CHAPTER 388. SCHOOLS AND SCHOOL AID

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

388.1-388.41 Repealed. 1951, Act 212, Imd. Eff. June 14, 1951;—1954, Act 209, Imd. Eff. May 10, 1954;—1955, Act 238, Eff. July 1, 1955.

SCHOOL AID
Act 238 of 1955

388.51-388.95 Repealed. 1956, Act 188, Eff. July 1, 1956.

SCHOOL DISTRICT IN INCORPORATED VILLAGE
Act 201 of 1929

388.121-388.125 Repealed. 1955, Act 269, Eff. July 1, 1955.

ORGANIZATION OF SCHOOL DISTRICT IN CITY
Act 169 of 1927

388.131-388.134 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

ORGANIZATION OF SCHOOL DISTRICT IN CITY
Act 279 of 1927

388.141,388.142 Repealed. 1955, Act 269, Eff. July 1, 1955.

ANNEXATION OF SCHOOL DISTRICTS
Act 247 of 1941

388.151-388.160 Repealed. 1955, Act 269, Eff. July 1, 1955.

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

388.171-388.187 Repealed. 1949, Act 217, Eff. Sept. 23, 1949;—1955, Act 269, Eff. July 1, 1955;—1970, Act 48, Imd. Eff. July 7, 1970;—1976, Act 451, Imd. Eff. Jan. 13, 1977.

LOANS TO COUNTY SCHOOL DISTRICTS
Act 44 of 1937

388.191,388.192 Repealed. 1983, Act 174, Imd. Eff. Oct. 14, 1983.

EMERGENCY FINANCIAL ASSISTANCE FOR INSOLVENT SCHOOL DISTRICTS
Act 32 of 1968

388.201-388.220 Expired. 1968, Act 32, Eff. June 30, 1970.

EMERGENCY FINANCIAL ASSISTANCE FOR INSOLVENT SCHOOL DISTRICTS
Act 225 of 1972

388.221-388.240 Expired. 1972, Act 225, Eff. June 30, 1973.

COUNTY COMMISSIONER OF SCHOOLS
Act 147 of 1891

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388.242-388.250 Repealed. 1949, Act 217, Eff. Nov. 7, 1949.

EMERGENCY LOANS FOR SCHOOL DISTRICTS
Act 12 of 1973

388.251-388.271 Repealed. 2002, Act 60, Imd. Eff. Mar. 15, 2002.

TOWNSHIP SCHOOL DISTRICT
Act 127 of 1937

388.301-388.303 Repealed. 1955, Act 269, Eff. July 1, 1955.

TOWNSHIP SCHOOL DISTRICT BUILDING PROGRAM
Act 323 of 1941

388.311 Repealed. 1956, Act 33, Eff. Aug. 11, 1956.

TOWNSHIP CONTINGENT FUND
Act 238 of 1939

388.321,388.322 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

RURAL SCHOOLHOUSE NAMES AND MAILBOXES
Act 81 of 1931

388.351-388.353 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

SCHOOL MEAL PROGRAMS AND SERVICES
Act 454 of 1976

388.361-388.365 Repealed. 1977, Act 43, Imd. Eff. June 29, 1977.

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TEACHING OF CIVICS AND POLITICAL SCIENCE
Act 205 of 1931

AN ACT to require the teaching of civics and political science in high schools, county normals and colleges, to prohibit the granting of diplomas, and degrees to students not successfully completing said courses, and to provide penalties for the violation thereof.

History: 1931, Act 205, Eff. Sept. 18, 1931.

The People of the State of Michigan enact:

388.371 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Compiler's note: The repealed section pertained to civics course in high school as prerequisite to diploma.

388.372 Civics, political science, government or public administration courses; prerequisite for diploma or degree.

Sec. 2. In all county normal schools a course of 4 term hours shall be given in civics, and in all colleges receiving public money, courses of not less than 3 semester hours, or equivalent, shall be given in political science, or in government and public administration, covering the form and functions of our federal and state governments, and of counties, cities and villages. Throughout said course the rights and responsibilities of citizenship shall be stressed. No baccalaureate degree or diploma shall be granted after June 30, 1958, to any student of such normal school or college unless such student shall have successfully completed said courses.

History: 1931, Act 205, Eff. Sept. 18, 1931;—Am. 1945, Act 203, Imd. Eff. May 17, 1945;—CL 1948, 388.372;—Am. 1954, Act 106, Eff. Aug. 13, 1954;—Am. 1957, Act 229, Eff. Sept. 27, 1957.

388.373 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Compiler's note: The repealed section contained a penalty provision.

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CRITICAL HEALTH PROBLEMS EDUCATION ACT
Act 226 of 1969

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

History: 1969, Act 226, Eff. Mar. 20, 1970.

The People of the State of Michigan enact:

388.381 Critical health problems education act; short title.

Sec. 1. This act may be cited as the "critical health problems education act".

History: 1969, Act 226, Eff. Mar. 20, 1970.

388.382 Critical health problems education act; definitions.

Sec. 2. As used in this act:

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

(b) "Superintendent" means the superintendent of public instruction of the state department of education.

History: 1969, Act 226, Eff. Mar. 20, 1970.

388.383 Education program; creation, promotion, scope.

Sec. 3. A critical health problems education program is created in the state department of education. The superintendent is authorized to promote, support and conduct programs to carry out the purposes of this act. These programs shall include, but not be limited to:

(a) Establishing guidelines to help local school districts develop comprehensive health education programs.

(b) Establishing special inservice programs to provide professional preparation in health education for teachers throughout the state.

(c) Providing leadership for institutions of higher education to develop and extend curricula in health education for professional preparation in both inservice and preservice programs.

(d) Developing cooperative programs between school districts and institutions of higher education whereby the appropriate health personnel of such institutions would be available to guide the continuing professional preparation of teachers and the development of curricula for local programs.

(e) Adding to the staff of the department of education competent specialists in the field of school health education to work with local school districts in the development of curricula and the preparation of teachers in health education.

(f) Employing, on a contractual basis, authorities in health education to provide assistance to the department of education in its inservice programs for teachers.

(g) Assisting in the development of plans and procedures for the evaluation of health education curricula and determining that a program of comprehensive health education is being carried out which meets the needs of the children and youth within the local school district.

History: 1969, Act 226, Eff. Mar. 20, 1970.

388.384 Advisory committee; appointment, purpose; federal agencies; federal funds.

Sec. 4. (1) The department of education may appoint an advisory committee from universities and colleges, the various fields of education, the voluntary health agencies, the department of public health, the department of mental health, the professional health associations and other groups or agencies it deems appropriate to advise it on the implementation of this act, including teachers, administrators and local boards of education.

(2) The department of education shall cooperate with agencies of the federal government and receive and use federal funds for the purposes of this act.

History: 1969, Act 226, Eff. Mar. 20, 1970.

388.385 Rules; promulgation, effective date.

Sec. 5. The department of education shall promulgate, prior to the effective date of this act, rules to

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implement this act in accordance with the provisions of Act No. 88 of the Public Acts of 1943, as amended, being sections 24.71 to 24.80 of the Compiled Laws of 1948, and subject to Act No. 197 of the Public Acts of 1952, as amended, being sections 24.101 to 24.110 of the Compiled Laws of 1948, but such rules shall not become effective until approved by concurrent resolution of the legislature.

History: 1969, Act 226, Eff. Mar. 20, 1970.

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

EDUCATION OF PREGNANT STUDENTS
Act 242 of 1970

388.391-388.394 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

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OATH OF TEACHERS
Act 23 of 1935

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

History: 1935, Act 23, Imd. Eff. Apr. 19, 1935;—Am. 1939, Act 55, Eff. Sept. 29, 1939.

The People of the State of Michigan enact:

388.401 Oath of college faculty members; filing.

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

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

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

History: 1935, Act 23, Imd. Eff. Apr. 19, 1935;—Am. 1939, Act 55, Eff. Sept. 29, 1939;—CL 1948, 388.401.

388.402 Unlawful employment; penalties.

Sec. 2. Any educational institution, junior college, college or university which shall employ any such person in violation of the terms of this act shall, during the continuance of such unlawful employment

(a) If such be an institution supported wholly or in part by state funds, not receive any state moneys for any purpose whatsoever.

(b) If such institution be a private, charitable and/or denominational college or university whose property, or any part thereof, is exempt from taxation, immediately forfeit all right to such tax exemption.

History: 1935, Act 23, Imd. Eff. Apr. 19, 1935;—Am. 1939, Act 55, Eff. Sept. 29, 1939;—CL 1948, 388.402.

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

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

History: 1943, Act 145, Eff. July 30, 1943.

The People of the State of Michigan enact:

388.421 Reemployment of school teachers honorably discharged from military service.

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

History: 1943, Act 145, Eff. July 30, 1943;—CL 1948, 388.421.

388.422 Restoration without loss of status or seniority; benefits.

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

History: 1943, Act 145, Eff. July 30, 1943;—CL 1948, 388.422.

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

388.451-388.455 Repealed. 1958, Act 145, Eff. Sept. 13, 1958.

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

388.501-388.504 Repealed. 1966, Act 39, Eff. Mar. 10, 1967.

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POSTSECONDARY ENROLLMENT OPTIONS ACT
Act 160 of 1996

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

The People of the State of Michigan enact:

388.511 Short title.

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.512 Purpose of act.

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.513 Definitions; rules; scope.

Sec. 3. (1) As used in this act:

(a) "Community college" means a community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a federal tribally controlled community college located in this state that is recognized under the tribally controlled community college assistance act of 1978, 25 USC 1801 to 1852, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(b) "Department" means the department of education.

(c) "Eligible charges" means tuition and mandatory course fees, material fees, and registration fees required by an eligible institution for enrollment in an eligible course. Eligible charges also include any late fees charged by an eligible postsecondary institution due to the school district's failure to make a required payment according to the timetable prescribed under this act. Eligible charges do not include transportation or parking costs or activity fees.

(d) "Eligible course" means a course offered by an eligible postsecondary institution that is not offered by the school district in which the eligible student is enrolled, or that is offered by the school district but is determined by the board of the school district to not be available to the eligible student because of a scheduling conflict beyond the eligible student's control; that is an academic course not ordinarily taken as an activity course; that is a course that the postsecondary institution normally applies toward satisfaction of degree requirements; that is not a hobby craft or recreational course; and that is in a subject area other than physical education, theology, divinity, or religious education. However, until the 2006-2007 school year, for an eligible student who has not achieved state endorsement in all subject areas under section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, an eligible course is limited to a course in a subject area for which he or she has achieved state endorsement, a course in computer science or foreign language not offered by the school district, or a course in fine arts as permitted by the school district. Beginning with eligibility to participate under this act during the 2006-2007 school year, for an eligible student who has not achieved a qualifying score in each subject area on a readiness assessment or the Michigan merit examination, as applicable for the student, an eligible course is limited to a course in a subject area for which he or she has achieved a qualifying score, a course in computer science or foreign language not offered by the school district, or a course in fine arts as permitted by the school district.

(e) "Eligible postsecondary institution" means a state university, community college, or independent nonprofit degree-granting college or university that is located in this state and that chooses to comply with this act.

(f) "Eligible student" means, except as otherwise provided in this subdivision, a student enrolled in at least 1 high school class in at least grade 11 in a school district in this state, except a foreign exchange pupil enrolled in a school district under a cultural exchange program. Until the 2006-2007 school year, to be an eligible student a student must have achieved state endorsement in all subject areas under section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, and, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks

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to enroll in an eligible course under this act. However, if the student has not achieved state endorsement in all subject areas under that section, the student is an eligible student only for the limited purpose of enrolling in 1 or more eligible courses under this act in a subject area for which he or she has achieved state endorsement, in computer science or foreign language not offered by the school district, or in fine arts as permitted by the school district. Beginning with eligibility to participate under this act during the 2006-2007 school year, to be an eligible student a student who has not taken the Michigan merit examination must have achieved a qualifying score in all subject areas on a readiness assessment and a student who has taken the Michigan merit examination must have achieved a qualifying score in all subject areas on the Michigan merit examination, and, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act. However, if the student has not achieved a qualifying score in all subject areas on a readiness assessment or the Michigan merit examination, as applicable for the student, the student is an eligible student only for the limited purpose of enrolling in 1 or more eligible courses under this act in a subject area for which he or she has achieved a qualifying score, in computer science or foreign language not offered by the school district, or in fine arts as permitted by the school district. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled in high school for that school year.

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

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

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

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

(k) "School district" means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, a local act school district as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

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

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996;—Am. 1997, Act 178, Imd. Eff. Dec. 30, 1997;—Am. 2004, Act 594, Imd. Eff. Jan. 5, 2005;—Am. 2005, Act 180, Imd. Eff. Oct. 20, 2005.

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

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

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

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

(2) Not later than July 1, 2006, the superintendent of public instruction shall determine qualifying scores

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for each subject area component of the Michigan merit examination that indicate readiness to enroll in a postsecondary course in that subject area under this act.

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

History: Add. 2004, Act 594, Imd. Eff. Jan. 5, 2005.

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

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

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

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

(4) Unless otherwise agreed between the eligible postsecondary institution and the school district, after the expiration of the institution's drop/add period for the course, an eligible postsecondary institution shall send a bill to the eligible student's school district detailing the eligible charges for each eligible course in which the student is enrolled under this act.

(5) Upon receiving the bill under subsection (4), the school district shall cause to be paid to the eligible postsecondary institution on behalf of the eligible student an amount equal to the lesser of the amount of the eligible charges or the prorated percentage of the state portion of the foundation allowance paid on behalf of that particular eligible student under section 20 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being section 388.1620 of the Michigan Compiled Laws, with the proration based on the proportion of the school year that the eligible student attends the postsecondary institution. A school district may pay more money to an eligible postsecondary institution on behalf of an eligible student than is required under this act, and may use local school operating revenue for that purpose. The eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the school district is required to pay under this act and that are not paid by the school district. As used in this subsection, “local school operating revenue” means that term as defined in section 20 of Act No. 94 of the Public Acts of 1979.

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

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

(8) If an eligible student enrolled in an eligible course under this act does not complete the eligible course, and if the school district has paid money for the course on behalf of the student, the postsecondary institution shall forward to the school district any funds that are refundable due to noncompletion of the course. The school district shall then forward to the student any refunded money in excess of the amount paid by the school district for the course on behalf of the student.

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

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

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(11) This section does not apply to any postsecondary courses in which an eligible student is enrolled in addition to being enrolled full-time in that eligible student's school district; to a postsecondary course an eligible student is retaking after failing to achieve a satisfactory grade; or to a course contrary to the eligibility provisions of this act. In determining full-time enrollment in a school district under this act or full-time equated membership under Act No. 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, for pupils enrolled in a postsecondary institution under this act, the pupil's enrollment in both the school district and the postsecondary institution shall be counted as enrollment in the school district and a pupil shall not be considered to be enrolled in a school district less than full-time solely because of the effect of the pupil's postsecondary enrollment, including necessary travel time, on the number of class hours provided by the school district to the pupil.

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.515 Participation in intercollegiate athletics prohibited.

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.516 Priority of students.

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.517 Academic credit.

Sec. 7. (1) An eligible student may enroll in, and receive payment by the school district under section 4(5) of all or part of eligible charges for, an eligible course under this act for high school credit or postsecondary credit, or both. At the time an eligible student enrolls in a postsecondary course under this act, he or she shall designate whether the course is for high school or postsecondary credit, or both, and shall notify both his or her high school and the postsecondary institution of that designation. An eligible student taking more than 1 postsecondary course under this act may make different credit designations under this subsection for different courses. An eligible student shall not audit a postsecondary course in which he or she is enrolled under this act.

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

(3) The high school credits granted to an eligible student under this act shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and high school credits granted shall be included in the eligible student's high school record. Subject to section 438 of subpart 2 of part C of the general education provisions act, title IV of Public Law 90-247, 20 U.S.C. 1232g, commonly referred to as the family educational rights and privacy act of 1974, an eligible postsecondary institution shall provide the school district with a copy of the eligible student's grade in each course taken for high school credit under this act. Upon the request of an eligible student, his or her high school record and transcript shall also include evidence of successful completion and postsecondary credits granted for a course taken for postsecondary credit under this act. In either case, the eligible student's high school record and transcript shall indicate that the credits were earned at an eligible postsecondary institution and identify the postsecondary institution.

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

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History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.518 Enrollment without tuition or fee support.

Sec. 8. This act does not restrict the ability of an eligible student or any other pupil to enroll in any postsecondary institution without tuition and fee support under this act.

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.519 Information and counseling services.

Sec. 9. (1) Each school district shall provide information to all high school students on the postsecondary enrollment options under this act, including enrollment eligibility; the institutions and types of courses that are eligible for participation; the decision making process for granting academic credits; an explanation of eligible charges that will be paid by the school district and of financial arrangements for eligible charges and for paying costs not paid for by the school district; eligibility for payment of all or part of eligible charges by the school district under this act; an explanation that, if the student qualifies for payment of all or part of eligible charges by the school district under this act, the school district will pay that support directly to the postsecondary institution upon being billed by the postsecondary institution and that the student is not responsible for that payment but is responsible for payment of costs not paid for under this act; available support services; the need to arrange an appropriate schedule; consequences of failing or not completing a postsecondary course in which the eligible student enrolls; the effect of enrolling in a postsecondary course on the eligible student's ability to complete the required high school graduation requirements; and the academic and social responsibilities that must be assumed by the eligible student and his or her parent or guardian.

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

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996;—Am. 2004, Act 594, Imd. Eff. Jan. 5, 2005.

388.520 General information.

Sec. 10. By May 1, 1996, and by March 1 of each succeeding year, a school district shall provide general information about the postsecondary enrollment options under this act to all pupils in grade 8 or higher.

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.521 Annual comprehensive financial report; summary annual report.

Sec. 11. (1) Each intermediate school district annually shall collect from each of its constituent school districts and provide to the department at the same time that it submits the annual comprehensive financial report required under section 18 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being section 388.1618 of the Michigan Compiled Laws, information for the immediately preceding school year on all of the following:

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

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

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

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

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

388.522 Rules.

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

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

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

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

388.523 Repealed. 2000, Act 258, Eff. Apr. 1, 2001.

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

388.524 Conditional effective date.

Sec. 14. This act shall not take effect unless all of the following bills of the 88th Legislature are enacted into law:

(a) House Bill No. 4640.

(b) House Bill No. 4642.

History: 1996, Act 160, Imd. Eff. Apr. 8, 1996.

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

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

History: 1946, 1st Ex. Sess., Act 18, Imd. Eff. Feb. 25, 1946.

The People of the State of Michigan enact:

388.531 Program of adult education by counties.

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

History: 1946, 1st Ex. Sess., Act 18, Imd. Eff. Feb. 25, 1946;—CL 1948, 388.531.

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

388.532 Instructors; training, approval.

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

History: 1946, 1st Ex. Sess., Act 18, Imd. Eff. Feb. 25, 1946;—CL 1948, 388.532.

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

388.533 Budget.

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

History: 1946, 1st Ex. Sess., Act 18, Imd. Eff. Feb. 25, 1946;—CL 1948, 388.533.

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PRIVATE, DENOMINATIONAL, AND PAROCHIAL SCHOOLS
Act 302 of 1921

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

History: 1921, Act 302, Eff. Aug. 18, 1921.

The People of the State of Michigan enact:

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

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

History: 1921, Act 302, Eff. Aug. 18, 1921;—CL 1929, 8151;—CL 1948, 388.551;—Am. 2002, Act 701, Imd. Eff. Dec. 30, 2002.

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

388.552 Private, denominational or parochial schools; definition.

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

History: 1921, Act 302, Eff. Aug. 18, 1921;—CL 1929, 8152;—CL 1948, 388.552.

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

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

History: 1921, Act 302, Eff. Aug. 18, 1921;—CL 1929, 8153;—CL 1948, 388.553.

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

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388.554 Violation of act; hearing, closing of school, compulsory attendance.

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

History: 1921, Act 302, Eff. Aug. 18, 1921;—CL 1929, 8154;—CL 1948, 388.554.

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

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

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

History: 1921, Act 302, Eff. Aug. 18, 1921;—CL 1929, 8155;—CL 1948, 388.555.

388.557 Construction of act.

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

History: 1921, Act 302, Eff. Aug. 18, 1921;—CL 1929, 8157;—CL 1948, 388.557.

388.558 Schools for handicapped children; standards of instruction.

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

History: Add. 1943, Act 140, Eff. July 30, 1943;—CL 1948, 388.558.

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

SCHOOL AID
Act 188 of 1956

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388.561-388.602 Repealed. 1957, Act 312, Eff. July 1, 1957.

SCHOOL AID
Act 312 of 1957

388.611-388.666a Repealed. 1959, Act 267, Imd. Eff. Sept. 18, 1959;—1964, Act 285, Eff. July 1, 1964;—1966, Act 271, Imd. Eff. July 12, 1966;—1968, Act 21, Imd. Eff. Apr. 30, 1968;—1969, Act 22, Imd. Eff. June 20, 1969;—1970, Act 100, Imd. Eff. July 20, 1970;—1971, Act 134, Imd. Eff. Sept. 29, 1971;—1972, Act 258, Imd. Eff. Aug. 8, 1972.

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SCHOOL AID
Act 230 of 1964

AN ACT to provide for appropriating from the school aid fund to school districts pending the settlement of taxes paid under protest and held in escrow; to provide for recomputations and application for such aid.

History: 1964, Act 230, Imd. Eff. May 22, 1964.

The People of the State of Michigan enact:

388.671 School aid fund; appropriation.

Sec. 1. There is hereby appropriated from the school aid fund established by section 11 of article 9 of the constitution of the state, a sum necessary to fulfill the requirements of this act.

History: 1964, Act 230, Imd. Eff. May 22, 1964.

388.672 School district taxes paid under protest; credit obtained by district lien; payment to school aid fund.

Sec. 2. Whenever taxes levied by a board of education of a school district for operating purposes against property constituting at least 10% of the district's valuation, as defined and computed in accordance with the provisions of Act No. 312 of the Public Acts of 1957, as amended, being section 388.611 to section 388.652 of the Compiled Laws of 1948, are paid under protest and are placed in escrow and are thus unavailable to the district, the total valuation of the district for the purposes of the above act shall be reduced by the valuation of such property. The credit so obtained by a district in the application of the school aid formula provided in the above act shall forever be a lien against the district and shall be immediately paid by the treasurer of the school district to the state school aid fund from the taxes referred to above at such time as the taxes are collected by the district.

History: 1964, Act 230, Imd. Eff. May 22, 1964.

388.673 School aid for 1962, 1963, 1964; recomputation.

Sec. 3. The school aid determined and paid to school districts under Act No. 312 of the Public Acts of 1957, as amended, for the fiscal years ending June 30, 1962, June 30, 1963 and June 30, 1964, shall be recomputed in accordance with the provisions of section 2 and the additional aid due the districts shall be paid immediately in the manner provided by law for the payment of school aid.

History: 1964, Act 230, Imd. Eff. May 22, 1964.

Compiler's note: Act 312 of 1957, referred to in this section, was repealed by Act 267 of 1959, Act 285 of 1964, Act 271 of 1966, Act 21 of 1968, Act 22 of 1969, Act 100 of 1970, Act 134 of 1971, and Act 258 of 1972.

388.674 School aid; applications, reports.

Sec. 4. Any district coming under the provisions of this act shall make application to the superintendent of public instruction on forms provided for that purpose and shall furnish such reports and information as is deemed necessary by the superintendent of public instruction for the proper determination of aid.

History: 1964, Act 230, Imd. Eff. May 22, 1964.

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****** Act 289 of 1964 THIS ACT IS SUBJECT TO CONDITIONAL EXPIRATION: See 388.693 ******

REORGANIZATION OF SCHOOL DISTRICTS

Act 289 of 1964

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

The People of the State of Michigan enact:

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

388.681 Reorganization of school districts; definitions.

Sec. 1. As used in this act:

(a) "Reorganization of school districts" means the formation of new school districts, the alteration of boundaries of established school districts, and the dissolution or disorganization of established school districts through or by means of any one or combination of the methods as set forth in this act.

(b) "State committee" means the state committee for the reorganization of school districts created in this act.

(c) "Intermediate committee" means the committee for the reorganization of school districts created in this act.

(d) "Plan of reorganization" means a concrete proposal for readjustment and realignment of the boundaries of school districts within an intermediate school district area.

(e) "Non-high school district" means a school district presently operating less than a kindergarten through twelfth grade program.

(f) "School code" means Act No. 269 of the Public Acts of 1955, as amended, being sections 340.1 to 340.984 of the Compiled Laws of 1948.

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.682 State committee for reorganization of school districts; appointments, distribution; vacancies, compensation.

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.683 State committee for reorganization of school districts; organization; election of vice-chairperson and secretary; vice-chairperson acting as chairperson; records of meetings; preparation and distribution of materials; availability of records and other writings to public; meetings; quorum; conducting business at public meeting; notice of meeting.

Sec. 3. (1) By November 26, 1964, the state committee shall organize by electing a vice-chairperson and a secretary. The vice-chairperson shall act as chairperson at the request of the superintendent of public instruction. The secretary shall keep the records of official committee meetings and prepare and distribute materials as requested by the state committee. The records and any other writing prepared, owned, used, in the possession of, or retained by the committee in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

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(2) A meeting of the committee shall be held upon the call of the chairperson or 3 members of the committee. Five members, which may include the superintendent of public instruction, constitute a quorum. The business which the committee may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

History: 1964, Act 289, Eff. Aug. 28, 1964;—Am. 1977, Act 250, Imd. Eff. Dec. 6, 1977.

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

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

Sec. 4. The state committee shall:

(a) Within 12 months after the effective date of this act, develop policies, principles and procedures for a statewide school district reorganization program planned so that all areas may become part of a school district operating or designed to operate at least 12 grades. In no case can an intermediate district committee plan be submitted under this act which would require the merger of 2 or more school districts of the third class or higher. There shall be created no less than 500 school districts operating 12 grades.

(b) Direct area surveys and develop a manual of procedure to be printed and distributed to all intermediate district superintendents of schools.

(c) Perform either by itself or by its authorized representative any or all of the duties required by this act to be performed by the intermediate school district superintendent, the intermediate district board of education, the intermediate district committee, or the probate judge or judges, in case of failure by any or all of them to perform these duties.

(d) Review and approve or reject intermediate district plans within 60 days after receipt of plans from the intermediate district committees.

(e) Report to each intermediate district the acceptance or rejection of the proposed plans with recommendations for changes.

(f) Present a progress report on reorganization under this act to the state legislature on or before March 1 of each year.

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

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

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

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

(2) Members of the intermediate district committee shall be chosen as follows:

(a) The intermediate board of education shall appoint 3 of its members to serve on the committee.

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

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

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

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

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

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

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388.687 Optional election methods for adoption of reorganization plans; conduct.

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

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

Yes ( )

No ( )"

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

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

Yes ( )

No ( )"

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

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

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

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

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

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

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

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

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.688 Classification of districts formed.

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.689 Consolidation, annexation or division of districts.

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

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the implementation of the requirements of this act.

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.690 School aid; apportionment.

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.691 Board of education of newly-formed district.

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

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.692 Board of education of district losing identity; records, property.

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

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

388.693 Final report; expiration of act.

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

History: 1964, Act 289, Eff. Aug. 28, 1964.

Compiler's note: As to validity of enactment of "sunset provision" under Const 1963, art 4, § 24, see OAG, 1987-1988, No 6438 (May 21, 1987).

THIRD CLASS SCHOOL DISTRICTS; BOUNDARIES
Act 254 of 1945

388.701 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

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REORGANIZATION OF SCHOOL DISTRICTS
Act 239 of 1967

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

The People of the State of Michigan enact:

388.711 Reorganization of school districts; determination of emergency.

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

388.712 Emergency school district; reorganization; applicability; determination of emergency.

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

History: 1967, Act 239, Imd. Eff. July 12, 1967;—Am. 1968, Act 130, Imd. Eff. June 11, 1968.

388.713 Determination of emergency; hearing.

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

388.714 Reorganization committee; findings, contents.

Sec. 4. Within 20 days following receipt of a transcript of the hearing, the state committee shall make a finding relative to the existence of a condition or conditions warranting immediate reorganization of the district. The finding shall include consideration of the adequacy of the district to provide the following:

(a) An educational program meeting standards established by the state department of education or by accrediting agencies.

(b) A physical plant which can contain an acceptable school program.

(c) Transportation for students.

(d) Necessary tax base.

(e) Pupil services, administrative and teaching staff, and auxiliary services in compliance with rules prescribed by the department of education.

History: 1967, Act 239, Imd. Eff. July 12, 1967.

388.715 Need for immediate reorganization; report and recommendations.

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

388.716 State committee report and recommendations; publication; filing of objections and recommendations; determination of state board.

Sec. 6. The state board of education shall publish the report and recommendations of the state committee and shall invite objections or comments to be filed with it within 20 days following publication of the report.

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The state board then shall consider the report of the state committee, together with the comments and objections filed, and make a determination as to endorsement of the finding of the state committee.

History: 1967, Act 239, Imd. Eff. July 12, 1967.

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

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

History: 1967, Act 239, Imd. Eff. July 12, 1967;—Am. 1968, Act 130, Imd. Eff. June 11, 1968.

