500.00 adjusted by the dollar
20 amount of the difference between the basic foundation allowance
21 under section 20 for the current fiscal year and \$5,000.00 minus
22 \$200.00, or, for a pupil described in this subsection who is
23 counted in membership in a district that is a public school academy
24 or university school, times an amount equal to the amount per
25 membership pupil under section 20(6). The allocation to an
26 intermediate district under this subsection shall be calculated in
27 the same manner as for a district, using the foundation allowance

1 under section 20 of the pupil's district of residence, not to
2 exceed \$6,500.00 adjusted by the dollar amount of the difference
3 between the basic foundation allowance under section 20 for the
4 current fiscal year and \$5,000.00 minus \$200.00, and that
5 district's per pupil allocation under section 20j(2). This
6 subsection applies to all of the following pupils:

7 (a) Pupils described in section 53a.

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

12 (c) Emotionally impaired pupils counted in membership by an
13 intermediate district and provided educational services by the
14 department of community health.

15 (13) After payments under subsections (2) and (12) and section
16 51c, the remaining expenditures from the allocation in subsection
17 (1) shall be made in the following order:

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

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

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

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

22 (e) 100% of the payment required under subsection (8).

23 (f) 100% of the payments under section 56.

24 (14) The allocations under subsection (2), subsection (3), and
25 subsection (12) shall be allocations to intermediate districts only
26 and shall not be allocations to districts, but instead shall be
27 calculations used only to determine the state payments under

1 section 22b.

2 Sec. 51c. As required by the court in the consolidated cases
3 known as Durant v State of Michigan, Michigan supreme court docket
4 no. 104458-104492, from the allocation under section 51a(1), there
5 is allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND**
6 **FOR 2006-2007** the amount necessary, estimated at ~~-\$642,000,000.00~~
7 ~~for 2004-2005 and \$690,200,000.00~~ **\$665,300,000.00** for 2005-2006
8 **AND \$707,400,000.00 FOR 2006-2007**, for payments to reimburse
9 districts for 28.6138% of total approved costs of special education
10 excluding costs reimbursed under section 53a, and 70.4165% of total
11 approved costs of special education transportation. Funds allocated
12 under this section that are not expended in the state fiscal year
13 for which they were allocated, as determined by the department, may
14 be used to supplement the allocations under sections 22a and 22b in
15 order to fully fund those calculated allocations for the same
16 fiscal year.

17 Sec. 51d. (1) From the federal funds appropriated in section
18 11, there is allocated for ~~2005-2006~~ **2006-2007** all available
19 federal funding, estimated at ~~-\$65,000,000.00~~ **\$74,000,000.00**, for
20 special education programs that are funded by federal grants. All
21 federal funds allocated under this section shall be distributed in
22 accordance with federal law. Notwithstanding section 17b, payments
23 of federal funds to districts, intermediate districts, and other
24 eligible entities under this section shall be paid on a schedule
25 determined by the department.

26 (2) From the federal funds allocated under subsection (1), the
27 following amounts are allocated for ~~2005-2006~~ **2006-2007**:

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

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

7 (c) An amount estimated at ~~-\$36,000,000.00~~ **\$45,000,000.00** for
8 special education programs funded by DED-OSERS, handicapped
9 program, individuals with disabilities act funds.

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

13 Sec. 53a. (1) For districts, reimbursement for pupils
14 described in subsection (2) shall be 100% of the total approved
15 costs of operating special education programs and services approved
16 by the department and included in the intermediate district plan
17 adopted pursuant to article 3 of the revised school code, MCL
18 380.1701 to 380.1766, minus the district's foundation allowance
19 calculated under section 20, and minus the amount calculated for
20 the district under section 20j. For intermediate districts,
21 reimbursement for pupils described in ~~section~~ **SUBSECTION** (2)
22 shall be calculated in the same manner as for a district, using the
23 foundation allowance under section 20 of the pupil's district of
24 residence, not to exceed \$6,500.00 adjusted by the dollar amount of
25 the difference between the basic foundation allowance under section
26 20 for the current fiscal year and \$5,000.00, minus \$200.00, and
27 under section 20j.

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

3 (a) Pupils assigned to a district or intermediate district
4 through the community placement program of the courts or a state
5 agency, if the pupil was a resident of another intermediate
6 district at the time the pupil came under the jurisdiction of the
7 court or a state agency.

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

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

13 (d) Pupils enrolled in a department-approved on-grounds
14 educational program longer than 180 days, but not longer than 233
15 days, at a residential child care institution, if the child care
16 institution offered in 1991-92 an on-grounds educational program
17 longer than 180 days but not longer than 233 days.

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

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

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

1 (5) Not more than \$12,800,000.00 of the allocation for ~~2005-~~
2 ~~2006-~~ 2006-2007 in section 51a(1) shall be allocated under this
3 section.

4 Sec. 54. ~~In addition to the aid received under section 52,~~
5 ~~each-~~ **EACH** intermediate district shall receive an amount per pupil
6 for each pupil in attendance at the Michigan schools for the deaf
7 and blind. The amount shall be proportionate to the total
8 instructional cost at each school. Not more than \$1,688,000.00 of
9 the allocation for ~~2005-2006-~~ 2006-2007 in section 51a(1) shall be
10 allocated under this section.

11 Sec. 54a. From the state school aid fund money appropriated in
12 section 11, there is allocated an amount not to exceed \$250,000.00
13 for ~~2005-2006-~~ 2006-2007 to the lending library located at central
14 Michigan university from which districts and intermediate districts
15 can borrow assessment materials designed specifically for children
16 with severe loss of vision or hearing, severe cognitive or motor
17 disabilities, or multiple disabilities and for children who require
18 the most specialized types of psychological and educational
19 assessment. The lending library shall make test assessment
20 materials available through borrowing to districts and intermediate
21 districts. The lending library shall also provide information about
22 the lending library at meetings and conferences for school
23 personnel and shall develop a website to describe the services
24 offered by the lending library. The lending library also ~~should~~
25 **SHALL** mail information about the services offered by the lending
26 library to all districts and intermediate districts.

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

1 (a) "Membership" means for a particular fiscal year the total
2 membership for the immediately preceding fiscal year of the
3 intermediate district and the districts constituent to the
4 intermediate district.

5 (b) "Millage levied" means the millage levied for special
6 education pursuant to part 30 of the revised school code, MCL
7 380.1711 to 380.1743, including a levy for debt service
8 obligations.

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

15 (2) From the allocation under section 51a(1), there is
16 allocated an amount **EACH FISCAL YEAR** not to exceed \$36,881,100.00
17 for 2005-2006 **AND FOR 2006-2007** to reimburse intermediate districts
18 levying millages for special education pursuant to part 30 of the
19 revised school code, MCL 380.1711 to 380.1743. The purpose, use,
20 and expenditure of the reimbursement shall be limited as if the
21 funds were generated by these millages and governed by the
22 intermediate district plan adopted pursuant to article 3 of the
23 revised school code, MCL 380.1701 to 380.1766. As a condition of
24 receiving funds under this section, an intermediate district
25 distributing any portion of special education millage funds to its
26 constituent districts shall submit for departmental approval and
27 implement a distribution plan.

1 (3) Reimbursement for those millages levied in 2004-2005 shall
2 be made in 2005-2006 at an amount per 2004-2005 membership pupil
3 computed by subtracting from ~~-\$142,100.00~~ **\$142,900.00** the 2004-
4 2005 taxable value behind each membership pupil and multiplying the
5 resulting difference by the 2004-2005 millage levied. **REIMBURSEMENT**
6 **FOR THOSE MILLAGES LEVIED IN 2005-2006 SHALL BE MADE IN 2006-2007**
7 **AT AN AMOUNT PER 2005-2006 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING**
8 **FROM \$150,900.00 THE 2005-2006 TAXABLE VALUE BEHIND EACH MEMBERSHIP**
9 **PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2005-2006**
10 **MILLAGE LEVIED.**

11 Sec. 57. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$285,000.00 for ~~2005-2006~~ **2006-**
13 **2007** for grants to intermediate districts for advanced and
14 accelerated students.

15 (2) To qualify for funding under this section, a grant
16 recipient shall support part of the cost of summer institutes for
17 advanced and accelerated students and, to the extent the funding
18 allows, provide comprehensive programs for advanced and accelerated
19 pupils.

20 (3) Except as otherwise provided in this subsection, the
21 amount of a single grant award under this section shall not exceed
22 \$5,000.00. Intermediate districts may form a consortium, and that
23 consortium may receive a maximum grant amount of \$5,000.00 for each
24 participant intermediate district. Each intermediate district or
25 consortium must apply for grant funding by April 1, ~~2006~~ **2007** and
26 demonstrate compliance with subsection (2).

27 (4) A district, intermediate district, or consortium that

1 receives a grant under this section shall provide at least a 25%
2 match for grant money received under this section from local public
3 or private resources.

4 (5) Any unallocated grant funds may be allocated to
5 intermediate districts and consortia receiving grants under this
6 section in an equal amount per intermediate district.

7 Sec. 61a. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed \$30,000,000.00 for ~~2005-2006~~
9 **2006-2007** to reimburse on an added cost basis districts, except for
10 a district that served as the fiscal agent for a vocational
11 education consortium in the 1993-94 school year, and secondary area
12 vocational-technical education centers for secondary-level
13 vocational-technical education programs, including parenthood
14 education programs, according to rules approved by the
15 superintendent. Applications for participation in the programs
16 shall be submitted in the form prescribed by the department. The
17 department shall determine the added cost for each vocational-
18 technical program area. The allocation of added cost funds shall be
19 based on the type of vocational-technical programs provided, the
20 number of pupils enrolled, and the length of the training period
21 provided, and shall not exceed 75% of the added cost of any
22 program. With the approval of the department, the board of a
23 district maintaining a secondary vocational-technical education
24 program may offer the program for the period from the close of the
25 school year until September 1. The program shall use existing
26 facilities and shall be operated as prescribed by rules promulgated
27 by the superintendent.

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

10 (3) From the allocation in subsection (1), there is allocated
11 an amount not to exceed \$388,700.00 for ~~2005-2006~~ **2006-2007** to
12 intermediate districts with constituent districts that had combined
13 state and local revenue per membership pupil in the 1994-95 state
14 fiscal year of \$6,500.00 or more, served as a fiscal agent for a
15 state board designated area vocational education center in the
16 1993-94 school year, and had an adjustment made to their 1994-95
17 combined state and local revenue per membership pupil pursuant to
18 section 20d. The payment under this subsection to the intermediate
19 district shall equal the amount of the allocation to the
20 intermediate district for 1996-97 under this subsection.

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

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

27 (b) "Millage levied" means the millage levied for area

1 vocational-technical education pursuant to sections 681 to 690 of
2 the revised school code, MCL 380.681 to 380.690, including a levy
3 for debt service obligations incurred as the result of borrowing
4 for capital outlay projects and in meeting capital projects fund
5 requirements of area vocational-technical education.

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

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

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

26 (2) From the appropriation in section 11, there is allocated
27 **EACH FISCAL YEAR** an amount not to exceed \$9,000,000.00 for 2005-

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1 2006 AND FOR 2006-2007 to reimburse intermediate districts and area
 2 vocational-technical education programs established under section
 3 690(3) of the revised school code, MCL 380.690, levying millages
 4 for area vocational-technical education pursuant to sections 681 to
 5 690 of the revised school code, MCL 380.681 to 380.690. The
 6 purpose, use, and expenditure of the reimbursement shall be limited
 7 as if the funds were generated by those millages.

8 (3) Reimbursement for the millages levied in 2004-2005 shall
 9 be made in 2005-2006 at an amount per 2004-2005 membership pupil
 10 computed by subtracting from ~~-\$151,200.00~~ \$152,000.00 the 2004-
 11 2005 taxable value behind each membership pupil and multiplying the
 12 resulting difference by the 2004-2005 millage levied. REIMBURSEMENT
 13 FOR THE MILLAGES LEVIED IN 2005-2006 SHALL BE MADE IN 2006-2007 AT
 14 AN AMOUNT PER 2005-2006 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING
 15 FROM \$160,300.00 THE 2005-2006 TAXABLE VALUE BEHIND EACH MEMBERSHIP
 16 PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2005-2006
 17 MILLAGE LEVIED.

<<SEC. 64. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
 ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR GRANTS TO INTERMEDIATE
 DISTRICTS OR A DISTRICT OF THE FIRST CLASS THAT ARE IN CONSORTIUM WITH A
 COMMUNITY COLLEGE AND A HOSPITAL TO CREATE AND IMPLEMENT A MIDDLE COLLEGE
 FOCUSED ON THE FIELD OF HEALTH SCIENCES.

(2) AWARDS SHALL BE MADE IN A MANNER AND FORM AS DETERMINED BY THE
 DEPARTMENT; HOWEVER, AT A MINIMUM, ELIGIBLE CONSORTIA FUNDED UNDER THIS
 SECTION SHALL ENSURE THE MIDDLE COLLEGE PROVIDES ALL OF THE FOLLOWING:

(A) OUTREACH PROGRAMS TO PROVIDE INFORMATION TO MIDDLE SCHOOL AND
 HIGH SCHOOL STUDENTS ABOUT CAREER OPPORTUNITIES IN THE HEALTH SCIENCES
 FIELD.

(B) AN INDIVIDUALIZED EDUCATION PLAN FOR EACH PUPIL ENROLLED IN THE
 PROGRAM.

(C) CURRICULUM THAT INCLUDES ENTRY-LEVEL COLLEGE COURSES.

(D) CLINICAL ROTATIONS THAT PROVIDE OPPORTUNITIES FOR PUPILS TO
 OBSERVE CAREERS IN THE HEALTH SCIENCES.

(3) FOR THE PURPOSES OF THIS SECTION, "MIDDLE COLLEGE" IS DEFINED
 AS A SERIES OF COURSES AND OTHER REQUIREMENTS AND CONDITIONS ESTABLISHED
 BY THE CONSORTIUM THAT ALLOW A PUPIL TO GRADUATE WITH A HIGH SCHOOL
 DIPLOMA AND A CERTIFICATE OR ASSOCIATE DEGREE FROM A COMMUNITY COLLEGE.>>

18 SEC. 65. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE
 19 IS ALLOCATED AN AMOUNT NOT TO EXCEED <<\$780,100.00>> FOR 2006-2007 FOR

20 << >> GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS, AS DETERMINED BY
21 THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH, FOR ELIGIBLE
22 PRECOLLEGE PROGRAMS IN ENGINEERING AND THE SCIENCES.

23 <<(2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE DEPARTMENT
24 OF LABOR AND ECONOMIC GROWTH SHALL AWARD \$680,100.00 FOR 2006-2007 TO THE
25 2 ELIGIBLE EXISTING PROGRAMS THAT RECEIVED FUNDS APPROPRIATED FOR THESE
26 PURPOSES IN THE APPROPRIATIONS ACT CONTAINING THE DEPARTMENT OF LABOR AND
27 ECONOMIC GROWTH BUDGET FOR 2005-2006.