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

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

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

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

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

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

```
     Petition no. ............ consisting of ..............pages.
     (Signed)...................................................
     Superintendent of intermediate district of..................
     To the state committee on reorganization of school districts,
Lansing, Michigan.
```


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We, the undersigned, qualified (here insert "registered" in the case of a registration district) electors of.....
.....
(name of school district)
declare that in the following school district there does exist an emergency calling for immediate reorganization, and we do call upon the state board of education to reorganize the district:

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

Signatures of petitioners

Name Address Date of signing

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

Official petition

No. ..... Page no. .....

Signature of intermediate district superintendent.....

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

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

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

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

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

History: 1967, Act 239, Imd. Eff. July 12, 1967.

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

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

History: Add. 1968, Act 130, Imd. Eff. June 11, 1968.

388.721 Repealed. 1968, Act 130, Imd. Eff. June 11, 1968.

Compiler's note: The repealed section pertained to termination of school aid act July 1, 1968.

EMERGENCY FINANCIAL ASSISTANCE
Act 226 of 1978

388.731-388.750 Expired. 1978, Act 226, Eff. July 1, 1981.

EMERGENCY FINANCIAL ASSISTANCE
Act 221 of 1986

388.751-388.759 Repealed. 1986, Act 221, Eff. July 1, 1988.

EMERGENCY FINANCIAL ASSISTANCE
Act 8 of 1977

388.761-388.779 Expired. 1977, Act 8, Eff. July 1, 1983.

EMERGENCY FINANCIAL ASSISTANCE
Act 218 of 1977

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388.781-388.799 Expired. 1977, Act 218, Eff. July 1, 1981.

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FEDERAL GRANTS TO SCHOOLS
Act 16 of 1942 (1st Ex. Sess.)

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

History: 1942, 1st Ex. Sess., Act 16, Imd. Eff. Jan. 28, 1942;—Am. 1949, Act 233, Eff. Sept. 23, 1949.

The People of the State of Michigan enact:

388.801 Federal grants to schools; superintendent of public instruction, sole agent to administer and receive.

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

History: 1942, 1st Ex. Sess., Act 16, Imd. Eff. Jan. 28, 1942;—CL 1948, 388.801;—Am. 1949, Act 233, Eff. Sept. 23, 1949.

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

388.802 Superintendent of public instruction; powers and duties.

Sec. 2. To these ends and purposes the superintendent of public instruction is authorized, directed and empowered:

(a) To originate the documentary data prerequisite to the disbursement of all funds made available at any time by the federal government to the state of Michigan for said purposes in accordance with existing and usual procedures covering disbursements from the state treasury.

(b) To adopt, carry out and administer a plan or plans for any such purposes not contrary to or inconsistent with the laws of this state. Such plan or plans so adopted shall be made statewide in application insofar as reasonably feasible, possible or permissible, and shall be so devised as to meet the approval of the federal government, or any of its agencies.

History: 1942, 1st Ex. Sess., Act 16, Imd. Eff. Jan. 28, 1942;—CL 1948, 388.802.

388.803 Deposit and disbursement of funds received.

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

History: 1942, 1st Ex. Sess., Act 16, Imd. Eff. Jan. 28, 1942;—CL 1948, 388.803;—Am. 2002, Act 704, Imd. Eff. Dec. 30, 2002.

388.804 Other acts inapplicable to educational grants.

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

History: 1942, 1st Ex. Sess., Act 16, Imd. Eff. Jan. 28, 1942;—CL 1948, 388.804.

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

388.805 Grants for vocational education and rehabilitation.

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

History: 1942, 1st Ex. Sess., Act 16, Imd. Eff. Jan. 28, 1942;—CL 1948, 388.805.

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

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***** *Act 26 of 1982 THIS ACT DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829* *****

EMERGENCY FINANCIAL ASSISTANCE FOR CERTAIN SCHOOL DISTRICTS
Act 26 of 1982

AN ACT to provide for emergency financial assistance for certain school districts; to prescribe certain powers and duties of intermediate school boards, local school boards, the state board of education, the state treasurer, and the auditor general; to create an emergency loan revolving fund; to make an appropriation; and to prescribe penalties.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

The People of the State of Michigan enact:

***** *388.811 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829* *****

388.811 Definitions.

Sec. 1. As used in this act:

(a) "Board" means the governing body of a local school district.

(b) "Constituent district" means a local school district the territory of which is entirely within and is an integral part of an intermediate school district.

(c) "Department" means the department of education created and operating under sections 300 to 305 of the executive organization act of 1965, Act No. 380 of the Public Acts of 1965, being sections 16.400 to 16.405 of the Michigan Compiled Laws.

(d) "Intermediate school board" means the board of an intermediate school district.

(e) "Intermediate school district" means a school district established under part 7 of the school code of 1976, Act No. 451 of the Public Acts of 1976, as amended, being sections 380.601 to 380.703 of the Michigan Compiled Laws.

(f) "School district" means a school district of the third class organized under part 4 of the school code of 1976, Act No. 451 of the Public Acts of 1976, as amended, being sections 380.201 to 380.260 of the Michigan Compiled Laws, and located entirely within a county having a population of 1,500,000 or more.

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

(h) "State committee" means the state committee for the reorganization of school districts created by Act No. 289 of the Public Acts of 1964, as amended, being sections 388.681 to 388.693 of the Michigan Compiled Laws, and continued under section 10a of Act No. 239 of the Public Acts of 1967, being sections 388.720a of the Michigan Compiled Laws.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

***** *388.812 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829* *****

388.812 Procedures.

Sec. 2. The procedures provided by this act may be used notwithstanding provisions of law to the contrary.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

***** *388.813 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829* *****

388.813 Emergency loan; eligibility criteria; certification; certified audit.

Sec. 3. (1) When taxes levied for operating purposes against property constituting at least 30% of the valuation of a school district are delinquent and are delayed by bankruptcy proceedings, the school district shall be eligible for an emergency loan under this act.

(2) A school district which is eligible for an emergency loan based upon a certification by the department of treasury shall certify that the school district meets the criteria of subsection (1). The legislature may request the auditor general to undertake a certified audit in order to ascertain that the school district meets the criteria of subsection (1).

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

***** *388.814 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829* *****

388.814 Emergency loan; application; recommendation; warrant.

Sec. 4. The board of a school district meeting the criteria of section 3 may apply to the department for an

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emergency loan. If, after review, the department finds that the school district meets the criteria of section 3, a recommendation for an emergency loan shall be submitted to the state treasurer, who shall draw warrants in favor of the treasurer of the school district for the amounts payable to the school district according to the recommendation and deliver the warrants to the treasurer of the school district. Warrants shall be in the amounts and payable at such times as the department and the state department of treasury jointly shall consider necessary through continuing review of the school district's budgetary position.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.815 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.815 Notes; issuance; maturity; interest rate; payment; review and approval of balanced budget; repayment; monthly expenditure report.

Sec. 5. The board of a school district receiving an emergency loan under this act shall issue notes in the amount of the emergency loan, made payable to the state, in equal annual installments, having a maturity date of not more than 10 years, plus interest beginning with the first fiscal year after receipt of the loan. The interest for the first year shall be at 14.35% per annum. Each succeeding year's interest rate shall be equal to the rate paid by the state for its general obligation short term notes in the prior state fiscal year. The notes shall be payable out of operating funds of the school district. The board shall submit its budget for review and approval to the department. This budget shall be a balanced budget and each year's budget shall include 1 of 10 equal payments required to amortize the original face amount of the loan received under this act, including the interest for that year. However, when the delinquent or delayed taxes described in section 3(1) become available, in full or in part, to the school district, the tax money shall be used solely for repayment of the outstanding balance of the loan to the extent necessary to repay the loan in full. The school district shall submit a monthly expenditure report to the department during the period when the loan is outstanding.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.816 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.816 Expenditures not to exceed revenue; maintaining balanced budget.

Sec. 6. The department shall take steps necessary to assure that the expenditures of a school district which receives an emergency loan under this act shall not exceed revenues on an annual basis and that the school district maintains a balanced budget.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.817 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.817 Reorganization of school district not levying minimum mills; recommendation.

Sec. 7. A school district not levying a minimum of 30 mills for operating purposes in the calendar year for which it receives an emergency loan shall be reorganized by the state board following recommendation by the state committee.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.818 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.818 Reorganization of school district certified as not able to balance budget; recommendation.

Sec. 8. If, upon application for an emergency loan, a board certifies that the school district will not be able to balance its budget, the school district shall be reorganized by the state board following recommendation by the state committee.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.819 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.819 Reorganization of school district not balancing budget in following fiscal year; recommendation.

Sec. 9. A school district receiving an emergency loan under this act shall balance its budget in the fiscal year immediately following the fiscal year for which it receives an emergency loan or, following recommendation by the state committee, shall be reorganized by the state board.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

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****** 388.820 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.820 Reorganization of school district defaulting in repayment of loan; recommendation.

Sec. 10. A school district receiving an emergency loan under this act which defaults in repayment of the loan shall be reorganized by the state board following recommendation by the state committee.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.821 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.821 Reorganization of school district; hearing; notice; recommendations.

Sec. 11. Before the reorganization of a school district under this act, the state committee shall hold a hearing in the school district to be reorganized. Notice of the time and place of the hearing shall be given the voters of all districts involved in the proposed reorganization. The intermediate school board affected by the proposed reorganization of a constituent district shall make recommendations regarding the proposed reorganization to the state committee.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.822 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.822 Existence of conditions warranting reorganization of school district; determination; transmitting report with recommendations.

Sec. 12. Within 20 days after receipt of a transcript of the hearing and recommendations of the intermediate school board, the state committee shall determine if conditions exist warranting reorganization of the school district under this act. Upon a determination by the state committee that conditions in a school district warrant reorganization, the state committee shall transmit its report with recommendations to the state board.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.823 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.823 Report and recommendations of state committee; publication; objections or comments; consideration of report; determination as to indorsement.

Sec. 13. The state board shall publish the report and recommendations of the state committee and shall invite objections or comments to be filed with the state board within 20 days following publication of the report. The state board then shall consider the report of the state committee, together with the comments and objections filed, and make a determination as to indorsement of the finding of the state committee.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.824 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.824 Reorganization of school district with 1 or more contiguous districts to provide equitable educational opportunity; effective date; finality.

Sec. 14. The state board, upon indorsement of the finding of the state committee that reorganization of a school district is warranted, shall reorganize the school district with 1 or more districts contiguous to it in a manner which will provide the most equitable educational opportunity for the students of the reorganized school district, and shall determine the effective date of reorganization. Action by the state board shall be final.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.825 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.825 Bonded indebtedness of reorganized school district; territory of school district as assessing unit; board of trustees; officers; refinancing of original bonds; responsibility; certifying and ordering levy of taxes.

Sec. 15. If a school district reorganized under this act at the time of reorganization has a bonded indebtedness, the school district's identity shall not be lost, and its territory shall remain as an assessing unit for purposes of the bonded indebtedness until the indebtedness is retired or the outstanding bonds are refunded by the reorganized district. The board of the reorganized school district or the boards of districts receiving school buildings with an existing bonded debt shall constitute the board of trustees for the original school district having a bonded indebtedness, and the officers of the reorganized or successor district shall be

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the officers for the original school district. If the original bonds of the reorganized school district are refinanced, the state board shall make the final determination as to placement of the responsibility with the 1 or more boards receiving the buildings as to their responsibility in acting as the board of trustees for the original school district. The board of each district assigned the responsibility as the board of trustees for the bonded indebtedness of the reorganized school district shall certify and order the levy of taxes for the bonded indebtedness in the name of the original school district.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.826 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.826 Assumption and payment of bonded indebtedness; approval of electors; final responsibility; certifying and ordering levy of taxes; holding election.

Sec. 16. Beginning 3 years after the effective date of the reorganization of a school district under this act, a district receiving a building having an existing bonded indebtedness and assuming the responsibilities set forth in section 15 may assume the obligation of the bonded indebtedness of the school building attached to its district under this act and pay the bonded indebtedness from the proceeds of a debt retirement tax levy spread uniformly over the territory of the district when the electors of the reorganized or successor district approve an increase in the limitation on taxes for that purpose and the school electors of the recipient district approve the assumption of the bonded indebtedness. Assumption of the bonded indebtedness of an original school district does not release the territory of the original school district from the final responsibility of paying the obligation or rescind the increase in the limitation on taxes pledged to the bond issue or available to it in the original school district. When the bonded indebtedness of an original school district is assumed as provided in this section, the board of the reorganized or successor district shall certify and order the levy of taxes for the bonded indebtedness equivalent in terms of money to those required by the terms under which the indebtedness was originally incurred and carry out the original bond contract. The election to assume the bonded indebtedness of a reorganized district may be held at any time after 3 years following the effective date of reorganization when a proposal is placed before the school electors to increase the bonded indebtedness of the recipient district.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.827 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.827 Compliance with MCL 380.1284; removal of board member.

Sec. 17. (1) The board of a school district receiving an emergency loan under this act shall comply with section 1284 of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1284 of the Michigan Compiled Laws.

(2) Each member of a board which does not comply with subsection (1) is subject to removal from office under section 10 of article 5 of the state constitution of 1963.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.828 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.828 School emergency loan revolving fund; creation; purpose; warrant; transfer of repayments to general fund; appropriation.

Sec. 18. (1) The school emergency loan revolving fund is created in the state treasury from which emergency loans shall be made to school districts as provided in this act. The state treasurer shall issue a warrant on the fund for the amount of the loan. The treasurer shall transfer repayments of the loan to the general fund.

(2) There is appropriated from the general fund to the school emergency loan revolving fund the sum of $2,200,000.00.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

****** 388.829 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 ******

388.829 Applicability of loan provisions and act.

Sec. 19. (1) The loan provisions of this act shall not apply after June 30, 1983.

(2) This act shall not apply after June 30, 1994.

History: 1982, Act 26, Imd. Eff. Mar. 4, 1982.

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388.831-388.833 Repealed. 1990, Act 182, Imd. Eff. July 18, 1990.

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FARM-TO-SCHOOL PROCUREMENT ACT
Act 315 of 2008

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

History: 2008, Act 315, Imd. Eff. Dec. 18, 2008.

The People of the State of Michigan enact:

388.841 Short title.

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

History: 2008, Act 315, Imd. Eff. Dec. 18, 2008.

388.842 Definitions.

Sec. 2. As used in this act:

(a) "Farm product" means that term as defined in section 2 of the Michigan right to farm act, 1981 PA 93, MCL 286.472.

(b) "MDA" means the Michigan department of agriculture.

(c) "MDE" means the Michigan department of education.

History: 2008, Act 315, Imd. Eff. Dec. 18, 2008.

388.843 Memorandum of understanding; execution between MDE and MDA; duties.

Sec. 3. (1) The MDE and the MDA shall collaborate and cooperate by means of a memorandum of understanding executed between the departments in order to implement the provisions of this act.

(2) As part of the collaboration, the MDE shall do the following:

(a) Investigate the potential of various procurement procedures and tools for school food authorities to purchase local farm products and abide by federal regulations, including, but not limited to, the small purchase threshold and multiple or line-item awards to farmers, processors, and suppliers within larger food contracts.

(b) Educate food service directors on the small purchase threshold and other procurement procedures and tools and promote their use for farm-to-school initiatives.

(c) Implement food preparation training for food service staff to accommodate sourcing fresh and local foods.

(d) Encourage school food service directors to include local farmers, processors, and suppliers when taking bids for farm products that fall under the small purchase threshold.

(e) Encourage all new school construction projects to consider kitchen facilities capable of producing fresh and healthy school meals and opportunities for hands-on learning.

(3) As part of the collaboration, the MDA shall do the following:

(a) House a farm-to-school point person to coordinate efforts between MDA, MDE, and the Michigan department of community health, who would be responsible for identifying local farmers, processors, and suppliers and work with MDE to make that information available to school food service directors and for creating and disseminating information on the school food procurement process to help farmers, processors, and suppliers learn more about the process.

(b) Identify, target, and promote job creation around farm-to-school initiatives.

(c) In cooperation with commodity groups and growers associations, utilize existing web-based market development tools or adopt a voluntary web-based directory of farmers searchable by location. The directory should be updated and consistently maintained and usable by anyone interested in locating farmers and Michigan farm products.

(d) Investigate opportunities for farmers to supply their products to commercial distributors.

History: 2008, Act 315, Imd. Eff. Dec. 18, 2008.

388.844 Funds from federal, state, or private sources.

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

History: 2008, Act 315, Imd. Eff. Dec. 18, 2008.

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CONSTRUCTION OF SCHOOL BUILDINGS
Act 306 of 1937

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

History: 1937, Act 306, Imd. Eff. July 23, 1937;—Am. 1941, Act 148, Eff. Jan. 10, 1942;—Am. 2002, Act 628, Imd. Eff. Dec. 23, 2002.

The People of the State of Michigan enact:

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

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

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

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

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

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

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

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

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

(h) Compliance with section 1b.

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

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

History: 1937, Act 306, Imd. Eff. July 23, 1937;—Am. 1941, Act 148, Eff. Jan. 10, 1942;—CL 1948, 388.851;—Am. 1949, Act 231, Imd. Eff. May 31, 1949;—Am. 1962, Act 175, Imd. Eff. May 17, 1962;—Am. 1968, Act 239, Eff. Sept. 1, 1968;—Am. 2002, Act 628, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 254, Imd. Eff. Dec. 29, 2003;—Am. 2004, Act 510, Imd. Eff. Jan. 3, 2005.

Compiler's note: For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of

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construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

388.851a Construction of school buildings; definitions.

Sec. 1a. Words and phrases used in this act shall be defined as follows:

(a) "School buildings" shall include all buildings used for school purposes.

(b) "Remodeling" shall mean the alteration, construction or remodeling of partitions, hallways, stairways and means of egress, the replacement, relocation or reconstruction of heating, ventilating and sanitary equipment.

(c) "Addition" shall mean added space which results in additional cubic contents to existing building.

(d) "Total cost" shall be interpreted to mean the monetary worth of the building when ready for occupancy, regardless of the source of funds, labor or material and shall include the cost of general construction, plumbing, heating and ventilation, electrical work, all fixed equipment, together with the cost of architects, engineers and building superintending services.

(e) A building having a basement shall be considered to be a 2 story building for the purposes of this act.

History: Add. 1941, Act 148, Eff. Jan. 10, 1942;—CL 1948, 388.851a;—Am. 1949, Act 231, Imd. Eff. May 31, 1949.

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

388.851b School buildings; administration and enforcement of act; inspection; methods; plan reviews; delegation of responsibilities; approval under fire prevention code; scope of act; definitions.

Sec. 1b. (1) Except as otherwise provided in this act, the department is responsible for the administration and enforcement of this act and the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531, in each school building in this state.

(2) Except as provided in subsection (5), a school building covered by bond issues that were approved by the department of treasury after July 1, 2003 shall not be constructed, remodeled, or reconstructed in this state until written approval of the plans and specifications is obtained from the department indicating that the school building will be designed and constructed in conformance with the code. This subsection does not apply to any school building for which construction is covered by bond issues that were approved by the department of treasury before July 1, 2003.

(3) Responsibility for inspections of school buildings shall be determined by 1 of the following methods:

(a) By an independent third party designated in the contract governing the construction, remodeling, or reconstruction of a school building. The independent third party shall be responsible for all inspections required to insure compliance with the code. The school authority shall verify that the independent third party named is knowledgeable about construction practices and codes and is otherwise qualified to conduct the inspections. The name of the independent third party to be responsible for conducting inspections shall be submitted to the department with the plans and specifications required by subsection (2). If the department determines that the independent third party is not qualified to conduct the inspections or is not an independent third party, it shall disapprove of the designation and notify the school authority. All inspection reports prepared by the person designated by the school authority under this subdivision shall be sent to the department upon completion of the inspection. The department may return the report for further work if there are questions relating to the scope of the inspection or whether the construction, remodeling, or reconstruction meets the requirements of the code.

(b) If a designation of an independent third party is not made as required under subdivision (a), the inspections required to insure compliance with the code will be performed by the department or as provided under subsection (5).

(4) Except as provided in subsection (5), the department shall perform for school buildings all plan reviews within 60 days from the date the plans are filed or considered approved and inspections within 5 business days as required by the code and shall be the enforcing agency for this act.

(5) The department shall delegate the responsibility for the administration and enforcement of this act to the applicable agency if both the school board and the governing body of the governmental subdivision have annually certified to the department, in a manner prescribed by the department, that full-time code officials, inspectors, and plan reviewers registered under the building officials and inspectors registration act, 1986 PA 54, MCL 338.2301 to 338.2313, will conduct plan reviews and inspections of school buildings.

(6) This section does not affect the responsibilities of the bureau of fire services under the fire prevention code, 1941 PA 207, MCL 29.1 to 29.34. The bureau of construction codes and safety and the bureau of fire services in the department shall jointly develop procedures to use the plans and specifications submitted in carrying out the requirements of this act and the fire prevention code, 1941 PA 207, MCL 29.1 to 29.34. A

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certificate of occupancy shall not be issued by the appropriate code enforcement agency until a certificate of approval has been issued under the fire prevention code, 1941 PA 207, MCL 29.1 to 29.34.

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

(8) As used in this section:

(a) "Code" means the state construction code provided for in the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(b) "Construction" means that term as defined in section 2a of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1502a.

(c) "Department" means the department of labor and economic growth.

History: Add. 2002, Act 628, Imd. Eff. Dec. 23, 2002;—Am. 2006, Act 199, Imd. Eff. June 19, 2006.

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

388.852 School building; architect or engineer; responsibilities; violation; penalty.

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

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

(3) A person that violates this section is subject to all of the following:

(a) A state civil infraction punishable by a civil fine of not more than $10,000.00.

(b) If the person knowingly violated this section, a misdemeanor punishable by a fine of not more than $10,000.00 or imprisonment for not more than 180 days, or both.

History: 1937, Act 306, Imd. Eff. July 23, 1937;—CL 1948, 388.852;—Am. 1949, Act 231, Imd. Eff. May 31, 1949;—Am. 2002, Act 627, Imd. Eff. Dec. 23, 2002.

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

388.853 Inspection by bureau of fire services; notice; exception.

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

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

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fire safety rule or may modify the ruling or interpretation of the municipal enforcing authority if the board decides that the enforcement would do manifest injustice and would be contrary to the public interest. A decision of the board to vary the application of any fire safety rule, or to modify or change a ruling of the municipal enforcing authority, shall specify in what manner the variation, modification, or change is made, the conditions upon which it is made, and the reasons for the variation, modification, or change.

History: 1937, Act 306, Imd. Eff. July 23, 1937;—Am. 1941, Act 148, Eff. Jan. 10, 1942;—CL 1948, 388.853;—Am. 1949, Act 231, Imd. Eff. May 31, 1949;—Am. 1962, Act 175, Imd. Eff. May 17, 1962;—Am. 1968, Act 239, Eff. Sept. 1, 1968;—Am. 2006, Act 199, Imd. Eff. June 19, 2006.

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

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

388.854 Violation of act; penalty; injunction proceedings.

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

History: 1937, Act 306, Imd. Eff. July 23, 1937;—Am. 1941, Act 148, Eff. Jan. 10, 1942;—CL 1948, 388.854;—Am. 2006, Act 199, Imd. Eff. June 19, 2006.

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

388.855a Applicability of act; exemptions.

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

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

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

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

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

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

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

History: 1937, Act 306, Imd. Eff. July 23, 1937;—Am. 1941, Act 148, Eff. Jan. 10, 1942;—CL 1948, 388.855a;—Am. 1949, Act 231, Imd. Eff. May 31, 1949;—Am. 1962, Act 175, Imd. Eff. May 17, 1962;—Am. 2006, Act 199, Imd. Eff. June 19, 2006.

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

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ASBESTOS IN EDUCATIONAL FACILITIES
Act 51 of 1993

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

History: 1993, Act 51, Imd. Eff. June 1, 1993.

The People of the State of Michigan enact:

388.861 Definitions.

Sec. 1. As used in this act:

(a) "Asbestos" means a group of naturally occurring minerals that separate into fibers, including chrysotile, amosite, crocidolite, asbestiform anthophyllite, asbestiform tremolite, and asbestiform actinolite.

(b) "Asbestos-containing material" means any material or product containing more than 1% asbestos.

(c) "Cost" means the discounted present value of all anticipated future expenditures associated with a course of action in an area where asbestos removal is being considered.

(d) "Educational facility" means a building owned, leased, or under the control of a public or nonpublic school or school system containing any of grades K-12.

(e) "Friable", when referring to asbestos-containing material, means material that can, by hand pressure, be crumbled, pulverized, or reduced to powder when dry.

(f) "Operations and maintenance plan" means a program of work practices designed to maintain asbestos or friable asbestos-containing material in good condition to ensure the cleanup of asbestos or friable asbestos-containing material previously released and to prevent the further release of asbestos or asbestos-containing material by minimizing and controlling the damage or disturbance of asbestos or asbestos-containing material.

(g) "Removal" means the taking out or stripping of asbestos or asbestos-containing material from an existing structure.

History: 1993, Act 51, Imd. Eff. June 1, 1993.

388.862 Measurement of asbestos levels; methods.

Sec. 2. (1) The measurement of asbestos levels shall be made by either or both of the following methods:

(a) Optical phase contrast microscopy in the manner described in the measurement protocol provided by the United States occupational safety and health administration in 29 C.F.R. part 1910.

(b) Transmission electron microscopy (TEM) in the manner described in the nonmandatory TEM protocol in appendix A to subpart E of part 763 of title 40 of the Code of Federal Regulations, counting only fibers longer than 5 microns.

(2) If the results of a laboratory analysis of air samples obtained using optical phase contrast microscopy as described in subsection (1)(a) indicate that asbestos levels exceed .01 fibers per cubic centimeter, air samples shall be recollected and analyzed using an electron microscope pursuant to subsection (1)(b), and the results of the laboratory analysis of air samples obtained using transmission electron microscopy control.

(3) If both methods are used and a question arises as to the presence of fibers that may not be asbestos, a measurement made by transmission electron microscopy controls.

History: 1993, Act 51, Imd. Eff. June 1, 1993.

388.863 Implementation of operations and maintenance plans; compliance.

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

History: 1993, Act 51, Imd. Eff. June 1, 1993.

388.864 Removal; circumstances.

Sec. 4. Asbestos or asbestos-containing material shall not be removed from an educational facility unless 1 or more of the following circumstances exist:

(a) The removal is required under section 112 of part A of title I of the clean air act, chapter 360, 84 Stat. 1685, 42 U.S.C. 7412.

(b) The removal is required under title II of the toxic substances control act, Public Law 94-469, 15 U.S.C. 2641 to 2656.

(c) The exposure level of asbestos fibers in an educational facility exceeds .01 fibers longer than 5 microns

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per cubic centimeter of air calculated as an 8-hour time weighted average during periods of normal building occupancy as determined by the testing methods described in section 2.

(d) The cost of an operations and maintenance plan exceeds the cost of removal, and removal complies with standards as mandated under title II of the toxic substances control act, Public Law 94-469, 15 U.S.C. 2641 to 2656.

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

History: 1993, Act 51, Imd. Eff. June 1, 1993.

CONSTRUCTION OF SCHOOL BUILDINGS
Act 223 of 1941

388.881-388.884 Repealed. 1976, Act 451, Imd. Eff. Jan. 13, 1977.

EDUCATIONAL PROGRAMS FOR MENTALLY HANDICAPPED CHILDREN
Act 214 of 1949

388.901-388.905 Repealed. 1955, Act 269, Eff. July 1, 1955.

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STATE LOANS TO SCHOOL DISTRICTS
Act 74 of 1955

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

History: 1955, Act 74, Imd. Eff. May 26, 1955.

The People of the State of Michigan enact:

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

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

History: 1955, Act 74, Imd. Eff. May 26, 1955;—Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Department of Education under Act No. 108 of Public Acts of 1961, as amended, being Section 388.951 et seq. of the Michigan Compiled Laws, Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, Act No. 112 of the Public Acts of 1961, as amended, being Section 388.981 et seq. of the Michigan Compiled Laws, and Act No. 151 of the Public Acts of 1955, as amended, being Section 388.931 et seq. of the Michigan Compiled Laws, to the Department of Treasury, see E.R.O. No. 1993-10, compiled at MCL 388.990 of the Michigan Compiled Laws.

388.922 School loan bonds or notes; deposit of proceeds.

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

History: 1955, Act 74, Imd. Eff. May 26, 1955;—Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956.

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

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

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

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History: 1955, Act 74, Imd. Eff. May 26, 1955;—Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956.

388.924 School loans; repayment, reimbursement.

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

History: 1955, Act 74, Imd. Eff. May 26, 1955;—Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956.

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

388.925 School loans; notes; interest; maximum.

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

History: Add. 1956, Act 192, Imd. Eff. Apr. 26, 1956.

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STATE LOANS TO SCHOOL DISTRICTS
Act 151 of 1955

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

History: 1955, Act 151, Imd. Eff. June 7, 1955.

The People of the State of Michigan enact:

388.931 Purpose of act.

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

History: 1955, Act 151, Imd. Eff. June 7, 1955.

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

For transfer of authority, powers, duties, functions, and responsibilities of the Department of Education under Act No. 108 of Public Acts of 1961, as amended, being Section 388.951 et seq. of the Michigan Compiled Laws, Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, Act No. 112 of the Public Acts of 1961, as amended, being Section 388.981 et seq. of the Michigan Compiled Laws, and Act No. 151 of the Public Acts of 1955, as amended, being Section 388.931 et seq. of the Michigan Compiled Laws, to the Department of Treasury, see E.R.O. No. 1993-10, compiled MCL 388.990 of the Michigan Compiled Laws.

388.932 State loans to school districts; basis; limitations.

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

History: 1955, Act 151, Imd. Eff. June 7, 1955.

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

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

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

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

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

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

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for regularly scheduled instructional purposes.

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

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

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

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

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

History: 1955, Act 151, Imd. Eff. June 7, 1955.

Administrative rules: R 390.631 of the Michigan Administrative Code.

388.934 State loans to school districts; procedure; receipts.

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

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upon the making of said loan shall obtain from the school district a receipt for the amount so loaned, which receipt shall specify the terms of repayment in accordance with the provisions of said section 27 and this act. Upon receipt by any school district of such a loan it shall be the duty of the treasurer thereof to cause the same to be deposited in the debt retirement fund and used solely for the payment of principal and interest on qualified bonds.

History: 1955, Act 151, Imd. Eff. June 7, 1955.

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

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

History: 1955, Act 151, Imd. Eff. June 7, 1955;—Am. 1956, Act 96, Imd. Eff. Apr. 5, 1956.

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

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

History: 1955, Act 151, Imd. Eff. June 7, 1955.

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

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

History: 1955, Act 151, Imd. Eff. June 7, 1955.

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

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

History: Add. 1956, Act 96, Imd. Eff. Apr. 5, 1956.

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388.951-388.963 Repealed. 2005, Act 92, Imd. Eff. July 20, 2005.

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STATE LOANS TO SCHOOL DISTRICTS
Act 112 of 1961

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

History: 1961, Act 112, Eff. Sept. 8, 1961;—Am. 1991, Act 64, Imd. Eff. July 3, 1991;—Am. 2000, Act 245, Imd. Eff. June 29, 2000.

The People of the State of Michigan enact:

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

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

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

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

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

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

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

History: 1961, Act 112, Eff. Sept. 8, 1961;—Am. 1963, 2nd Ex. Sess., Act 66, Eff. Jan. 1, 1964;—Am. 1971, Act 14, Imd. Eff. Apr. 28, 1971;—Am. 2000, Act 245, Imd. Eff. June 29, 2000.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Department of Education under Act No. 108 of Public Acts of 1961, as amended, being Section 388.951 et seq. of the Michigan Compiled Laws, Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, Act No. 112 of the Public Acts of 1961, as amended, being Section 388.981 et seq. of the Michigan Compiled Laws, and Act No. 151 of the Public Acts of 1955, as amended, being

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Section 388.931 et seq. of the Michigan Compiled Laws, to the Department of Treasury, see E.R.O. No. 1993-10, compiled at MCL 388.990 of the Michigan Compiled Laws.

388.981a Issuance of bonds by state administrative board.

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

History: Add. 2000, Act 245, Imd. Eff. June 29, 2000.

388.981b Security for payment or purchase of bonds, notes, or commercial paper; authorization and approval by state administrative board; authority of state treasurer or deputy treasurer.

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

(2) The state administrative board may authorize the state treasurer or a deputy treasurer, but only within limitations that are contained in the authorizing resolution of the state administrative board, to do 1 or more of the following:

(a) Sell and deliver and receive payment for bonds, notes, or commercial paper issued under this act.

(b) Deliver bonds, notes, or commercial paper partly to refund bonds, notes, or commercial paper and partly for other authorized purposes.

(c) Select which outstanding bonds, notes, or commercial paper will be refunded, if any, by the new issue of bonds, notes, or commercial paper.

(d) Buy bonds, notes, or commercial paper issued under this act.

(e) Approve interest rates, if any, or methods for determining interest rates, including fixed or variable rates; prices; discounts; maturities; principal amounts; purchase prices; purchase dates; remarketing dates; denominations; dates of issuance; interest payment dates; redemption rights at the option of the state or the owner; the place and time of delivery and payment; and other matters and procedures necessary to complete the authorized transactions.

(f) Execute, deliver, and pay the cost of remarketing agreements; insurance contracts; agreements for lines of credit; letters of credit; commitments to purchase bonds, notes, or commercial paper; and any other transaction to provide security to assure timely payments or purchase of any bonds, notes, or commercial paper issued under this act.

(g) Determine the details of, execute, deliver, and pay the cost of any interest rate exchange or swap, hedge, or similar agreement or agreements.

History: Add. 2000, Act 245, Imd. Eff. June 29, 2000.

388.981c Bonds and notes; revised municipal finance act inapplicable; agency financing reporting act applicable.

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

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

History: Add. 2002, Act 449, Imd. Eff. June 17, 2002.

388.982 School loan revolving fund; disposition of proceeds payment.

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

History: 1961, Act 112, Eff. Sept. 8, 1961;—Am. 1963, 2nd Ex. Sess., Act 66, Eff. Jan. 1, 1964;—Am. 1991, Act 64, Imd. Eff. July 3, 1991;—Am. 2000, Act 245, Imd. Eff. June 29, 2000;—Am. 2005, Act 94, Imd. Eff. July 20, 2005.

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

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

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

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

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

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

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

History: 1961, Act 112, Eff. Sept. 8, 1961;—Am. 1991, Act 28, Eff. Mar. 30, 1992;—Am. 1991, Act 64, Imd. Eff. July 3, 1991;—Am. 2003, Act 110, Imd. Eff. July 24, 2003.

388.984 Money repaid by school districts on loans from school loan revolving fund; deposit; exception.

Sec. 4. Any money repaid by school districts on loans made from the school loan revolving fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c, shall be deposited in the school loan revolving fund. Unless amounts on deposit in the school loan revolving fund are insufficient for the purpose of making loans to school districts, the state treasurer may satisfy the requirements of section 16 of article IX of the state constitution of 1963 and laws enacted pursuant to that section by causing loans to be made from the school loan revolving fund. The state treasurer may assign repayments on loans previously made from the school bond loan fund before the effective date of the amendatory act amending this section to require the deposit of proceeds of sale to the school loan revolving fund.

History: 1961, Act 112, Eff. Sept. 8, 1961;—Am. 1963, 2nd Ex. Sess., Act 66, Eff. Jan. 1, 1964;—Am. 1991, Act 28, Eff. Mar. 30, 1992;—Am. 1991, Act 64, Imd. Eff. July 3, 1991;—Am. 2005, Act 94, Imd. Eff. July 20, 2005.

388.985 State loans to school districts; notes.

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

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be executed for and on behalf of the state by the state treasurer. The notes issued under the provisions of this section may be sold at either public or private sale as shall be determined by the state administrative board. The principal of any notes or renewals thereof heretofore or hereafter issued pursuant to the provisions of this section may be paid either upon maturity or prior redemption from the proceeds of the sale of bonds issued pursuant to the provisions of section 1 to provide long-term financing of sums used for the purpose of making loans to school districts.

History: 1961, Act 112, Eff. Sept. 8, 1961;—Am. 1963, 2nd Ex. Sess., Act 66, Eff. Jan. 1, 1964;—Am. 1971, Act 14, Imd. Eff. Apr. 28, 1971.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the State of Michigan of

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1963, the provisions of this Executive Order shall become effective January 1, 1994.

History: 1993, E.R.O. No. 1993-10, Eff. Jan. 1, 1994.

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

388.991 Rescinded. 1994, E.R.O. No. 1994-10, Feb. 27, 1995.

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

388.992 Transfer of powers and duties relating to disability determination services from the department of education to the department of social services by a type II transfer.

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

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

WHEREAS, Disability Determination Services was created pursuant to 42 USC 421, and 20 CFR, Section 404.1503(a), to make disability and blindness determinations for the United States Secretary of Health and Human Services pursuant to the federal Social Security Act of 1935, 42 USC 301 et seq.; and

WHEREAS, the Department of Education has administered the functions of Disability Determination Services; and

WHEREAS, the functions, duties and responsibilities assigned to Disability Determination Services can be more effectively organized and carried out under the supervision and direction of the Director of the Department of Social Services.

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

1. All authority, powers, duties, functions and responsibilities of the Department of Education pursuant to 42 USC 421, and 20 CFR, Section 404.1503(a), are hereby transferred to the Department of Social Services by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

2. The state agency referenced in 42 USC 421, and 20 CFR, Section 404.1503(a), shall be the Department of Social Services.

3. The Director of the Department of Social Services shall provide executive direction and supervision for the implementation of the transfer. The assigned functions shall be administered under the direction and supervision of the Director of the Department of Social Services.

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

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

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

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

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

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

History: 1993 E.R.O. No. 1993-12, Eff. Jan. 1, 1994.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. All of the administrative statutory powers, duties, functions and responsibilities of the Board of Education as administrative head of the Department of Education, including but not limited to those set forth in or pursuant to section 301 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.401 of

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the Michigan Compiled Laws; section 7(a) of Act No. 380 of the Public Acts of 1965, being section 16.107(a) of the Michigan Compiled Laws; and section 9 of Act No. 380 of the Public Acts of 1965, being section 16.109 of the Michigan Compiled Laws, which includes the power to establish the internal organization of the Department and to allocate and reallocate duties and functions to promote the efficient administration and operation of resources of the Department, including the power to promulgate necessary rules and regulations to carry out such functions, are hereby transferred to the Superintendent of Public Instruction by a Type II transfer as defined by section 3 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.103 of the Michigan Compiled Laws.

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

3. Executive Order 1965-9 is hereby rescinded.

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

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

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

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

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

History: 1996, E.R.O. No. 1996-6, Eff. Mar. 10, 1997.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. All of the administrative statutory powers, duties, functions, and responsibilities of the State Board of

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Education set forth in the following provisions of the Michigan Compiled Laws:

a. 141.1201 et seq. regarding procedures for the state take-over of a district in financial distress;

b. 380.3 regarding the designation of service area boundaries for area vocational-technical programs;

c. 380.11b regarding a report to the legislature on legislative mandates;

d. 380.404b regarding the approval of voting district boundaries for first class school districts;

e. 380.451(1) regarding the definition of "operation costs" for purposes of first class tax levies;

f. 380.502(5) regarding the authority to suspend the power of authorizing bodies to authorize public school academies;

g. 380.503(3) and 380.513(4) regarding the receipt of copies of contracts with public school academies by authorizing bodies;

h. 380.516a(2) regarding the authority to reject public school academy contracts or incorporations, the authority to delay state aid, and the authority to mediate solutions and enforce laws;

i. 380.517(3) regarding the ability to revoke public school academy contracts under specified conditions;

j. 380.605 regarding the ability to determine the reorganization of consolidated intermediate school districts under limited circumstances;

k. 380.605(1) regarding responsibilities in local school district reorganization;

l. 380.626 regarding intermediate school districts reports' of local school district boundary changes;

m. 380.662(7) regarding the receipt of election canvass results;

n. 380.671(1), 684(2), 673, 688, 690 and 380.4(1) regarding the criteria for establishing Regional Educational Media Centers and area vocational technical programs;

o. 380.692(3) regarding approval of intermediate school district charter building authorities;

p. 380.701(3) regarding the approval of intermediate school district consolidation petitions;

q. 380.702(1) regarding the approval of intermediate school district annexation elections;

r. 380.702(3) regarding the receipt of notice of successful annexations and appointment power for new intermediate school district boards;

s. 380.703(5) regarding the approval of the dissolution of an intermediate school district;

t. 380.703(7) regarding the notice of an appointment of an intermediate school district's new board after dissolution;

u. 380.852 and 380.854 regarding the receipt of notice and approval of local school district consolidations;

v. 380.901(1) regarding the approval of local school district annexations;

w. 380.902 regarding the receipt of notice of the annexation of local school districts;

x. 380.922 regarding the approval of annexation of nonoperating districts;

y. 380.932 regarding the approval of the division and attachment of local school districts;

z. 380.933 regarding the receipt of notice of local school district boundary changes;

aa. 380.971 regarding the approval of property transfers among local districts;

bb. 380.1157 regarding service training for limited English proficiency and the bilingual education teachers' endorsement;

cc. 380.1169(2) regarding the training of trainers for Acquired Immunization Deficiency Syndrome (AIDS) education;

dd. 380.1225(5)-(10) regarding the approval of financial notes under certain circumstances;

ee. 380.1226 regarding the receipt of county assessment rolls;

ff. 380.1233(2) regarding the receipt of lists of uncertified teachers teaching in constituent districts from intermediate school districts;

gg. 380.1251(2) regarding the authority to require reports about psychology programs;

hh. 380.1260(1) regarding the approval of deed restrictions of public school property;

ii. 380.1272c(b) regarding the approval of noncompliance with breakfast and lunch guidelines;

jj. 380.1279c regarding assurance that the Michigan Educational Assessment Program (MEAP) does not test values or attitudes;

kk. 380.1280 (3), (4), (5), (6), (7), (9), (10), (12) regarding the development and distribution of accreditation standards, sanctions for unaccredited schools, and annual reviews;

ll. 380.1281 regarding duties of supervision over specific local school districts and public school academies and intermediate school districts, including their observation of laws, the examination and audit of official records and accounts, and the authority to compel an accounting;

mm. 380.1297(3) regarding the approval of the operation and capital outlay costs for schools of the federal government;

nn. 380.1298 regarding the approval of the attachment of land for educational purposes for federal land;

oo. 380.1406 regarding the approval of high school eligibility to receive tuition;

pp. 380.1411 regarding the approval of tuition for transportation costs to vocational-technical schools

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under certain circumstances;

qq. 380.1474 regarding the annual publication and distribution of a college equivalent course directory;

rr. 380.1531 regarding the determination of requirements for licenses and certificates for teachers;

ss. 380.1532(4), (5) regarding the nullification of teacher certificates for specified reasons;

tt. 380.1535 regarding the confirmation or rejection of teacher certificates;

uu. 380.1535a (1), (2), (3), (4), (7) regarding duties involving teachers convicted of certain crimes;

vv. 380.1539a regarding duties involving school administrators convicted of certain crimes;

ww. 380.1539b regarding duties involving persons holding certification convicted of certain crimes;

xx. 380.1603 regarding the approval of the joint establishment by school districts of community colleges;

yy. 380.1605(1) regarding the approval of the discontinuation of a community college;

zz. 380.1702(3), (4) regarding oversight of local school districts and public school academies not providing special education services or those needing waivers;

aaa. 380.1711(1)(a) regarding the approval of intermediate school districts' special education plans;

bbb. 380.1711(1)(h) regarding the receipt of intermediate school districts' reports of the failures of constituent districts to comply with special education administrative rules;

ccc. 380.1711(1)(i) regarding the approval of intermediate school districts' special education contracts;

ddd. 388.712 regarding the receipt of petitions for the declaration of an emergency requiring district reorganization;

eee. 388.715 regarding the receipt of a report by the state committee on reorganization;

fff. 388.716 regarding the publication of a report by the state committee on reorganization and the determination of whether an emergency exists;

ggg. 388.717 regarding the reorganization of a district found to be in an emergency;

hhh. 388.851 et seq. regarding the construction of school buildings;

iii. 388.1010(a) and 388.1008b regarding the jurisdiction and control of the Michigan Schools for the Deaf and Blind and the acceptance of gifts, grants, and bequeaths for the schools;

jjj. 388.1010(a) and 395.151 et seq. regarding the jurisdiction and control over the State Technical Institute and Rehabilitation Center at Pine Lake;

kkk. 388.1010(b) regarding the regulation of school bus transportation, the review of annexation or attachment of nonoperating districts, and the hearing of appeals regarding school boundary alterations;

lll. 388.1010(c) regarding the inspection of educational corporations;

mmm. 388.1014a regarding the deposit and maintenance of records of nonoperating education agencies;

nnn. 388.1008a(2) regarding the authorization of the taking of necessary action to comply with a specific federal grant program (Higher Education Act of 1965 (20 USC 1001 et seq.));

ooo. 388.1031 et seq. regarding the authorization of the taking of necessary action to comply with a specific federal grant program (Elementary and Secondary Act of 1965 (20 USC 821)) and the use of federal funds for research, and reports to the legislature;

ppp. 388.1041 regarding the authorization of the taking of necessary action to comply with specific federal grant programs (Television Broadcasting Facilities Act of 1962 (47 USC 391 et seq.) and National Defense Education Act of 1958 (20 USC 541 et seq.));

qqq. 388.1061 regarding the authorization of the taking of necessary action to comply with a specific federal grant program (National Funding of the Arts and Humanities Act of 1965 (20 USC 951 et seq.));

rrr. 388.1701(1) regarding the requirement of intermediate school districts filing of pupil membership counts in accordance with administrative rules;

sss. 388.1704a(2), (8)-(9) regarding the requirement to develop high school proficiency tests;

ttt. 389.11, 389.31(1), 389.35a(1)(a), and 389.51(2) regarding the approval of community college districts and tax rates prior to submission to voters;

uuu. 389.21, 389.41(2), and 389.61(2) regarding the approval of community college annexation proposals prior to submission to voters;

vvv. 389.71 regarding the approval of petitions to establish community colleges;

www. 389.105(4) regarding the designation of territory outside of a community college district to become part of its vocational-technical service area;

xxx. 389.109(2) regarding the approval of a community college name;

yyy. 389.123(b) regarding the approval of tuition waivers in exchange for educational services rendered to community colleges;

zzz. 389.124(a) regarding minimal requirements for a community college administrator or director;

aaaa. 389.143 regarding the approval of the community college accounting system, the filing of audits, and inspection of books;

bbbb. 390.502 regarding the designation of a reciprocal agency to enter into agreements with other states;

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cccc. 390.974(1)(b) regarding the determination of which General Educational Development programs are sufficient for the state competitive scholarship program;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

vvvv. 450.177 et seq. regarding the supervision, inspection, and visitation of educational corporations,

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

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

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

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

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

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

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

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

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

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

i. 380.1172 regarding administrative rules regulating personality testing;

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

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

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

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

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

o. 380.1284(3) and (6) regarding administrative rules defining the length of the school term and the

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minimum number of days and hours for State Aid purposes;

p. 380.1288(2) regarding administrative rules requiring protective eye devices;

q. 380.1296 regarding administrative rules to provide auxiliary services;

r. 380.1301(2), (4) regarding administrative rules regarding pregnant persons;

s. 380.1311(1) regarding administrative rules for classifying children as handicapped;

t. 380.1322(1) regarding administrative rules for pupil transportation;

u. 380.1333(6) regarding administrative rules for the use of school buses for nonschool purposes;

v. 380.1335 regarding administrative rules for the licensing and regulation of boarding schools;

w. 380.1701 regarding the creation and submission of a state special education plan and administrative rules therefore;

x. 380.1702 regarding the waiver of special education rules under emergency circumstances;

y. 380.1703(1), (3) regarding administrative rules promulgated for special education personnel;

z. 380.1711(1)(c) regarding administrative rules for special education personnel;

aa. 380.1741; 380.4(2) regarding administrative rules for special education membership for State Aid purposes;

bb. 380.1751(2)(c) regarding administrative rules for the local district contribution of special education funds;

cc. 380.1761 regarding administrative rules for reimbursement of special education boarding costs;

dd. 388.1015 and 388.1010 regarding administrative rule making authority to carry out the authority vested by the State Board Organizational Act;

ee. 388.1661a regarding administrative rules about vocational education consortiums for State Aid purposes;

ff. 388.1681(3) regarding administrative rules about Regional Educational Media Centers;

gg. 388.1701(6) regarding the waiver of the forfeiture of funds if the alternative scheduling of a kindergarten is approved;

hh. 388.1701(7)-(11) regarding the waiver of the 180 day requirement for experimental school years;

ii. 388.1701(3) regarding administrative rules defining school days and clock hours;

jj. 395.83 regarding the authority to administer the vocational rehabilitation act, including employment of staff;

kk. 395.84 regarding the collection of fees and promulgation of rules for the rehabilitation act;

ll. 395.102a(1) regarding the inspection of proprietary schools and administrative rules authority; and

mm. 397.136 regarding administrative rules involving the state library network,

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

3. In addition to, or consistent with all of the statutory policy making powers, duties, functions, and responsibilities reserved to the State Board of Education in paragraphs one (1) and two (2) above, all the statutory policy making powers, duties, functions, and responsibilities set forth in the following provisions of the Michigan Compiled Laws:

a. 380.7(4) regarding the definition of vocational education;

b. 380.501 regarding the recognition of the constitutional power of the State Board of Education with regard to public school academies;

c. 380.501a and 380.511a regarding an annual report to the Legislature on public school academies;

d. 380.513(6)(j) regarding that public school academies' contracts must have a list of legal remedies for noncompliance that includes reference to the State Board of Education's authority;

e. 380.517a regarding a report to the legislative education committees on public school academies;

f. 380.614(3) regarding the authority to fill vacancies on intermediate school district boards;

g. 380.623 regarding the performance of State Board of Education designated duties by intermediate school districts;

h. 380.1229a regarding the limitations involving the hiring and removal of the Superintendent of Public Instruction;

i. 380.1233(1) regarding the defining of the counselor endorsement;

j. 380.1233b(1) regarding the designation of subject areas for alternative teacher certification;

k. 380.1277(1)-(2) regarding school improvement plan criteria;

l. 380.1277(4) regarding the annual review of school improvement plans and a legislative report on school improvement plans;

m. 380.1278 regarding the development and implementation of the model core curriculum;

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n. 380.1279(2), (8), (9), (10), (11) regarding the development of the high school proficiency tests;

o. 380.1280(3) and (8) regarding the approval of accreditation standards;

p. 380.1312(9) regarding the creation of a list of alternatives to the use of corporal punishment;

q. 380.1525(2)-(4) regarding the approval of state funds for specific professional development programs;

r. 380.1531a regarding the determination of positions in state agencies requiring valid teaching certificates;

s. 380.1531c regarding the administrative rules to approve fast track teacher preparation;

t. 380.1565 regarding guidelines for silent meditation;

u. 380.1809 regarding penalties for defrauding approval of employment status;

v. 388.1009 regarding the recognition of the State Board's constitutional authority and the conducting of research studies about general public school problems;

w. 388.1009a regarding the appointment of the special education advisory committee;

x. 388.1010(d) and 390.911 regarding the appointment of the State Board for Public Community and Junior Colleges;

y. 388.1011 regarding a report to the Legislature about State Board of Education operations and the financial requirements of public schools;

z. 388.1043 regarding the appointment of an advisory committee about the use of educational television;

aa. 388.1093 regarding the appointment of members to an advisory board about gifted students;

bb. 388.1313 regarding the appointment of members to the Career Education Advisory Committee;

cc. 388.1315 regarding the development of guidelines involving career education programs;

dd. 388.1661a(2) regarding the development of guidelines for defining administrative costs for reimbursement in vocational education;

ee. 388.1699(1) regarding funds allocated to districts to implement the State Board of Education comprehensive master plan for math and science;

ff. 388.1707f(12) regarding funds allocated to districts meeting State Board of Education adult education guidelines;

gg. 380.653 regarding the performance of State Board of Education duties, including reporting, by intermediate school district superintendents;

hh. 390.505 regarding annual reviews of reciprocal agreements for fiscal effects;

ii. 395.84(6)and 395.89 regarding the forwarding of biennial reports to the Governor and the Legislature regarding the rehabilitation act; and

jj. 395.85 regarding annual recommendations about the fiscal demands of the rehabilitation act,

shall remain with the State Board of Education.

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

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

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

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

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

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

10. If a court or other entity with proper jurisdiction finds any portion of this Order to be invalid, such

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invalidity shall not affect the remaining portions of the Order which can be given effect without the invalid portion. Any portions found invalid shall be severable from the remaining portions of this Order.

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

History: 1996, E.R.O. No. 1996-7, Eff. July 1, 1997.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. DEFINITION

As used herein:

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

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Constitution of the state of Michigan of 1963.

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

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

II.TRANSFER OF FUNCTIONS - DEPARTMENT OF CAREER DEVELOPMENT

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

1. Section 388.531 regarding adult education programs by counties; and

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

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

1. The Carl D. Perkins Vocational and Applied Technology Education Act, 20 USC 2301 et seq.;

2. The School to Work Opportunities Act of 1994, 20 USC 6101 et seq.; and

3. The Job Training Partnership Act, 29 USC 1501 et seq., are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

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

1. Sections 395.101 to 395.103 regarding proprietary schools;

2. Sections 395.121 to 395.124 regarding private trade or business schools;

3. Sections 450.170 to 450.177 and Section 388.1010(c) regarding educational corporations; and

4. The King-Chavez-Parks Program authorized in the Appropriations Act for Higher Education in 1986 (1999 PA 93, sections 118, 501-507), are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

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

1. Section 380.3 regarding the designation of service area boundaries for area vocational-technical programs;

2. Section 389.105(4) regarding the designation of territory outside of a community college district to become part of its vocational-technical service area;

3. Section 389.123(b) regarding the approval of tuition waivers in exchange for educational services rendered to community colleges;

4. Section 389.124(a) regarding the education reports for a community college;

5. Section 389.143 regarding the approval of the community college accounting system, the filing of audits, and inspection of books;

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

7. Section 390.1283(d) regarding the designation of eligible postsecondary institutions for participation in the part-time, Independent Student Grant Program;

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

9. Section 390.1373 regarding the designation of postsecondary schools eligible for the Michigan Work-Study Program;

10. Section 390.1403 regarding the designation of eligible postsecondary schools for the Michigan Educational Opportunity Grant Program; and

11. Sections 395.21, 395.31 et seq., 395.1 et seq., and 388.805 regarding the transfer of authority of the abolished state board of control for vocational education that includes the authority to accept and disburse

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federal funds for specific federal grant programs [Federal Funds for Vocational Education (20 USC 2301 et seq.)], are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

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

1. Section 388.1661a regarding administrative rules about vocational education consortiums for State Aid purposes; and

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

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

1. Section 388.1663 regarding the Michigan Manufacturing Technology Program;

2. Section 388.1667(6)(a) regarding the Advanced Career Academy; and

3. Section 388.1668 regarding the Michigan Career Preparation System, are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining policies, if any, on which the administration of these provisions shall be based.

III. TRANSFER OF FUNCTIONS - DEPARTMENT OF TREASURY

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

1. Section 388.1081 et seq. regarding assessment of educational progress;

2. Section 380.1279c and Section 380.1279(2)(3)(6)(7)(9)(10) and (12-16) regarding state assessments administered to high school pupils; and

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

IV. IMPLEMENTATION OF THE EXECUTIVE ORDER

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

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

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

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

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

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

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

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

History: 1999, E.R.O. No. 1999-7, Eff. Jan. 1, 2000.

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

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

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

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EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2000-6

388.996 Center for educational performance and information; establishment as temporary agency; transfer of certain powers and duties from the database for educational performance and information and the department of education to center.

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

WHEREAS, Article V, Section 4, of the Constitution of the state of Michigan of 1963 authorizes the establishment of temporary commissions or agencies for special purposes with a life of no more than two years, and provides that such temporary commissions or agencies need not be allocated within a principal department; and

WHEREAS, a primary reason for improving the quality and availability of educational data is to increase public understanding of our education system in Michigan and to provide information that will help all Michigan residents know if their schools are meeting academic, financial and operational performance expectations and, if not, identify where improvements can be made; and

WHEREAS, local boards of education, school administrators, policymakers, educational organizations and parents need and use student, financial, personnel and building-level data to make informed decisions, research educational trends, measure student performance, evaluate various reforms, determine the educational value of each dollar spent, and efficiently and effectively distribute financial, human and other resources; and

WHEREAS, the existing methods of gathering educational data are often inefficient, paper-based, redundant, inconsistent, time consuming and scattered throughout state and local government, thus making it difficult for the public to easily ascertain how well schools are performing.

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

I. ESTABLISHMENT OF THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION

A. Establishment

The Center for Educational Performance and Information ("Center") is hereby established as a temporary agency pursuant to Article V, Section 4, of the Constitution of the state of Michigan of 1963. It shall have a life of no more than two (2) years commencing September 28, 2000.

B. Director

The Governor shall appoint one person to serve as Director of the Center and that person shall serve as Director at the pleasure of the Governor. The Director shall, in addition to the other duties and responsibilities given to the Director herein or assigned or transferred to the Director as head of the Center by statute or executive order, be responsible for the oversight and supervision of employees of the Center and for its operations. The Director shall also perform such other duties and exercise other powers as the Governor may prescribe.

C. Compensation

The Director shall receive reasonable compensation.

D. Other Deputies and Assistants

Administrative support shall be provided by the Department of Education. The Director may appoint other deputies, assistants and employees as necessary. Compensation for whom shall be established according to relevant Department of Civil Service rules and regulations.

E. Advisory Committee

The Director of the Center may establish an advisory committee to advise the Director regarding management and implementation of educational data.