(3) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE DEPARTMENT OF
LABOR AND ECONOMIC GROWTH SHALL AWARD \$100,000.00 FOR 2006-2007 TO THE
KALAMAZOO REGIONAL EDUCATION SERVICE AGENCY TO SUPPORT AN AREA PROGRAM
SUBSTANTIALLY SIMILAR TO THE 2 ELIGIBLE EXISTING PROGRAMS RECEIVING FUNDS
UNDER SUBSECTION (1).>>

1 <<(4)>> THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL SUBMIT A
 2 REPORT TO THE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR THIS ACT
 3 AND TO THE HOUSE AND SENATE FISCAL AGENCIES BY FEBRUARY 1, 2007
 4 REGARDING DROPOUT RATES, GRADE POINT AVERAGES, ENROLLMENT IN
 5 SCIENCE, ENGINEERING, AND MATH-BASED CURRICULA, AND EMPLOYMENT IN
 6 SCIENCE, ENGINEERING, AND MATHEMATICS-BASED FIELDS FOR PUPILS WHO
 7 WERE ENROLLED IN THE PROGRAMS AWARDED FUNDS UNDER THIS SECTION OR
 8 UNDER PRECEDING LEGISLATION. THE REPORT SHALL CONTINUE TO EVALUATE
 9 THE EFFECTIVENESS OF THE PRECOLLEGE PROGRAMS IN ENGINEERING AND
 10 SCIENCES FUNDED UNDER THIS SECTION.

<<SEC. 66. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
 ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR GRANTS TO INTERMEDIATE
 DISTRICTS OR CONSORTIUMS OF INTERMEDIATE DISTRICTS AND COMMUNITY COLLEGES
 TO AID THE DEPARTMENT AND THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH IN
 IDENTIFYING EXISTING CAREER AND TECHNICAL EDUCATION CURRICULA AND
 DEVELOPING NEW CAREER AND TECHNICAL EDUCATION CURRICULA THAT INCORPORATE
 THE MICHIGAN MERIT CORE CONTENT STANDARDS AND CREDIT REQUIREMENTS.

(2) GRANT APPLICATIONS SHALL BE SUBMITTED TO THE DEPARTMENT IN A
 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

(3) CURRICULA, CLASSROOM MATERIALS, AND RELATED PROFESSIONAL
 DEVELOPMENT DESIGNS AND MATERIALS CREATED USING THESE GRANT FUNDS MUST BE
 MADE AVAILABLE TO ALL DISTRICTS.

(4) THE DEPARTMENT SHALL AWARD GRANTS TO ELIGIBLE RECIPIENTS IN A
 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT; HOWEVER, THE DEPARTMENT
 SHALL GIVE PRIORITY TO GRANT PROPOSALS THAT PROVIDE THE MOST INNOVATIVE
 AND COST-EFFECTIVE APPROACHES TO REVOLUTIONIZING CAREER AND TECHNICAL
 EDUCATION TO PREPARE STUDENTS FOR WORK AND POSTSECONDARY EDUCATION IN THE
 21ST CENTURY.>>

11 Sec. 74. (1) From the amount appropriated in section 11, there
 12 is allocated an amount not to exceed ~~-\$1,625,000.00~~ \$2,965,000.00
 13 for ~~2005-2006~~ 2006-2007 for the purposes of ~~subsections (2) and~~
 14 ~~(3)~~ THIS SECTION.

15 (2) From the allocation in subsection (1), there is allocated
 16 each fiscal year the amount necessary for payments to state
 17 supported colleges or universities and intermediate districts
 18 providing school bus driver safety instruction or driver skills
 19 road tests pursuant to sections 51 and 52 of the pupil
 20 transportation act, 1990 PA 187, MCL 257.1851 and 257.1852. The
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21 payments shall be in an amount determined by the department not to
22 exceed 75% of the actual cost of instruction and driver
23 compensation for each public or nonpublic school bus driver
24 attending a course of instruction. For the purpose of computing
25 compensation, the hourly rate allowed each school bus driver shall
26 not exceed the hourly rate received for driving a school bus.
27 Reimbursement compensating the driver during the course of

1 instruction or driver skills road tests shall be made by the
2 department to the college or university or intermediate district
3 providing the course of instruction.

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

11 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
12 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,340,000.00 FOR 2006-2007 FOR
13 REIMBURSEMENT TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR COSTS
14 ASSOCIATED WITH THE INSPECTION OF SCHOOL BUSES AND PUPIL
15 TRANSPORTATION VEHICLES BY THE DEPARTMENT OF STATE POLICE AS
16 REQUIRED UNDER SECTION 715A OF THE MICHIGAN VEHICLE CODE, 1949 PA
17 300, MCL 257.715A, AND SECTION 39 OF THE PUPIL TRANSPORTATION ACT,
18 1990 PA 187, MCL 257.1839. THE DEPARTMENT OF STATE POLICE SHALL
19 PREPARE A STATEMENT OF COSTS ATTRIBUTABLE TO EACH DISTRICT FOR
20 WHICH BUS INSPECTIONS ARE PROVIDED AND SUBMIT IT TO THE DEPARTMENT
21 AND TO EACH AFFECTED DISTRICT IN A TIME AND MANNER DETERMINED
22 JOINTLY BY THE DEPARTMENT AND THE DEPARTMENT OF STATE POLICE. THE
23 DEPARTMENT SHALL REIMBURSE EACH DISTRICT AND INTERMEDIATE DISTRICT
24 FOR COSTS DETAILED ON THE STATEMENT WITHIN 30 DAYS AFTER RECEIPT OF
25 THE STATEMENT. DISTRICTS FOR WHICH SERVICES ARE PROVIDED SHALL MAKE
26 PAYMENT IN THE AMOUNT SPECIFIED ON THE STATEMENT TO THE DEPARTMENT
27 OF STATE POLICE WITHIN 45 DAYS AFTER RECEIPT OF THE STATEMENT. THE

1 **TOTAL REIMBURSEMENT OF COSTS UNDER THIS SUBSECTION SHALL NOT EXCEED**
2 **THE AMOUNT ALLOCATED UNDER THIS SUBSECTION.**

3 Sec. 81. (1) Except as otherwise provided in this section,
4 from the appropriation in section 11, there is allocated for ~~2005-~~
5 ~~2006-~~ **2006-2007** to the intermediate districts the sum necessary,
6 but not to exceed ~~\$77,702,100.00~~ **\$80,805,500.00**, to provide state
7 aid to intermediate districts under this section. Except as
8 otherwise provided in this section, there shall be allocated to
9 each intermediate district for ~~2005-2006-~~ **2006-2007** an amount
10 equal to ~~100.0%~~ **103.3%** of the amount appropriated under this
11 subsection for ~~2004-2005,~~ ~~excluding the portion that was allocated~~
12 ~~for the purposes of section 32j-~~ **2005-2006**. Funding provided under
13 this section shall be used to comply with requirements of this act
14 and the revised school code that are applicable to intermediate
15 districts, and for which funding is not provided elsewhere in this
16 act, and to provide technical assistance to districts as authorized
17 by the intermediate school board.

18 **(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
19 **AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2006-2007 FOR PAYMENTS TO**
20 **INTERMEDIATE DISTRICTS FOR PURPOSES OF THIS SUBSECTION.**
21 **INTERMEDIATE DISTRICTS RECEIVING FUNDS UNDER THIS SECTION SHALL**
22 **COLLABORATE WITH THE DEPARTMENT TO DEVELOP EXPANDED PROFESSIONAL**
23 **DEVELOPMENT OPPORTUNITIES FOR TEACHERS TO UPDATE AND EXPAND THEIR**
24 **KNOWLEDGE AND SKILLS NEEDED TO SUPPORT THE MICHIGAN MERIT**
25 **CURRICULUM.**

26 **(3) ~~(2)~~** From the allocation in subsection (1), there is
27 allocated to an intermediate district, formed by the consolidation

1 or annexation of 2 or more intermediate districts or the attachment
2 of a total intermediate district to another intermediate school
3 district or the annexation of all of the constituent K-12 districts
4 of a previously existing intermediate school district which has
5 disorganized, an additional allotment of \$3,500.00 each fiscal year
6 for each intermediate district included in the new intermediate
7 district for 3 years following consolidation, annexation, or
8 attachment.

9 (4) ~~—(3)—~~ During a fiscal year, the department shall not
10 increase an intermediate district's allocation under subsection (1)
11 because of an adjustment made by the department during the fiscal
12 year in the intermediate district's taxable value for a prior year.
13 Instead, the department shall report the adjustment and the
14 estimated amount of the increase to the house and senate fiscal
15 agencies and the state budget director not later than June 1 of the
16 fiscal year, and the legislature shall appropriate money for the
17 adjustment in the next succeeding fiscal year.

18 (5) ~~—(4)—~~ In order to receive funding under this section, an
19 intermediate district shall demonstrate to the satisfaction of the
20 department that the intermediate district employs at least 1 person
21 who is trained in pupil counting procedures, rules, and
22 regulations.

23 Sec. 94a. (1) There is created within the office of the state
24 budget director in the department of management and budget the
25 center for educational performance and information. The center
26 shall do all of the following:

27 (a) Coordinate the collection of all data required by state

1 and federal law from all entities receiving funds under this act.

2 (b) Collect data in the most efficient manner possible in
3 order to reduce the administrative burden on reporting entities.

4 (c) Establish procedures to ensure the validity and
5 reliability of the data and the collection process.

6 (d) Develop state and model local data collection policies,
7 including, but not limited to, policies that ensure the privacy of
8 individual student data. State privacy policies shall ensure that
9 student social security numbers are not released to the public for
10 any purpose.

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

13 (f) Provide reports to the citizens of this state to allow
14 them to assess allocation of resources and the return on their
15 investment in the education system of this state.

16 (g) Assist all entities receiving funds under this act in
17 complying with audits performed according to generally accepted
18 accounting procedures.

19 (h) Other functions as assigned by the state budget director.

20 (2) Each state department, officer, or agency that collects
21 information from districts or intermediate districts as required
22 under state or federal law shall make arrangements with the center,
23 and with the districts or intermediate districts, to have the
24 center collect the information and to provide it to the department,
25 officer, or agency as necessary. To the extent that it does not
26 cause financial hardship, the center shall arrange to collect the
27 information in a manner that allows electronic submission of the

1 information to the center. Each affected state department, officer,
2 or agency shall provide the center with any details necessary for
3 the center to collect information as provided under this
4 subsection. This subsection does not apply to information collected
5 by the department of treasury under the uniform budgeting and
6 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised
7 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; ~~1961~~
8 ~~PA 108, MCL 388.951 to 388.963~~ **THE SCHOOL BOND QUALIFICATION,**
9 **APPROVAL, AND LOAN ACT, 2005 PA 92, MCL 388.1921 TO 388.1939;** or
10 section 1351a of the revised school code, MCL 380.1351a.

11 (3) The state budget director shall appoint a CEPI advisory
12 committee, consisting of the following members:

13 (a) One representative from the house fiscal agency.

14 (b) One representative from the senate fiscal agency.

15 (c) One representative from the office of the state budget
16 director.

17 (d) One representative from the state education agency.

18 (e) One representative each from the department of labor and
19 economic growth and the department of treasury.

20 (f) Three representatives from intermediate school districts.

21 (g) One representative from each of the following educational
22 organizations:

23 (i) Michigan association of school boards.

24 (ii) Michigan association of school administrators.

25 (iii) Michigan school business officials.

26 (h) One representative representing private sector firms
27 responsible for auditing school records.

1 (i) Other representatives as the state budget director
2 determines are necessary.

3 (4) The CEPI advisory committee appointed under subsection (3)
4 shall provide advice to the director of the center regarding the
5 management of the center's data collection activities, including,
6 but not limited to:

7 (a) Determining what data is necessary to collect and maintain
8 in order to perform the center's functions in the most efficient
9 manner possible.

10 (b) Defining the roles of all stakeholders in the data
11 collection system.

12 (c) Recommending timelines for the implementation and ongoing
13 collection of data.

14 (d) Establishing and maintaining data definitions, data
15 transmission protocols, and system specifications and procedures
16 for the efficient and accurate transmission and collection of data.

17 (e) Establishing and maintaining a process for ensuring the
18 accuracy of the data.

19 (f) Establishing and maintaining state and model local
20 policies related to data collection, including, but not limited to,
21 privacy policies related to individual student data.

22 (g) Ensuring the data is made available to state and local
23 policymakers and citizens of this state in the most useful format
24 possible.

25 (h) Other matters as determined by the state budget director
26 or the director of the center.

27 (5) The center may enter into any interlocal agreements

1 necessary to fulfill its functions.

2 (6) From the general fund appropriation in section 11, there
 3 is allocated an amount not to exceed ~~-\$2,000,000.00 for 2005-2006~~
 4 **\$4,500,000.00 FOR 2006-2007** to the department of management and
 5 budget to support the operations of the center **AND THE DEVELOPMENT**
 6 **AND IMPLEMENTATION OF A COMPREHENSIVE DATA MANAGEMENT AND STUDENT**
 7 **TRACKING SYSTEM**. The center shall cooperate with the state
 8 education agency to ensure that this state is in compliance with
 9 federal law and is maximizing opportunities for increased federal
 10 funding to improve education in this state. In addition, from the
 11 federal funds appropriated in section 11 for ~~-2005-2006-~~ **2006-2007**,
 12 there is allocated the amount necessary, estimated at \$3,543,200.00
 13 in order to fulfill federal reporting requirements. +

14 ~~—— (a) An amount not to exceed \$839,000.00 funded from DED OESE,~~
 15 ~~title I, disadvantaged children funds.~~

16 ~~—— (b) An amount not to exceed \$55,700.00 funded from DED OESE,~~
 17 ~~title I, reading first state grant funds.~~

18 ~~—— (c) An amount not to exceed \$47,000.00 funded from DED OESE,~~
 19 ~~title I, migrant education funds.~~

20 ~~—— (d) An amount not to exceed \$285,000.00 funded from DED OESE,~~
 21 ~~improving teacher quality funds.~~

22 ~~—— (e) An amount not to exceed \$73,000.00 funded from DED OESE,~~
 23 ~~drug free schools and communities funds.~~

24 ~~—— (f) An amount not to exceed \$150,000.00 funded under sections~~
 25 ~~611 to 619 of part B of the individuals with disabilities education~~
 26 ~~act, title VI of Public Law 91-230, 20 USC 1411 to 1419.~~

27 ~~—— (g) An amount not to exceed \$13,500.00 for data collection~~

1 ~~systems, funded from DED-NCES, common core data funds.~~

2 ~~—— (h) An amount not to exceed \$400,000.00 for the collection and~~
 3 ~~dissemination of state assessment data, funded from DED-OESE, title~~
 4 ~~VI, state assessments funds.~~

5 ~~—— (i) An amount not to exceed \$80,000.00 for data collection~~
 6 ~~systems, funded from DED-NCES, task award funds.~~

7 ~~—— (j) An amount not to exceed \$100,000.00 for data collection~~
 8 ~~systems development funded from DED-NCES, performance based data~~
 9 ~~management initiative.~~

10 (7) ~~(k) An~~ **FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION**
 11 **(6), THERE IS ALLOCATED FOR 2006-2007 AN** amount not to exceed
 12 ~~\$1,500,000.00~~ **\$2,500,000.00** to support the development and
 13 implementation of a comprehensive ~~K-12~~ **LONGITUDINAL EDUCATIONAL**
 14 data management and student tracking system. ~~—~~ **IN ADDITION, FROM**
 15 **THE FEDERAL FUNDS ALLOCATED IN SUBSECTION (6), THERE IS ALLOCATED**
 16 **FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$1,500,000.00** funded from the
 17 competitive grants of DED-OESE, title II, educational technology
 18 funds **FOR THE PURPOSES OF THIS SUBSECTION.** Not later than November
 19 30, ~~2005~~ **2006**, the department shall award a single grant to an
 20 eligible partnership that includes an intermediate district with at
 21 least 1 high-need local school district and the center.