II. TRANSFER OF FUNCTIONS - CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION

A. All of the administrative statutory powers, duties, functions and responsibilities of the Database for Educational Performance and Information, created and set forth in Section 94a of Act No. 94 of the Public Acts of 1979, as amended, being Section 388.1694a of the Michigan Compiled Laws, are hereby transferred to the Center for Educational Performance and Information by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

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B. All of the administrative statutory powers, duties, functions and responsibilities of the Department of Education regarding educational reports, set forth in Section 19(2) of Act No. 94 of the Public Acts of 1979, as amended, being Section 388.1619(2) of the Michigan Compiled Laws, are hereby transferred to the Center for Educational Performance and Information by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

C. All of the administrative statutory powers, duties, functions and responsibilities of the Department of Education regarding information necessary for the preparation of the district pupil retention reports, set forth in Section 158 of Act No. 94 of the Public Acts of 1979, as amended, being Section 388.1758 of the Michigan Compiled Laws, are hereby transferred to the Center for Educational Performance and Information by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

D. All of the administrative powers, duties, functions and responsibilities of the Department of Education's Michigan Education Information System are hereby transferred to the Center for Educational Performance and Information by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

E. All of the administrative powers, duties, functions and responsibilities of the Department of Treasury regarding contracts with third parties to develop systems to measure the financial and operational activities and program effectiveness of K-12 systems are hereby transferred to the Center for Educational Performance and Information by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

III. DUTIES AND RESPONSIBLITIES OF THE CENTER

A. General duties

1. The Center shall:

a. Establish relevant procedures for the collection and management of educational data and such other information that may be necessary;

b. Establish a single repository of educational data that is shared electronically by all stakeholders;

c. Provide technical support to intermediate school districts, local school districts, local school buildings, and public school academies so that data collection is efficient, accurate, eliminates unnecessary duplication, and assures the appropriate level of security that will protect the privacy of individual student records; and

d. Provide technical assistance to users of educational data at all levels of government and the general public.

B. Management of Data

1. The Center shall have authority over the management and further implementation of the Michigan Education Information System and shall have authority over the management of all other educational data retained in other departments and agencies within state government. The Center shall also:

a. Determine what educational data is necessary to collect and maintain in order for all stakeholders to make informed decisions regarding the allocation of resources and educational performance;

b. Define the roles of all stakeholders in the collection and management of educational data;

c. Establish timelines for the implementation of the Database for Educational Performance and Information, the Center, and for the ongoing collection of educational data;

d. Establish data codes, data definitions, file formats, record structures, data transmission protocols, software and hardware specifications, and other system specifications and procedures as necessary for the efficient and accurate transmission and collection of data;

e. Establish a system for ensuring the accuracy of the data;

f. Provide technical assistance to users of the data to ensure that the data is provided in the most useful manner to users and that the user is aware of the data definitions and limitations;

g. Conduct educational studies and prepare reports as appropriate to produce informed decisions and create better education policy;

h. Utilize, to the greatest extent practicable, the Department of Education's existing data collection infrastructure; and

i. Manage and coordinate all existing federally funded research and data collection projects that rely on Department of Education data collection.

IV. MISCELLANEOUS

A. All principal departments and other state agencies shall cooperate with the Center in the performance of its responsibilities. The Center may request, and principal departments and other state agencies shall provide, such policy and technical information as is required by the Center in the discharge of its responsibilities. Agencies shall make every effort to provide the Center with key staff and other means of support to assist in

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the performance of its duties.

B. The Advisory Committee, if established, may promulgate bylaws, consistent with law and with this Executive Order, to govern its organization and procedure.

C. The Center may hire or retain such contractors, subcontractors, advisors, consultants and agents, and may make and enter into contracts necessary or incidental to the exercise of the powers and the performance of its duties as it may deem advisable and necessary, in accordance with the relevant statutes, rules and procedures of the Civil Service Commission and the Department of Management and Budget.

D. The Center may accept grants of funds and donations of funds, property, labor or other things of value from any department or office of the state of Michigan and the United States and from any other public or private office or person for the purpose of furthering the Center's services.

E. Nothing in this Executive Order should be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, and its authority to serve as the general planning and coordinating body for all public education including higher education, and to advise the legislature as to the financial requirements in connection therewith. The State Board of Education shall retain its policy-making authority, if any, with regard to the transferred provisions by determining the policies on which the administration of the provision shall be based.

F. The Director of the Center shall provide executive direction and supervision for the transfer and implementation of applicable functions in such ways as to promote efficient administration, and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

G. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system through September 30, 2002.

H. All records, personnel, property and funds used, held, employed or to be made available to the Department of Education or the Department of Treasury for the activities transferred herein are hereby transferred to the Center.

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

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

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

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the state of Michigan of 1963, the provisions of this Executive Order shall become effective September 28, 2000.

History: 2000, E.R.O. No. 2000-6, Eff. Sept. 28, 2000.

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

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

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

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

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

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

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

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

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

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

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

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

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

I. DEFINITIONS

A. As used in this Order:

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

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

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

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

5. "State Board of Education" means the board created under Article VIII, Section 3 of the Michigan Constitution of 1963.

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

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

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

II. TRANSFER OF MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM (MEAP)

A. All authority, powers, duties, functions, responsibilities, and rule-making authority of the Department of

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

1. Section III of Executive Order 1999-12, MCL 388.995 (codified as Executive Reorganization Order 1999-7).

2. Section 1279a of the Revised School Code, 1976 PA 451, MCL 380.1279a (reporting of suspected MEAP test irregularities).

3. Section 1279c of the Revised School Code, 1976 PA 451, MCL 380.1279c (prohibitions on use of MEAP test).

4. Section 1279d of the Revised School Code, 1976 PA 451, MCL 380.1279d (reporting of suspected MEAP test irregularities).

5. Sections 1 to 6 of 1970 PA 38, MCL 388.1081 to 388.1086 (assessment of educational progress and remedial assistance).

6. Section 104a of The State School Aid Act of 1979, 1979 PA 94, MCL 388.1704a (state assessments administered to high school pupils).

7. Section 951 of 2003 PA 161.

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

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

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

III. IMPLEMENTATION

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

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

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

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

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

F. The Superintendent of Public Instruction, in addition to the other duties and responsibilities given to the Superintendent under this Order, shall be responsible for the oversight and supervision of the employees of

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the Department of Education and for the operations of the Department of Education. The Superintendent shall also perform other duties and exercise other powers as the Governor or the State Board of Education may prescribe.

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

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

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

IV. RESCISSION OF EXECUTIVE ORDER 2000-11

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

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

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

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

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

V. MISCELLANEOUS

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

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

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

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

History: 2003, E.R.O. No. 2003-2, Eff. Dec. 21, 2003.

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

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

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

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

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

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

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

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

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

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

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

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

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

I. DEFINITIONS

A. As used in this Order:

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

2. "Department of Labor and Economic Growth" means the principal department of state government created as the Department of Commerce under Section 225 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.325, renamed the Department of Consumer and Industry Services under Executive Order No. 1996-2, MCL 445.2001, and renamed the Department of Labor and Economic Growth under Executive Order No. 2003-18, MCL 445.2011.

3. "Perkins Act" means the Carl D. Perkins Vocational and Technical Education Act of 1998, as amended by the Carl D. Perkins Career and Technical Education Improvement Act of 2006, Public Law 109-270, 20 USC 2301 to 2414.

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

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

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

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

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UNDER THE PERKINS ACT

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

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

C. The responsibilities of the State Board of Education shall include all of the following:

1. Coordination of the development, submission, and implementation of the state plan required by the Perkins Act, and the evaluation of the program, services, and activities assisted under the Perkins Act, including preparation for non-traditional fields.

2. Consultation with the Governor and appropriate agencies, groups, and individuals including parents, students, teachers, teacher and faculty preparation programs, representatives of businesses (including small businesses), labor organizations, eligible recipients, state and local officials, and local program administrators, involved in the planning, administration, evaluation, and coordination of programs funded under the Perkins Act.

3. Convening and meeting at such time as the State Board of Education determines necessary to carry out its responsibilities under the Perkins Act, but not less than four times annually.

4. The adoption of such procedures as the State Board of Education considers necessary to do any of the following:

a. Implement state level coordination with the activities undertaken by the State of Michigan under Section 121 of the federal Workforce Investment Act of 1998, Public Law 105-228, as amended, 29 USC 2841.

b. Make available to the service delivery system under 29 USC 2841 within Michigan a listing of all school dropout, postsecondary education, and adult programs assisted under this subchapter.

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

III. ADMINISTRATIVE OVERSIGHT OF POSTSECONDARY CAREER AND TECHNICAL EDUCATION

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

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

IV. ADMINISTRATIVE OVERSIGHT OF SECONDARY CAREER AND TECHNICAL EDUCATION

A. All of the authority, powers, duties, functions, responsibilities, and rule-making authority of the Department of Labor and Economic Growth regarding the administration of the state's Career and Technical Education Program for secondary students are transferred by Type II transfer to the Department of Education, including but not limited to the following:

1. All of the authority, powers, duties, functions, responsibilities, and rule-making authority regarding the administration of the Perkins Act for secondary students that were delegated to the Department of Labor and Economic Growth by the State Administrative Board or otherwise remained in the Department of Career Development or the Department of Labor and Economic Growth subsequent to Executive Order 2000-12, MCL 17.61, and Executive Order 2003-18, MCL 445.2011.

2. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under 1919 PA 149, MCL 395.1 to 395.10.

3. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under Section 5 of 1942 (1st Ex Sess) PA 16, MCL 388.805.

4. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under 1964 PA 28, MCL 395.21.

5. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under 1964 PA 44, MCL 395.31 to 395.34.

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6. All of the authority, powers, duties, functions, responsibilities, and rule-making authority regarding the designation of service area boundaries for area vocational-technical programs under Section 3 of 1976 PA 451, MCL 380.3.

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

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

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

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

V. IMPLEMENTATION

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

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

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

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

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

VI. MISCELLANEOUS

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

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

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

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

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

History: 2007, E.R.O. No. 2007-1, Eff. July 1, 2007.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. DEFINITIONS

As used in this Order:

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

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

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

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

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

A. All of the authority, powers, duties, functions, responsibilities, rule-making authority, records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the School District

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Accountability Board are transferred to the elected State Board of Education.

B. The School District Accountability Board is abolished.

III. IMPLEMENTATION

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

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

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

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

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

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

IV. MISCELLANEOUS

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

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

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

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

History: 2007, E.R.O. No. 2007-19, Eff. July 15, 2007.

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STATE BOARD OF EDUCATION
Act 287 of 1964

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

The People of the State of Michigan enact:

388.1001 State board of education; succession to powers; right to records; property, hearings.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

388.1002 State board of education; nomination, election, vacancies, membership.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

388.1003 State board of education; president; secretary; treasurer, bond.

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

History: 1964, Act 287, Eff. Aug. 28, 1964;—Am. 1965, Act 317, Imd. Eff. July 22, 1965.

388.1004 State board of education; quorum; transacting and conducting business; notice of meeting; service of process.

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

History: 1964, Act 287, Eff. Aug. 28, 1964;—Am. 1977, Act 244, Imd. Eff. Dec. 6, 1977;—Am. 1979, Act 70, Imd. Eff. July 25, 1979.

388.1005 State board of education; compensation and expenses.

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

History: 1964, Act 287, Eff. Aug. 28, 1964;—Am. 1965, Act 317, Imd. Eff. July 22, 1965;—Am. 1975, Act 57, Imd. Eff. May 20, 1975.

388.1006 State board of education; members, interest in publication of books prohibited.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

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

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

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

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

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

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

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

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

History: Add. 1965, Act 413, Imd. Eff. Dec. 17, 1965;—Am. 1976, Act 374, Eff. Jan. 13, 1977.

Administrative rules: R 390.1001 et seq. of the Michigan Administrative Code.

388.1008b School for the blind; acceptance of gifts, grants, devises, and bequests; special fund; report.

Sec. 8b. The state board of education may take by gift, grant from federal or other sources, devise, bequest, or in any other lawful manner, property, money, pledges or promises to pay money for the exclusive use of the school for the blind at Lansing or to be expended at any other place within the state for any purpose for the benefit of the school for the blind. Notwithstanding the provisions of section 8, the state treasurer shall transmit to the board all such moneys being held in the state treasury. The board shall place moneys and grants in a special fund to be spent as authorized by the superintendent of the school for the blind for the purposes for which they were donated subject to the conditions of such gift, grant, devise or bequest without further approval of the legislature unless additional costs to the state will be involved in the spending of the trust funds. A report of all funds received and expended under this act shall be reported to the senate and house committees on appropriations.

History: Add. 1971, Act 199, Imd. Eff. Dec. 27, 1971.

388.1009 State board of education; supervision of public education; planning and coordinating body; research.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

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

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

History: Add. 1966, Act 154, Imd. Eff. July 1, 1966;—Am. 1983, Act 240, Imd. Eff. Dec. 1, 1983;—Am. 2005, Act 137, Imd. Eff. Sept. 29, 2005.

388.1010 Additional powers and duties.

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

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

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

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

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

History: 1964, Act 287, Eff. Aug. 28, 1964;—Am. 1965, Act 382, Imd. Eff. Aug. 18, 1965;—Am. 1969, Act 229, Eff. July 1, 1971;—Am. 1976, Act 374, Eff. Jan. 13, 1977.

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

Administrative rules: R 390.1101 et seq. and R 390.1301 et seq. of the Michigan Administrative Code.

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

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

388.1012 Superintendent of public instruction; continuance in office.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

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

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

History: 1964, Act 287, Eff. Aug. 28, 1964;—Am. 1976, Act 374, Eff. Jan. 13, 1977.

388.1014 Superintendent of public instruction; references in other laws.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

Administrative rules: R 340.1 et seq.; R 340.81 et seq.; R 340.201 et seq.; R 340.271 et seq.; R 340.471 et seq.; R 389.1 et seq.; and R 390.1051 et seq. of the Michigan Administrative Code.

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

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

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

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

History: Add. 1976, Act 374, Eff. Jan. 13, 1977;—Am. 1977, Act 244, Imd. Eff. Dec. 6, 1977.

388.1015 State board of education; rules and regulations.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

Administrative rules: R 340.81 et seq.; R 340.181 et seq.; R 340.201 et seq.; R 340.481 et seq.; R 388.261 et seq.; R 388.701 et seq.; R 390.561 et seq.; R 390.1001 et seq.; R 390.1101 et seq.; R 390.1301 et seq.; R 395.376; and R 397.1 et seq. of the Michigan Administrative Code.

388.1016 Saving clause.

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

History: 1964, Act 287, Eff. Aug. 28, 1964.

388.1017 Repeal.

Sec. 17. Act No. 194 of the Public Acts of 1889, as amended, being sections 390.401 to 390.421 of the Compiled Laws of 1948, Act No. 202 of the Public Acts of 1903, as amended, being section 390.431 of the Compiled Laws of 1948, Act No. 8 of the Public Acts of 1927, being section 15.81 of the Compiled Laws of 1948, sections 2 to 8 of Act No. 116 of the Public Acts of 1893, being sections 393.52 to 393.58 of the Compiled Laws of 1948, and sections 2 and 3 of Act No. 123 of the Public Acts of 1893, being sections 393.102 and 393.103 of the Compiled Laws of 1948, are repealed.

History: 1964, Act 287, Eff. Aug. 28, 1964.

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PARENT COOPERATIVE PRESCHOOLS
Act 143 of 1976

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

History: 1976, Act 143, Eff. Mar. 31, 1977.

The People of the State of Michigan enact:

388.1021 Definitions.

Sec. 1. As used in this act:

(a) "Parent cooperative preschool" means a nonprofit, nondiscriminatory institution, maintained as a community service and administered by parents of children currently enrolled in the preschool, which institution provides an educational and developmental program for children younger than compulsory school age and which provides an educational program for parents, including active parental participation with children in preschool activities.

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

History: 1976, Act 143, Eff. Mar. 31, 1977.

388.1022 Licensing parent cooperative preschool; conditions.

Sec. 2. The department of education shall license a parent cooperative preschool as an educational institution, if all of the following are satisfied:

(a) The parent cooperative preschool is duly licensed by the department of social services as a child care organization under Act No. 116 of the Public Acts of 1973, as amended, being sections 722.111 to 722.128 of the Michigan Compiled Laws.

(b) The parent cooperative preschool employs not less than 1 qualified parent cooperative preschool teacher, as provided in this act, to direct educational and development programs for the children.

History: 1976, Act 143, Eff. Mar. 31, 1977.

388.1023 Certification of applicant as qualified parent cooperative preschool teacher; requirements.

Sec. 3. The department of education shall certify an applicant as a qualified parent cooperative preschool teacher for purposes of this act if the applicant meets any of the following requirements:

(a) The applicant has earned 120 semester credit hours in an accredited institution of higher education, including not less than 15 semester hours of child development course work.

(b) The applicant has earned 60 semester credit hours in an accredited institution of higher education before July 1, 1979, including not less than 15 semester hours of child development course work.

(c) The applicant has taught in a parent cooperative preschool for not less than 5 years before the effective date of this act.

History: 1976, Act 143, Eff. Mar. 31, 1977.

388.1024 Crediting teaching experience of qualified parent cooperative preschool teacher.

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

History: 1976, Act 143, Eff. Mar. 31, 1977.

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FEDERAL FUNDS FOR EDUCATION
Act 209 of 1965

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

History: 1965, Act 209, Imd. Eff. July 16, 1965.

The People of the State of Michigan enact:

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

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

History: 1965, Act 209, Imd. Eff. July 16, 1965.

388.1032 Construction of act; payment of funds.

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

History: 1965, Act 209, Imd. Eff. July 16, 1965.

388.1033 Annual reports to legislature.

Sec. 3. The state board of education shall submit to the legislature on or before April 1st of each year a report of projects conducted under the provisions of these acts during the preceding year.

History: 1965, Act 209, Imd. Eff. July 16, 1965.

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FEDERAL FUNDS FOR EDUCATIONAL TELEVISION
Act 153 of 1966

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

History: 1966, Act 153, Imd. Eff. July 1, 1966.

The People of the State of Michigan enact:

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

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

History: 1966, Act 153, Imd. Eff. July 1, 1966.

388.1042 Construction of act; payment of funds.

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

History: 1966, Act 153, Imd. Eff. July 1, 1966.

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

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

History: 1966, Act 153, Imd. Eff. July 1, 1966.

388.1044 Feasibility study; appropriation.

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

History: 1966, Act 153, Imd. Eff. July 1, 1966.

388.1045 Feasibility study; report; expenditure of funds.

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

History: 1966, Act 153, Imd. Eff. July 1, 1966.

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SPECIAL EDUCATION SCHOLARSHIPS
Act 156 of 1966

AN ACT to provide state scholarships for students in the field of special education; and to make an appropriation therefor.

History: 1966, Act 156, Imd. Eff. July 1, 1966.

The People of the State of Michigan enact:

388.1051 Traineeship and fellowship grants for special education; purpose, qualifications, amounts.

Sec. 1. The department of education with the advice of the division of exceptional children may make traineeship and fellowship grants to persons of good character interested in part-time or full-time study in programs designed to qualify them as teachers and other workers in special education. Persons to qualify for a traineeship shall have earned at least 60 semester hours of college credit and persons to qualify for a fellowship shall be graduates of a recognized college or university. The traineeships and fellowships shall not exceed 200 on a full-time basis in any academic year and may be in amounts of not more than $1,500.00 per academic year for traineeships and not more than $3,000.00 per academic year for fellowships, except an additional amount for each grantee may be allowed to any approved institution of higher learning in this state for tuition and fees. Part-time students and summer session students shall be awarded grants on a pro rata basis. Grants shall be made under rules and regulations prescribed by the department of education.

History: 1966, Act 156, Imd. Eff. July 1, 1966.

Administrative rules: R 390.801 et seq. of the Michigan Administrative Code.

388.1052 Contracts with institutions for training of special education personnel; reimbursement.

Sec. 2. The department of education may contract with any approved institution of higher learning in this state to offer courses required for the professional training of special education personnel at such times and locations as may best serve the needs of children and may reimburse the institution of higher learning for any financial loss incurred due to low enrollments, distance from campus, or other good and substantial reason satisfactory to the department.

History: 1966, Act 156, Imd. Eff. July 1, 1966.

388.1053 Traineeship and fellowship account; administration; certification of payments.

Sec. 3. The department of education shall administer the traineeship and fellowship account and related record of each person who is attending an institution of higher learning under a traineeship or fellowship awarded pursuant to this act and at each proper time shall certify to the department of administration, in the manner prescribed by law, the current payment to be made to the holder of each fellowship and traineeship, in accordance with an appropriate certificate of the holder endorsed by the institution of higher learning attended by him.

History: 1966, Act 156, Imd. Eff. July 1, 1966.

388.1054 Duty of trainee to accept employment; noncompliance, refund of moneys received.

Sec. 4. Following the completion of a program of study the recipient of a traineeship or fellowship is required to accept employment within 1 year in an approved program of special education in this state on the basis of 1/2 year of service for each academic year of training received through a grant under this act. Persons who fail to comply with this provision shall be required to refund the traineeship or fellowship moneys received.

History: 1966, Act 156, Imd. Eff. July 1, 1966.

388.1055 Appropriation.

Sec. 5. The sum of $100,000.00 is appropriated from the general fund for the fiscal year ending June 30, 1967, to the department of education to carry out the provisions of this act.

History: 1966, Act 156, Imd. Eff. July 1, 1966.

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FEDERAL FUNDS FOR ARTS AND HUMANITIES
Act 316 of 1966

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

History: 1966, Act 316, Imd. Eff. July 19, 1966.

The People of the State of Michigan enact:

388.1061 State board of education; acceptance and expenditure of federal funds for arts and humanities.

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

History: 1966, Act 316, Imd. Eff. July 19, 1966.

388.1062 Construction of act; payment of funds.

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

History: 1966, Act 316, Imd. Eff. July 19, 1966.

NEIGHBORHOOD EDUCATION CENTERS
Act 39 of 1970

388.1071-388.1076 Expired. 1978, Act 601, Eff. Sept. 30, 1979.

Compiler's note: Prior to the expiration of this act, MCL 388.1074 was repealed by Act 601 of 1978.

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ASSESSMENT OF REMEDIAL ASSISTANCE PROGRAMS
Act 38 of 1970

AN ACT to provide for assessment and remedial assistance programs of students in reading, mathematics and vocational education.

History: 1970, Act 38, Imd. Eff. June 24, 1970.

The People of the State of Michigan enact:

388.1081 Assessment of educational progress and remedial assistance; purposes.

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

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

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

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

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

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

History: 1970, Act 38, Imd. Eff. June 24, 1970.

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

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

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

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

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

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

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

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

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

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

(*iii*) Are consistent with the code of fair testing practices in education prepared by the joint committee on

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testing practices of the American psychological association.

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

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

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

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

History: 1970, Act 38, Imd. Eff. June 24, 1970;—Am. 2005, Act 31, Imd. Eff. June 2, 2005.

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

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

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

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

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

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

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

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

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

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

History: 1970, Act 38, Imd. Eff. June 24, 1970.

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

388.1084 Vocational education demonstration program; establishment, purposes.

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

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

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

History: 1970, Act 38, Imd. Eff. June 24, 1970.

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

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

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

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districts during the 1971-72 school year.

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

History: 1970, Act 38, Imd. Eff. June 24, 1970.

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

388.1086 Rules for administration of act.

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

History: 1970, Act 38, Imd. Eff. June 24, 1970.

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

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

AN ACT to promote the planning and development of educational programs for the gifted and/or academically talented; to create a state advisory commission on education for the gifted and/or academically talented and to prescribe its powers and duties; and to prescribe the powers and duties of certain state departments and agencies.

History: 1974, Act 299, Imd. Eff. Oct. 18, 1974.

The People of the State of Michigan enact:

388.1091 Short title.

Sec. 1. This act shall be known and may be cited as the "education for the gifted and/or academically talented act".

History: 1974, Act 299, Imd. Eff. Oct. 18, 1974.

388.1092 Definitions.

Sec. 2. As used in this act:

(a) The "gifted and/or academically talented" means elementary and/or secondary school students who may be considered to be (1) intellectually gifted, (2) outstanding in school achievement, and/or (3) those who have outstanding abilities in particular areas of human endeavor, including the arts and humanities.

(b) "Education for the gifted and/or academically talented" means a school program, whether of an enrichment, an acceleration, an individualized instruction, or a special grouping nature, that provides for educational opportunities commensurate with the abilities, achievements, or special needs of the gifted and/or academically talented students.

(c) "Commission" means the advisory commission on education for the gifted and/or academically talented.

History: 1974, Act 299, Imd. Eff. Oct. 18, 1974.

388.1093 Advisory commission on education of the gifted and/or academically talented; creation; appointment and qualifications of members; ex officio member and chairman; director; compensation.

Sec. 3. (1) The advisory commission on education of the gifted and/or academically talented is created in the department of education. The commission consists of 20 members of which not more than 1/2 shall represent the education profession. The members shall be appointed by the state board of education. The state superintendent of public instruction or his designated agent shall be a nonvoting, ex officio member and shall serve as chairman. The commission membership shall include a director appointed by the state board of education, representatives of labor, business, or industry, a noneducational state governmental agency, local and intermediate school board members and administrators, a community college district, a 4-year college or university, a neighborhood education authority, a school psychologist, a specialist in the psychology and education of the gifted and/or academically talented students, a parent, a teacher, a counselor, a high school student, and a post high school student.

(2) The director shall be employed full time as a staff member of the department of education and shall carry out all administrative and organizational functions of the commission as well as any other duties concerning the needs of the gifted and/or academically talented students. Other members of the commission shall serve without compensation except for necessary and actual expenses incurred in the performance of their duties.

History: 1974, Act 299, Imd. Eff. Oct. 18, 1974.

388.1094 Duties of commission; estimate of costs.

Sec. 4. (1) The commission shall evaluate current state, regional, and local efforts toward education of the gifted and/or academically talented and shall submit to the state board of education its findings.

(2) The commission shall recommend to the board guidelines and performance objectives for a comprehensive education program for the gifted and/or academically talented and shall provide an estimate of the cost of the program or programs recommended.

(3) The commission shall present to the board proposed legislation to implement its recommendations. The state board of education shall study the recommendations and evaluations submitted to it by the commission and shall provide to the legislature and the governor by December 1, 1975, an estimate of the cost of

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implementing a comprehensive plan for education of the gifted and/or academically talented in the state and proposed legislation to implement the plan.

History: 1974, Act 299, Imd. Eff. Oct. 18, 1974.

STATE SCHOOL AID ACT OF 1972
Act 258 of 1972

388.1101-388.1279 Repealed. 1973, Act 101, Imd. Eff. Aug. 14, 1973;—1974, Act 242, Imd. Eff. July 26, 1974;—1975, Act 261, Imd. Eff. Sept. 10, 1975;—1976, Act 258, Eff. Oct. 1, 1976;—1977, Act 90, Eff. Oct. 1, 1977.

Compiler's note: Pursuant to Act 293 of 1974, MCL 388.1158 expired on June 30, 1977.

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COMPACT FOR EDUCATION
Act 359 of 1972

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

History: 1972, Act 359, Eff. Mar. 30, 1973.

The People of the State of Michigan enact:

388.1301 Compact for education.

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

COMPACT FOR EDUCATION

Article I. Purpose and Policy.

(a) It is the purpose of this compact to:

(1) Establish and maintain close cooperation and understanding among executive, legislative, professional educational and lay leadership on a nationwide basis at the state and local levels.

(2) Provide a forum for the discussion, development, crystallization and recommendation of public policy alternatives in the field of education.

(3) Provide a clearing house of information on matters relating to educational problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the field of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education.

(4) Facilitate the improvement of state and local educational systems so that all of them will be able to meet adequate and desirable goals in a society which requires continuous qualitative and quantitative advance in educational opportunities, methods and facilities.

(b) It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement and administration of educational systems and institutions in a manner which will accord with the needs and advantages of diversity among localities and states.

(c) The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own educational systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare and economic advancement of each state are supplied in significant part by persons educated in other states.

Article II. State Defined.

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

Article III. The Commission.

(a) The education commission of the states, hereinafter called "the commission", is established. The commission shall consist of seven members representing each party state. One of such members shall be the governor; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the commission, six members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the commission, the guiding principle for the composition of the membership on the commission from each party state shall be that the members representing such state shall, by virtue of their training, experience, knowledge or affiliations be in a position collectively to reflect broadly the interests of the state government, higher education, the state education system, local education, lay and professional, public and nonpublic educational leadership. Of those appointees, one shall be the head of a state agency or institution, designated by the governor, having responsibility for one or more programs of public education. In addition to the members of the commission representing the party states, there may be not to exceed ten nonvoting commissioners selected by the steering committee for terms of one year. Such commissioners shall represent leading national organizations of professional educators or persons concerned with educational administration.

(b) The members of the commission shall be entitled to one vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority

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of the commissioners are present. The commission shall meet at least once a year. In its bylaws, and subject to such directions and limitations as may be contained therein, the commission may delegate the exercise of any of its powers to the steering committee or the executive director, except for the power to approve budgets or requests for appropriations, the power to make policy recommendations pursuant to Article IV and adoption of the annual report pursuant to Article III(j).

(c) The commission shall have a seal.

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

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

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

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

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

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

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

Article IV. Powers.

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

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

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

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

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

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

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

Article V. Cooperation With Federal Government.

(a) If the laws of the United States specifically so provide, or if administrative provision is made therefor within the federal government, the United States may be represented on the commission by not to exceed ten representatives. Any such representative or representatives of the United States shall be appointed and serve

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in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the commission.

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

Article VI. Committees.

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

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

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

Article VII. Finance.

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

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

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

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

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

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

Article VIII. Eligible Parties; Entry Into and Withdrawal.

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

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

(c) Adoption of the compact may be either by enactment thereof or by adherence thereto by the governor:

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

(d) Except for a withdrawal effective on December 31, 1967 in accordance with paragraph (c) of this article, any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until 1 year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

Article IX. Construction and Severability

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters.

History: 1972, Act 359, Eff. Mar. 30, 1973.

388.1302 Education council.

Sec. 2. The education council composed of the members of the education commission of the states representing this state, and 3 other persons appointed by the governor for terms of 3 years is established within the department of education. The other persons shall be selected so as to be broadly representative of professional and lay interest within this state having the responsibilities for, knowledge with respect to, and interest in educational matters. The chairman shall be designated by the governor from among its members. The council shall meet on the call of its chairman or at the request of a majority of its members, but in any event the council shall meet not less than 3 times in each year. The council may consider any matters relating to recommendations of the education commission of the states and the activities of the members in representing this state thereon.

History: 1972, Act 359, Eff. Mar. 30, 1973.

388.1303 Filing bylaws and amendments thereto.

Sec. 3. Pursuant to Article III(i) of the compact, the commission shall file a copy of its bylaws and any amendment thereto with the department of education.

History: 1972, Act 359, Eff. Mar. 30, 1973.

388.1304 Effective date.

Sec. 4. This act shall not become effective prior to the enactment of an appropriation bill providing suitable funding for its provisions.

History: 1972, Act 359, Eff. Mar. 30, 1973.

CAREER EDUCATION ACT
Act 97 of 1974

388.1311-388.1319 Repealed. 1997, Act 93, Eff. Oct. 1, 1997.

ADVISORY COMMITTEE ON THE DEVELOPMENT OF COMPREHENSIVE ARTS EDUCATION PROGRAMS
Act 42 of 1976

388.1351-388.1356 Expired. 1976, Act 42, Eff. Dec. 31, 1978.

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INTERSTATE AGREEMENT ON QUALIFICATION OF EDUCATIONAL PERSONNEL
Act 68 of 1976

AN ACT entering into the interstate agreement on qualification of educational personnel; and for related purposes.

History: 1976, Act 68, Imd. Eff. Apr. 5, 1976.

The People of the State of Michigan enact:

388.1371 Interstate agreement on qualification of educational personnel; form.

Sec. 1. The interstate agreement on qualification of educational personnel is enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

Article 1

Purpose, Findings and Policy

1. The states party to this agreement, desiring by common action to improve their respective school systems by utilizing the teacher or other professional educational person wherever educated, declare that it is the policy of each of them, on the basis of cooperation with one another, to take advantage of the preparation and experience of such persons wherever gained, thereby serving the best interests of society, of education, and of the teaching profession. It is the purpose of this agreement to provide for the development and execution of such programs of cooperation as will facilitate the movement of teachers and other professional educational personnel among the states party to it, and to authorize specific interstate educational personnel contracts to achieve that end.

2. The party states find that included in the large movement of population among all sections of the nation are many qualified educational personnel who move for family and other personal reasons but who are hindered in using their professional skill and experience in their new locations. Variations from state to state in requirements for qualifying educational personnel discourage such personnel from taking the steps necessary to qualify in other states. As a consequence, a significant number of professionally prepared and experienced educators is lost to our school systems. Facilitating the employment of qualified educational personnel, without reference to their state of origin, can increase the available educational resources. Participation in this compact can increase the availability of educational manpower.

Article 2

Definitions

As used in this agreement and contracts made pursuant to it, unless the context clearly requires otherwise:

1. “Educational personnel” means persons who must meet requirements pursuant to state law as a condition of employment in educational programs.

2. “Designated state official” means the education official of a state selected by that state to negotiate and enter into, on behalf of his state, contracts pursuant to this agreement.

3. “Accept”, or any variant thereof, means to recognize and give effect to 1 or more determinations of another state relating to the qualifications of educational personnel in lieu of making or requiring a like determination that would otherwise be required by or pursuant to the laws of a receiving state.

4. “State” means a state, territory or possession of the United States: the district of columbia; or the commonwealth of Puerto Rico.

5. “Originating state” means a state (and the subdivision thereof, if any) whose determination that certain educational personnel are qualified to be employed for specific duties in schools is acceptable in accordance with the terms of a contract made pursuant to article 3.

6. “Receiving state” means a state (and the subdivisions thereof) which accept educational personnel in accordance with the terms of a contract made pursuant to article 3.

Article 3

Interstate Educational Personnel Contracts

1. The designated state official of a party state may make 1 or more contracts on behalf of his state with 1 or more other party states providing for the acceptance of educational personnel. Any such contract for the period of its duration shall be applicable to and binding on the states whose designated state officials enter into it, and the subdivisions of those states, with the same force and effect as if incorporated in this agreement. A designated state official may enter into a contract pursuant to this article only with states in which he finds that there are programs of education, certification standards or other acceptable qualifications that assure preparation or qualification of educational personnel on a basis sufficiently comparable, even though not identical to that prevailing in his own state.

2. Any such contract shall provide for:

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(a) Its duration.

(b) The criteria to be applied by an originating state in qualifying educational personnel for acceptance by a receiving state.

(c) Such waivers, substitutions, and conditional acceptances as shall aid the practical effectuation of the contract without sacrifice of basic educational standards.

(d) Any other necessary matters.

3. No contract made pursuant to this agreement shall be for a term longer than 5 years but any such contract may be renewed for like or lesser periods.

4. Any contract dealing with acceptance of educational personnel on the basis of their having completed an educational program shall specify the earliest date or dates on which originating state approval of the program or programs involved can have occurred. No contract made pursuant to this agreement shall require acceptance by a receiving state of any persons qualified because of successful completion of a program prior to January 1, 1954.

5. The certification or other acceptance of a person who has been accepted pursuant to the terms of a contract shall not be revoked or otherwise impaired because the contract has expired or been terminated. However, any certificate or other qualifying document may be revoked or suspended on any ground which would be sufficient for revocation or suspension of a certificate or other qualifying document initially granted or approved in the receiving state.

6. A contract committee composed of the designated state officials of the contracting states or their representatives shall keep the contract under continuous review, study means of improving its administration, and report no less frequently than once a year to the heads of the appropriate education agencies of the contracting states.

Article 4

Approved and Accepted Programs

1. Nothing in this agreement shall be construed to repeal or otherwise modify any law or regulation of a party state relating to the approval of programs of educational preparation having effect solely on the qualification of educational personnel within that state.

2. To the extent that contracts made pursuant to this agreement deal with the educational requirements for the proper qualification of educational personnel, acceptance of a program of educational preparation shall be in accordance with such procedures and requirements as may be provided in the applicable contract.

Article 5

Interstate Cooperation

The party states agree that:

1. They will, so far as practicable, prefer the making of multi-lateral contracts pursuant to article 3 of this agreement.

2. They will facilitate and strengthen cooperation in interstate certification and other elements of educational personnel qualification and for this purpose shall cooperate with agencies, organizations, and associations interested in certification and other elements of educational personnel qualification.

Article 6

Agreement Evaluation

The designated state officials of any party state may meet from time to time as a group to evaluate progress under the agreement, and to formulate recommendations for changes.

Article 7

Other Arrangements

Nothing in this agreement shall be construed to prevent or inhibit other arrangements or practices of any party state or states to facilitate the interchange of educational personnel.

Article 8

Effect and Withdrawal

1. This agreement shall become effective when enacted into law by 2 states. Thereafter it shall become effective as to any state upon its enactment of this agreement.

2. Any party state may withdraw from this agreement by enacting a statute repealing the same, but no such withdrawal shall take effect until 1 year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states.

3. No withdrawal shall relieve the withdrawing state of any obligation imposed upon it by a contract to which it is a party. The duration of contracts and the methods and conditions of withdrawal therefrom shall be those specified in their terms.

Article 9

Construction and Severability

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This agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this agreement shall be severable and if any phrase, clause, sentence, or provision of this agreement is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this agreement shall be held contrary to the constitution of any state participating therein, the agreement shall remain in full force and effect as to the state affected as to all severable matters.

History: 1976, Act 68, Imd. Eff. Apr. 5, 1976.

388.1372 Superintendent of public instruction as "designated state official"; contracts generally.

Sec. 2. The "designated state official" for this state shall be the superintendent of public instruction. He shall enter into contracts pursuant to article 3 of the agreement only with the approval of the state board of education.

History: 1976, Act 68, Imd. Eff. Apr. 5, 1976.

388.1373 Filing and publication of contracts.

Sec. 3. True copies of all contracts made on behalf of this state pursuant to the agreement shall be kept on file in the office of the state department of education and in the office of the secretary of state. The state department of education shall publish all such contracts in convenient form.

History: 1976, Act 68, Imd. Eff. Apr. 5, 1976.

THE STATE SCHOOL AID ACT OF 1977
Act 90 of 1977

388.1401-388.1572 Repealed. 1979, Act 94, Eff. Oct. 1, 1979.

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THE STATE SCHOOL AID ACT OF 1979
Act 94 of 1979

AN ACT to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: Sec. 42, as added by Act 207 of 1990, was vetoed by the governor on July 27, 1990.
Secs. 43, 92, and 111a, as added by Act 118 of 1991, were vetoed by the governor on October 11, 1991.
Sec. 71a, as added by Act 283 of 1994, was vetoed by the governor on July 9, 1994.
Secs. 20h, 28b, 56a, and 94a, as added by Act 130 of 1995, were vetoed by the governor on June 30, 1995.
Secs. 29 and 95a, as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.
Sec. 11e, as added by Act 372 of 1996, was vetoed by the governor July 3, 1996.
Sec. 11j, Sec. 11k, and Sec. 31b, as added by Act 339 of 1998, were vetoed by the governor on October 13, 1998.
Secs. 20k and 34, as added by Act 119 of 1999, were vetoed by the governor on July 19, 1999.
Secs. 11j and 11*l*, as added by Act 297 of 2000, were vetoed by the governor on June 26, 2000.
Secs. 22d, 22e, and 55a, as added by Act 158 of 2003, were vetoed by the governor on August 11, 2003.
Sec. 77, as added by Act 137 of 2007, was vetoed by the governor on November 8, 2007.

The People of the State of Michigan enact:

ARTICLE 1

388.1601 Short title.

Sec. 1. The act shall be known and may be cited as “the state school aid act of 1979”.

History: 1979, Act 94, Eff. Oct. 1, 1979.

Compiler's note: For creation of Michigan public educational facilities authority within department of treasury; transfer of certain powers and duties from Michigan strategic fund and Michigan strategic fund board of directors to Michigan public educational facilities authority and Michigan public educational facilities authority board of trustees; transfer of certain powers and duties of Michigan municipal bond authority and Michigan municipal bond authority board of trustees to Michigan public and educational facilities authority and Michigan public education facilities authority board of trustees, see E.R.O. No. 2002-3, compiled at MCL 12.192 of the Michigan Compiled Laws.

388.1602 Meanings of words and phrases.

Sec. 2. For the purposes of this act the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

History: 1979, Act 94, Eff. Oct. 1, 1979.

388.1603 Definitions; A to D.

Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).

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

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

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

(5) "Department", except in section 107, means the department of education.

(6) "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 11n, 13, 20, 22a, 23, 29, 31a, 99j, 99k, 51a(15), 105, and 105c, a public school academy. Except in sections 6(4), 6(6), 11n, 13, 20, 22a, 29, 99j, 99k, 51a(15), 105, and 105c, district also includes a university school.

(7) "District of residence", except as otherwise provided in this subsection, means the district in which a pupil's custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil's district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil's district of residence shall be considered to be the district or intermediate district in

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which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil's custodial parent or parents or legal guardian resides, the pupil's district of residence shall be considered to be the educating district or educating intermediate district.

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

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992 ;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1604 Definitions; E to H.

Sec. 4. (1) "Elementary pupil" means a pupil in membership in grades K to 8 in a district not maintaining classes above the eighth grade or in grades K to 6 in a district maintaining classes above the eighth grade. For the purposes of calculating universal service fund (e-rate) discounts, "elementary pupil" includes children enrolled in a preschool program operated by a district in its facilities.

(2) "Extended school year" means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory clock hours shall be completed by each pupil not more than 365 calendar days after the pupil's first day of classes for the school year prescribed. The department shall prescribe pupil, personnel, and other reporting requirements for the educational program.

(3) "Fiscal year" means the state fiscal year that commences October 1 and continues through September 30.

(4) "General educational development testing preparation program" means a program that has high school level courses in English language arts, social studies, science, and mathematics and that prepares a person to successfully complete the general educational development (GED) test.

(5) "High school pupil" means a pupil in membership in grades 7 to 12, except in a district not maintaining grades above the eighth grade.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 268 of 2008 provides:

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"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1605 Definitions; I.

Sec. 5. (1) “Intermediate board” means the governing body of an intermediate district.

(2) “Intermediate district” means an intermediate school district established under part 7 of the revised school code.

(3) “Intermediate superintendent” means the superintendent of an intermediate district.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1606 Additional definitions.

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

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

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

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

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

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

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

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

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

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger

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than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(r) Except as otherwise provided in this subdivision, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. Beginning in 2009-2010, full-time equated memberships for pupils enrolled in developmental kindergarten, prekindergarten, or a similar class intended to be the first of 2 school years before a pupil enters grade 1 shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by the number used for determining full-time equated memberships for pupils in grades 1 to 12. For 2010-2011, full-time equated memberships for pupils enrolled in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 60% of the number used for determining full-time equated memberships for pupils in grades 1 to 12. Beginning in 2011-2012, full-time equated memberships for pupils enrolled in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 70% of the number used for determining full-time equated memberships for pupils in grades 1 to 12.

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

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

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

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

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

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

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

(v) For 2007-2008 only, a pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that expelled the pupil.

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

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75

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times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

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

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

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

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

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

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

(cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.

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

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

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

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

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

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

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

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law

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enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*i*) Fourth Wednesday in July.

(*ii*) Fourth Wednesday after Labor day.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a

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pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

(11) "School district of the first class", "first class school district", and "district of the first class", except in subsection (6), mean a district that had at least 60,000 pupils in membership for the immediately preceding fiscal year.

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

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

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

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

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

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

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

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

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

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

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1979, Act 112, Imd. Eff. Oct. 4, 1979;—Am. 1979, Act 209, Imd. Eff. Jan. 10, 1980;—Am. 1980, Act 269, Imd. Eff. Sept. 30, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1981, Act 134, Imd. Eff. Oct. 20, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 218, Imd. Eff. Nov. 16, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1984, Act 253, Imd. Eff. Nov. 29, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1985, Act 144, Imd. Eff. Nov. 4, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 95, Imd. Eff. July 13, 1993;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Sept. 1, 1996;—Am. 1997, Act 93, Imd. Eff. Aug. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 227, Imd. Eff. July 21, 2004;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 150, Imd. Eff. Sept. 30, 2005;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Imd. Eff. Aug. 6, 2008.

Compiler's note: The school district pupil accounting for distribution of state aid rules referred to in subsection (2) became effective August 17, 1984.

Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are

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$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subdivisions 4(u), 4(w), and 4(x), as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

In subsection (4), as amended by Act 93 of 1997, the following sentences were vetoed by the governor on August 1, 1997: "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .6 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .4 times the final audited count from the supplemental count day for the immediately preceding school year, as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit. The amount of the foundation allowance to be paid on behalf of a pupil in membership is determined under section 20.

Subdivisions (4)(x) and (4)(y), as amended by Act 93 of 1997, were vetoed by the governor on August 1, 1997.

Subdivision (4)(y), as amended by Act 339 of 1998, was vetoed by the governor on October 13, 1998.

In subdivsion (4)(y), as amended by Act 297 of 2000, the phrase "2001-2002, and 2002-2003" was vetoed by the governor July 26, 2000.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Administrative rules: R 340.1 et seq. of the Michigan Administrative Code.

388.1606a Supplemental pupil count.

Sec. 6a. Except as otherwise provided in this act, in addition to the pupil membership count day, there shall be a supplemental pupil count of the number of full-time equated pupils in grades K-12 actually enrolled and in regular daily attendance in a district or intermediate district on the second Wednesday in February or, for a district that is not in session on that day due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which the district is in session. For the purposes of this act, the day on which the supplemental pupil count is conducted is the supplemental count day.

History: Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: This section, as added by Act 336 of 1993, was originally compiled as MCL 388.1606a[1] to distinguish it from a Sec. 6a added by Act 254 of 1992, which pertained to use of alternate pupil membership count day, that was compiled as MCL 388.1606a prior to its repeal by enacting section 3(b) of Act 283 of 1994, Eff. Oct. 1, 1994.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1606b Enrollment of nonresident pupil; counting pupil in membership; adjustment of educating district's pupil count.

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Sec. 6b. (1) A district enrolling a nonresident pupil with the approval of the pupil's district of residence may count the pupil in membership in a school year if the approval of the pupil's district of residence is received before the end of that school year.

(2) If the approval described in subsection (1) is received by the educating district at any time before the end of its school year, the department shall adjust the educating district's pupil count for the pupil membership count day or the supplemental count day of that school year, or both as necessary to ensure that the pupil is counted in membership in the educating district for those pupil counts for which the pupil was enrolled and in attendance.

History: Add. 1997, Act 24, Imd. Eff. June 16, 1997.

Compiler's note: Former MCL 388.1606b, which pertained to administration of alternative education, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

388.1606c, 388.1606d Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed sections pertained to alternative education programs and district as authorizing body for public school academy.

388.1607 Expenditures included in costs for school operating purposes.

Sec. 7. Costs for school operating purposes include all expenditures necessary to carry out the powers of the district or intermediate district under the revised school code.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1608 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to furnishing annual pupil dropout rate.

388.1608a Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: The repealed section pertained to grades K-3 average pupil count.

388.1608b Public school academy district code; assignment.

Sec. 8b. (1) The department shall assign a district code to each public school academy that is authorized under the revised school code and is eligible to receive funding under this act within 30 days after a contract is submitted to the department by the authorizing body of a public school academy.

(2) If the department does not assign a district code to a public school academy within the 30-day period described in subsection (1), the district code the department shall use to make payments under this act to the newly authorized public school academy shall be a number that is equivalent to the sum of the last district code assigned to a public school academy located in the same county as the newly authorized public school academy plus 1. However, if there is not an existing public school academy located in the same county as the newly authorized public school academy, then the district code the department shall use to make payments under this act to the newly authorized public school academy shall be a 5-digit number that has the county code in which the public school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the number of public school academies in a county grows to exceed 100, the third digit in this 5-digit number shall then be 8 for the public school academies in excess of 100.

History: Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007.

388.1608c Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to broadband telecommunications infrastructure information.

388.1609 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to rules.

388.1610 Repealed. 1999, Act 119, Imd. Eff. July 20, 1999.

Compiler's note: The repealed section pertained to disposition of funds under MCL 432.201 to 432.216 to separate account.

388.1611 Appropriations.

Sec. 11. (1) For the fiscal year ending September 30, 2008, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $11,386,866,600.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of $34,909,600.00 from the general fund. For the fiscal year ending September 30, 2009, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of

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$11,776,098,200.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of $40,800,000.00 from the general fund. In addition, available federal funds are appropriated for the fiscal year ending September 30, 2008 and for the fiscal year ending September 30, 2009.

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

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

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

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

(*i*) Districts.

(*ii*) Intermediate districts.

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

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

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

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

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

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section 11a.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2003, Act 236, Imd. Eff. Dec. 29, 2003;—Am. 2004, Act 185, Imd. Eff. July 1, 2004;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 518, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00.”

Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

Enacting section 1 of Act 191 of 2002 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2001 PA 121 and 2000 PA 297 from state sources for fiscal year 2001-2002 is estimated at $11,220,561,700.00 and state appropriations to be paid to local units of government for fiscal year 2001-2002 are estimated at $11,181,789,800.00; and total state spending in this amendatory act and in 2001 PA 121 and 2000 PA 297 from state sources for fiscal year 2002-2003 is estimated at $11,472,054,900.00 and state appropriations to be paid to local units of government for fiscal year 2002-2003 are estimated at $11,420,969,500.00.”

Enacting section 1 of Act 521 of 2002 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2002 PA 191, 2001 PA 121, and 2000 PA 297 from state sources for fiscal year 2002-2003 is estimated at $11,490,554,900.00 and state appropriations to be paid to local units of government for fiscal year 2002-2003 are estimated at $11,439,469,500.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2003-2004 is estimated at $11,477,080,900.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at $11,431,369,500.00.”

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 236 of 2003 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2003 PA 158 and 2002 PA 521 from state sources for fiscal year 2003-2004 is estimated at $11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at $11,274,332,800.00.”

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of 2007 PA 6 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2006 PA 342 from state sources for fiscal year 2006-2007 is estimated at $11,596,963,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,492,472,200.00."

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Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at $1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at $1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1611a School aid stabilization fund; creation; deposit; expenditure; investment; money remaining at close of fiscal year; shortfall; full funding.

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

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

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

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

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

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

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

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

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

(7) For 2008-2009, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this act.

History: Add. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1611a, which pertained to additional appropriations, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

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Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1611b Repealed. 2005, Act 155, Eff. Oct. 1, 2005.

Compiler's note: The repealed section pertained to school aid stabilization fund.

388.1611c Repealed. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: The repealed section pertained to deposit to school aid stabilization fund.

388.1611d Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to carrying forward appropriation as work project.

388.1611e Repealed. 1999, Act 119, Imd. Eff. July 20, 1999.

Compiler's note: The repealed section pertained to payments to plaintiff districts pursuant to Durant v State of Michigan.

388.1611f Payments to non-plaintiff districts pursuant to Durant v State of Michigan; payments for fiscal year ending September 30, 2008; submission of waiver resolution; creation of obligation or liability; offer of settlement and compromise; payment date; use of payments; form and substance of resolution; early intervening program.

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

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

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

(4) The amount paid each fiscal year to each district or intermediate district under subsection (1) shall be 1/20 of the total amount listed in section 11h for each listed district or intermediate district that qualifies for a payment under subsection (1). The amounts listed in section 11h and paid in part under this subsection and in a lump sum under subsection (2) are offers of settlement and compromise to each of these districts or

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intermediate districts to resolve, in their entirety, any claim or claims that these districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts or intermediate districts listed in section 11h or a waiver of any defense that is or would have been available to the state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

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

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

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

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

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

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

Now, therefore, be it resolved as follows:

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

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

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

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

(8) An early intervening program that uses funds received under this section shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special

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education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using school-wide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 119, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1611g Allocations; payments to non-plaintiff districts pursuant to Durant v State of Michigan; payments for fiscal years ending September 30, 2009 through September 30, 2015; waiver resolution; offers of settlement and compromise; creation of obligation or liability; calculation of amount; payment date; use of funds.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed $42,000,000.00 for the fiscal year ending September 30, 2009 and for each succeeding fiscal year through the fiscal year ending September 30, 2015, after which these payments will cease. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

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

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regarding these claims or potential claims.

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

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

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

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

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

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

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

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

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

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

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Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

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Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

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388.1611h Amounts to districts for settlement, compromise, and resolution of claims pursuant to Durant v State of Michigan; section not to be construed as admission of liability or waiver of defense.

Sec. 11h. (1) For the purposes of sections 11f and 11g, the following amounts are offered to each district or intermediate district to settle, compromise, and resolve, in their entirety, any claim or claims that those districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492:

CODE	NAME		AMOUNT
02010	Autrain-Onota Public Schools ...	$	14,622
02020	Burt Township School District ...	$	6,744
02070	Munising Public Schools ...	$	185,461
02080	Superior Central School District ...	$	96,734
03000	Allegan Intermediate District ...	$	648,801
03010	Plainwell Community Schools ...	$	741,425
03020	Otsego Public Schools ...	$	540,058
03030	Allegan Public Schools ...	$	926,426
03040	Wayland Union Schools ...	$	731,677
03050	Fennville Public Schools ...	$	579,056
03060	Martin Public Schools ...	$	139,670
03070	Hopkins Public Schools ...	$	255,685
03100	Hamilton Community Schools ...	$	401,023
03440	Ganges School District #4 ...	$	2,201
04000	Alpena-Montmorency-Alcona Intermediate ...	$	726,402
04010	Alpena Public Schools ...	$	1,042,911
05010	Alba Public Schools ...	$	42,367
05035	Central Lake Public Schools ...	$	69,082
05040	Bellaire Public Schools ...	$	167,614
05060	Elk Rapids Schools ...	$	357,615
05065	Ellsworth Community Schools ...	$	21,150
05070	Mancelona Public Schools ...	$	285,764
06010	Arenac Eastern School District ...	$	79,078
06050	Standish Sterling School District ...	$	317,341
07020	Baraga Township School District ...	$	216,490
07040	L'Anse Area Schools ...	$	263,107
08000	Barry Intermediate District ...	$	390,738
08010	Delton-Kellogg School District ...	$	254,518
08030	Hastings Area School District ...	$	615,970
08050	Thornapple-Kellogg School District ...	$	794,355
09000	Bay Arenac Intermediate District ...	$	3,690,121
09010	Bay City School District ...	$	2,957,596
09030	Bangor Township Schools ...	$	690,490
09090	Pinconning Area Schools ...	$	437,605
10015	Benzie County Central Schools ...	$	469,507
10025	Frankfort-Elberta Area Schools ...	$	74,090
11000	Berrien Intermediate District ...	$	4,488,648
11010	Benton Harbor Area Schools ...	$	1,588,343
11030	Lakeshore School District ...	$	505,985
11160	Galien Township School District ...	$	148,305
11200	New Buffalo Area School District ...	$	295,255
11210	Brandywine Public School District ...	$	430,713
11240	Berrien Springs Public School District ...	$	1,020,853
11250	Eau Claire Public Schools ...	$	295,326
11300	Niles Community School District ...	$	1,886,362

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11310	Buchanan Community School District ...	$	415,327
11320	Watervliet School District ...	$	333,411
11330	Coloma Community Schools ...	$	518,321
11670	Hagar Township School District #6 ...	$	3,558
12000	Branch Intermediate District ...	$	1,591,244
12010	Coldwater Community Schools ...	$	533,753
12020	Bronson Community School District ...	$	100,766
12040	Quincy Community School District ...	$	118,640
13000	Calhoun Intermediate District ...	$	2,099,031
13010	Albion Public Schools ...	$	682,812
13020	Battle Creek Public Schools ...	$	4,924,981
13050	Athens Area Schools ...	$	239,614
13070	Harper Creek Community Schools ...	$	737,397
13080	Homer Community Schools ...	$	243,747
13090	Lakeview School District ...	$	672,056
13095	Mar Lee School District ...	$	22,341
13110	Marshall Public Schools ...	$	499,126
13120	Pennfield School District ...	$	295,615
13130	Tekonsha Community Schools ...	$	84,152
13135	Union City Community School District ...	$	261,232
14000	Lewis Cass Intermediate District ...	$	1,156,252
14010	Cassopolis Public Schools ...	$	359,167
14020	Dowagiac Union Schools ...	$	886,692
14030	Edwardsburg Public Schools ...	$	278,671
14050	Marcellus Community Schools ...	$	133,119
15000	Charlevoix Emmet Intermediate District ...	$	2,656,494
15010	Beaver Island Community Schools ...	$	5,291
15020	Boyne City Public School District ...	$	340,838
15030	Boyne Falls Public School District ...	$	46,285
15060	East Jordan Public School District ...	$	124,290
16000	Cheboygan Otsego Presque Isle ISD ...	$	484,651
16015	Cheboygan Area Schools ...	$	600,684
16050	Inland Lakes School District ...	$	121,570
16070	Mackinaw City Public Schools ...	$	10,133
16100	Wolverine Community School District ...	$	36,114
17000	Eastern Upper Peninsula ISD ...	$	686,688
17010	Sault Ste Marie Area Schools ...	$	1,375,408
17050	Detour Area Schools ...	$	91,341
17090	Pickford Public Schools ...	$	50,020
17110	Rudyard Area Schools ...	$	167,700
17140	Brimley Area Schools ...	$	339,116
17160	Whitefish Schools ...	$	7,565
18000	Clare Gladwin Intermediate District ...	$	824,976
18010	Clare Public Schools ...	$	283,169
18020	Farwell Area Schools ...	$	435,856
18060	Harrison Community Schools ...	$	548,716
19000	Clinton Intermediate District ...	$	1,408,672
19010	Dewitt Public Schools ...	$	460,423
19070	Fowler Public Schools ...	$	73,794
19100	Bath Community Schools ...	$	207,492
19120	Ovid Elsie Area Schools ...	$	421,074
19125	Pewamo Westphalia Community Schools ...	$	123,323
19140	St. Johns Public Schools ...	$	916,394
20015	Crawford Ausable Schools ...	$	400,397
21000	Delta Schoolcraft Intermediate District ...	$	751,556
21010	Escanaba Area Public Schools ...	$	970,743
21025	Gladstone Area Schools ...	$	394,007
21060	Rapid River Public Schools ...	$	95,894