22 ~~—— (7) If the center, in partnership with the department,~~
 23 ~~receives a federal grant appropriated in the department's budget to~~
 24 ~~support the development and implementation of a comprehensive data~~
 25 ~~management and pupil tracking system, the center shall first expend~~
 26 ~~those funds before expending funds allocated under this section.~~

27 (8) The center and the department shall work cooperatively to

1 develop a cost allocation plan that pays for center expenses from
2 the appropriate federal fund revenues.

3 (9) Funds allocated under this section that are not expended
4 in the fiscal year in which they were allocated may be carried
5 forward to a subsequent fiscal year.

6 (10) The center may bill departments as necessary in order to
7 fulfill reporting requirements of state and federal law. The center
8 may also enter into agreements to supply custom data, analysis, and
9 reporting to other principal executive departments, state agencies,
10 local units of government, and other individuals and organizations.
11 The center may receive and expend funds in addition to those
12 authorized in subsection (6) to cover the costs associated with
13 salaries, benefits, supplies, materials, and equipment necessary to
14 provide such data, analysis, and reporting services.

15 (11) As used in this section:

16 ~~—— (a) "DED-NCES" means the United States department of education~~
17 ~~national center for education statistics.~~

18 (A) ~~—(b)—~~ "DED-OESE" means the United States department of
19 education office of elementary and secondary education.

20 (B) ~~—(c)—~~ "High-need local school district" means a local
21 educational agency as defined in the enhancing education through
22 technology part of the no child left behind act of 2001, Public Law
23 107-110.

24 (C) ~~—(d)—~~ "State education agency" means the department.

25 Sec. 98. (1) From the **STATE SCHOOL AID FUND MONEY APPROPRIATED**
26 **IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
27 **\$525,000.00 FOR 2006-2007 AND FROM THE** general fund money

1 appropriated in section 11, there is allocated an amount not to
2 exceed ~~-\$1,750,000.00 for 2005-2006~~ **\$2,750,000.00 FOR 2006-2007** to
3 provide a grant to the Michigan virtual university for the
4 development, implementation, and operation of the Michigan virtual
5 high school; **TO PROVIDE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR**
6 **EDUCATORS;** and to fund other purposes described in this section. In
7 addition, from the federal funds appropriated in section 11, there
8 is allocated for ~~2005-2006~~ **2006-2007** an amount estimated at
9 ~~\$2,250,000.00 from DED OESE, title II, improving teacher quality~~
10 ~~funds~~ **\$3,250,000.00.**

11 (2) The Michigan virtual high school shall have the following
12 goals:

13 (a) Significantly expand curricular offerings for high schools
14 across this state through agreements with districts or licenses
15 from other recognized providers. The Michigan virtual high school
16 shall explore options for providing rigorous civics curricula
17 online.

18 (b) Create statewide instructional models using interactive
19 multimedia tools delivered by electronic means, including, but not
20 limited to, the internet, digital broadcast, or satellite network,
21 for distributed learning at the high school level.

22 (c) Provide pupils with opportunities to develop skills and
23 competencies through on-line learning.

24 ~~—— (d) Offer teachers opportunities to learn new skills and~~
25 ~~strategies for developing and delivering instructional services.~~

26 ~~—— (e) Accelerate this state's ability to respond to current and~~
27 ~~emerging educational demands.~~

1 (D) PROVIDE ONLINE TEST PREPARATION RESOURCES FOR PUPILS.

2 (E) ~~—(f)—~~ Grant high school diplomas through a dual enrollment
3 method with districts.

4 (F) ~~—(g)—~~ Act as a broker for college level equivalent
5 courses, as defined in section 1471 of the revised school code, MCL
6 380.1471, and dual enrollment courses from postsecondary education
7 institutions.

8 (3) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1),
9 AN AMOUNT ESTIMATED AT, BUT NOT TO EXCEED \$1,000,000.00, SHALL BE
10 USED BY THE MICHIGAN VIRTUAL HIGH SCHOOL TO PROVIDE ONLINE TEST
11 PREPARATION RESOURCES FOR ALL MICHIGAN HIGH SCHOOL PUPILS USING
12 WEB-BASED TOOLS THAT ALIGN WITH THE MICHIGAN MERIT EXAM
13 REQUIREMENTS, INCLUDING THE ACT AND THE REVISED MEAP EXAM. THESE
14 RESOURCES SHALL INCLUDE THE FOLLOWING:

15 (A) PRACTICE TEST OPPORTUNITIES FOR STUDENTS.

16 (B) INFORMATION ON EFFECTIVE TEST TAKING STRATEGIES.

17 (C) DIAGNOSTIC TOOLS TO IDENTIFY STUDENT LEARNING GAPS.

18 (D) SELF-PACED ONLINE INSTRUCTIONAL TUTORIALS.

19 (E) ELECTRONIC REPORTS THAT PROVIDE FEEDBACK FOR STUDENTS AND
20 SCHOOL PERSONNEL.

21 (4) ~~—(3)—~~ The Michigan virtual high school course offerings
22 shall include, but are not limited to, all of the following:

23 (a) Information technology courses.

24 (b) College level equivalent courses, as defined in section
25 1471 of the revised school code, MCL 380.1471.

26 (c) Courses and dual enrollment opportunities.

1 (d) Programs and services for at-risk pupils.

2 (e) General education development test preparation courses for
3 adjudicated youth.

4 (f) Special interest courses.

5 (g) Professional development programs and services for
6 teachers.

7 (5) ~~(4)~~ FROM THE FEDERAL FUNDS ALLOCATED IN SUBSECTION (1),
8 THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT ESTIMATED AT
9 \$2,250,000.00 FROM DED-OESE, TITLE II, IMPROVING TEACHER QUALITY
10 FUNDS FOR A GRANT TO THE MICHIGAN VIRTUAL UNIVERSITY FOR THE
11 PURPOSE OF THIS SUBSECTION. The state education agency shall sign a
12 memorandum of understanding with the Michigan virtual university
13 regarding the DED-OESE, title II, improving teacher quality funds
14 as provided under this subsection. The memorandum of understanding
15 under this subsection shall require that the Michigan virtual
16 university coordinate the following activities related to DED-OESE,
17 title II, improving teacher quality funds in accordance with
18 federal law:

19 (a) Develop, and assist districts in the development and use
20 of, proven, innovative strategies to deliver intensive professional
21 development programs that are both cost-effective and easily
22 accessible, such as strategies that involve delivery through the
23 use of technology, peer networks, and distance learning.

24 (b) Encourage and support the training of teachers and
25 administrators to effectively integrate technology into curricula
26 and instruction.

27 (c) Coordinate the activities of eligible partnerships that

1 include higher education institutions for the purposes of providing
2 professional development activities for teachers,
3 paraprofessionals, and principals as defined in federal law.

4 (D) OFFER TEACHERS OPPORTUNITIES TO LEARN NEW SKILLS AND
5 STRATEGIES FOR DEVELOPING AND DELIVERING INSTRUCTIONAL SERVICES.

6 (E) PROVIDE ONLINE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR
7 EDUCATORS TO UPDATE AND EXPAND KNOWLEDGE AND SKILLS NEEDED TO
8 SUPPORT THE MICHIGAN MERIT CURRICULUM CORE CONTENT STANDARDS AND
9 CREDIT REQUIREMENTS.

10 ~~—— (5) If a home schooled or nonpublic school student is a~~
11 ~~resident of a district that subscribes to services provided by the~~
12 ~~Michigan virtual high school, the student may use the services~~
13 ~~provided by the Michigan virtual high school to the district~~
14 ~~without charge to the student beyond what is charged to a district~~
15 ~~pupil using the same services.~~

16 ~~—— (6) From the allocations in subsection (1), the amount~~
17 ~~necessary, not to exceed \$1,250,000.00, shall be used to provide~~
18 ~~online professional development for classroom teachers. This~~
19 ~~allocation is intended to be for the last of 3 years. These funds~~
20 ~~may be used for designing and building courses, marketing and~~
21 ~~outreach, workshops and evaluation, content acquisition, technical~~
22 ~~assistance, project management, and customer support. The Michigan~~
23 ~~virtual university shall offer at least 5 hours of online~~
24 ~~professional development for classroom teachers under this section~~
25 ~~each fiscal year beginning in 2004-2005 without charge to the~~
26 ~~teachers or to districts or intermediate districts.~~

1 (6) ~~—(7)—~~ THE MICHIGAN VIRTUAL UNIVERSITY SHALL OFFER AT LEAST
2 200 HOURS OF ONLINE PROFESSIONAL DEVELOPMENT FOR CLASSROOM TEACHERS
3 UNDER THIS SECTION EACH FISCAL YEAR BEGINNING IN 2006-2007 WITHOUT
4 CHARGE TO THE TEACHERS OR TO DISTRICTS OR INTERMEDIATE DISTRICTS. A
5 district or intermediate district may require a full-time teacher
6 to participate in at least 5 hours of online professional
7 development provided by the Michigan virtual university under
8 subsection ~~—(6)—~~ (5). Five hours of this professional development
9 shall be considered to be part of the 51 hours allowed to be
10 counted as hours of pupil instruction under section 101(10).

11 (7) ~~—(8)—~~ In addition to the other funds allocated under this
12 section, ~~from~~ FROM the federal funds appropriated in ~~section 11~~
13 SUBSECTION (1), there is allocated for ~~—2005—2006—~~ 2006-2007 an
14 amount estimated at \$1,000,000.00 from the DED-OESE, title II,
15 educational technology grant funds to support e-learning and
16 virtual school initiatives consistent with the goals contained in
17 the United States national educational technology plan issued in
18 January 2005. NOT LATER THAN NOVEMBER 30, 2006, FROM THE FUNDS
19 ALLOCATED IN THIS SUBSECTION, THE DEPARTMENT SHALL AWARD A SINGLE
20 GRANT OF \$1,000,000.00 TO A CONSORTIUM OR PARTNERSHIP ESTABLISHED
21 BY THE MICHIGAN VIRTUAL UNIVERSITY THAT MEETS THE REQUIREMENTS OF
22 THIS SUBSECTION. TO BE ELIGIBLE FOR THIS FUNDING, A CONSORTIUM OR
23 PARTNERSHIP ESTABLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY SHALL
24 INCLUDE AT LEAST 1 INTERMEDIATE DISTRICT AND AT LEAST 1 HIGH-NEED
25 LOCAL DISTRICT. ALL OF THE FOLLOWING APPLY TO THIS FUNDING:

26 (A) AN ELIGIBLE CONSORTIUM OR PARTNERSHIP MUST DEMONSTRATE
27 THE FOLLOWING:

1 (i) PRIOR SUCCESS IN DELIVERING ONLINE COURSES AND
2 INSTRUCTIONAL SERVICES TO K-12 PUPILS THROUGHOUT THIS STATE.

3 (ii) EXPERTISE IN DESIGNING, DEVELOPING, AND EVALUATING ONLINE
4 K-12 COURSE CONTENT.

5 (iii) EXPERIENCE IN MAINTAINING A STATEWIDE HELP DESK SERVICE
6 FOR PUPILS, ONLINE TEACHERS, AND OTHER SCHOOL PERSONNEL.

7 (iv) KNOWLEDGE AND EXPERIENCE IN PROVIDING TECHNICAL ASSISTANCE
8 AND SUPPORT TO K-12 SCHOOLS IN THE AREA OF ONLINE EDUCATION.

9 (v) EXPERIENCE IN TRAINING AND SUPPORTING K-12 EDUCATORS IN
10 THIS STATE TO TEACH ONLINE COURSES.

11 (vi) DEMONSTRATED TECHNICAL EXPERTISE AND CAPACITY IN MANAGING
12 COMPLEX TECHNOLOGY SYSTEMS.

13 (vii) EXPERIENCE PROMOTING TWENTY-FIRST CENTURY LEARNING SKILLS
14 THROUGH THE USE OF ONLINE TECHNOLOGIES.

15 (B) The Michigan virtual university, which operates the
16 Michigan virtual high school, shall perform the following tasks
17 related to this funding:

18 (i) ~~-(a)-~~ Examine the curricular and specific course content
19 needs of middle and high school students in the areas of
20 mathematics and science.

21 (ii) ~~-(b)-~~ Design, develop, and acquire online courses and
22 related supplemental resources aligned to state standards to create
23 a comprehensive and rigorous statewide catalog of online courses
24 and instructional services.

25 (iii) ~~-(c)-~~ Conduct a demonstration pilot to promote new and
26 innovative online courses and instructional services.

27 (iv) ~~-(d)-~~ Evaluate existing online teaching and learning

1 practices and develop continuous improvement strategies to enhance
2 student achievement.

3 (v) ~~—(e)—~~ Develop, support, and maintain the technology
4 infrastructure and related software required to deliver online
5 courses and instructional services to students statewide.

6 ~~—— (f) Begin to develop a web based practice assessment and~~
7 ~~classroom remediation program that includes reading, mathematics,~~
8 ~~social science, and science for pupils in grades 3 to 8. The~~
9 ~~Michigan virtual high school may contract with an outside provider~~
10 ~~to provide the services under this subdivision. The program must~~
11 ~~meet all of the following:~~

12 ~~—— (i) Have the ability to register pupils online.~~

13 ~~—— (ii) Be accessible on the internet.~~

14 ~~—— (iii) Provide test results immediately upon completion of the~~
15 ~~test.~~

16 ~~—— (iv) Provide remedial services by linking to textbooks in the~~
17 ~~classroom.~~

18 ~~—— (v) Provide results that are reported to the district~~
19 ~~superintendent, the school principal, and the department and are~~
20 ~~made available to parents, and that are tracked by pupil,~~
21 ~~classroom, school, and district.~~

22 ~~—— (9) Not later than November 30, 2005, from the funds allocated~~
23 ~~in subsection (8), the department shall award a single grant of~~
24 ~~\$1,000,000.00 to a consortium or partnership established by the~~
25 ~~Michigan virtual university that meets the requirements of this~~
26 ~~section. To be eligible for this funding, a consortium or~~
27 ~~partnership established by the Michigan virtual university shall~~

1 ~~include at least 1 intermediate district and at least 1 high need~~
2 ~~local district. An eligible consortium or partnership must~~
3 ~~demonstrate the following:~~

4 ~~—— (a) Prior success in delivering online courses and~~
5 ~~instructional services to K-12 students throughout this state.~~

6 ~~—— (b) Expertise in designing, developing, and evaluating online~~
7 ~~K-12 course content.~~

8 ~~—— (c) Experience in maintaining a statewide help desk service~~
9 ~~for students, online teachers, and other school personnel.~~

10 ~~—— (d) Knowledge and experience in providing technical assistance~~
11 ~~and support to K-12 schools in the area of online education.~~

12 ~~—— (e) Experience in training and supporting K-12 educators in~~
13 ~~this state to teach online courses.~~

14 ~~—— (f) Demonstrated technical expertise and capacity in managing~~
15 ~~complex technology systems.~~

16 ~~—— (g) Experience promoting twenty first century learning skills~~
17 ~~through the innovative use of online technologies.~~

18 (8) FROM THE STATE SCHOOL AID FUND ALLOCATION IN SUBSECTION
19 (1), AN AMOUNT NOT TO EXCEED \$525,000.00 FOR 2006-2007 SHALL BE
20 AWARDED AS A SINGLE GRANT TO AN INTERMEDIATE DISTRICT WORKING IN
21 PARTNERSHIP WITH THE MICHIGAN VIRTUAL HIGH SCHOOL FOR A STATEWIDE
22 LICENSE FOR "MY DREAM EXPLORER", A CAREER EXPLORATION AND PLANNING
23 TOOL, TO BE MADE AVAILABLE TO ALL PUPILS AT NO COST.