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21065	Big Bay De Noc School District ...	$	76,026
21090	Bark River Harris School District ...	$	157,932
21135	Mid Peninsula School District ...	$	70,668
22000	Dickinson-Iron Intermediate District ...	$	886,487
22010	Iron Mountain City School District ...	$	235,977
22025	Norway Vulcan Area Schools ...	$	106,885
22030	Breitung Township School District ...	$	373,341
22045	North Dickinson County School District ...	$	108,610
23000	Eaton Intermediate District ...	$	1,122,375
23010	Bellevue Community School District ...	$	259,295
23030	Charlotte Public Schools ...	$	931,778
23050	Eaton Rapids Public Schools ...	$	933,405
23060	Grand Ledge Public Schools ...	$	1,871,628
23065	Maple Valley School District ...	$	406,606
23080	Olivet Community Schools ...	$	273,708
23090	Potterville Public Schools ...	$	223,936
24020	Harbor Springs School District ...	$	129,569
24030	Littlefield Public School District ...	$	79,810
24040	Pellston Public School District ...	$	87,279
24070	Petoskey Public Schools ...	$	324,563
25000	Genesee Intermediate District ...	$	6,300,676
25010	Flint City School District ...	$	18,747,097
25040	Mt. Morris Consolidated Schools ...	$	1,121,625
25060	Bendle Public Schools ...	$	404,192
25070	Genesee School District ...	$	231,806
25100	Fenton Area Public Schools ...	$	1,111,528
25110	Kearsley Community Schools ...	$	947,009
25120	Flushing Community Schools ...	$	973,174
25130	Atherton Community School District ...	$	299,766
25140	Davison Community Schools ...	$	1,194,861
25150	Clio Area School District ...	$	861,180
25180	Swartz Creek Community Schools ...	$	1,281,780
25200	Lake Fenton Schools ...	$	459,138
25210	Westwood Heights School District ...	$	433,487
25230	Bentley Community School District ...	$	416,919
25240	Beecher Community School District ...	$	1,684,881
25250	Linden Community School District ...	$	693,553
25260	Montrose Community Schools ...	$	803,839
25280	Lakeville Community School District ...	$	821,048
26010	Beaverton Rural Schools ...	$	401,648
26040	Gladwin Community Schools ...	$	427,002
27000	Gogebic Ontonagon Intermediate District ...	$	558,679
27010	Bessemer City School District ...	$	93,392
27020	Ironwood Area Schools ...	$	358,358
27060	Marenisco School District ...	$	13,053
27070	Wakefield Township School District ...	$	76,782
27080	Watersmeet Township School District ...	$	49,036
28000	Traverse Bay Intermediate District ...	$	4,179,332
28010	Traverse City School District ...	$	2,902,639
28035	Buckley Community School District ...	$	85,755
28090	Kingsley Area School ...	$	233,898
29000	Gratiot-Isabella RESD ...	$	470,134
29010	Alma Public Schools ...	$	694,386
29020	Ashley Community Schools ...	$	74,662
29040	Breckenridge Community Schools ...	$	304,118
29050	Fulton Schools ...	$	149,274
29060	Ithaca Public Schools ...	$	471,693
29100	St. Louis Public Schools ...	$	421,142

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30000	Hillsdale Intermediate District ...	$	1,766,059
30010	Camden Frontier Schools ...	$	87,548
30020	Hillsdale Community Public Schools ...	$	391,242
30030	Jonesville Community Schools ...	$	109,455
30040	Litchfield Community Schools ...	$	167,255
30050	North Adams-Jerome Public Schools ...	$	61,387
30060	Pittsford Area Schools ...	$	202,030
30070	Reading Community Schools ...	$	128,460
30080	Waldron Area Schools ...	$	98,856
31000	Copper Country Intermediate District ...	$	874,467
31010	Hancock Public Schools ...	$	177,175
31020	Adams Township School District ...	$	20,756
31030	Calumet Public Schools ...	$	314,749
31050	Chassell Township School District ...	$	627
31100	Osceola Township School District ...	$	3,877
31110	Houghton-Portage Township Schools ...	$	176,454
31130	Lake Linden Hubbell School District ...	$	98,547
32000	Huron Intermediate District ...	$	1,188,316
32010	Bad Axe Public Schools ...	$	163,568
32030	Caseville Public Schools ...	$	29,891
32060	Harbor Beach Community Schools ...	$	129,415
32090	Owendale Gagetown Area School District ...	$	49,577
32130	Port Hope Community Schools ...	$	373
32170	Ubly Community Schools ...	$	103,432
33000	Ingham Intermediate District ...	$	9,528,160
33020	Lansing Public School District ...	$	13,878,055
33040	Dansville Agricultural School ...	$	231,154
33060	Haslett Public Schools ...	$	533,512
33070	Holt Public Schools ...	$	1,436,837
33100	Leslie Public Schools ...	$	487,249
33130	Mason Public Schools ...	$	1,242,161
33200	Stockbridge Community Schools ...	$	538,077
33220	Webberville Community Schools ...	$	160,090
33230	Williamston Community Schools ...	$	286,724
34000	Ionia Intermediate District ...	$	889,225
34010	Ionia Public Schools ...	$	1,442,559
34040	Palo Community School District ...	$	22,056
34080	Belding Area School District ...	$	590,288
34090	Lakewood Public Schools ...	$	621,134
34110	Portland Public School District ...	$	512,174
34120	Saranac Community Schools ...	$	222,518
35000	Iosco Intermediate District ...	$	746,867
35010	Oscoda Area Schools ...	$	586,953
35020	Hale Area Schools ...	$	117,632
35040	Whittemore Prescott Area School District ...	$	327,352
36015	Forest Park School District ...	$	104,179
36025	West Iron County School District ...	$	291,224
37010	Mt. Pleasant City School District ...	$	1,661,159
37040	Beal City School ...	$	94,455
37060	Shepherd Public School District ...	$	537,492
38000	Jackson Intermediate District ...	$	5,867,626
38010	Western School District ...	$	368,913
38020	Vandercook Lake Public Schools ...	$	182,732
38040	Columbia School District ...	$	272,872
38050	Grass Lake Community Schools ...	$	112,948
38080	Concord Community Schools ...	$	136,334

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38090	East Jackson Public Schools ...	$	262,531
38100	Hanover Horton Schools ...	$	210,862
38120	Michigan Center School District ...	$	254,956
38130	Napoleon Community Schools ...	$	162,981
38140	Northwest School District ...	$	557,439
38150	Springport Public Schools ...	$	112,368
38170	Jackson Public Schools ...	$	4,007,741
39000	Kalamazoo Valley Intermediate District ...	$	2,294,305
39010	Kalamazoo City School District ...	$	4,620,814
39020	Climax Scotts Community Schools ...	$	141,525
39050	Galesburg Augusta Community Schools ...	$	491,658
39065	Gull Lake Community Schools ...	$	664,438
39130	Parchment School District ...	$	413,278
39160	Schoolcraft Community Schools ...	$	278,974
39170	Vicksburg Community Schools ...	$	606,035
40020	Forest Area Community School District ...	$	249,638
40040	Kalkaska Public Schools ...	$	536,507
41000	Kent Intermediate District ...	$	1,018,499
41010	Grand Rapids City School District ...	$	30,052,399
41020	Godwin Heights Public Schools ...	$	776,787
41025	Northview Public School District ...	$	1,463,294
41026	Wyoming Public Schools ...	$	3,510,038
41070	Cedar Springs Public Schools ...	$	1,194,520
41080	Comstock Park Public Schools ...	$	735,314
41120	Godfrey Lee Public School District ...	$	625,281
41130	Grandville Public Schools ...	$	2,285,726
41140	Kelloggsville Public Schools ...	$	457,811
41150	Kent City Community Schools ...	$	634,852
41170	Lowell Area School District ...	$	1,191,193
41210	Rockford Public Schools ...	$	1,800,045
41240	Sparta Area Schools ...	$	1,572,479
43040	Baldwin Community Schools ...	$	301,981
44000	Lapeer Intermediate District ...	$	1,257,237
44010	Lapeer Community Schools ...	$	1,606,732
44020	Almont Community Schools ...	$	195,065
44050	Dryden Community Schools ...	$	123,137
44060	Imlay City Community Schools ...	$	650,688
44090	North Branch Area Schools ...	$	361,607
45010	Glen Lake Community School District ...	$	147,578
45020	Leland Public School District ...	$	74,798
45040	Northport Public School District ...	$	103,011
46000	Lenawee Intermediate District ...	$	3,474,431
46010	Adrian City School District ...	$	1,749,075
46020	Addison Community Schools ...	$	228,919
46040	Blissfield Community Schools ...	$	216,378
46050	Britton Macon Area School District ...	$	48,992
46060	Clinton Community Schools ...	$	156,385
46070	Deerfield Public Schools ...	$	63,324
46080	Hudson Area Schools ...	$	206,641
46090	Madison School District ...	$	254,199
46100	Morenci Area Schools ...	$	175,792
46110	Onsted Community Schools ...	$	204,754
46130	Sand Creek Community Schools ...	$	180,402
46140	Tecumseh Public Schools ...	$	564,716
47000	Livingston Intermediate District ...	$	3,740,653
47010	Brighton Area Schools ...	$	1,608,320
47030	Fowlerville Community Schools ...	$	458,044
47060	Hartland Consolidated Schools ...	$	638,713

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47070	Howell Public Schools ...	$	1,500,542
47080	Pinckney Community Schools ...	$	585,950
48040	Tahquamenon Area Schools ...	$	267,875
49010	St. Ignace City School District ...	$	199,400
49040	Les Cheneaux Community School District ...	$	79,470
49055	Engadine Consolidated Schools ...	$	48,728
49070	Moran Township School District ...	$	1,018
49110	Mackinac Island Public Schools ...	$	19,763
50000	Macomb Intermediate School ...	$	20,272,402
50030	Roseville Community Schools ...	$	2,720,948
50040	Anchor Bay School District ...	$	1,402,309
50050	Armada Area Schools ...	$	511,195
50070	Clintondale Community Schools ...	$	1,493,807
50080	Chippewa Valley Schools ...	$	2,743,571
50130	Lakeview Public Schools ...	$	1,303,122
50170	New Haven Community Schools ...	$	443,394
50180	Richmond Community Schools ...	$	714,909
50190	Romeo Community Schools ...	$	1,416,793
51000	Manistee Intermediate District ...	$	805,187
51020	Bear Lake School District ...	$	68,270
51045	Kaleva Norman - Dickson Schools ...	$	143,635
51060	Onekama Consolidated Schools ...	$	10,726
51070	Manistee Area Public Schools ...	$	309,900
52000	Marquette Alger Intermediate District ...	$	931,342
52015	N.I.C.E. Community Schools ...	$	487,900
52040	Gwinn Area Community Schools ...	$	686,265
52090	Negaunee Public Schools ...	$	360,838
52100	Powell Township School District ...	$	26,655
52110	Republic Michigamme Schools ...	$	111,822
52160	Wells Township School District ...	$	4,936
52170	Marquette City School District ...	$	1,176,918
52180	Ishpeming Public School District ...	$	369,755
53000	Mason Lake Intermediate District ...	$	1,418,466
53010	Mason County Central School District ...	$	270,895
53020	Mason County Eastern School District ...	$	100,000
53030	Freesoil Community School District ...	$	28,616
53040	Ludington Area School District ...	$	553,370
54000	Mecosta Osceola Intermediate District ...	$	1,144,797
54010	Big Rapids Public Schools ...	$	301,222
54025	Chippewa Hills School District ...	$	603,473
54040	Morley Stanwood Community Schools ...	$	298,110
55000	Menominee Intermediate District ...	$	596,813
55010	Carney Nadeau Public Schools ...	$	36,825
55100	Menominee Area Public Schools ...	$	410,849
55115	North Central Area Schools ...	$	79,050
55120	Stephenson Area Public Schools ...	$	146,858
56000	Midland Intermediate District ...	$	778,082
56020	Bullock Creek School District ...	$	815,270
56030	Coleman Community School District ...	$	405,291
56050	Meridian Public Schools ...	$	847,821
57010	Falmouth Elementary School District ...	$	11,423
57020	Lake City Area School District ...	$	144,279
57030	McBain Agricultural School District ...	$	148,767
58000	Monroe Intermediate District ...	$	5,938,669
58020	Airport Community School District ...	$	968,294
58030	Bedford Public School District ...	$	814,625
58050	Dundee Community Schools ...	$	290,343

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58070	Ida Public School District ...	$	904,674
58080	Jefferson Schools-Monroe County ...	$	1,122,705
58090	Mason Consolidated School District ...	$	404,108
58100	Summerfield School District ...	$	196,514
58110	Whiteford Agricultural School District ...	$	171,481
59000	Montcalm Area Intermediate District ...	$	2,405,905
59020	Carson City Crystal Area School District ...	$	248,985
59045	Montabella Community School District ...	$	235,193
59070	Greenville Public Schools ...	$	937,756
59080	Tri County Area Schools ...	$	309,365
59090	Lakeview Community Schools ...	$	317,348
59125	Central Montcalm Public Schools ...	$	488,104
59150	Vestaburg Community Schools ...	$	142,375
60010	Atlanta Community Schools ...	$	102,771
60020	Hillman Community Schools ...	$	89,566
61000	Muskegon Intermediate District ...	$	1,704,192
61010	Muskegon City School District ...	$	7,333,232
61020	Muskegon Heights School District ...	$	1,665,615
61060	Mona Shores School District ...	$	924,108
61065	Oakridge Public Schools ...	$	516,766
61080	Fruitport Community Schools ...	$	1,340,081
61120	Holton Public Schools ...	$	404,703
61180	Montague Area Public Schools ...	$	353,974
61190	Orchard View Schools ...	$	835,211
61210	Ravenna Public Schools ...	$	289,731
61220	Reeths Puffer Schools ...	$	1,362,629
61230	North Muskegon Public Schools ...	$	104,428
61240	Whitehall School District ...	$	566,527
62000	Newaygo Intermediate District ...	$	2,002,463
62040	Fremont Public School District ...	$	413,415
62050	Grant Public School District ...	$	408,836
62060	Hesperia Community School District ...	$	258,339
62070	Newaygo Public School District ...	$	808,680
62080	Pineview School District ...	$	6,754
62090	White Cloud Public Schools ...	$	326,623
62470	Big Jackson School District ...	$	4,683
63080	Bloomfield Hills School District ...	$	6,277,282
63090	Clarenceville School District ...	$	1,050,868
63110	Oxford Area Community School District ...	$	1,064,497
63130	Hazel Park City School District ...	$	4,502,785
63180	Brandon School District ...	$	1,573,574
63190	Clarkston Community School District ...	$	2,599,329
63210	Holly Area School District ...	$	1,652,532
63250	Oak Park City School District ...	$	2,742,617
63300	Waterford School District ...	$	7,891,782
64000	Oceana Intermediate District ...	$	459,987
64040	Hart Public School District ...	$	492,658
64070	Pentwater Public School District ...	$	50,550
64080	Shelby Public Schools ...	$	308,687
64090	Walkerville Rural Community Schools ...	$	178,928
65045	West Branch-Rose City Area Schools ...	$	597,592
66045	Ewen-Trout Creek Consolidated Schools ...	$	125,613
66050	Ontonagon Area Schools ...	$	117,972
66070	White Pine School District ...	$	38,434
67020	Evart Public Schools ...	$	222,644
67050	Marion Public Schools ...	$	120,994
67055	Pine River Area Schools ...	$	210,897
67060	Reed City Area Public Schools ...	$	225,449

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68010	Mio Au Sable Schools ...	$	188,436
68030	Fairview Area School District ...	$	53,298
69020	Gaylord Community Schools ...	$	361,967
69030	Johannesburg-Lewiston Schools ...	$	302,444
69040	Vanderbilt Area School ...	$	78,924
70000	Ottawa Intermediate District ...	$	3,134,623
70040	Allendale Public School District ...	$	304,155
70120	Coopersville Public School District ...	$	547,307
70175	Jenison Public Schools ...	$	1,174,903
70190	Hudsonville Public School District ...	$	642,115
70300	Spring Lake Public School District ...	$	654,764
71050	Onaway Area Community School District ...	$	62,371
71060	Posen Cons School District ...	$	89,023
71080	Rogers City Area Schools ...	$	98,801
72000	C O O R Intermediate District ...	$	1,535,012
72010	Gerrish Higgins School District ...	$	315,748
73000	Saginaw Intermediate District ...	$	3,752,177
73010	Saginaw City School District ...	$	9,709,110
73030	Carrollton School District ...	$	757,628
73080	Buena Vista School District ...	$	774,237
73110	Chesaning Union Schools ...	$	586,935
73170	Birch Run Area School District ...	$	442,083
73180	Bridgeport-Saulding Community Schools ...	$	947,910
73200	Freeland Community School District ...	$	245,297
73210	Hemlock Public School District ...	$	463,950
73230	Merrill Community School District ...	$	313,949
73240	St. Charles Community Schools ...	$	217,281
73255	Swan Valley School District ...	$	404,732
74000	St. Clair Intermediate District ...	$	2,495,753
74010	Port Huron Area School District ...	$	5,768,925
74030	Algonac Community School District ...	$	683,103
74040	Capac Community School District ...	$	637,134
74100	Marysville Public School District ...	$	541,674
74120	Memphis Community Schools ...	$	236,433
74130	Yale Public Schools ...	$	364,744
75000	St. Joseph Intermediate District ...	$	1,557,997
75010	Sturgis Public School District ...	$	667,172
75020	Burr Oak Community School District ...	$	31,806
75030	Centreville Public Schools ...	$	239,843
75040	Colon Community School District ...	$	136,247
75050	Constantine Public School District ...	$	295,041
75060	Mendon Community School District ...	$	220,774
75070	White Pigeon Community School District ...	$	166,233
75080	Three Rivers Community Schools ...	$	903,838
75100	Nottawa Community School ...	$	30,147
76000	Sanilac Intermediate District ...	$	694,073
76060	Brown City Community School District ...	$	174,912
76070	Carsonville-Port Sanilac School District ...	$	93,165
76080	Croswell Lexington Community Schools ...	$	410,871
76090	Deckerville Community School District ...	$	118,766
76140	Marlette Community Schools ...	$	284,291
76180	Peck Community School District ...	$	35,198
76210	Sandusky Community School District ...	$	308,221
77010	Manistique Area Schools ...	$	310,466
78000	Shiawassee RESD ...	$	3,184,986
78020	Byron Area Schools ...	$	191,551

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78030	Durand Area Schools ...	$	540,453
78040	Laingsburg Community School District ...	$	114,818
78060	Morrice Area Schools ...	$	85,394
78070	New Lothrop Area Public School District ...	$	105,582
78080	Perry Public School District ...	$	273,749
78100	Corunna Public School District ...	$	454,571
78110	Owosso Public Schools ...	$	885,887
79000	Tuscola Intermediate District ...	$	1,095,027
79010	Akron Fairgrove Schools ...	$	76,917
79020	Caro Community Schools ...	$	476,124
79030	Cass City Public Schools ...	$	250,135
79080	Kingston Community School District ...	$	27,113
79090	Mayville Community School District ...	$	267,475
79100	Millington Community Schools ...	$	258,045
79110	Reese Public Schools ...	$	164,035
79145	Unionville Sebewaing Area Schools ...	$	98,025
79150	Vassar Public Schools ...	$	271,839
80000	Van Buren Intermediate District ...	$	3,864,085
80010	South Haven Public Schools ...	$	619,864
80020	Bangor Public Schools ...	$	246,071
80040	Covert Public Schools ...	$	179,845
80050	Decatur Public Schools ...	$	214,070
80090	Bloomingdale Public School District ...	$	303,179
80110	Gobles Public School District ...	$	145,320
80120	Hartford Public School District ...	$	475,713
80130	Lawrence Public School District ...	$	94,596
80140	Lawton Community School District ...	$	190,087
80150	Mattawan Consolidated School District ...	$	312,724
80160	Paw Paw Public School District ...	$	301,501
81000	Washtenaw Intermediate District ...	$	2,724,063
81040	Chelsea School District ...	$	518,995
81050	Dexter Community School District ...	$	962,834
81070	Lincoln Consolidated School District ...	$	1,492,337
81080	Manchester Community School District ...	$	472,632
81100	Milan Area Schools ...	$	572,621
81120	Saline Area School District ...	$	1,624,108
81140	Whitmore Lake Public School District ...	$	496,133
81150	Willow Run Community Schools ...	$	2,071,518
82000	Wayne Intermediate District ...	$	8,287,172
82010	Detroit City School District ...	$	118,608,866
82040	Dearborn Heights School District #7 ...	$	849,305
82045	Melvindale Allen Park Schools ...	$	836,448
82050	Garden City School District ...	$	5,839,085
82060	Hamtramck Public Schools ...	$	1,734,517
82070	Highland Park City Schools ...	$	1,875,555
82080	Inkster City School District ...	$	1,252,453
82090	Lincoln Park Public Schools ...	$	2,194,776
82110	Redford Union School District ...	$	5,630,439
82120	River Rouge City Schools ...	$	885,742
82130	Romulus Community Schools ...	$	2,366,586
82150	Taylor School District ...	$	6,396,657
82160	Wayne-Westland Community School District ...	$	14,003,645
82170	Wyandotte City School District ...	$	3,732,656
82180	Flat Rock Community Schools ...	$	549,211
82240	Westwood Community Schools ...	$	1,762,599
82250	Ecorse Public School District ...	$	656,734
82340	Huron School District ...	$	1,302,779

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82405	Southgate Community School District ...	$	1,037,284
82430	Van Buren Public Schools ...	$	3,312,445
83000	Wexford Missaukee Intermediate District ...	$	1,625,243
83010	Cadillac Area Public Schools ...	$	468,432
83060	Manton Consolidated Schools ...	$	118,182
83070	Mesick Consolidated School District ...	$	88,208

(2) This section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts designated in this section in any litigation or future litigation with a district or intermediate district. In addition, this section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute a waiver of any defense that is or would have been available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

Compiler's note: In the above table, the entry for "Bridgeport-Saulding Community Schools" should evidently read "Bridgeport-Spaulding Community Schools."

388.1611i Borrowing money and issuing bonds.

Sec. 11i. (1) In addition to any other authority granted under law, an eligible district or intermediate district may borrow from the Michigan municipal bond authority created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1077, an amount equal to 1/2 of the amount listed for the district or intermediate district in section 11h, in anticipation of the receipt of the payments appropriated under section 11g, and may authorize by resolution of its governing body and issue its bonds to evidence its obligations to the Michigan municipal bond authority on the terms and with those provisions as are provided by resolution of the board of the district or intermediate district and as are acceptable to the Michigan municipal bond authority if the bonds are accompanied by an opinion of bond counsel acceptable to the Michigan municipal bond authority to the effect that the interest on the bonds is excluded from gross income for federal income tax purposes. For the purposes of this section, an eligible district or intermediate district is a district or intermediate district, other than a district or intermediate district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g and that notifies the department of treasury not later than 5 p.m. eastern daylight time on June 30, 1998, in the form and manner prescribed by the department of treasury, that the district or intermediate district will borrow money and issue bonds under this section or is a district, other than a district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g, that has a membership of less than 2,000 full-time equated pupils, that has not submitted to the department of treasury a letter stating its intent not to borrow from the Michigan municipal bond authority, and that notified the department of treasury not later than 5 p.m. eastern daylight time on July 14, 1998, in the form and manner prescribed by the department of treasury, that the district will borrow money and issue bonds under this section. A district or intermediate district may pledge and assign to the Michigan municipal bond authority, as security for the bonds, all of the payments appropriated to it under section 11g but may not otherwise pledge or assign those payments. Bonds issued under this section are not subject to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3.

(2) Proceeds of bonds issued under this section shall be made available to districts and intermediate districts on or after November 15, 1998. Each district and intermediate district shall use proceeds of bonds issued by it under this section only for a purpose for which bonds may be issued under section 1351a of the revised school code, MCL 380.1351a.

(3) Bonds issued under this section do not constitute a general obligation or debt of a district or intermediate district within the meaning of any constitutional or statutory debt limitation.

(4) This section shall be construed as cumulative authority for the exercise of the powers granted in this section and shall not be construed to repeal any existing law. The purpose of this section is to create full and complete additional and alternate methods for the exercise of existing powers, and the powers conferred by this section are not affected or limited by any other statute or by any charter or incorporating document.

(5) A pledge made by a district or intermediate district under this section is valid and binding from the time the pledge is made. The revenue or other money pledged under this section and thereafter received by a district or intermediate district is immediately subject to the lien of the pledge without physical delivery of the revenue or money or any further act. The lien of such a pledge is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district, irrespective of whether that party has notice of the pledge. The resolution or any other instrument by which a pledge is created is not required to be filed or recorded in order to establish and perfect a lien or security interest in the

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property pledged.

(6) Bonds issued under this section are not in any way a debt or liability of this state; do not create or constitute any indebtedness, liability, or obligation of this state; are not and do not constitute a pledge of the faith and credit of this state; and shall contain on their face a statement to that effect.

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1611j School loan bond redemption fund; allocation.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed $3,900,000.00 for 2007-2008 and an amount not to exceed $39,000,000.00 for 2008-2009 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

History: Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at $1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at $1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1611k School loan revolving fund; allocation; definition.

Sec. 11k. For 2008-2009, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan municipal bond authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

History: Add. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1611k, which pertained to project grants to districts, was repealed by Act 111 of 2001, Imd. Eff. Sept. 28, 2001.

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

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act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1611m Fiscal year cash-flow borrowing costs; allocation.

Sec. 11m. From the appropriations in section 11, there is allocated for 2008-2009 an amount not to exceed $45,000,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008

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Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1611n 21st century schools fund.

Sec. 11n. (1) From the appropriation in section 11, there is allocated $15,000,000.00 for 2008-2009 for the purposes of this section. Money allocated under this section shall be deposited in the 21st century schools fund on November 15 of the fiscal year for which it is allocated or on the next business day following that date.

(2) The 21st century schools fund is created as a separate account within the state school aid fund. The state treasurer may receive money or other assets from any source for deposit into the 21st century schools fund. The state treasurer shall direct the investment of the 21st century schools fund. The state treasurer shall credit to the 21st century schools fund interest and earnings from 21st century schools fund investments. Money in the 21st century schools fund at the close of the fiscal year shall remain in the 21st century schools fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the 21st century schools fund for auditing purposes. Money from the 21st century schools fund shall be expended, upon appropriation, only for purposes of this section.

(3) For 2008-2009, an amount not to exceed $15,000,000.00 is allocated from the 21st century schools fund for 21st century schools grants under this section of up to $3,000,000.00 for each school project to eligible districts that meet the requirements of this section. The funds may be used for planning and start-up costs of newly constructed or newly configured schools or learning communities and renovations of existing facilities as well as other expenditures outlined in the applicants' proposals relating to planning and start-up costs and approved by the department. Notwithstanding section 17b, the total grant amount for 2008-2009 to each eligible district or public school academy shall be distributed over a 4-year period on a schedule to be determined by the department.

(4) To apply for a 21st century schools grant, an eligible district shall submit an application to the department, in a form and manner prescribed by the department, that meets the application criteria under this section. An application shall demonstrate to the satisfaction of the department that the school or learning

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community of an eligible district to be funded meets all of the following:

(a) Will be designed to achieve the following outcomes not later than the school year in which the third high school graduating class graduates from the school or learning community:

(*i*) An 80% graduation rate, as determined by the department.

(*ii*) At least 80% of the high school graduates from the school or learning community are enrolled in postsecondary studies within 6 months after high school graduation. For purposes of this subparagraph, "postsecondary studies" includes 4-year colleges and universities, community colleges, technical schools, apprenticeships, and military enlistment.

(b) Will provide an open enrollment such that if there are more applications to enroll than there are spaces available, pupils shall be selected to attend using a random selection process. However, a school or learning community may give enrollment priority to a sibling of a pupil enrolled in the school or learning community, and a school or learning community shall allow any pupil who was enrolled in the school or learning community in the immediately preceding school year to enroll in the school or learning community in the next appropriate grade until the pupil graduates from the school or learning community.

(c) Will have a maximum of 110 pupils in each high school grade level and an average of at least 75 pupils in each high school grade level.

(d) Will incorporate a relationship-building goal between the teaching staff, administration, pupils, and parents.

(e) Has a commitment of private matching funds at least equal to the amount of the grant under this section.

(5) If the department determines that a grant recipient has failed to achieve the outcomes described in subsection (4)(a), the grant recipient shall return to the state 50% of the total grant awarded. To accomplish the return of these funds, the department shall deduct an amount equal to 50% of the total grant awarded from the grant recipient's state school aid installment payments, on a schedule determined by the department. Funds returned under this subsection shall be deposited in the 21st century schools fund.

(6) In awarding grants under this section, the department shall give preference to grant applications for starting a new school or learning community that will implement strategies to prepare middle school students likely to attend the school or learning community or that will include grades 6 to 12 rather than proposals for stand-alone schools including only grades 9 to 12 and not implementing strategies to prepare middle school students.

(7) The department shall not award more than 1/3 of the grants under this section to public school academies.

(8) The department shall establish and publicize the application process and a schedule for the application process.

(9) As used in this section, "eligible district" means all of the following:

(a) A district with a districtwide cohort graduation rate for high school pupils below 70%, as determined by the center for educational performance and information, for its most recent graduating class for which data are available.

(b) A public school academy if a majority of the pupils enrolled in the public school academy reside in a district that meets the criteria under subdivision (a).

History: Add. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1612 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to aggregate unequalized revenue.

388.1613 Apportionments and limitations of apportionments; basis; counting pupil membership and professionals.

Sec. 13. Except as otherwise provided in this act, the apportionments and limitations of the apportionments made under this act shall be made on the membership and number of teachers and other professionals approved by the superintendent employed as of the pupil membership count day of each year and on the taxable value and the operating millage of each district for the calendar year. In addition, a district maintaining school during the entire year, as provided in section 1561 of the revised school code, MCL 380.1561, shall count memberships and educational personnel pursuant to rules promulgated by the superintendent and shall report to the center as required by state and federal law.