24 (9) IF A HOME-SCHOOLED OR NONPUBLIC SCHOOL STUDENT IS A
25 RESIDENT OF A DISTRICT THAT SUBSCRIBES TO SERVICES PROVIDED BY THE
26 MICHIGAN VIRTUAL HIGH SCHOOL, THE STUDENT MAY USE THE SERVICES
27 PROVIDED BY THE MICHIGAN VIRTUAL HIGH SCHOOL TO THE DISTRICT

Senate Bill No. 1095 as amended March 29, 2006

1 WITHOUT CHARGE TO THE STUDENT BEYOND WHAT IS CHARGED TO A DISTRICT
2 PUPIL USING THE SAME SERVICES.

3 (10) As used in this section:

4 (a) "DED-OESE" means the United States department of education
5 office of elementary and secondary education.

6 (b) "High-need local district" means a local educational
7 agency as defined in the enhancing education through technology
8 part of the no child left behind act of 2001, Public Law 107-110.

9 (c) "State education agency" means the department.

<<SEC. 98A. FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED \$100.00 FOR COMPETITIVE
GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SECTION. GRANTS
AWARDED UNDER THIS SECTION ARE FOR THE SUPPORT OF MIDDLE AND HIGH SCHOOL
PUPILS TO ENROLL IN COURSES AT THE MICHIGAN VIRTUAL HIGH SCHOOL. A
DISTRICT OR INTERMEDIATE DISTRICT THAT DOES NOT EXPEND THE ENTIRE GRANT
RECEIVED UNDER THIS SECTION MAY CARRY FORWARD THE UNEXPENDED FUNDS TO THE
NEXT FISCAL YEAR TO SUPPORT THE COSTS OF EDUCATING ADDITIONAL PUPILS AT
THE MICHIGAN VIRTUAL HIGH SCHOOL.>>

10 Sec. 98b. (1) From the federal funds appropriated in section
11 11 there is allocated for ~~2005-2006~~ 2006-2007 an amount ~~not to~~
12 ~~exceed \$2,500,000.00 from the competitive grants of DED-OESE, title~~
13 ~~II, educational technology grants funds, and an amount not to~~
14 ~~exceed~~ ESTIMATED AT \$3,000,000.00 from funds carried forward from
15 ~~2003-2004~~ 2005-2006 from unexpended DED-OESE, title II,
16 educational technology grants funds, for the freedom to learn
17 program described in this section. ~~In addition, from the state~~
18 ~~school aid fund money appropriated in section 11, there is~~
19 ~~allocated for 2005-2006 an amount not to exceed \$250,000.00 for the~~
20 ~~purposes of this section.~~

21 (2) The allocations in subsection (1) shall be used to
22 develop, implement, and operate the freedom to learn program and
23 make program grants. The goal of the program is to achieve one-to-
24 one access to wireless technology for K-12 pupils through statewide
25 and local public-private partnerships. To implement the program,
26 the state education agency shall sign a memorandum of understanding
27 with Ferris state university that provides for joint administration

1 of program grants under this subsection and authorizes the creation
2 of an independent institute. If sufficient private funds are
3 obtained for this purpose, Ferris state university shall create an
4 independent institute to assume responsibility for the freedom to
5 learn program and to use the allocations in subsection (1) and any
6 funds from alternative sources to do all of the following:

7 (a) Carry out all goals and activities of the freedom to learn
8 program described in this section.

9 (b) Establish itself as a national leadership organization in
10 1-to-1 research, development, and mentoring.

11 (c) Garner new public and private resources for school
12 participation in the freedom to learn program and other 1-to-1
13 learning programs.

14 (3) Ferris state university and the state education agency
15 shall make grants to districts as described in this section. In
16 awarding the grants, Ferris state university and the state
17 education agency shall give priority to applications that
18 demonstrate that the district's program will meet all of the
19 following:

20 (a) Will be ready for immediate implementation and will have
21 begun professional development on technology integration in the
22 classroom.

23 (b) Will utilize state structure and resources for
24 professional development, as coordinated by Ferris state
25 university.

26 (c) Will opt to participate in the statewide partnership
27 described in subsection (10) or will participate in an approved

1 alternative 1-to-1 deployment described in subsection (11).

2 (d) Will agree to participate in the program and its
3 professional development and evaluation components for 4 years.

4 (4) The amount of program grants to districts is estimated at
5 \$250.00 per pupil in membership in grade 6 in ~~2005-2006~~ **2006-**
6 **2007**, or in another grade allowed in this section, or per grade 6
7 teacher if the funding is awarded in a ratio of at least 20 pupils
8 funded for each teacher funded. The state education agency and
9 Ferris state university shall establish grant criteria that
10 maximize the distribution of federal funds to achieve the \$250.00
11 per pupil or teacher in districts that qualify for federal funds.
12 To qualify for a grant under this section, a district shall submit
13 an application to the state education agency and Ferris state
14 university and complete the application process established by the
15 state education agency and Ferris state university. The application
16 shall include at least all of the following:

17 (a) If the district is applying for federal funds, how the
18 district will meet the requirements of the competitive grants under
19 DED-OESE, title II, part D.

20 (b) How the district will provide the opportunity for each
21 pupil in membership in grade 6 to receive a wireless computing
22 device. If the district has already achieved one-to-one wireless
23 access in grade 6 or if the district's school building grade
24 configuration makes implementation of the program for grade 6
25 impractical, the district may apply for a grant for the next
26 highest grade. If the district does not have a grade 6 or higher,
27 the district may apply for funding for the next lowest grade level.

1 If the district operates 1 or more schools that are not meeting
2 adequate yearly progress, as determined by the department, and that
3 contain grade 6, the district may apply for funding for a school
4 building-wide program for 1 or more of those schools. A public
5 school academy that does not offer a grade higher than grade 5 may
6 apply to receive a grant under this section for pupils in the
7 highest grade offered by the public school academy.

8 (c) The district shall submit a plan describing the uses of
9 the grant funds. The plan shall describe a plan for professional
10 development on technology integration, content and curriculum, and
11 local partnerships with the other districts and representatives
12 from businesses, industry, and higher education. The plan shall
13 include at least the following:

14 (i) The academic achievement goals, which may include, but are
15 not limited to, goals related to mathematics, science, and language
16 arts.

17 (ii) The engagement goals, which may include, but are not
18 limited to, goals related to retention rates, dropout rates,
19 detentions, and suspensions.

20 (iii) The professional development goals, which may include, but
21 are not limited to, goals related to staff and teacher development
22 and performance indicators.

23 (d) A 3- to 5-year plan or funding model for increasing the
24 share that is borne locally of the expenditures for one-to-one
25 wireless access. Ferris state university shall provide districts
26 with sample local plans and funding models for the purposes of this
27 subdivision and with information on available federal and private

1 resources.

2 (e) How the district will amend its local technology plan as
3 required under state and federal law to reflect the program under
4 this section.

5 (5) A district that receives a grant under this section shall
6 provide at least a \$25.00 per pupil match for grant money received
7 under this section from local public or private resources.

8 (6) The amount of a grant under this section to a single
9 district for a fiscal year shall not exceed 25% of the total amount
10 available for grants under this section for that fiscal year.

11 (7) A district that received money under section 98 in 2002-
12 2003 for a wireless technology grant is eligible to receive a grant
13 under this section.

14 (8) The federal funding under subsection (1) shall be used
15 first to provide the grants under this subsection. A district
16 described in this subsection shall apply to Ferris state university
17 and the state education agency for a grant in the form and manner
18 prescribed by the department. An application under this section is
19 not subject to the requirements of subsection (3) if the
20 application demonstrates that the program will meet all of the
21 following:

22 (a) Will continue as a demonstration program.

23 (b) Will provide regional assistance to schools that are not
24 meeting adequate yearly progress, as determined by the department,
25 and to new grant recipients, as directed by the state education
26 agency and Ferris state university.

27 (c) Will seek to expand its existing wireless technology

1 initiatives.

2 (9) Not more than 25% of the DED-OESE, title II, educational
3 technology grants funds under subsection (1) that are allocated for
4 grants to districts that participate in the statewide public-
5 private partnership under subsection (10) may be used to provide
6 statewide professional development that will be coordinated by
7 Ferris state university.

8 (10) The department of management and budget shall maintain a
9 statewide public-private partnership to implement the program.

10 (11) A district may elect to purchase or lease wireless
11 computing devices from a vendor other than the statewide
12 partnership described in subsection (10) if Ferris state university
13 determines that the vendor meets or exceeds minimum requirements
14 and the vendor is identified in the district's grant application.
15 Districts may apply to receive additional grants of \$250.00 per
16 pupil for use in professional development activities specific to
17 the alternative deployment solution instead of the statewide
18 professional development as described under subsection (9).

19 (12) The state education agency shall sign a memorandum of
20 understanding with Ferris state university regarding DED-OESE,
21 title II, educational technology grants, as provided under this
22 subsection not later than October 1, ~~2005~~ 2006. Ferris state
23 university shall coordinate activities described in this subsection
24 with the freedom to learn grants described under this section. The
25 memorandum of understanding shall require that Ferris state
26 university coordinate the following state activities related to
27 DED-OESE, title II, educational technology grants in accordance

1 with federal law:

2 (a) Assist in the development of innovative strategies for the
3 delivery of specialized or rigorous academic courses and curricula
4 through the use of technology, including distance learning
5 technologies.

6 (b) Establish and support public-private initiatives for the
7 acquisition of educational technology.

8 (13) Funds allocated under this section that are not expended
9 in the state fiscal year for which they were allocated may be
10 carried forward to a subsequent state fiscal year.

11 (14) It is the intent of the legislature that all plans or
12 applications submitted by the state education agency to the United
13 States department of education relating to the distribution of
14 federal funds under this section are for the purposes described in
15 this section.

16 (15) The state education agency shall ensure that the program
17 goals and plans for the freedom to learn program are contained in
18 the state technology plan required by federal law.

19 (16) From the funds allocated under this section from the
20 state school aid fund, an amount not to exceed \$250,000.00 is
21 allocated to Ferris state university to be used for statewide
22 administration of the freedom to learn program.

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

25 (18) It is the intent of the legislature that this state will
26 seek to raise private funds for the current and future funding of
27 the freedom to learn program under this section and all of the

1 program components.

2 (19) As used in this section:

3 (a) "DED-OESE" means the United States department of education
4 office of elementary and secondary education.

5 (b) "State education agency" means the department.

6 Sec. 99. (1) From the state school aid fund money appropriated
7 in section 11, there is allocated an amount not to exceed
8 ~~\$2,416,000.00 for 2005-2006~~ **\$3,416,000.00 FOR 2006-2007** and from
9 the general fund appropriation in section 11, there is allocated an
10 amount not to exceed \$84,000.00 for ~~2005-2006~~ **2006-2007** for
11 implementing the comprehensive master plan for mathematics and
12 science centers developed by the department and approved by the
13 state board on August 8, 2002, **AND FOR OTHER PURPOSES AS DESCRIBED**
14 **IN THIS SECTION**. In addition, from the federal funds appropriated
15 in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an
16 amount estimated at \$4,456,000.00 from DED-OESE, title II,
17 mathematics and science partnership grants.

18 (2) Within a service area designated locally, approved by the
19 department, and consistent with the master plan described in
20 subsection (1), an established mathematics and science center shall
21 address 2 or more of the following 6 basic services, as described
22 in the master plan, to constituent districts and communities:
23 leadership, pupil services, curriculum support, community
24 involvement, professional development, and resource clearinghouse
25 services.

26 (3) The department shall not award a state grant under this
27 section to more than 1 mathematics and science center located in a

1 designated region as prescribed in the 2002 master plan unless each
2 of the grants serves a distinct target population or provides a
3 service that does not duplicate another program in the designated
4 region.

5 (4) As part of the technical assistance process, the
6 department shall provide minimum standard guidelines that may be
7 used by the mathematics and science center for providing fair
8 access for qualified pupils and professional staff as prescribed in
9 this section.

10 (5) Allocations under this section to support the activities
11 and programs of mathematics and science centers shall be continuing
12 support grants to all 33 established mathematics and science
13 centers. Each established mathematics and science center that was
14 funded in ~~2003-2004~~ **2005-2006** shall receive state funding in an
15 amount equal to the amount it received under this section for
16 ~~2003-2004~~ **2005-2006**. If a center declines state funding or a
17 center closes, the remaining money available under this section
18 shall be distributed on a pro rata basis to the remaining centers,
19 as determined by the department.

20 **(6) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS**
21 **ALLOCATED \$1,000,000.00 IN A FORM AND MANNER DETERMINED BY THE**
22 **DEPARTMENT TO THOSE CENTERS ABLE TO PROVIDE CURRICULUM AND**
23 **PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN**
24 **IMPLEMENTING THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR**
25 **MATHEMATICS AND SCIENCE.**

26 (7) ~~(6)~~ In order to receive state funds under this section,
27 a grant recipient shall allow access for the department or the

1 department's designee to audit all records related to the program
2 for which it receives such funds. The grant recipient shall
3 reimburse the state for all disallowances found in the audit.

4 (8) ~~-(7)-~~ Not later than September 30, 2007, the department
5 shall reevaluate and update the comprehensive master plan described
6 in subsection (1).

7 (9) ~~-(8)-~~ The department shall give preference in awarding the
8 federal grants allocated in subsection (1) to eligible existing
9 mathematics and science centers.

10 (10) ~~-(9)-~~ In order to receive state funds under this section,
11 a grant recipient shall provide at least a 10% local match from
12 local public or private resources for the funds received under this
13 section.

14 (11) ~~-(10)-~~ As used in this section:

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

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

18 **SEC. 99C. (1) FROM THE STATE SCHOOL AID FUND MONEY**
19 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN**
20 **AMOUNT NOT TO EXCEED \$100,000.00 FOR GRANTS TO DISTRICTS FOR**
21 **PURCHASING AUTOMATED EXTERNAL DEFIBRILLATORS.**

22 **(2) TO BE ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION, A**
23 **DISTRICT SHALL MEET ALL OF THE FOLLOWING:**

24 **(A) SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER**
25 **PRESCRIBED BY THE DEPARTMENT.**

26 **(B) SHALL PROVIDE AT LEAST A 50% LOCAL MATCH FROM LOCAL PUBLIC**
27 **OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS SECTION.**

1 (C) SHALL MEET OTHER CRITERIA THAT ARE ESTABLISHED BY THE
2 DEPARTMENT AND DESIGNED TO MAXIMIZE THE EFFECTIVENESS OF THE GRANT
3 FUNDS.

4 (3) GRANTS SHALL BE AWARDED TO DISTRICTS UNDER THIS SECTION IN
5 DESCENDING ORDER OF A DISTRICT'S PERCENTAGE OF PUPILS WHO MET THE
6 INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK AS
7 DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT
8 AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31, 2005 AND ADJUSTED
9 NOT LATER THAN DECEMBER 31, 2005.

10 (4) THE DEPARTMENT SHALL NOT AWARD A GRANT TO A DISTRICT UNDER
11 THIS SECTION TO PURCHASE MORE THAN 1 AUTOMATED EXTERNAL
12 DEFIBRILLATOR UNLESS THE DEPARTMENT DETERMINES THAT EACH DISTRICT
13 EITHER HAS AT LEAST 1 AUTOMATED EXTERNAL DEFIBRILLATOR OR HAS BEEN
14 AWARDED A GRANT UNDER THIS SECTION FOR PURCHASING 1 AUTOMATED
15 EXTERNAL DEFIBRILLATOR. AFTER THAT POINT, UNTIL THE TOTAL AMOUNT
16 ALLOCATED UNDER THIS SECTION HAS BEEN USED, THE DEPARTMENT SHALL
17 AWARD GRANTS TO DISTRICTS IN THE SAME ORDER AS PRESCRIBED IN
18 SUBSECTION (3) IN SUFFICIENT AMOUNT TO ENSURE THAT THE DISTRICT
19 RECEIVING A GRANT FOR MORE THAN 1 AUTOMATED EXTERNAL DEFIBRILLATOR
20 WILL HAVE ENOUGH AUTOMATED EXTERNAL DEFIBRILLATORS AFTER THE GRANT
21 TO PLACE 1 IN EACH HIGH SCHOOL IT OPERATES.

22 (5) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY DECIDE
23 WHERE TO PLACE AN AUTOMATED EXTERNAL DEFIBRILLATOR PURCHASED
24 PURSUANT TO THE GRANT.

25 Sec. 101. (1) To be eligible to receive state aid under this
26 act, not later than the fifth Wednesday after the pupil membership
27 count day and not later than the fifth Wednesday after the

1 supplemental count day, each district superintendent through the
2 secretary of the district's board shall file with the intermediate
3 superintendent a certified and sworn copy of the number of pupils
4 enrolled and in regular daily attendance in the district as of the
5 pupil membership count day and as of the supplemental count day, as
6 applicable, for the current school year. In addition, a district
7 maintaining school during the entire year, as provided under
8 section 1561 of the revised school code, MCL 380.1561, shall file
9 with the intermediate superintendent a certified and sworn copy of
10 the number of pupils enrolled and in regular daily attendance in
11 the district for the current school year pursuant to rules
12 promulgated by the superintendent. Not later than the seventh
13 Wednesday after the pupil membership count day and not later than
14 the seventh Wednesday after the supplemental count day, the
15 intermediate district shall transmit to the center revised data, as
16 applicable, for each of its constituent districts. If a district
17 fails to file the sworn and certified copy with the intermediate
18 superintendent in a timely manner, as required under this
19 subsection, the intermediate district shall notify the department
20 and state aid due to be distributed under this act shall be
21 withheld from the defaulting district immediately, beginning with
22 the next payment after the failure and continuing with each payment
23 until the district complies with this subsection. If an
24 intermediate district fails to transmit the data in its possession
25 in a timely and accurate manner to the center, as required under
26 this subsection, state aid due to be distributed under this act
27 shall be withheld from the defaulting intermediate district

1 immediately, beginning with the next payment after the failure and
2 continuing with each payment until the intermediate district
3 complies with this subsection. If a district or intermediate
4 district does not comply with this subsection by the end of the
5 fiscal year, the district or intermediate district forfeits the
6 amount withheld. A person who willfully falsifies a figure or
7 statement in the certified and sworn copy of enrollment shall be
8 punished in the manner prescribed by section 161.

9 (2) To be eligible to receive state aid under this act, not
10 later than the twenty-fourth Wednesday after the pupil membership
11 count day and not later than the twenty-fourth Wednesday after the
12 supplemental count day, an intermediate district shall submit to
13 the center, in a form and manner prescribed by the center, the
14 audited enrollment and attendance data for the pupils of its
15 constituent districts and of the intermediate district. If an
16 intermediate district fails to transmit the audited data as
17 required under this subsection, state aid due to be distributed
18 under this act shall be withheld from the defaulting intermediate
19 district immediately, beginning with the next payment after the
20 failure and continuing with each payment until the intermediate
21 district complies with this subsection. If an intermediate district
22 does not comply with this subsection by the end of the fiscal year,
23 the intermediate district forfeits the amount withheld.

24 (3) All of the following apply to the provision of pupil
25 instruction:

26 (a) Except as otherwise provided in this section, each
27 district shall provide at least 1,098 hours of pupil instruction.

1 Except as otherwise provided in this act, a district failing to
2 comply with the required minimum hours of pupil instruction under
3 this subsection shall forfeit from its total state aid allocation
4 an amount determined by applying a ratio of the number of hours the
5 district was in noncompliance in relation to the required minimum
6 number of hours under this subsection. Not later than August 1, the
7 board of each district shall certify to the department the number
8 of hours of pupil instruction in the previous school year. If the
9 district did not provide at least the required minimum number of
10 hours of pupil instruction under this subsection, the deduction of
11 state aid shall be made in the following fiscal year from the first
12 payment of state school aid. A district is not subject to
13 forfeiture of funds under this subsection for a fiscal year in
14 which a forfeiture was already imposed under subsection (6). Hours
15 lost because of strikes or teachers' conferences shall not be
16 counted as days or hours of pupil instruction.

17 (b) Except as otherwise provided in subdivision (c), a
18 district not having at least 75% of the district's membership in
19 attendance on any day of pupil instruction shall receive state aid
20 in that proportion of 1/180 that the actual percent of attendance
21 bears to the specified percentage.

22 (c) Beginning in 2005-2006, at the request of a district that
23 operates a department-approved alternative education program and
24 that does not provide instruction for pupils in all of grades K to
25 12, the superintendent shall grant a waiver for a period of 3
26 school years from the requirements of subdivision (b) in order to
27 conduct a pilot study. The waiver shall indicate that an eligible

1 district is subject to the proration provisions of subdivision (b)
2 only if the district does not have at least 50% of the district's
3 membership in attendance on any day of pupil instruction. Not later
4 than 2008-2009, the department shall report on the impact of this
5 waiver on the academic achievement of pupils in these districts to
6 the state budget director and the senate and house appropriations
7 subcommittees on state school aid. In order to be eligible for this
8 waiver, a district must maintain records to substantiate its
9 compliance with the following requirements during the pilot study:

10 (i) The district offers the minimum hours of pupil instruction
11 as required under this section.

12 (ii) For each enrolled pupil, the district uses appropriate
13 academic assessments to develop an individual education plan that
14 leads to a high school diploma.

15 (iii) The district tests each pupil to determine academic
16 progress at regular intervals and records the results of those
17 tests in that pupil's individual education plan.

18 (d) The superintendent shall promulgate rules for the
19 implementation of this subsection.

20 (4) Except as otherwise provided in this subsection, the first
21 30 hours for which pupil instruction is not provided because of
22 conditions not within the control of school authorities, such as
23 severe storms, fires, epidemics, utility power unavailability,
24 water or sewer failure, or health conditions as defined by the
25 city, county, or state health authorities, shall be counted as
26 hours of pupil instruction. Beginning in 2003-2004, with the
27 approval of the superintendent of public instruction, the

1 department shall count as hours of pupil instruction for a fiscal
2 year not more than 30 additional hours for which pupil instruction
3 is not provided in a district after April 1 of the applicable
4 school year due to unusual and extenuating occurrences resulting
5 from conditions not within the control of school authorities such
6 as those conditions described in this subsection. Subsequent such
7 hours shall not be counted as hours of pupil instruction.

8 (5) A district shall not forfeit part of its state aid
9 appropriation because it adopts or has in existence an alternative
10 scheduling program for pupils in kindergarten if the program
11 provides at least the number of hours required under subsection (3)
12 for a full-time equated membership for a pupil in kindergarten as
13 provided under section 6(4).

14 (6) Not later than April 15 of each fiscal year, the board of
15 each district shall certify to the department the planned number of
16 hours of pupil instruction in the district for the school year
17 ending in the fiscal year. In addition to any other penalty or
18 forfeiture under this section, if at any time the department
19 determines that 1 or more of the following has occurred in a
20 district, the district shall forfeit in the current fiscal year
21 beginning in the next payment to be calculated by the department a
22 proportion of the funds due to the district under this act that is
23 equal to the proportion below the required minimum number of hours
24 of pupil instruction under subsection (3), as specified in the
25 following:

26 (a) The district fails to operate its schools for at least the
27 required minimum number of hours of pupil instruction under

1 subsection (3) in a school year, including hours counted under
2 subsection (4).

3 (b) The board of the district takes formal action not to
4 operate its schools for at least the required minimum number of
5 hours of pupil instruction under subsection (3) in a school year,
6 including hours counted under subsection (4).

7 (7) In providing the minimum number of hours of pupil
8 instruction required under subsection (3), a district shall use the
9 following guidelines, and a district shall maintain records to
10 substantiate its compliance with the following guidelines:

11 (a) Except as otherwise provided in this subsection, a pupil
12 must be scheduled for at least the required minimum number of hours
13 of instruction, excluding study halls, or at least the sum of 90
14 hours plus the required minimum number of hours of instruction,
15 including up to 2 study halls.

16 (b) The time a pupil is assigned to any tutorial activity in a
17 block schedule may be considered instructional time, unless that
18 time is determined in an audit to be a study hall period.

19 (c) Except as otherwise provided in this subdivision, a pupil
20 in grades 9 to 12 for whom a reduced schedule is determined to be
21 in the individual pupil's best educational interest must be
22 scheduled for a number of hours equal to at least 80% of the
23 required minimum number of hours of pupil instruction to be
24 considered a full-time equivalent pupil. A pupil in grades 9 to 12
25 who is scheduled in a 4-block schedule may receive a reduced
26 schedule under this subsection if the pupil is scheduled for a
27 number of hours equal to at least 75% of the required minimum

1 number of hours of pupil instruction to be considered a full-time
2 equivalent pupil.

3 (d) If a pupil in grades 9 to 12 who is enrolled in a
4 cooperative education program or a special education pupil cannot
5 receive the required minimum number of hours of pupil instruction
6 solely because of travel time between instructional sites during
7 the school day, that travel time, up to a maximum of 3 hours per
8 school week, shall be considered to be pupil instruction time for
9 the purpose of determining whether the pupil is receiving the
10 required minimum number of hours of pupil instruction. However, if
11 a district demonstrates to the satisfaction of the department that
12 the travel time limitation under this subdivision would create
13 undue costs or hardship to the district, the department may
14 consider more travel time to be pupil instruction time for this
15 purpose.

16 (e) In grades 7 through 12, instructional time that is part of
17 a junior reserve officer training corps (JROTC) program shall be
18 considered to be pupil instruction time regardless of whether the
19 instructor is a certificated teacher if all of the following are
20 met:

21 (i) The instructor has met all of the requirements established
22 by the United States department of defense and the applicable
23 branch of the armed services for serving as an instructor in the
24 junior reserve officer training corps program.

25 (ii) The board of the district or intermediate district
26 employing or assigning the instructor complies with the
27 requirements of sections 1230 and 1230a of the revised school code,

1 MCL 380.1230 and 380.1230a, with respect to the instructor to the
2 same extent as if employing the instructor as a regular classroom
3 teacher.

4 (8) The department shall apply the guidelines under subsection
5 (7) in calculating the full-time equivalency of pupils.

6 (9) Upon application by the district for a particular fiscal
7 year, the superintendent may waive for a district the minimum
8 number of hours of pupil instruction requirement of subsection (3)
9 for a department-approved alternative education program. If a
10 district applies for and receives a waiver under this subsection
11 and complies with the terms of the waiver, for the fiscal year
12 covered by the waiver the district is not subject to forfeiture
13 under this section for the specific program covered by the waiver.
14 **IF THE DISTRICT DOES NOT COMPLY WITH THE TERMS OF THE WAIVER, THE**
15 **AMOUNT OF THE FORFEITURE SHALL BE CALCULATED BASED UPON A**
16 **COMPARISON OF THE NUMBER OF HOURS OF PUPIL INSTRUCTION ACTUALLY**
17 **PROVIDED TO THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION**
18 **REQUIRED UNDER SUBSECTION (3).**

19 (10) A district may count up to ~~51~~ 38 hours of qualifying
20 professional development for teachers, including the 5 hours of
21 online professional development provided by the Michigan virtual
22 university under section 98, as hours of pupil instruction.
23 **HOWEVER, IF A COLLECTIVE BARGAINING AGREEMENT THAT PROVIDES MORE**
24 **THAN 38 BUT NOT MORE THAN 51 HOURS OF PROFESSIONAL DEVELOPMENT FOR**
25 **TEACHERS IS IN EFFECT FOR EMPLOYEES OF A DISTRICT AS OF THE**
26 **EFFECTIVE DATE OF THE 2006 AMENDATORY ACT THAT AMENDED THIS**
27 **SUBSECTION, THEN UNTIL THE FISCAL YEAR THAT BEGINS AFTER THE**

1 EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT A DISTRICT MAY
2 COUNT UP TO 51 HOURS OF QUALIFYING PROFESSIONAL DEVELOPMENT FOR
3 TEACHERS, INCLUDING THE 5 HOURS OF ONLINE PROFESSIONAL DEVELOPMENT
4 PROVIDED BY THE MICHIGAN VIRTUAL UNIVERSITY UNDER SECTION 98, AS
5 HOURS OF PUPIL INSTRUCTION. A district that elects to use this
6 exception shall notify the department of its election. As used in
7 this subsection, "qualifying professional development" means
8 professional development that is focused on 1 or more of the
9 following:

10 (a) Achieving or improving adequate yearly progress as defined
11 under the no child left behind act of 2001, Public Law 107-110.

12 (b) Achieving accreditation or improving a school's
13 accreditation status under section 1280 of the revised school code,
14 MCL 380.1280.

15 (c) Achieving highly qualified teacher status as defined under
16 the no child left behind act of 2001, Public Law 107-110.

17 (d) Maintaining teacher certification.

18 SEC. 104. (1) FROM THE STATE SCHOOL AID FUND MONEY
19 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN
20 AMOUNT NOT TO EXCEED \$19,500,000.00 FOR REIMBURSEMENT TO DISTRICTS
21 OF COSTS ASSOCIATED WITH COMPLYING WITH SECTIONS 104A AND 104B,
22 SECTIONS 1279 AND 1280B OF THE REVISED SCHOOL CODE, MCL 380.1279
23 AND 380.1280B, AND 1970 PA 38, MCL 388.1081 TO 388.1086. IN
24 ADDITION, FROM THE FEDERAL FUNDS APPROPRIATED IN SECTION 11, THERE
25 IS ALLOCATED FOR 2006-2007 AN AMOUNT ESTIMATED AT \$8,425,164.00,
26 FUNDED FROM DED-OESE, TITLE VI, STATE ASSESSMENTS FUNDS FOR THE
27 PURPOSES OF COMPLYING WITH THE FEDERAL NO CHILD LEFT BEHIND ACT OF

1 2001, PUBLIC LAW 107-110.