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History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 95, Imd. Eff. July 13, 1993;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

388.1614 Defective data; duties of department.

Sec. 14. If the data from an intermediate district or district upon which a statement of the amount to be disbursed or paid are determined to be defective or incomplete, making it impracticable to ascertain the apportionment to be disbursed or paid, the department shall withhold the amount of the apportionment that cannot be ascertained until the department is able to ascertain by the best evidence available the facts upon which the ratio and amount of the apportionment depend, and then shall make the apportionment accordingly.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1615 Apportionment of deficiency or deduction of excess in next apportionment; state aid overpayments to districts other than overpayments for special education; deduction due to adjustment as result of audit or incorrect payment; funding expenditures caused by write-off of prior year accruals; additional appropriation.

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

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

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

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

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for 2008-2009 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15,

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2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

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(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1616 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to allowance greater than actual amounts paid prohibited.

388.1617 Repealed. 1992, Act 148, Eff. Aug. 1, 1992.

Compiler's note: The repealed section pertained to amount to be distributed in installments to districts.

388.1617a Withholding payment district or intermediate district entitled to receive under act; extent; plan for financing outstanding obligation defaulted upon by district or intermediate district; use of amounts withheld; agreement assigning or pledging payment; statement; "trustee of a pooled arrangement" defined.

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

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

(3) Under an agreement entered into by a district or intermediate district assigning all or a portion of the payment that it is eligible to receive under this act to the Michigan municipal bond authority or to the trustee of a pooled arrangement or pledging the amount for payment of an obligation it incurred with the Michigan municipal bond authority or with the trustee of a pooled arrangement, the state treasurer shall transmit to the Michigan municipal bond authority or a trustee designated by the authority or to the trustee of a pooled arrangement the amount of the payment that is assigned or pledged under the agreement. Notwithstanding the payment dates prescribed by this act for distributions under this act, the state treasurer may advance all or part of a payment that is dedicated for distribution or for which the appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement entered into by a district or intermediate district and the Michigan municipal bond authority, the payment that the district or intermediate district is eligible to receive has been assigned to or pledged for payment of an obligation it incurred with the Michigan municipal bond authority. This subsection does not require the state to make an appropriation to any school district or intermediate school district and shall not be construed as creating an indebtedness of the state, and any agreement made pursuant to this subsection shall contain a statement to that effect. As used in this subsection, "trustee of a pooled arrangement" means the trustee of a trust approved by the state treasurer and, subject to the conditions and requirements of that approval, established for the purpose of offering for sale, as part of a pooled arrangement, certificates representing undivided interests in notes issued by districts or

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intermediate districts under section 1225 of the revised school code, 1976 PA 451, MCL 380.1225. If a trustee applies to the state treasurer for approval of a trust for the purposes of this subsection, the state treasurer shall approve or disapprove the trust within 10 days after receipt of the application.

History: Add. 1983, Act 37, Imd. Eff. May 10, 1983;—Am. 1985, Act 142, Eff. Jan. 13, 1986;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2002, Act 71, Imd. Eff. Mar. 15, 2002;—Am. 2005, Act 95, Imd. Eff. July 20, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1617b Amounts to be distributed in installments to districts; electronic files; payments; warrant; adjustments; grant payments; installment schedule; advance release of funds.

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare electronic files of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the electronic files to the state treasurer, and the state treasurer shall pay the installments on each of those dates or, if the date is not a business day, on the next business day following that date. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/11. A district or intermediate district shall accrue the payments received in July and August to the school fiscal year ending the immediately preceding June 30.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the electronic files and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the electronic files. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise provided in this act, grant payments to districts and intermediate districts under this act shall be paid according to the installment schedule under subsection (1).

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

History: Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2005, Act 150, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at $1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at $1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

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388.1617c Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to grant payments.

388.1618 Application of money received under act; determining reasonableness of expenditures; withholding apportionment for violation; availability of budget revisions on website; audit; reports; Michigan public school accounting manual chart of accounts; retention of property by public school academy; failure to comply with subsections (3), (4), (5), and (6).

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

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

(3) For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, the department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually at the expense of the district or intermediate district, as applicable, by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report. A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid. The pupil accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department. Except as otherwise provided in this subsection, a district shall file the annual financial audit reports with the intermediate district not later than 120 days after the end of each school fiscal year and the intermediate district shall forward the annual financial audit reports for its constituent districts and for the intermediate district, and the pupil accounting procedures report for the pupil membership count day and supplemental count day, to the department not later than November 15 of each year. The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Not later than December 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

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

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this information available online to districts and intermediate districts, and shall include per-pupil amounts spent on instruction and instructional support service functions, and indicate how much of those costs were attributable to salaries. Districts and intermediate districts shall include a link on their websites to the website where the department posts this information.

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

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

(7) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this act. As part of its annual review process for 2007, not later than December 31, 2007, the department shall revise the pupil auditing manual to establish standardized procedures and processes for auditing pupil exit statuses and other pupil data used in calculating annual graduation and pupil dropout rates.

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

(9) If a district or intermediate district does not comply with subsection (3), (4), (5), or (6), the department shall withhold all state school aid due to the district or intermediate district under this act, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (3), (4), (5), and (6). If the district or intermediate district does not comply with subsections (3), (4), (5), and (6) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 414, Eff. Jan. 1, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1618a Grant funds to be expended by end of school year; effect of funds not expended; return of unexpended funds.

Sec. 18a. Grant funds awarded and allotted to a district, intermediate district, or other entity, unless otherwise specified in this act, shall be expended by the grant recipient before the end of the school fiscal year immediately following the fiscal year in which the funds are received. If a grant recipient does not expend the funds received under this act before the end of the fiscal year in which the funds are received, the grant recipient shall submit a report to the department not later than November 1 after the fiscal year in which the funds are received indicating whether it expects to expend those funds during the fiscal year in which the report is submitted. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the funds are received.

History: Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

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"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

388.1618b Property of public school academy to be transferred to this state.

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

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

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

(c) The public school academy's contract has not been reissued by the authorizing body.

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

(3) The state treasurer, or his or her designee, is authorized to dispose of property transferred to this state under this section. Except as otherwise provided in this section, the state treasurer shall deposit in the state school aid fund any money included in that property and the net proceeds from the sale of the property or interests in property, after payment by the state treasurer of any public school academy debt secured by the property or interest in property.

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

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

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1618c Contract between public school administrator and third party.

Sec. 18c. Any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy receiving funds under this act and a third party does not constitute an obligation, either general, special, or moral, of this state or of an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, shall not be pledged for the payment of any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000.

388.1618d Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to claim of debt or financial obligation.

388.1619 Compliance; information to be provided for annual progress report; report of graduation and dropout rates; educational personnel; information relating to safety practices and criminal incidents; failure to comply with certain requirements; list of schools or districts failing to make adequate yearly progress; appeal of determination; publication of list.

Sec. 19. (1) A district shall comply with any requirements of sections 1204a, 1277, 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred to as "public act 25 of 1990" that are not also required by the no child left behind act of 2001, Public Law 107-110, as determined by the department.

(2) Each district and intermediate district shall provide to the department, in a form and manner prescribed by the department, information necessary for the development of an annual progress report on the required implementation of sections 1204a, 1277, 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred to as "public act 25 of 1990".

(3) A district or intermediate district shall comply with all applicable reporting requirements specified in state and federal law. Data provided to the center, in a form and manner prescribed by the center, shall be

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aggregated and disaggregated as required by state and federal law.

(4) Each district shall furnish to the center not later than 5 weeks after the pupil membership count day, in a manner prescribed by the center, the information necessary for the preparation of the district and high school graduation report. This information shall meet requirements established in the pupil auditing manual approved and published by the department. The center shall calculate an annual graduation and pupil dropout rate for each high school, each district, and this state, in compliance with nationally recognized standards for these calculations. The center shall report all graduation and dropout rates to the senate and house education committees and appropriations committees, the state budget director, and the department not later than 30 days after the publication of the list described in subsection (8).

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

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

(7) If a district or intermediate district fails to meet the requirements of subsection (2), (3), (4), (5), or (6), the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those subsections. If the district or intermediate district does not comply with all of those subsections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those subsections.

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

History: Add. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Eff. Oct. 1, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: For transfer of powers, duties, functions, and responsibilities of the department of education regarding educational reports to the center for educational performance and information by type II transfer, see E.R.O. No. 2000-6, compiled at MCL 388.996 of the Michigan compiled laws.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1619a-388.1619c Repealed. 1990, Act 207, Eff. Oct. 1, 1990.

Compiler's note: Section 3 of Act 207 of 1990 purported to repeal MCL 388.1619a to 388.1619d. However, MCL 388.1619d, as added by Act 197 of 1989, did not take effect pursuant to the terms of subsection (3) of that section.

The repealed sections pertained to core curriculum, school improvement, and standards for accreditation.

ARTICLE 2

388.1620 Foundation allowance; payments to districts, public school academies, and university schools; definitions.

Sec. 20. (1) For 2007-2008, the basic foundation allowance is $8,433.00. For 2008-2009, the basic

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foundation allowance is $8,489.00.

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

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

(a) For 2007-2008, for a district that had a foundation allowance for 2006-2007, including any adjustment under subdivision (f), that was at least equal to $7,108.00 but less than $8,385.00, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for 2006-2007 plus the difference between $96.00 and [($48.00 minus $20.00) times (the difference between the district's foundation allowance for 2006-2007, including any adjustment under subdivision (f), and $7,108.00) divided by $1,325.00]. Beginning in 2008-2009, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus $20.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, beginning in 2008-2009, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(c) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

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

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

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills

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and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) For 2007-2008, subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or $7,475.00, whichever is less. Beginning in 2008-2009, subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the state maximum public school academy allocation, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding

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to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property under section 1211 of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies the district's certified mills on property that is nonexempt property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property are exempt and not to levy school operating taxes on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.

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

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

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

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

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

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated

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total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2008-2009, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the lowest foundation allowance among all districts for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the lowest foundation allowance among all districts for the immediately preceding state fiscal year.

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

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be $67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed $10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

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

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

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes

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allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $800,000.00 for a fiscal year as a result of this adjustment.

(22) For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $500,000.00 for a fiscal year as a result of this adjustment.

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

(24) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(25) As used in this section:

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

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

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

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

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

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

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

(h) "Maximum public school academy allocation" means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus $50.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies].

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

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

(k) "Principal residence", "qualified agricultural property", "qualified forest property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd, and section 1211 of the revised school code, MCL 380.1211.

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

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

(n) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(o) "Taxable value per membership pupil" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

History: Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 172, Imd. Eff. June 17, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 141, Eff. Jan. 1, 2004;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 120, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: The words "1/3 of" in subsection (20)(a)(*i*)(Q), as amended by Act 283 of 1994, were vetoed by the governor on July 9, 1994.

The last sentence of subsection (9), and subsections (18) and (19), as amended by Act 360 of 1994, were vetoed by the governor on December 22, 1994.

Subsection (11), as amended by Act 130 of 1995, was vetoed by the governor on June 30, 1995.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (20), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003. The text of subsection (20) set forth above in this section (MCL 388.1620) derives from Act 141 of 2003. In the veto message accompanying her veto of certain items in Enrolled House Bill 4401 (Act 158 of 2003), the governor stated, "I have vetoed amendatory language in Section 20(20) that stops the annual $15 million supplemental payment to Detroit Public Schools at the end of fiscal year 2003. Existing language clearly indicates that this supplemental funding is intended to continue as long as the reform board remains in place. I intend to honor that commitment."

Enacting section 1 of Act 351 of 2004 provides:

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"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1620a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to determination of district's combined state and local revenue per membership pupil.

388.1620b Repealed. 2000, Act 297, Eff. Oct. 1, 2000.

Compiler's note: The repealed section pertained to allocation for 1998-99.

388.1620c Repealed. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

Compiler's note: The repealed section pertained to additional payments to districts and public school academies for 1997-98.

388.1620d Requirements for final determination under MCL 388.1620 and 388.1620a.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for 2008-2009, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

History: Add. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Subsection (2), as amended by Act 300 of 1996, was vetoed by the governor on June 19, 1996.

Sec. 20d, as amended by Act 372 of 1996, was vetoed by the governor on July 3, 1996.

Subdivision (c), as amended by Act 93 of 1997, was vetoed by the governor on August 1, 1997.

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

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act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1620e, 388.1620f Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed sections pertained to state portion of district's foundation allowance and allocation to instructional program operated by public university.

388.1620g Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to additional payments for 1995-96.

388.1620h, 388.1620i Repealed. 1997, Act 93, Eff. Oct. 1, 1997.

Compiler's note: The repealed sections pertained to payments for special education pupils for 1995-96 and funding for districts experiencing large pupil membership growth.

388.1620j Foundation allowance supplemental payments; amounts.

Sec. 20j. (1) Foundation allowance supplemental payments for 2008-2009 to districts that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00 shall be calculated under this section.

(2) The per pupil allocation to each district under this section shall be the difference between the basic foundation allowance for the 1998-99 state fiscal year and $7,204.00 less $223.00 minus the dollar amount of the adjustment from the 1998-99 state fiscal year to 2007-2008 in the district's foundation allowance.

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the per pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the difference between the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), there is no payment calculated under this section for the district.

(4) Payments to districts shall not be made under this section. Rather, the calculations under this section shall be made and used to determine the amount of state payments under section 22b.

History: Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1620k Reduction in district's state school aid; determining maximum number of mills district may levy.

Sec. 20k. If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year so that a

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district's state school aid is reduced pursuant to section 11(3), the payments calculated under section 20j and made under section 22b shall be considered to be foundation allowance payments for the purpose of determining the maximum number of mills a district may levy under section 1211(3) of the revised school code, MCL 380.1211. However, the amount to be considered a foundation allowance payment for this purpose shall not exceed the amount reduced from the district's state aid payment as a result of the implementation of section 11(3).

History: Add. 2003, Act 158, Imd. Eff. Aug. 11, 2003.

Compiler's note: Former MCL 388.1620k, which pertained to allocations for 2000-2001, was repealed by Act 121 of 2001, Eff. Oct. 1, 2001.

388.1621, 388.1621a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to school improvement plans, annual education report, accreditation, and core curriculum; employability skills assessment programs; and allocations to districts.

388.1621b Tuition and fee support for pupil attending postsecondary institution.

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 22a or 22b to support the attendance of a district pupil at an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913.

(2) To the extent required under subsection (3), a district shall pay tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. A district also shall pay any late fees charged by an eligible postsecondary institution due to the district's failure to make a required payment according to the timetable prescribed by the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913. A district is not required to pay transportation costs, parking costs, or activity fees.

(3) A district shall pay to the eligible postsecondary institution on behalf of an eligible student an amount equal to the lesser of the amount of the eligible charges described in subsection (2) or the prorated percentage of the state portion of the foundation allowance paid or calculated, as applicable, on behalf of that eligible student under section 20, with the proration based on the proportion of the school year that the eligible student attends the postsecondary institution. A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under this section and the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and may use local school operating revenue for that purpose. An eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the district is required to pay under this section and the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and that are not paid by the district. As used in this subsection, “local school operating revenue” means that term as defined in section 20.

(4) As used in this section, “eligible course”, “eligible student”, and “eligible postsecondary institution” mean those terms as defined in section 3 of the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903, as applicable.

History: Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1996, Act 161, Eff. July 1, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

388.1621c Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to counting certain funds and payments for purposes of MCL 388.1621(5).

388.1621d Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to reorganization planning grant.

388.1621e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to allocations to districts.

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388.1622 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to allocations to districts.

388.1622a Allocation for 2008-2009; payments to districts, university schools, and public school academies; definitions.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $5,951,000,000.00 for 2007-2008 and an amount not to exceed $6,092,000,000.00 for 2008-2009 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than $6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus $6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy or qualifying university school, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy, or to the board of the public university operating the qualifying university school, an amount equal to the 1994-95 per pupil payment to the qualifying public school academy or qualifying university school under section 20.

(4) A district, qualifying university school, or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district, qualifying university school, or qualifying public school academy otherwise would be eligible.

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

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(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

(b) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than $6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(f) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(g) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(h) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, industrial personal property, or commercial personal property.

(i) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(j) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(k) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

(*l*) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(n) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(*i*) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property for the calendar year ending in the current state fiscal year.

(*ii*) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

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Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1622b Allocations for 2007-2008 and 2008-2009; discretionary nonmandated payments; duties of district; purchase of software; payments for litigation costs; allegation of unfunded constitutional requirement; escrowed funds as work project; purpose; determination; review of claim by local claims review board; removal to court of appeals; payment provisions.

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed $3,683,275,000.00 for 2007-2008 and an amount not to exceed $3,796,750,000.00 for 2008-2009 for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

(3) In order to receive an allocation under this section, each district shall do all of the following:

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

(4) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(5) From the allocation in subsection (1), the department shall pay up to $1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(6) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an

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unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(7) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (6) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(8) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds $10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(9) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(10) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $2,845,000,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

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"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units

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of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1622c Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: The repealed section pertained to equity payments to certain districts.

388.1622d Geographically isolated districts; payments; spending plan; eligibility.

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed $2,025,000.00 is allocated for 2008-2009 for additional payments to small, geographically isolated districts under this section.

(2) From the allocation under subsection (1), there is allocated for 2008-2009 an amount not to exceed $750,000.00 for payments under this subsection to districts that meet all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

(c) Each school building operated by the district meets at least 1 of the following:

(*i*) Is located in the Upper Peninsula at least 30 miles from any other public school building.

(*ii*) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under subsection (2) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for 2008-2009 an amount not to exceed $1,275,000.00 for payments under this subsection to districts that meet all of the following:

(a) The district has 5.0 or fewer pupils per square mile as determined by the department.

(b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts that have consolidated transportation services and have a combined total square mileage greater than 200.0.

(5) The funds allocated under subsection (4) shall be allocated on an equal per pupil basis.

(6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).

History: Add. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

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Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1622e Additional funding to eligible districts.

Sec. 22e. (1) Beginning in 2008-2009, an amount will be allocated each fiscal year from the appropriation in section 11 for additional payments under this section to districts that meet the eligibility requirements under subsection (2). For 2008-2009, there is allocated for this purpose from the appropriation in section 11 an amount not to exceed $1,300,000.00.

(2) To be eligible for a payment under this section, a district must be determined by the department and the department of treasury to meet all of the following:

(a) The district levies 1 of the following operating millage amounts:

(*i*) All of the operating millage it is authorized to levy under section 1211 of the revised school code, MCL 380.1211.

(*ii*) The amount of operating millage it is authorized to levy after a voluntary reduction of its operating millage rate adopted by the board of the district.

(*iii*) The amount of operating millage it is authorized to levy after a millage reduction required under the limitation of section 31 of article IX of the state constitution of 1963, if a ballot question asking for approval to levy millage in excess of the limitation has been rejected in the district.

(b) The district receives a reduced amount of local school operating revenue under section 1211 of the revised school code, MCL 380.1211, as a result of the exemptions of industrial personal property and commercial personal property that were enacted in 2007 PA 37.

(c) The district does not receive any state portion of its foundation allowance, as calculated under section 20(4).

(3) The amount of the additional funding to each eligible district under this section is the sum of the following and shall be paid to the eligible districts in the same manner as payments under section 22b:

(a) The product of the taxable value of the district's industrial personal property for the calendar year ending in the fiscal year multiplied by the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(b) The product of the taxable value of the district's commercial personal property for the calendar year ending in the fiscal year multiplied by the lesser of 12 mills or the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

History: Add. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1623 Instructional program operated by public university.

Sec. 23. (1) An instructional program operated under this section by a public university for pupils in grades K-6, 6-8, or 9-12, or a combination of those grades, may be funded under this act as a district if all of the following requirements are met:

(a) The public university has submitted an application under this section, or submitted an application to the department in a prior fiscal year under former section 23c, in the form and manner prescribed by the department. The application shall include, or have included, at least all of the following:

(*i*) Identification of the proposed grade levels for which the university plans to operate an instructional program.

(*ii*) Identification of the districts from which pupils would be eligible to attend the instructional program.

(*iii*) A description of the process for the random selection of pupils for enrollment.

(*iv*) A description of the proposed curriculum features that would be given highest priority in the instructional program.

(b) The instructional program complies with the requirements of sections 1204a, 1277, 1278, and 1280 of

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the revised school code, MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred to as "public act 25 of 1990".

(2) An instructional program operated under this section is eligible in the same manner as a district or public school academy for all applicable categorical and federal aid.

(3) An employee of a public university employed in an instructional program operated under this section is not an employee of a school district for purposes of 1937 (Ex Sess) PA 4, MCL 38.71 to 38.191.

(4) An employee of a public university employed in an instructional program operated under this section is not eligible to be a member of the public school employees retirement system established by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, unless other employees of the university are eligible for membership in that retirement system.

History: Add. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

Compiler's note: Former MCL 388.1623, which pertained to funding districts eligible for state school aid under MCL 388.1631, 388.1636, and 388.1646, was repealed by Act 197 of 1989, Eff. Oct. 1, 1989.

388.1623a-388.1623c Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to schools of choice, grants for "tec-choices" programs, and grants to public universities.

388.1623d Repealed. 1994, Act 360, Eff. June 30, 1995;—1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to alternative public school established and operated by intermediate school district.

388.1623e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to prohibited funding to public school academies.

388.1624 Allocations for 2008-2009; payments for educating students assigned by court or department of human services; definitions; funding for department-approved on-grounds educational program; special education pupils funded under MCL 388.1653a.

Sec. 24. (1) From the appropriation in section 11, there is allocated for 2008-2009 an amount not to exceed $8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) The total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services or the department of labor and economic growth and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

(4) Special education pupils funded under section 53a shall not be funded under this section.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am.

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1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Subsection (3) of Sec. 24, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Subsection (3) of Sec. 24, as amended by Act 212 of 1986, reads as follows:

"(3) Special education pupils funded under section 53 shall not be counted under this section."

In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... ."

In subsection (2), as amended by Act 297 of 2000, the last sentence "In addition, a district or intermediate district that received funds under this subsection for 1998-99 for an on-grounds educational program that is longer than 181 days but not longer than 233 days shall continue to receive funds under this section for subsequent fiscal years for that program" was vetoed by the governor July 26, 2000.

In the first and second sentences of subsection (1), as amended by Act 121 of 2001, the phrases "and for 2002-2003" and "and $8,900,000.00 for 2002-2003" were vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1624a Allocations for 2008-2009; payments to intermediate districts for pupils placed in juvenile justice service facilities.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed $2,828,500.00 for 2008-2009 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008

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Compiler's note: Former MCL 388.1624a, which pertained to counting pupils residing in nonoperating districts attached to operating districts, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1624b Parents or legal guardian residing in different districts; enrollment of child.

Sec. 24b. For the purposes of this act, without regard to whether a parent or legal guardian has custody of the child, if a child's parents, or a child's parent or parents and the child's legal guardian, reside in different districts and if the child meets the applicable age requirements, the child may enroll in a district in which either of the child's parents resides, or in which the child's legal guardian resides. When a child described in this section enrolls in a district under this section, that district is the child's district of residence for the purposes of this act.

History: Add. 1996, Act 372, Eff. Sept. 1, 1996.

388.1624c Allocations for 2008-2009; payments to districts for pupils enrolled in youth challenge program.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed $1,284,600.00 for 2008-2009 for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is located within the district and is administered by the department of military and veterans affairs. A district receiving payments under this section shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008

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Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1625 Enrollment of expelled pupil enrolled in alternative education program or strict discipline academy; report; payment; information provided to department and district.

Sec. 25. If a pupil is enrolled in an alternative education program operated by an intermediate district or district for the purpose of educating pupils who have been expelled from school or referred from the court, or is enrolled in a strict discipline academy for pupils who have been expelled or suspended from school as described in section 1311g of the revised school code, MCL 380.1311g, and if the pupil is counted in membership in another intermediate district or district, the intermediate district or district operating the program or the strict discipline academy shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in

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membership shall pay to the intermediate district or district operating the program or to the strict discipline academy an amount equal to the amount of the foundation allowance or per pupil payment as calculated under section 20 for the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the alternative education program or strict discipline academy compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4). If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the intermediate district or district operating the alternative education program or to the strict discipline academy. The district in which the pupil is counted in membership and the intermediate district or district operating the alternative education program or strict discipline academy shall provide to the department all information the department requires to enforce this section.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2005, Act 155, Eff. Oct. 1, 2005.

Compiler's note: Former MCL 388.1625, which pertained to allocations to districts with nonschool operating property taxes, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

388.1625a Payment of amount to educating district; information provided by district in which pupil counted in membership and educating district.

Sec. 25a. If a pupil described in section 6(6)(f) enrolls pursuant to section 6(6)(f) during a school year in a district other than the district in which the pupil is counted in membership, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance received by the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

History: Add. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1625b Applicability of section to educating district not first class; conditions; “educating district” defined.

Sec. 25b. (1) This section applies to an educating district's enrollment of a pupil if the educating district is not a school district of the first class and if all of the following apply:

(a) The pupil transfers from 1 of 3 other districts specified by the educating district and enrolls in the educating district after the pupil membership count day.

(b) Due to the pupil's enrollment status as of the pupil membership count day, the pupil was counted in membership in the district from which he or she transfers.

(c) The pupil was a resident of the educating district on the pupil membership count day or met other eligibility criteria under section 6(4) or (6) to be counted in membership in the educating district if the pupil had been enrolled in the educating district on the pupil membership count day.

(d) The total number of pupils enrolled in the district who are described in subdivisions (a), (b), and (c) and who transfer from 1 of the 3 other districts specified by the educating district is at least equal to the greater of

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25 or 1% of the educating district's membership.

(2) If the conditions specified in subsection (1) are met, and a pupil transfers from 1 of the 3 other specified districts described in subsection (1)(d) and enrolls during a school year in the educating district, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance or per pupil payment as calculated under section 20 for the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4). If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

(3) In determining the total amount a district owes to the educating district under this section, regardless of whether that district is otherwise eligible for payment from the educating district under this section, the district may calculate and subtract from the amount owed, using the calculation described in subsection (1), any amount applicable to pupils who transfer to that district from the educating district and meet the requirements of subsection (1)(a) to (c).

(4) As used in this section, "educating district" means the district in which a pupil enrolls after the pupil membership count day as described in subsection (1).

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1625c Applicability of section to educating district of first class; conditions; “educating district” defined.

Sec. 25c. (1) This section applies to an educating district's enrollment of a pupil if the educating district is a school district of the first class and if all of the following apply:

(a) The pupil transfers from another district and enrolls in the educating district after the pupil membership count day.

(b) Due to the pupil's enrollment status as of the pupil membership count day, the pupil was counted in membership in the district from which he or she transfers.

(c) The pupil was a resident of the educating district on the pupil membership count day or met other eligibility criteria under section 6(4) or (6) to be counted in membership in the educating district if the pupil had been enrolled in the educating district on the pupil membership count day.

(d) The total number of pupils enrolled in the district who are described in subdivisions (a), (b), and (c) is at least equal to 25.

(2) If the conditions specified in subsection (1) are met, and a pupil transfers from another district and enrolls during a school year in the educating district, then not later than December 31 of the next fiscal year beginning after the school year the pupil transferred the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and not later than October 31 of the second fiscal year beginning after the school year the pupil transferred the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance or per pupil payment as calculated under section 20 for the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4). If a district does not make the payment required under this section, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district

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shall provide to the department all information the department requires to enforce this section.

(3) In determining the total amount a district owes to the educating district under this section, regardless of whether that district is otherwise eligible for payment from the educating district under this section, the district may calculate and subtract from the amount owed, using the calculation described in subsection (1), any amount applicable to pupils who transfer to that district from the educating district and meet the requirements of subsection (1)(a) to (c). If, after calculating and subtracting from the amount owed by a district to the educating district under this section any amount applicable to pupils who transfer to that district from the educating district and meet the requirements of subsection (1)(a) to (c), it is determined that the educating district owes funds to the district, the educating district shall pay those funds to the district in the same manner as provided under subsection (2).

(4) As used in this section, "educating district" means the district in which a pupil enrolls after the pupil membership count day as described in subsection (1).

History: Add. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1626 Receipt or reduction of funds by district or intermediate district.

Sec. 26. A district or intermediate district receiving money pursuant to 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, shall have its funds received under section 22b, 56, or 62 reduced by an amount equal to the added local money.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 25, Imd. Eff. Apr. 5, 1983;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1990, Act 355, Imd. Eff. Dec. 26, 1990;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1626a Reimbursements to districts, intermediate districts, and school aid fund pursuant to MCL 125.2692; time of allocations.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed $41,400,000.00 for 2008-2009, and from the general fund appropriation in section 11, there is allocated an amount not to exceed $16,100,000.00 for 2008-2009 to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2008. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

History: Add. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2003, Act 236, Imd. Eff. Dec. 29, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503,

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Imd. Eff. July 18, 2002.

Enacting section 1 of Act 236 of 2003 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2003 PA 158 and 2002 PA 521 from state sources for fiscal year 2003-2004 is estimated at $11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at $11,274,332,800.00."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1626b Payments in lieu of tax obligation pursuant to MCL 324.2154; payments to districts, intermediate districts, and community college districts.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for 2008-2009 an amount not to exceed $3,400,000.00 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible districts, intermediate districts, and community college districts.

History: Add. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1627, 388.1628 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to allocations to districts and districts in which military air bases are closed.

388.1628a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to transitional allocations to closed federal military installations.

388.1629 Declining enrollment assistance; payments to eligible districts; "average pupil

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membership" defined.