2 (2) THE RESULTS OF EACH TEST ADMINISTERED AS PART OF THE
3 MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM, INCLUDING TESTS
4 ADMINISTERED TO HIGH SCHOOL STUDENTS, SHALL INCLUDE AN ITEM
5 ANALYSIS THAT LISTS ALL ITEMS THAT ARE COUNTED FOR INDIVIDUAL PUPIL
6 SCORES AND THE PERCENTAGE OF PUPILS CHOOSING EACH POSSIBLE
7 RESPONSE.

8 (3) ALL FEDERAL FUNDS ALLOCATED UNDER THIS SECTION SHALL BE
9 DISTRIBUTED IN ACCORDANCE WITH FEDERAL LAW AND WITH FLEXIBILITY
10 PROVISIONS OUTLINED IN PUBLIC LAW 107-116, AND IN THE EDUCATION
11 FLEXIBILITY PARTNERSHIP ACT OF 1999, PUBLIC LAW 106-25.
12 NOTWITHSTANDING SECTION 17B, PAYMENTS OF FEDERAL FUNDS TO
13 DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER ELIGIBLE ENTITIES
14 UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
15 DEPARTMENT.

16 Sec. 105. (1) In order to avoid a penalty under this section,
17 and in order to count a nonresident pupil residing within the same
18 intermediate district in membership without the approval of the
19 pupil's district of residence, a district shall comply with this
20 section.

21 (2) Except as otherwise provided in this section, a district
22 shall determine whether or not it will accept applications for
23 enrollment by nonresident applicants residing within the same
24 intermediate district for the next school year. If the district
25 determines to accept applications for enrollment of a number of
26 nonresidents, beyond those entitled to preference under this
27 section, the district shall use the following procedures for

1 accepting applications from and enrolling nonresidents:

2 (a) The district shall publish the grades, schools, and
3 special programs, if any, for which enrollment may be available to,
4 and for which applications will be accepted from, nonresident
5 applicants residing within the same intermediate district.

6 (b) If the district has a limited number of positions
7 available for nonresidents residing within the same intermediate
8 district in a grade, school, or program, all of the following apply
9 to accepting applications for and enrollment of nonresidents in
10 that grade, school, or program:

11 (i) The district shall do all of the following not later than
12 the second Friday in August:

13 (A) Provide notice to the general public that applications
14 will be taken for a 15-day period from nonresidents residing within
15 the same intermediate district for enrollment in that grade,
16 school, or program. The notice shall identify the 15-day period and
17 the place and manner for submitting applications.

18 (B) During the application period under sub-subparagraph (A),
19 accept applications from nonresidents residing within the same
20 intermediate district for enrollment in that grade, school, or
21 program.

22 (C) Within 15 days after the end of the application period
23 under sub-subparagraph (A), using the procedures and preferences
24 required under this section, determine which nonresident applicants
25 will be allowed to enroll in that grade, school, or program, using
26 the random draw system required under subsection ~~(13)~~ (14) as
27 necessary, and notify the parent or legal guardian of each

1 nonresident applicant of whether or not the applicant may enroll in
2 the district. The notification to parents or legal guardians of
3 nonresident applicants accepted for enrollment shall contain
4 notification of the date by which the applicant must enroll in the
5 district and procedures for enrollment.

6 (ii) Beginning on the third Monday in August and not later than
7 the end of the first week of school, if any positions become
8 available in a grade, school, or program due to accepted applicants
9 failing to enroll or to more positions being added, the district
10 may enroll nonresident applicants from the waiting list maintained
11 under subsection ~~—(13)—~~ (14), offering enrollment in the order that
12 applicants appear on the waiting list. If there are still positions
13 available after enrolling all applicants from the waiting list who
14 desire to enroll, the district may not fill those positions until
15 the second semester enrollment under subsection (3), as provided
16 under that subsection, or until the next school year.

17 (c) For a grade, school, or program that has an unlimited
18 number of positions available for nonresidents residing within the
19 same intermediate district, all of the following apply to
20 enrollment of nonresidents in that grade, school, or program:

21 (i) The district may accept applications for enrollment in that
22 grade, school, or program, and may enroll nonresidents residing
23 within the same intermediate district in that grade, school, or
24 program, until the end of the first week of school. The district
25 shall provide notice to the general public of the place and manner
26 for submitting applications and, if the district has a limited
27 application period, the notice shall include the dates of the

1 application period. The application period shall be at least a 15-
2 day period.

3 (ii) Not later than the end of the first week of school, the
4 district shall notify the parent or legal guardian of each
5 nonresident applicant who is accepted for enrollment that the
6 applicant has been accepted for enrollment in the grade, school, or
7 program and of the date by which the applicant must enroll in the
8 district and the procedures for enrollment.

9 (3) If a district determines during the first semester of a
10 school year that it has positions available for enrollment of a
11 number of nonresidents residing within the same intermediate
12 district, beyond those entitled to preference under this section,
13 for the second semester of the school year, the district may accept
14 applications from and enroll nonresidents residing within the same
15 intermediate district for the second semester using the following
16 procedures:

17 (a) Not later than 2 weeks before the end of the first
18 semester, the district shall publish the grades, schools, and
19 special programs, if any, for which enrollment for the second
20 semester may be available to, and for which applications will be
21 accepted from, nonresident applicants residing within the same
22 intermediate district.

23 (b) During the last 2 weeks of the first semester, the
24 district shall accept applications from nonresidents residing
25 within the same intermediate district for enrollment for the second
26 semester in the available grades, schools, and programs.

27 (c) By the beginning of the second semester, using the

1 procedures and preferences required under this section, the
2 district shall determine which nonresident applicants will be
3 allowed to enroll in the district for the second semester and
4 notify the parent or legal guardian of each nonresident applicant
5 residing within the same intermediate district of whether or not
6 the applicant may enroll in the district. The notification to
7 parents or legal guardians of nonresident applicants accepted for
8 enrollment shall contain notification of the date by which the
9 applicant must enroll in the district and procedures for
10 enrollment.

11 (4) If deadlines similar to those described in subsection (2)
12 or (3) have been established in an intermediate district, and if
13 those deadlines are not later than the deadlines under subsection
14 (2) or (3), the districts within the intermediate district may use
15 those deadlines.

16 (5) A district offering to enroll nonresident applicants
17 residing within the same intermediate district may limit the number
18 of nonresident pupils it accepts in a grade, school, or program, at
19 its discretion, and may use that limit as the reason for refusal to
20 enroll an applicant.

21 (6) A nonresident applicant residing within the same
22 intermediate district shall not be granted or refused enrollment
23 based on intellectual, academic, artistic, or other ability,
24 talent, or accomplishment, or lack thereof, or based on a mental or
25 physical disability, except that a district may refuse to admit a
26 nonresident applicant if the applicant does not meet the same
27 criteria, other than residence, that an applicant who is a resident

1 of the district must meet to be accepted for enrollment in a grade
2 or a specialized, magnet, or intra-district choice school or
3 program to which the applicant applies.

4 (7) A nonresident applicant residing within the same
5 intermediate district shall not be granted or refused enrollment
6 based on age, except that a district may refuse to admit a
7 nonresident applicant applying for a program that is not
8 appropriate for the age of the applicant.

9 (8) A nonresident applicant residing within the same
10 intermediate district shall not be granted or refused enrollment
11 based upon religion, race, color, national origin, sex, height,
12 weight, marital status, or athletic ability, or, generally, in
13 violation of any state or federal law prohibiting discrimination.

14 (9) ~~A~~ **SUBJECT TO SUBSECTION (10),** A district may refuse to
15 enroll a nonresident applicant if any of the following are met:

16 (a) The applicant is, or has been within the preceding 2
17 years, suspended from another school.

18 (b) The applicant, ~~has~~ at any time **BEFORE ENROLLING UNDER**
19 **THIS SECTION, HAS** been expelled from another school.

20 (c) The applicant, ~~has~~ at any time **BEFORE ENROLLING UNDER**
21 **THIS SECTION, HAS** been convicted of a felony.

22 (10) **IF A DISTRICT HAS COUNTED A PUPIL IN MEMBERSHIP ON EITHER**
23 **THE PUPIL MEMBERSHIP COUNT DAY OR THE SUPPLEMENTAL COUNT DAY, THE**
24 **DISTRICT SHALL NOT REFUSE TO ENROLL OR REFUSE TO CONTINUE TO ENROLL**
25 **THAT PUPIL FOR A REASON SPECIFIED IN SUBSECTION (9). THIS**
26 **SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL**
27 **DESCRIBED IN THIS SUBSECTION FOR DISCIPLINARY REASONS.**

1 (11) ~~—(10)—~~ A district shall continue to allow a pupil who was
2 enrolled in and attended the district under this section in the
3 school year or semester immediately preceding the school year or
4 semester in question to enroll in the district until the pupil
5 graduates from high school. This subsection does not prohibit a
6 district from expelling a pupil described in this subsection for
7 disciplinary reasons.

8 (12) ~~—(11)—~~ A district shall give preference for enrollment
9 under this section over all other nonresident applicants residing
10 within the same intermediate district to other school-age children
11 who reside in the same household as a pupil described in subsection
12 ~~(10)—~~ (11).

13 (13) ~~—(12)—~~ If a nonresident pupil was enrolled in and
14 attending school in a district as a nonresident pupil in the 1995-
15 96 school year and continues to be enrolled continuously each
16 school year in that district, the district shall allow that
17 nonresident pupil to continue to enroll in and attend school in the
18 district until high school graduation, without requiring the
19 nonresident pupil to apply for enrollment under this section. This
20 subsection does not prohibit a district from expelling a pupil
21 described in this subsection for disciplinary reasons.

22 (14) ~~—(13)—~~ If the number of qualified nonresident applicants
23 eligible for acceptance in a school, grade, or program does not
24 exceed the positions available for nonresident pupils in the
25 school, grade, or program, the school district shall accept for
26 enrollment all of the qualified nonresident applicants eligible for
27 acceptance. If the number of qualified nonresident applicants

1 residing within the same intermediate district eligible for
2 acceptance exceeds the positions available in a grade, school, or
3 program in a district for nonresident pupils, the district shall
4 use a random draw system, subject to the need to abide by state and
5 federal antidiscrimination laws and court orders and subject to
6 preferences allowed by this section. The district shall develop and
7 maintain a waiting list based on the order in which nonresident
8 applicants were drawn under this random draw system.

9 (15) ~~—(14)—~~ If a district, or the nonresident applicant,
10 requests the district in which a nonresident applicant resides to
11 supply information needed by the district for evaluating the
12 applicant's application for enrollment or for enrolling the
13 applicant, the district of residence shall provide that information
14 on a timely basis.

15 (16) ~~—(15)—~~ If a district is subject to a court-ordered
16 desegregation plan, and if the court issues an order prohibiting
17 pupils residing in that district from enrolling in another district
18 or prohibiting pupils residing in another district from enrolling
19 in that district, this section is subject to the court order.

20 (17) ~~—(16)—~~ This section does not require a district to
21 provide transportation for a nonresident pupil enrolled in the
22 district under this section or for a resident pupil enrolled in
23 another district under this section. However, at the time a
24 nonresident pupil enrolls in the district, a district shall provide
25 to the pupil's parent or legal guardian information on available
26 transportation to and from the school in which the pupil enrolls.

27 (18) ~~—(17)—~~ A district may participate in a cooperative

1 education program with 1 or more other districts or intermediate
2 districts whether or not the district enrolls any nonresidents
3 pursuant to this section.

4 (19) ~~-(18)-~~ A district that, pursuant to this section, enrolls
5 a nonresident pupil who is eligible for special education programs
6 and services according to statute or rule, or who is a child with
7 disabilities, as defined under the individuals with disabilities
8 education act, ~~title VI of Public Law 91-230, 20 USC 1400 to 1420,~~
9 ~~1431 to 1461, and 1471 to 1487-~~ **PUBLIC LAW 108-446**, shall be
10 considered to be the resident district of the pupil for the purpose
11 of providing the pupil with a free appropriate public education.
12 Consistent with state and federal law, that district is responsible
13 for developing and implementing an individualized education plan
14 annually for a nonresident pupil described in this subsection.

15 (20) ~~-(19)-~~ If a district does not comply with this section,
16 the district forfeits 5% of the total state school aid allocation
17 to the district under this act.

18 (21) ~~-(20)-~~ Upon application by a district, the superintendent
19 may grant a waiver for the district from a specific requirement
20 under this section for not more than 1 year.

21 Sec. 105c. (1) In order to avoid a penalty under this section,
22 and in order to count a nonresident pupil residing in a district
23 located in a contiguous intermediate district in membership without
24 the approval of the pupil's district of residence, a district shall
25 comply with this section.

26 (2) Except as otherwise provided in this section, a district
27 shall determine whether or not it will accept applications for

1 enrollment by nonresident applicants residing in a district located
2 in a contiguous intermediate district for the next school year. If
3 the district determines to accept applications for enrollment of a
4 number of nonresidents under this section, beyond those entitled to
5 preference under this section, the district shall use the following
6 procedures for accepting applications from and enrolling
7 nonresidents under this section:

8 (a) The district shall publish the grades, schools, and
9 special programs, if any, for which enrollment may be available to,
10 and for which applications will be accepted from, nonresident
11 applicants residing in a district located in a contiguous
12 intermediate district.

13 (b) If the district has a limited number of positions
14 available for nonresidents residing in a district located in a
15 contiguous intermediate district in a grade, school, or program,
16 all of the following apply to accepting applications for and
17 enrollment of nonresidents under this section in that grade,
18 school, or program:

19 (i) The district shall do all of the following not later than
20 the second Friday in August:

21 (A) Provide notice to the general public that applications
22 will be taken for a 15-day period from nonresidents residing in a
23 district located in a contiguous intermediate district for
24 enrollment in that grade, school, or program. The notice shall
25 identify the 15-day period and the place and manner for submitting
26 applications.

27 (B) During the application period under sub-subparagraph (A),

1 accept applications from nonresidents residing in a district
2 located in a contiguous intermediate district for enrollment in
3 that grade, school, or program.

4 (C) Within 15 days after the end of the application period
5 under sub-subparagraph (A), using the procedures and preferences
6 required under this section, determine which nonresident applicants
7 will be allowed to enroll under this section in that grade, school,
8 or program, using the random draw system required under subsection
9 ~~(13)~~ (14) as necessary, and notify the parent or legal guardian of
10 each nonresident applicant of whether or not the applicant may
11 enroll in the district. The notification to parents or legal
12 guardians of nonresident applicants accepted for enrollment under
13 this section shall contain notification of the date by which the
14 applicant must enroll in the district and procedures for
15 enrollment.

16 (ii) Beginning on the third Monday in August and not later than
17 the end of the first week of school, if any positions become
18 available in a grade, school, or program due to accepted applicants
19 failing to enroll or to more positions being added, the district
20 may enroll nonresident applicants from the waiting list maintained
21 under subsection ~~(13)~~ (14), offering enrollment in the order that
22 applicants appear on the waiting list. If there are still positions
23 available after enrolling all applicants from the waiting list who
24 desire to enroll, the district may not fill those positions until
25 the second semester enrollment under subsection (3), as provided
26 under that subsection, or until the next school year.

27 (c) For a grade, school, or program that has an unlimited

1 number of positions available for nonresidents residing in a
2 district located in a contiguous intermediate district, all of the
3 following apply to enrollment of nonresidents in that grade,
4 school, or program under this section:

5 (i) The district may accept applications for enrollment in that
6 grade, school, or program, and may enroll nonresidents residing in
7 a district located in a contiguous intermediate district in that
8 grade, school, or program, until the end of the first week of
9 school. The district shall provide notice to the general public of
10 the place and manner for submitting applications and, if the
11 district has a limited application period, the notice shall include
12 the dates of the application period. The application period shall
13 be at least a 15-day period.

14 (ii) Not later than the end of the first week of school, the
15 district shall notify the parent or legal guardian of each
16 nonresident applicant who is accepted for enrollment under this
17 section that the applicant has been accepted for enrollment in the
18 grade, school, or program and of the date by which the applicant
19 must enroll in the district and the procedures for enrollment.

20 (3) If a district determines during the first semester of a
21 school year that it has positions available for enrollment of a
22 number of nonresidents residing in a district located in a
23 contiguous intermediate district, beyond those entitled to
24 preference under this section, for the second semester of the
25 school year, the district may accept applications from and enroll
26 nonresidents residing in a district located in a contiguous
27 intermediate district for the second semester using the following

1 procedures:

2 (a) Not later than 2 weeks before the end of the first
3 semester, the district shall publish the grades, schools, and
4 special programs, if any, for which enrollment for the second
5 semester may be available to, and for which applications will be
6 accepted from, nonresident applicants residing in a district
7 located in a contiguous intermediate district.

8 (b) During the last 2 weeks of the first semester, the
9 district shall accept applications from nonresidents residing in a
10 district located in a contiguous intermediate district for
11 enrollment for the second semester in the available grades,
12 schools, and programs.

13 (c) By the beginning of the second semester, using the
14 procedures and preferences required under this section, the
15 district shall determine which nonresident applicants will be
16 allowed to enroll under this section in the district for the second
17 semester and notify the parent or legal guardian of each
18 nonresident applicant residing in a district located in a
19 contiguous intermediate district of whether or not the applicant
20 may enroll in the district. The notification to parents or legal
21 guardians of nonresident applicants accepted for enrollment shall
22 contain notification of the date by which the applicant must enroll
23 in the district and procedures for enrollment.

24 (4) If deadlines similar to those described in subsection (2)
25 or (3) have been established in an intermediate district, and if
26 those deadlines are not later than the deadlines under subsection
27 (2) or (3), the districts within the intermediate district may use

1 those deadlines.

2 (5) A district offering to enroll nonresident applicants
3 residing in a district located in a contiguous intermediate
4 district may limit the number of those nonresident pupils it
5 accepts in a grade, school, or program, at its discretion, and may
6 use that limit as the reason for refusal to enroll an applicant
7 under this section.

8 (6) A nonresident applicant residing in a district located in
9 a contiguous intermediate district shall not be granted or refused
10 enrollment based on intellectual, academic, artistic, or other
11 ability, talent, or accomplishment, or lack thereof, or based on a
12 mental or physical disability, except that a district may refuse to
13 admit a nonresident applicant under this section if the applicant
14 does not meet the same criteria, other than residence, that an
15 applicant who is a resident of the district must meet to be
16 accepted for enrollment in a grade or a specialized, magnet, or
17 intra-district choice school or program to which the applicant
18 applies.

19 (7) A nonresident applicant residing in a district located in
20 a contiguous intermediate district shall not be granted or refused
21 enrollment under this section based on age, except that a district
22 may refuse to admit a nonresident applicant applying for a program
23 that is not appropriate for the age of the applicant.

24 (8) A nonresident applicant residing in a district located in
25 a contiguous intermediate district shall not be granted or refused
26 enrollment under this section based upon religion, race, color,
27 national origin, sex, height, weight, marital status, or athletic

1 ability, or, generally, in violation of any state or federal law
2 prohibiting discrimination.

3 (9) ~~A~~ **SUBJECT TO SUBSECTION (10)**, A district may refuse to
4 enroll a nonresident applicant under this section if any of the
5 following are met:

6 (a) The applicant is, or has been within the preceding 2
7 years, suspended from another school.

8 (b) The applicant, ~~has~~ at any time **BEFORE ENROLLING UNDER**
9 **THIS SECTION, HAS** been expelled from another school.

10 (c) The applicant, ~~has~~ at any time **BEFORE ENROLLING UNDER**
11 **THIS SECTION, HAS** been convicted of a felony.

12 (10) **IF A DISTRICT HAS COUNTED A PUPIL IN MEMBERSHIP ON EITHER**
13 **THE PUPIL MEMBERSHIP COUNT DAY OR THE SUPPLEMENTAL COUNT DAY, THE**
14 **DISTRICT SHALL NOT REFUSE TO ENROLL OR REFUSE TO CONTINUE TO ENROLL**
15 **THAT PUPIL FOR A REASON SPECIFIED IN SUBSECTION (9). THIS**
16 **SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL**
17 **DESCRIBED IN THIS SUBSECTION FOR DISCIPLINARY REASONS.**

18 (11) ~~(10)~~ A district shall continue to allow a pupil who was
19 enrolled in and attended the district under this section in the
20 school year or semester immediately preceding the school year or
21 semester in question to enroll in the district until the pupil
22 graduates from high school. This subsection does not prohibit a
23 district from expelling a pupil described in this subsection for
24 disciplinary reasons.

25 (12) ~~(11)~~ A district shall give preference for enrollment
26 under this section over all other nonresident applicants residing
27 in a district located in a contiguous intermediate district to

1 other school-age children who reside in the same household as a
2 pupil described in subsection ~~—(10)—~~ (11).

3 (13) ~~—(12)—~~ If a nonresident pupil was enrolled in and
4 attending school in a district as a nonresident pupil in the 1995-
5 96 school year and continues to be enrolled continuously each
6 school year in that district, the district shall allow that
7 nonresident pupil to continue to enroll in and attend school in the
8 district until high school graduation, without requiring the
9 nonresident pupil to apply for enrollment under this section. This
10 subsection does not prohibit a district from expelling a pupil
11 described in this subsection for disciplinary reasons.

12 (14) ~~—(13)—~~ If the number of qualified nonresident applicants
13 eligible for acceptance under this section in a school, grade, or
14 program does not exceed the positions available for nonresident
15 pupils under this section in the school, grade, or program, the
16 school district shall accept for enrollment all of the qualified
17 nonresident applicants eligible for acceptance. If the number of
18 qualified nonresident applicants residing in a district located in
19 a contiguous intermediate district eligible for acceptance under
20 this section exceeds the positions available in a grade, school, or
21 program in a district for nonresident pupils, the district shall
22 use a random draw system, subject to the need to abide by state and
23 federal antidiscrimination laws and court orders and subject to
24 preferences allowed by this section. The district shall develop and
25 maintain a waiting list based on the order in which nonresident
26 applicants were drawn under this random draw system.

27 (15) ~~—(14)—~~ If a district, or the nonresident applicant,

1 requests the district in which a nonresident applicant resides to
2 supply information needed by the district for evaluating the
3 applicant's application for enrollment or for enrolling the
4 applicant under this section, the district of residence shall
5 provide that information on a timely basis.

6 (16) ~~—(15)—~~ If a district is subject to a court-ordered
7 desegregation plan, and if the court issues an order prohibiting
8 pupils residing in that district from enrolling in another district
9 or prohibiting pupils residing in another district from enrolling
10 in that district, this section is subject to the court order.

11 (17) ~~—(16)—~~ This section does not require a district to
12 provide transportation for a nonresident pupil enrolled in the
13 district under this section or for a resident pupil enrolled in
14 another district under this section. However, at the time a
15 nonresident pupil enrolls in the district, a district shall provide
16 to the pupil's parent or legal guardian information on available
17 transportation to and from the school in which the pupil enrolls.

18 (18) ~~—(17)—~~ A district may participate in a cooperative
19 education program with 1 or more other districts or intermediate
20 districts whether or not the district enrolls any nonresidents
21 pursuant to this section.

22 (19) ~~—(18)—~~ In order for a district or intermediate district
23 to enroll pursuant to this section a nonresident pupil who resides
24 in a district located in a contiguous intermediate district and who
25 is eligible for special education programs and services according
26 to statute or rule, or who is a child with disabilities, as defined
27 under the individuals with disabilities education act, ~~—title VI of~~

1 ~~Public Law 91-230~~ **PUBLIC LAW 108-446**, the enrolling district shall
2 have a written agreement with the resident district of the pupil
3 for the purpose of providing the pupil with a free appropriate
4 public education. The written agreement shall include, but is not
5 limited to, an agreement on the responsibility for the payment of
6 the added costs of special education programs and services for the
7 pupil.

8 (20) ~~-(19)-~~ If a district does not comply with this section,
9 the district forfeits 5% of the total state school aid allocation
10 to the district under this act.

11 (21) ~~-(20)-~~ Upon application by a district, the superintendent
12 may grant a waiver for the district from a specific requirement
13 under this section for not more than 1 year.

14 (22) ~~-(21)-~~ This section is repealed if the final decision of
15 a court of competent jurisdiction holds that any portion of this
16 section is unconstitutional, ineffective, invalid, or in violation
17 of federal law.

18 (23) ~~-(22)-~~ As used in this section, "district located in a
19 contiguous intermediate district" means a district located in an
20 intermediate district that is contiguous to the intermediate
21 district in which a pupil's district of residence is located.

22 Sec. 107. (1) From the appropriation in section 11, there is
23 allocated an amount not to exceed ~~-\$21,000,000.00 for 2005-2006~~
24 **\$25,000,000.00 FOR 2006-2007** for adult education programs
25 authorized under this section.

26 (2) To be eligible to be a participant funded under this
27 section, a person shall be enrolled in an adult basic education

1 program, an adult English as a second language program, a general
2 educational development (G.E.D.) test preparation program, a job or
3 employment related program, or a high school completion program,
4 that meets the requirements of this section, and shall meet either
5 of the following, as applicable:

6 (a) If the individual has obtained a high school diploma or a
7 general educational development (G.E.D.) certificate, the
8 individual meets 1 of the following:

9 (i) Is less than 20 years of age on September 1 of the school
10 year and is enrolled in the state technical institute and
11 rehabilitation center.

12 (ii) Is less than 20 years of age on September 1 of the school
13 year, is not attending an institution of higher education, and is
14 enrolled in a job or employment-related program through a referral
15 by an employer.

16 (iii) Is enrolled in an English as a second language program.

17 (iv) Is enrolled in a high school completion program.

18 (b) If the individual has not obtained a high school diploma
19 or G.E.D. certificate, the individual meets 1 of the following:

20 (i) Is at least 20 years of age on September 1 of the school
21 year.

22 (ii) Is at least 16 years of age on September 1 of the school
23 year, has been permanently expelled from school under section
24 1311(2) or 1311a of the revised school code, MCL 380.1311 and
25 380.1311a, and has no appropriate alternative education program
26 available through his or her district of residence.

27 (3) Except as otherwise provided in subsection (4), **FROM** the

1 amount allocated under subsection (1), **\$21,000,000.00** shall be
2 distributed as follows:

3 (a) For districts and consortia that received payments for
4 ~~2003-2004~~ **2005-2006** under this section, the amount allocated to
5 each for ~~2005-2006~~ **2006-2007** shall be based on the number of
6 participants served by the district or consortium for ~~2005-2006~~
7 **2006-2007**, using the amount allocated per full-time equated
8 participant under subsection ~~(5)~~ **(6)**, up to a maximum total
9 allocation under this ~~section~~ **SUBSECTION** in an amount equal to
10 the amount the district or consortium received for ~~2003-2004~~
11 **2005-2006** under this section before any reallocations made for
12 ~~2003-2004~~ **2005-2006** under subsection (4).

13 (b) A district or consortium that received funding in 2003-
14 2004 under this section may operate independently of a consortium
15 or join or form a consortium for ~~2005-2006~~ **2006-2007**. ~~In~~
16 ~~addition, a district that had a declaration of financial emergency~~
17 ~~in place under the local government fiscal responsibility act, 1990~~
18 ~~PA 72, MCL 141.1201 to 141.1291, and for which that declaration was~~
19 ~~revoked during 2005 may operate a program under this section~~
20 ~~independently of a consortium or may join or form a consortium to~~
21 ~~operate a program under this section.~~ The allocation for ~~2005-~~
22 ~~2006~~ **2006-2007** to the district or the newly formed consortium
23 under this subsection shall be determined by the department of
24 labor and economic growth and shall be based on the proportion of
25 the amounts that are attributable to the district or consortium
26 that received funding in ~~2003-2004~~ ~~or, for a district for which a~~
27 ~~declaration of financial emergency was revoked during 2005, based~~

1 ~~on the amount the district received under this section using a 3-~~
2 ~~year average of the 3 most recent fiscal years the district~~
3 ~~received funding under this section 2005-2006.~~ A district or
4 consortium described in this subdivision shall notify the
5 department of labor and economic growth of its intention with
6 regard to ~~2005-2006~~ 2006-2007 by October 1, ~~2005~~ 2006.

7 (4) A district that operated an adult education program in
8 ~~2004-2005~~ 2005-2006 and does not intend to operate a program in
9 ~~2005-2006~~ 2006-2007 shall notify the department of labor and
10 economic growth by October 1, ~~2005~~ 2006 of its intention. The
11 funds intended to be allocated under this section to a district
12 that does not operate a program in ~~2005-2006~~ 2006-2007 and the
13 unspent funds originally allocated under this section to a district
14 or consortium that subsequently operates a program at less than the
15 level of funding allocated under subsection (3) shall instead be
16 proportionately reallocated to the other districts described in
17 subsection (3)(a) that are operating an adult education program in
18 ~~2005-2006~~ 2006-2007 under this section.

19 (5) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1),
20 \$4,000,000.00 SHALL BE ALLOCATED FOR DISTRICTS OR CONSORTIA THAT
21 DID NOT RECEIVE PAYMENTS FOR 2005-2006 UNDER THIS SECTION AND THAT
22 NOTIFY THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH BY OCTOBER 1,
23 2006 OF AN INTENTION TO OPERATE A PROGRAM IN 2006-2007 AND PROVIDE
24 AN ESTIMATE OF PARTICIPANTS TO BE SERVED. THE ALLOCATION FOR 2006-
25 2007 SHALL BE BASED ON THE NUMBER OF PARTICIPANTS SERVED BY THE
26 DISTRICT OR CONSORTIUM FOR 2006-2007, USING THE AMOUNT ALLOCATED
27 PER FULL-TIME EQUATED PARTICIPANT UNDER SUBSECTION (6), UP TO A

1 MAXIMUM TOTAL ALLOCATION UNDER THIS SUBSECTION IN AN AMOUNT EQUAL
2 TO \$4,000,000.00. AFTER OCTOBER 1, 2006, IF THE DEPARTMENT OF LABOR
3 AND ECONOMIC GROWTH DETERMINES THAT THERE WILL BE UNSPENT FUNDS
4 UNDER THIS SUBSECTION, THEN THOSE UNSPENT FUNDS SHALL INSTEAD BE
5 PROPORTIONALLY REALLOCATED TO THE DISTRICTS OR CONSORTIA THAT
6 RECEIVE FUNDS UNDER SUBSECTION (3) (A) AND UNDER THIS SUBSECTION.

7 (6) ~~—(5)—~~ The amount allocated under this section per full-
8 time equated participant is \$2,850.00 for a 450-hour program. The
9 amount shall be proportionately reduced for a program offering less
10 than 450 hours of instruction.

11 (7) ~~—(6)—~~ An adult basic education program or an adult English
12 as a second language program operated on a year-round or school
13 year basis may be funded under this section, subject to all of the
14 following:

15 (a) The program enrolls adults who are determined by an
16 appropriate assessment to be below ninth grade level in reading or
17 mathematics, or both, or to lack basic English proficiency.

18 (b) The program tests individuals for eligibility under
19 subdivision (a) before enrollment and tests participants to
20 determine progress after every 90 hours of attendance, using
21 assessment instruments approved by the department of labor and
22 economic growth.

23 (c) A participant in an adult basic education program is
24 eligible for reimbursement until 1 of the following occurs:

25 (i) The participant's reading and mathematics proficiency are
26 assessed at or above the ninth grade level.

27 (ii) The participant fails to show progress on 2 successive

1 assessments after having completed at least 450 hours of
2 instruction.

3 (d) A funding recipient enrolling a participant in an English
4 as a second language program is eligible for funding according to
5 subsection ~~—(10)—~~ (11) until the participant meets 1 of the
6 following:

7 (i) The participant is assessed as having attained basic
8 English proficiency.

9 (ii) The participant fails to show progress on 2 successive
10 assessments after having completed at least 450 hours of
11 instruction. The department of labor and economic growth shall
12 provide information to a funding recipient regarding appropriate
13 assessment instruments for this program.

14 (8) ~~—(7)—~~ A general educational development (G.E.D.) test
15 preparation program operated on a year-round or school year basis
16 may be funded under this section, subject to all of the following:

17 (a) The program enrolls adults who do not have a high school
18 diploma.

19 (b) The program shall administer a G.E.D. pre-test approved by
20 the department of labor and economic growth before enrolling an
21 individual to determine the individual's potential for success on
22 the G.E.D. test, and shall administer other tests after every 90
23 hours of attendance to determine a participant's readiness to take
24 the G.E.D. test.

25 (c) A funding recipient shall receive funding according to
26 subsection ~~—(10)—~~ (11) for a participant, and a participant may be
27 enrolled in the program until 1 of the following occurs:

1 (i) The participant passes the G.E.D. test.

2 (ii) The participant fails to show progress on 2 successive
3 tests used to determine readiness to take the G.E.D. test after
4 having completed at least 450 hours of instruction.

5 (9) ~~—(8)—~~ A high school completion program operated on a year-
6 round or school year basis may be funded under this section,
7 subject to all of the following:

8 (a) The program enrolls adults who do not have a high school
9 diploma.

10 (b) A funding recipient shall receive funding according to
11 subsection ~~—(10)—~~ (11) for a participant in a course offered under
12 this subsection until 1 of the following occurs:

13 (i) The participant passes the course and earns a high school
14 diploma.

15 (ii) The participant fails to earn credit in 2 successive
16 semesters or terms in which the participant is enrolled after
17 having completed at least 900 hours of instruction.

18 (10) ~~—(9)—~~ A job or employment-related adult education program
19 operated on a year-round or school year basis may be funded under
20 this section, subject to all of the following:

21 (a) The program enrolls adults referred by their employer who
22 are less than 20 years of age, have a high school diploma, are
23 determined to be in need of remedial mathematics or communication
24 arts skills and are not attending an institution of higher
25 education.

26 (b) An individual may be enrolled in this program and the
27 grant recipient shall receive funding according to subsection ~~—(10)—~~

1 (11) until 1 of the following occurs:

2 (i) The individual achieves the requisite skills as determined
3 by appropriate assessment instruments administered at least after
4 every 90 hours of attendance.

5 (ii) The individual fails to show progress on 2 successive
6 assessments after having completed at least 450 hours of
7 instruction. The department of labor and economic growth shall
8 provide information to a funding recipient regarding appropriate
9 assessment instruments for this program.

10 (11) ~~-(10)-~~ A funding recipient shall receive payments under
11 this section in accordance with the following:

12 (a) Ninety percent for enrollment of eligible participants.

13 (b) Ten percent for completion of the adult basic education
14 objectives by achieving an increase of at least 1 grade level of
15 proficiency in reading or mathematics; for achieving basic English
16 proficiency; for passage of the G.E.D. test; for passage of a
17 course required for a participant to attain a high school diploma;
18 or for completion of the course and demonstrated proficiency in the
19 academic skills to be learned in the course, as applicable.

20 (12) ~~-(11)-~~ As used in this section, "participant" means the
21 sum of the number of full-time equated individuals enrolled in and
22 attending a department-approved adult education program under this
23 section, using quarterly participant count days on the schedule
24 described in section 6(7)(b).

25 (13) ~~-(12)-~~ A person who is not eligible to be a participant
26 funded under this section may receive adult education services upon
27 the payment of tuition. In addition, a person who is not eligible

1 to be served in a program under this section due to the program
2 limitations specified in subsection ~~—(6),—~~ (7), (8), ~~—or—~~ (9), **OR**
3 **(10)** may continue to receive adult education services in that
4 program upon the payment of tuition. The tuition level shall be
5 determined by the local or intermediate district conducting the
6 program.

7 **(14)** ~~—(13)—~~ An individual who is an inmate in a state
8 correctional facility shall not be counted as a participant under
9 this section.

10 **(15)** ~~—(14)—~~ A district shall not commingle money received
11 under this section or from another source for adult education
12 purposes with any other funds of the district. A district receiving
13 adult education funds shall establish a separate ledger account for
14 those funds. This subsection does not prohibit a district from
15 using general funds of the district to support an adult education
16 or community education program.

17 **(16)** ~~—(15)—~~ A district or intermediate district receiving
18 funds under this section may establish a sliding scale of tuition
19 rates based upon a participant's family income. A district or
20 intermediate district may charge a participant tuition to receive
21 adult education services under this section from that sliding scale
22 of tuition rates on a uniform basis. The amount of tuition charged
23 per participant shall not exceed the actual operating cost per
24 participant minus any funds received under this section per
25 participant. A district or intermediate district may not charge a
26 participant tuition under this section if the participant's income
27 is at or below 200% of the federal poverty guidelines published by

1 the United States department of health and human services.

2 Sec. 121. (1) The valuation of a whole or fractional district
3 shall be the total taxable value of the property contained in the
4 whole or fractional district as last determined by the state tax
5 commission and placed on the ad valorem tax roll. For purposes of
6 computations made under this act, except as provided in section 26,
7 the taxable value of a district or intermediate district shall
8 include the value of property used to calculate the tax imposed on
9 lessees or users of tax-exempt property under ~~Act No. 189 of the~~
10 ~~Public Acts of 1953, being sections 211.181 to 211.182 of the~~
11 ~~Michigan Compiled Laws— 1953 PA 189, MCL 211.181 TO 211.182, AND~~
12 **THE VALUE OF PROPERTY USED TO CALCULATE THE STATE PAYMENT IN LIEU**
13 **OF TAXES ON STATE PURCHASED PROPERTY UNDER SECTION 2153 OF THE**
14 **NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451,**
15 **MCL 324.2153.** Adjustments to this taxable value shall be made for
16 all of the following:

17 (a) State tax tribunal decisions.

18 (b) Court decisions.

19 (c) Local board of review adjustments made after the state tax
20 commission determination.

21 (d) Lands deeded to the state for jurisdictions without
22 delinquent tax revolving funds or for jurisdictions that have
23 required repayment to the delinquent tax revolving funds.

24 (e) The requirements of this act.

25 (2) Adjustments under subsection (1) shall not be made for
26 more than the 6 state fiscal years immediately preceding the state
27 fiscal year in which the adjustment is made, except that an

1 adjustment pursuant to a state tax tribunal decision or court
2 decision shall be made for the tax years involved in the decision
3 and any subsequent years affected by the decision.

4 Sec. 147. ~~(1)~~ The allocation for ~~2005-2006~~ **2006-2007** for
5 the public school employees' retirement system pursuant to the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1301 to 38.1408, shall be made using the entry age normal cost
8 actuarial method and risk assumptions adopted by the public school
9 employees retirement board and the department of management and
10 budget. The annual level percentage of payroll contribution rate is
11 estimated at ~~16.34%~~ **17.74%** for the ~~2005-2006~~ **2006-2007** state
12 fiscal year. The portion of the contribution rate assigned to
13 districts and intermediate districts for each fiscal year is all of
14 the total percentage points. This contribution rate reflects an
15 amortization period of ~~31~~ **30** years for ~~2005-2006~~ **2006-2007**. The
16 public school employees' retirement system board shall notify each
17 district and intermediate district by February 28 of each fiscal
18 year of the estimated contribution rate for the next fiscal year.

19 ~~—— (2) It is the intent of the legislature that the amortization~~
20 ~~period described in section 41(2) of the public school employees~~
21 ~~retirement act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30~~
22 ~~years by the end of the 2005-2006 state fiscal year by reducing the~~
23 ~~amortization period by not more than 1 year each fiscal year.~~

24 Sec. 161a. If a court determines that a person intentionally
25 violated section 411a of the Michigan penal code, 1931 PA 328, MCL
26 750.411a, by making a false report of the commission of a crime
27 described in section ~~6(6)(g)~~ **6(6)(F)** knowing the report to be

1 false for the purpose of having a pupil counted in membership in a
2 district under section ~~6(6)(g)~~ **6(6)(F)**, as part of the
3 restitution ordered under section 30 of chapter XIIIA of 1939 PA
4 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's
5 rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or
6 section 1a of chapter IX of the code of criminal procedure, 1927 PA
7 175, MCL 769.1a, the court may order the person to pay the pupil's
8 district of residence an amount that is not more than the state
9 school aid that district would have received attributable to the
10 pupil if the pupil had been counted in membership in his or her
11 district of residence.

12 Sec. 167. (1) The department in cooperation with the
13 department of community health shall develop plans to assist
14 districts and intermediate districts and local county health
15 departments to comply with section 1177 of the revised school code,
16 MCL 380.1177, and section 9209 of the public health code, 1978 PA
17 368, MCL 333.9209, for each school year.

18 (2) Each district or intermediate district shall report to the
19 local health department in which it is located by November 1 of
20 each fiscal year, in a manner prescribed by the department of
21 community health, the immunization status of each pupil in grades K
22 through 12 who enrolled in the district or intermediate district
23 for the first time or, beginning in 2002-2003, who enrolled in
24 grade 6 in the district or intermediate district for the first
25 time, between January 1 and September 30 of the immediately
26 preceding fiscal year. Not later than December 31 of each fiscal
27 year, the department of community health shall notify the

1 department by district or intermediate district of the percentage
2 of entering pupils and, beginning in 2002-2003, of pupils who
3 enrolled in grade 6 for the first time who do not have a completed,
4 waived, or provisional immunization record in accordance with
5 section 1177 of the revised school code, MCL 380.1177. If a
6 district or intermediate district does not have a completed,
7 waived, or provisional immunization record in accordance with
8 section 1177 of the revised school code, MCL 380.1177, for at least
9 90% of the district's or intermediate district's entering pupils,
10 as recorded in the November 1 reports required under this
11 subsection, the district or intermediate district is subject to
12 subsection (4) until the district or intermediate district has such
13 an immunization record for at least 90% of its pupils who enrolled
14 in the district or intermediate district for the first time.

15 (3) Each district or intermediate district shall again report
16 to the local health department in which it is located by February 1
17 of each fiscal year, in a manner prescribed by the department of
18 community health, the immunization status of each pupil in grades K
19 through 12 who enrolled in the district or intermediate district
20 for the first time or, beginning in 2002-2003, who enrolled in
21 grade 6 in the district or intermediate district for the first
22 time, between January 1 of the immediately preceding fiscal year
23 and December 31 of the current fiscal year. Not later than March 31
24 of each fiscal year, the department of community health shall
25 notify the department by district or intermediate district of the
26 percentage of entering pupils and, beginning in 2002-2003, of
27 pupils who enrolled in grade 6 for the first time who do not have a

1 completed, waived, or provisional immunization record in accordance
2 with section 1177 of the revised school code, MCL 380.1177. If a
3 district or intermediate district does not have a completed,
4 waived, or provisional immunization record in accordance with
5 section 1177 of the revised school code, MCL 380.1177, for at least
6 95% of the district's or intermediate district's entering pupils,
7 as recorded in the February 1 reports required under this
8 subsection, the district or intermediate district is subject to
9 subsection (4) until the district or intermediate district has such
10 an immunization record for at least 95% of its pupils who enrolled
11 in the district or intermediate district for the first time. If the
12 department of community health is not able to report to the
13 department by March 31 because a district or intermediate district
14 fails to submit a report as required in this subsection, or submits
15 an incomplete, inaccurate, or late report, the district or
16 intermediate district is subject to subsection (4) until the report
17 is submitted in a complete and accurate form.

18 (4) If a district or intermediate district does not comply
19 with this section, the department shall withhold 5% of the total
20 funds due to the district or intermediate district under this act
21 after the date the department of community health reports a
22 district's or intermediate district's noncompliance with this
23 section to the department until the district or intermediate
24 district complies with this section. If the district or
25 intermediate district does not comply with this section by the end
26 of the fiscal year, the district or intermediate district forfeits
27 the total amount withheld.

Senate Bill No. 1095 as amended March 29, 2006

1 ~~—— (5) For 2005-2006 only, if a pupil has been evacuated from~~
 2 ~~another state and relocated in this state due to a natural disaster~~
 3 ~~and is being educated in a district, if the pupil's immunization~~
 4 ~~record has not yet been received or confirmed, and if the district~~
 5 ~~is making a good faith effort to obtain immunization information~~
 6 ~~concerning the pupil, the district may exclude the pupil from the~~
 7 ~~calculation of the specified percentages in subsections (2) and~~
 8 ~~(3).~~

9 Enacting section 1. In accordance with section 30 of article I
 10 of the state constitution of 1963, total state spending in this
 11 amendatory act from state sources for fiscal year 2006-2007 is
 12 estimated at <<\$11,703,853,800.00>> and state appropriations to be paid
 13 to local units of government for fiscal year 2006-2007 are
 14 estimated at <<\$11,558,417,800.00>>.

15 Enacting section 2. Sections 31b, << >> 33, 99b, and 105a of
 16 the state school aid act of 1979, 1979 PA 94, MCL 388.1631b,
 17 << >> 388.1633, 388.1699b, and 388.1705a, are repealed.

18 Enacting section 3. (1) Except as otherwise provided in
 19 subsection (2), this amendatory act takes effect October 1, 2006.

20 (2) Sections 11, 15, 22a, 22b, 51a, 51c, 56, and 62 of the
 21 state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1615,
 22 388.1622a, 388.1622b, 388.1651a, 388.1651c, 388.1656, and 388.1662,
 23 as amended by this amendatory act, take effect upon enactment of
 24 this amendatory act.