Sec. 29. (1) From the appropriation in section 11, there is allocated an amount not to exceed $20,000,000.00 each fiscal year for 2007-2008 and for 2008-2009 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 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 section 6(4)(y) or 22d(2).

(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.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Imd. Eff. Aug. 6, 2008.

Compiler's note: Former MCL 388.1629, which pertained to foreign born pupils, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

ARTICLE 3

388.1631 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to comprehensive compensatory education programs.

388.1631a Funding to eligible districts and public school academies; additional allowance; early intervening program; number of pupils meeting criteria for free breakfast, lunch, or milk; "at-risk pupil" defined.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2008-2009 an amount not to exceed $320,350,000.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined

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under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6) or (7), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), or (7). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 15% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) Except as otherwise provided in subsection (12), a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for 2008-2009 an amount not to exceed $4,743,000.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. Beginning in 2004-2005, to continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee

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and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for 2008-2009 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(9) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(10) Subject to subsections (5), (6), (7), (12), and (13), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (12), and (13), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

(11) A district or public school academy may use funds received under this section for adult high school completion, general educational development (G.E.D.) test preparation, adult English as a second language, or adult basic education programs described in section 107.

(12) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(13) A district or public school academy that receives funds under this section may use funds it receives

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under this section to implement and operate an early intervening program for pupils in grades K to 3 that meets either or both of the following:

(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(14) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(16) A district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(17) A district that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 75% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), the district receives an adjustment under section 20(19), and the district does not receive any state portion of its foundation allowance as calculated under section 20. A district that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(18) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also

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includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 593, Imd. Eff. Jan. 5, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 121, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003 an amount not to exceed $319,095,200.00” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1631b Repealed. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: The repealed section pertained to amounts appropriated for costs relating to enrollment in prekindergarten, development kindergarten, or similar class.

388.1631c Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed section pertained to pupils whose parent or parents are incarcerated.

388.1631d Reimbursement to districts providing school lunch programs.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $22,495,100.00 for 2008-2009 for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch

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programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed $10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for 2008-2009 all available federal funding, estimated at $330,000,000.00, for the national school lunch program and all available federal funding, estimated at $2,506,000.00, for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

History: Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1631e Repealed. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: The repealed section pertained to reimbursement for cost of providing breakfast.

388.1631f Breakfast program costs; reimbursement payments.

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed $9,625,000.00 for 2008-2009 for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

(2) The funds allocated under this section for school breakfast programs shall be made available to all eligible applicant districts that meet all of the following criteria:

(a) The district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 220 and 245.

(b) Each breakfast eligible for payment meets the federal standards described in subdivision (a).

(3) The payment for a district under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of the statewide average cost of a breakfast served, as determined and approved by the

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department, less federal reimbursement, participant payments, and other state reimbursement. The statewide average cost shall be determined by the department using costs as reported in a manner approved by the department for the preceding school year.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

History: Add. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1632 Repealed. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: The repealed section pertained to additional state school aid fund revenue.

388.1632a Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to funding for all students achieve program.

388.1632b Early childhood investment corporation; grants.

Sec. 32b. (1) From the funds appropriated under section 11, there is allocated an amount not to exceed $6,750,000.00 for 2008-2009 for competitive grants to intermediate districts for the creation and continuance of great start communities or other community purposes as identified by the early childhood investment corporation. These dollars may not be expended until both of the following conditions have been met:

(a) The early childhood investment corporation has identified matching dollars of at least an amount equal to the amount of the matching dollars for 2006-2007.

(b) The executive committee shall consist of 4 members appointed by the governor. The governor shall appoint 1 member from among nominees submitted by the senate majority leader, 1 member from among nominees submitted by the senate minority leader, 1 member from among nominees submitted by the speaker of the house of representatives, and 1 member from among nominees submitted by the minority leader of the house of representatives. The governor shall appoint these members not later than 60 days after the convening of the legislative session in each odd-numbered year. A member shall serve on the executive committee through that regular legislative session unless he or she voluntarily resigns or is otherwise unable to serve. When a vacancy occurs as a result of a voluntary resignation or inability to serve, the governor shall make an appointment to fill that vacancy in the same manner as the original appointment not later than 60 days after the date the vacancy occurs.

(2) The early childhood investment corporation shall award grants to eligible intermediate districts in an amount to be determined by the corporation.

(3) In order to receive funding, each intermediate district applicant shall agree to convene local great start collaboratives to address the availability of the 6 components of a great start system in its communities: physical health, social-emotional health, family supports, basic needs, economic stability and safety, and parenting education and early education and care, to ensure that every child in the community is ready for kindergarten. Specifically, each grant will fund the following:

(a) The completion of a community needs assessment and strategic plan for the creation of a comprehensive system of early childhood services and supports, accessible to all children from birth to kindergarten and their families.

(b) Identification of local resources and services for children with disabilities, developmental delays, or special needs and their families.

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(c) Coordination and expansion of high-quality early childhood and childcare programs.

(d) Evaluation of local programs.

(4) Not later than December 1 of each fiscal year, for the grants awarded under this section for the immediately preceding fiscal year, the department shall provide to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report detailing the amount of each grant awarded under this section, the grant recipients, the activities funded by each grant under this section, and an analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(5) An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

(6) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008 .

Compiler's note: Former MCL 388.1632b, which pertained to school readiness and parenting skills programs, was repealed by Act 351 of 2004, Eff. Oct. 1, 2004.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1632c Grants for community-based collaborative prevention services; distribution of funds through joint request for proposals process; requirements; agreement; report.

Sec. 32c. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed $2,125,000.00 for 2008-2009 to the department for grants for community-based collaborative prevention services designed to foster positive parenting skills; improve parent/child interaction, especially for children 0-3 years of age; promote access to needed community services; increase local capacity to serve families at risk; improve school readiness; and support healthy family environments that discourage alcohol, tobacco, and other drug use. The allocation under this section is to fund secondary prevention programs as defined by the children's trust fund for the prevention of child abuse and neglect.

(2) The funds allocated under subsection (1) shall be distributed through a joint request for proposals process established by the department in conjunction with the children's trust fund and the interagency director's workgroup. Projects funded with grants awarded under this section shall meet all of the following:

(a) Be secondary prevention initiatives and voluntary to consumers. This appropriation is not intended to serve the needs of children for whom and families in which neglect or abuse has been substantiated.

(b) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(c) Provide a 25% local match, of which not more than 10% may be in-kind services, unless this requirement is waived by the interagency director's workgroup.

(3) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(4) Not later than January 30 of the next fiscal year, the department shall prepare and submit to the governor and the legislature an annual report of outcomes achieved by the providers of the community-based collaborative prevention services funded under this section for a fiscal year.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct.

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1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

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Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1632d Great start readiness or preschool and parenting program grants; evaluation; contract; report; "employment status" defined.

Sec. 32d. (1) From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed $88,100,000.00 for 2008-2009 for great start readiness or preschool and parenting program grants to enable eligible districts, as determined under section 37, to develop or expand, in conjunction with whatever federal funds may be available to the district and its community, including, but not limited to, federal funds under title I of the elementary and secondary education act of 1965, 20 USC 6301 to 6578, chapter 1 of title I of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, and the head start act, 42 USC 9831 to 9852, part-day or full-day comprehensive compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988. To the extent allowable under federal law, a district shall not use funds received under this section to supplant any federal funds received by the district or its community. For the purposes of this section, "supplant" means to serve children eligible for a federally funded existing preschool program that has capacity to serve those children.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by a district for programs described in this subdivision shall not exceed the lesser of the amount spent by the district under this subdivision for 2006-2007 or the amount spent under this subdivision in any subsequent fiscal year.

(2) A comprehensive free compensatory program funded under this section shall include an age-appropriate educational curriculum, as described in the early childhood standards of quality for prekindergarten children adopted by the state board, that prepares children for success in school, including language, early literacy, and early mathematics. In addition, the comprehensive program shall include nutritional services, health and developmental screening as described in the early childhood standards of quality for prekindergarten for participating children, a plan for parent and legal guardian involvement, and provision of referral services for families eligible for community social services.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed $279,100.00 for 2008-2009 for a competitive grant to continue a longitudinal evaluation of children who have participated in the great start readiness program.

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(4) A district receiving a grant under this section may contract with for-profit or nonprofit preschool center providers that meet all provisions of the early childhood standards of quality for prekindergarten children adopted by the state board for the provision of the comprehensive compensatory 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 of the program.

(5) A district receiving funds under this section shall report to the department on the midyear report the number of children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g) and the total number of children participating in the program. For children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g), districts shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In the first and last sentences of subsection (1), as amended by Act 121 of 2001, the phrases “and 2002-2003” and “and for 2002-2003” were vetoed by the governor September 28, 2001.

In subsection (2), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1632e Repealed. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: The repealed section pertained to funding under MCL 388.1632d.

388.1632f Repealed. 2005, Act 155, Eff. Oct. 1, 2005.

Compiler's note: The repealed section pertained to read, education, and develop youth kits.

388.1632g, 388.1632h Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

Compiler's note: The repealed sections pertained to summer school instruction and counseling services.

388.1632i Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to May 2002 revenue estimating conference.

388.1632j Programs for parents with young children.

Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount not to exceed

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$5,000,000.00 for 2008-2009 for great parents, great start grants to intermediate districts to provide programs for parents with young children. The purpose of these programs is to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster the maintenance of stable families by encouraging positive parenting skills.

(2) To qualify for funding under this section, a program shall provide services to all families with children age 5 or younger residing within the intermediate district who choose to participate, including at least all of the following services:

(a) Providing parents with information on child development from birth to age 5.

(b) Providing parents with methods to enhance parent-child interaction that promote social and emotional development and age-appropriate language, mathematics, and early reading skills for young children; including, but not limited to, encouraging parents to read to their preschool children at least 1/2 hour per day.

(c) Providing parents with examples of learning opportunities to promote intellectual, physical, and social growth of young children, including the acquisition of age-appropriate language, mathematics, and early reading skills.

(d) Promoting access to needed community services through a community-school-home partnership.

(3) To receive a grant under this section, an intermediate district shall submit a plan to the department not later than October 15, 2008 in the form and manner prescribed by the department. The plan shall do all of the following in a manner prescribed by the department:

(a) Provide a plan for the delivery of the program components described in subsection (2) that targets resources based on family need and provides for educators trained in child development to help parents understand their role in their child's developmental process, thereby promoting school readiness and mitigating the need for special education services.

(b) Demonstrate an adequate collaboration of local entities involved in providing programs and services for preschool children and their parents and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(c) Provide a projected budget for the program to be funded. The intermediate district shall provide at least a 20% local match from local public or private resources for the funds received under this section. Not more than 1/2 of this matching requirement, up to a total of 10% of the total project budget, may be satisfied through in-kind services provided by participating providers of programs or services. In addition, not more than 10% of the grant may be used for program administration.

(4) Each intermediate district receiving a grant under this section shall agree to include a data collection system approved by the department. The data collection system shall provide a report by October 15 of each year on the number of children in families with income below 200% of the federal poverty level that received services under this program and the total number of children who received services under this program.

(5) The department or superintendent, as applicable, shall do all of the following:

(a) The superintendent shall approve or disapprove the plans and notify the intermediate district of that decision not later than November 15, 2008. The amount allocated to each intermediate district shall be at least an amount equal to 100% of the intermediate district's 2007-2008 payment under this section.

(b) The department shall ensure that all programs funded under this section utilize the most current validated research-based methods and curriculum for providing the program components described in subsection (2).

(c) The department shall submit a report to the state budget director and the senate and house fiscal agencies summarizing the data collection reports described in subsection (4) by December 1 of each year.

(6) An intermediate district receiving funds under this section shall use the funds only for the program funded under this section. An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

History: Add. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 337, Imd. Eff. Sept. 23, 2004;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00

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and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1632k Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: The repealed section pertained to before- or after-school programs.

388.1632*l* Competitive great start readiness program grants.

Sec. 32*l*. (1) From the general fund money appropriated in section 11, there is allocated for 2008-2009 an amount not to exceed $15,150,000.00 for competitive great start readiness program grants for the purposes of preparing children for success in school, through comprehensive part-day or full-day programs that include language, early literacy, early mathematics, nutritional services, and health and developmental screening, as described in the early childhood standards of quality for prekindergarten for participating children; a plan for parent and legal guardian involvement; and provision of referral services for families eligible for community social services. These grants shall be made available through a competitive application process as follows:

(a) Any public or private nonprofit legal entity or agency may apply for a grant under this section. However, a district or intermediate district may not apply for a grant under this section unless the district or intermediate district is acting as a local grantee for the federal head start program operating under the head start act, 42 USC 9831 to 9852.

(b) An applicant shall submit an application in the form and manner prescribed by the department.

(c) The department shall establish a diverse interagency committee to review the applications. The committee shall be composed of representatives of the department, appropriate community, volunteer, and social service agencies and organizations, and parents.

(d) The superintendent shall award the grants and shall give priority for awarding the grants based upon the following criteria:

(*i*) Compliance with the state board-approved early childhood standards of quality for prekindergarten.

(*ii*) Active and continuous involvement of the parents or guardians of the children participating in the program.

(*iii*) Employment of teachers possessing proper training, including a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential (CDA), or the equivalent from another state, or a bachelor's degree in child development with a specialization in preschool teaching. However, both of the following apply to this subparagraph:

(A) If an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the superintendent may still give priority to the applicant if the applicant will employ teachers who have significant but incomplete training in early childhood education or child development if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 4 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(B) For a subcontracted program, the department shall consider a teacher with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements under this subparagraph.

(*iv*) Employment of paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent, as approved by the state board. If an applicant demonstrates to the department that it is unable to fully comply with this subparagraph, after making reasonable efforts to comply, the superintendent of public instruction may still give priority to an applicant if the applicant will employ paraprofessionals who have completed at least 1 course in early childhood education or child development if the applicant provides to the department, and the department approves, a

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plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(*v*) Evidence of collaboration with the community of child development programs, including, but not limited to, great start readiness and head start providers, including documentation of the total number of children in the community who would meet the criteria established in subparagraph (*vii*), and who are being served by other providers, and the number of children who will remain unserved by other community early childhood programs if this program is funded.

(*vi*) The extent to which these funds will supplement other federal, state, local, or private funds.

(*vii*) The extent to which these funds will be targeted to children who will be at least 4, but less than 5, years of age as of December 1 of the year in which the programs are offered and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988.

(*viii*) The program offers or contracts with another nonprofit early childhood program to provide supplementary day care and thereby offers full-day programs as part of its early childhood development program.

(*ix*) The application contains a plan approved by the department to conduct and report annual school readiness program evaluations and continuous improvement plans using criteria approved by the department. At a minimum, the evaluations shall include a self-assessment of program quality and assessment of the gains in educational readiness and progress of the children participating in the program.

(e) An application shall demonstrate that the program has established or has joined a multidistrict, multiagency school readiness advisory committee that is involved in the planning and evaluation of the program and that provides for the involvement of parents and appropriate community, volunteer, and social service agencies and organizations. The advisory committee shall include at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The advisory committee shall do all of the following:

(*i*) Review the mechanisms and criteria used to determine referrals for participation in the great start readiness program.

(*ii*) Review the health screening program for all participants.

(*iii*) Review the nutritional services provided to all participants.

(*iv*) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(*v*) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of education disadvantage.

(*vi*) Review, evaluate, and make recommendations for changes in the school readiness program.

(*vii*) Review the agency's participation in a collaborative recruitment and enrollment process with, at a minimum, all other funded preschool programs that may serve children in the same geographic area, including school district part-day programs described under section 32d and head start programs, to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds. The collaborative recruitment and enrollment process should be established to reflect the geographic service areas of the collaborative partners. An effective process includes opportunities for families to meet with and learn about each program for which their child is eligible. A child who is income-eligible for head start must be referred to head start. If, after referral to head start, a family chooses to enroll a head-start-eligible child in the great start readiness program, a waiver indicating that the family has been informed of the child's eligibility to attend head start must be completed by the family in a form and manner determined by the department and submitted to the great start readiness program before the child may be enrolled in the great start readiness program. The great start readiness program shall retain the waiver in the child's enrollment file.

(2) To be eligible for a grant under this section, the agency must demonstrate participation in a collaborative recruitment and enrollment process with all other funded preschool programs serving children in the same geographic area to assure that each child is enrolled in the program most appropriate to his or her needs.

(3) To be eligible for a grant under this section, a program shall demonstrate that more than 50% of the children participating in the program live with families with a household income that is less than or equal to 300% of the federal poverty level.

(4) The superintendent may award grants under this section at whatever level the superintendent determines appropriate. However, the amount of a grant under this section, when combined with other sources

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of state revenue for this program, shall not exceed $3,400.00 per participating child or the cost of the program, whichever is less.

(5) For a grant recipient that enrolls pupils in a full-day program funded under this section, each child enrolled in the full-day program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a full-day program. As used in this subsection, "full-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a full-day program must enroll all children for the full day to be considered a full-day program.

(6) Except as otherwise provided in this subsection, an applicant that received a new grant under this section for 2007-2008 shall also receive priority for funding under this section for 2008-2009 and 2009-2010. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new programs and other programs completing their third year. All grant awards under this section are contingent on the availability of funds and documented evidence of grantee compliance with early childhood standards of quality for prekindergarten, as approved by the state board, and with all operational, fiscal, administrative, and other program requirements.

(7) Notwithstanding section 17b, payments to eligible entities under this section shall be paid on a schedule and in a manner determined by the department.

History: Add. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007 ;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1632m Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed section pertained to providing preschool children with a book each month.

388.1632n Statewide before- or after-school program for children and youth.

Sec. 32n. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $0.00 for a statewide before- or after-school program for children and youth. Before-school programs are limited to school-aged children. This allocation will be distributed through grants to counties based upon demonstrated need. A single county shall not receive any more than 20% of the total allocation. The department shall give priority for distribution of this funding to programs that have secured additional governmental and nongovernmental matching funds.

(2) The department shall share the administrative duties of operating this program with the department of human services, department of community health, department of history, arts, and libraries, and department of labor and economic growth.

(3) Funding priority in subsection (1) shall be reserved for programs that use a curriculum focused upon improving academic performance and healthy behavior, including abstinence from abuse of alcohol and illegal drugs.

History: Add. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

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388.1633 Repealed. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: The repealed section pertained to allocation to assist in transition from governance by a school reform board to governance by an elected school board.

388.1634 Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed section pertained to appropriation of funds for 2006-2007.

388.1634a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to achievement incentive grants.

388.1635 Repealed. 2001, Act 121, Imd. Eff. Sept. 28, 2001.

Compiler's note: The repealed section pertained to family opportunity project.

388.1636, 388.1636a Repealed. 2000, Act 297, Eff. Oct. 1, 2000.

Compiler's note: The repealed sections pertained to comprehensive compensatory programs to improve readiness and achievement of educationally disadvantaged children, and grants for community based collaborative prevention services.

388.1637 Eligibility of district for allocation under MCL 388.1632d; preapplication; final application; consortium; submission of resolution showing certain risk factors.

Sec. 37. (1) A district is eligible for an allocation under section 32d if the district meets all of the requirements in subsections (2), (3), and (4).

(2) The district shall submit a preapplication, in a manner and on forms prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(3) The district shall submit a final application for approval, in a manner and on forms prescribed by the department, by a date specified by the department. The final application shall indicate all of the following that apply:

(a) The district complies with the state board approved early childhood standards of quality for prekindergarten.

(b) The district provides for the active and continuous participation of parents or guardians of the children in the program, and describes the district's participation plan as part of the application.

(c) The district only employs for this program the following:

(*i*) Teachers possessing proper training. For programs the district manages itself, a valid teaching certificate and an early childhood (ZA) endorsement are required. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation a teacher must have a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential, or a bachelor’s degree in child development with specialization in preschool teaching. However, both of the following apply to this subparagraph:

(A) If a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be employed by the district if the district provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 4 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(B) For a subcontracted program, the department shall consider a teacher with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements under this subparagraph.

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(*ii*) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent as approved by the state board. However, if a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the district may employ paraprofessionals who have completed at least 1 course in early childhood education or child development if the district provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) The district has submitted for approval a program budget that includes only those costs not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. If children other than those determined to be educationally disadvantaged participate in the program, state reimbursement under section 32d shall be limited to the portion of approved costs attributable to educationally disadvantaged children.

(e) The district has established or has joined a multidistrict, multiagency, school readiness advisory committee consisting of, at a minimum, classroom teachers for prekindergarten, kindergarten, and first grade; parents or guardians of program participants; representatives from appropriate community agencies and organizations; the district curriculum director or equivalent administrator; and, if feasible, a school psychologist, school social worker, or school counselor. In addition, there shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(*i*) Ensure the ongoing articulation of the early childhood, kindergarten, and first grade programs offered by the district or districts.

(*ii*) Review the mechanisms and criteria used to determine participation in the early childhood program.

(*iii*) Review the health screening program for all participants.

(*iv*) Review the nutritional services provided to program participants.

(*v*) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(*vi*) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of educational disadvantage. The district must participate in a collaborative recruitment and enrollment process with, at a minimum, all other funded preschool programs that may serve children in the same geographic area, including the competitive programs described under section 32*l* and head start programs, to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds. The collaborative recruitment and enrollment process should be established to reflect the geographic service areas of the collaborative partners. An effective process includes opportunities for families to meet with and learn about each program for which their child is eligible. A child who is income-eligible for head start must be referred to head start. If, after referral to head start, a family chooses to enroll a head-start-eligible child in the great start readiness program, a waiver indicating that the family has been informed of the child's eligibility to attend head start must be completed by the family in a form and manner determined by the department and submitted to the great start readiness program before the child may be enrolled in the great start readiness program. The great start readiness program shall retain the waiver in the child's enrollment file.

(*vii*) Review, evaluate, and make recommendations to a local school readiness program or programs for changes to the great start readiness program.

(f) The district has submitted for departmental approval a plan to conduct and report annual great start readiness program evaluations and continuous improvement plans using criteria approved by the department. At a minimum, the evaluations shall include a self-assessment of program quality and assessment of the gains in educational readiness and progress of the children participating in the program.

(g) More than 50% of the children participating in the program live with families with a household income that is equal to or less than 300% of the federal poverty level.

(h) The district must demonstrate participation in a collaborative recruitment and enrollment process with all other funded preschool programs serving children in the same geographic area to assure that each child is enrolled in the program most appropriate to his or her needs.

(4) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a single fiscal agent for the allocation. A district or intermediate district may administer a consortium described in this subsection. A consortium shall submit a single preapplication and application for the children to be served, regardless of the number of districts participating in the consortium. The consortium may decide, with approval of all consortium members, to serve numbers of children based on the allocation to

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each district or based on the allocation to the entire consortium, allowing children residing in any district in the consortium to be served by the consortium at any location.

(5) With the final application, an applicant district shall submit to the department a resolution adopted by its board certifying the number of 4-year-old children who show evidence of risk factors as described in section 32d who live with families with a household income that is less than or equal to 300% of the federal poverty level.

History: Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.

"Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1637a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to conditions in which requirements of MCL 388.1637(h) are considered met.

388.1638 Number of prekindergarten children in need of special readiness assistance; calculation.

Sec. 38. The number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each district in the following manner: one-half of the percentage of the district's pupils in grades 1-5 who are eligible for free lunch, as determined by the district's October count in the school year 2 years before the fiscal year for which the calculation is made under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, as reported to the department not later than December 31 of the fiscal year 2 years before the fiscal year for which the calculation is made, shall be multiplied by the average kindergarten enrollment of the district on the pupil membership count day of the 2 immediately preceding years.

History: Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

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388.1639 Allocation to eligible district under MCL 388.1632d; distribution in decreasing order of concentration of eligible children; maximum allocation; priority in funding; contingency; supplementary day care; district with 315 or more eligible pupils; additional eligible children; "part-day program" and "full-day program" defined.

Sec. 39. (1) Beginning in 2008-2009, the initial allocation for each fiscal year to each eligible district under section 32d shall be determined by multiplying the number of children determined in section 38 or the number of children the district indicates it will be able to serve under section 37(2)(c), whichever is less, by $3,400.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38. If the number of children a district indicates it will be able to serve under section 37(2)(c) includes children able to be served in a full-day program, then the number able to be served in a full-day program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined in section 38 and the number of children the district indicates it will be able to serve under section 37(2)(c) and determining the amount of the initial allocation to the district under section 32d. A district may contract with a head start agency to serve children enrolled in head start with a full-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(2) If funds appropriated in section 32d remain after the initial allocation under subsection (1), the allocation under this subsection shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by section 38. The allocation shall be determined by multiplying the number of children each eligible district served in the immediately preceding fiscal year or the number of children the district indicates it will be able to serve under section 37(2)(c), whichever is less, minus the number of children for which the district received funding in subsection (1) by $3,400.00.

(3) If funds appropriated in section 32d remain after the allocations under subsections (1) and (2), remaining funds shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by section 38. If the number of children the district indicates it will be able to serve under section 37(2)(c) exceeds the number of children for which funds have been received under subsections (1) and (2), the allocation under this subsection shall be determined by multiplying the number of children the district indicates it will be able to serve under section 37(2)(c) less the number of children for which funds have been received under subsections (1) and (2) by $3,400.00 until the funds allocated in section 32d are distributed.

(4) If a district is participating in a program under section 32d for the first year, the maximum allocation under this section is 32 multiplied by $3,400.00.

(5) A district that received funds under this section in at least 1 of the 2 immediately preceding fiscal years shall receive priority in funding over other eligible districts. However, funding beyond 3 state fiscal years is contingent upon the availability of funds and documented evidence satisfactory to the department of compliance with all operational, fiscal, administrative, and other program requirements.

(6) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under this section over other eligible districts other than those districts funded under subsection (5).

(7) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 32d.

(8) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the great start readiness program without additional funds under this section, the district may include additional eligible children but shall not receive additional funding under this section for those children.

(9) For a district that enrolls pupils in a full-day program under section 32d, each child enrolled in the full-day program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the allocation under section 32d. A district's allocation shall not be increased solely on the basis of providing a full-day program.

(10) As used in this section, "part-day program" means a program that operates at least 4 days per week, 30 weeks per year, with at least 300 hours of teacher-child contact, and "full-day program" means a program that operates for at least the same length of day as the district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a full-day program must enroll all children for the full day to be considered a full-day program.

History: Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—

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Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00.”

Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1639a Allocation of federal funds; definitions.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for 2008-2009 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $752,987,500.00, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at $8,033,600.00 to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at $7,461,800.00 for the purpose of improving teaching and learning through a more effective use of technology, funded from DED-OESE, educational technology state grant funds.

(c) An amount estimated at $109,411,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(d) An amount estimated at $10,322,300.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(e) An amount estimated at $8,550,000.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(f) An amount estimated at $898,300.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(g) An amount estimated at $1,000.00 to help schools develop and implement comprehensive school reform programs, funded from DED-OESE, title I and title X, comprehensive school reform funds.

(h) An amount estimated at $517,479,800.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(i) An amount estimated at $2,152,700.00 for the purpose of providing unified family literacy programs, funded from DED-OESE, title I, even start funds.

(j) An amount estimated at $7,797,700.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(k) An amount estimated at $24,733,200.00 to promote high-quality school reading instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.

(*l*) An amount estimated at $2,849,000.00 for the purpose of implementing innovative strategies for improving student achievement, funded from DED-OESE, title VI, innovative strategies funds.

(m) An amount estimated at $35,710,100.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds. Of these funds, $50,000.00 may be used to support the Michigan after-school partnership. All of the following apply to the Michigan after-school partnership:

(*i*) The department shall collaborate with the department of human services to extend the duration of the

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Michigan after-school initiative, to be renamed the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(*ii*) Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs, representing the department and the department of human services, shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(*iii*) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department of community health. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and the governor.

(n) An amount estimated at $17,586,100.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for 2008-2009 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $32,559,700.00, for the following programs that are funded by federal grants:

(a) An amount estimated at $600,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS-center for disease control, AIDS funding.

(b) An amount estimated at $1,814,100.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at $200,000.00 for refugee children school impact grants, funded from HHS-ACF, refugee children school impact funds.

(d) An amount estimated at $1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

(e) An amount estimated at $28,500,000.00 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(3) To the extent allowed under federal law, the funds allocated under subsection (1)(h), (i), (k), and (n) may be used for 1 or more reading improvement programs that meet at least 1 of the following:

(a) A research-based, validated, structured reading program that aligns learning resources to state standards and includes continuous assessment of pupils and individualized education plans for pupils.

(b) A mentoring program that is a research-based, validated program or a statewide 1-to-1 mentoring program and is designed to enhance the independence and life quality of pupils who are mentally impaired by providing opportunities for mentoring and integrated employment.

(c) A cognitive development program that is a research-based, validated educational service program focused on assessing and building essential cognitive and perceptual learning abilities to strengthen pupil concentration and learning.

(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.

(4) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OVAE" means the DED office of vocational and adult education.

(d) "HHS" means the United States department of health and human services.

(e) "HHS-ACF" means the HHS administration for children and families.

History: Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

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Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at $1,052,305,700.00 .00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at $1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

ARTICLE 4

388.1640 Children in need of special readiness assistance; alternative methods of determining number; review; report.

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance and shall report not later than November 15 of each even-numbered year its findings and recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the state budget director.

History: Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

388.1641 Instruction for pupils of limited English-speaking ability; allocation; reimbursement; use of funds.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed $2,800,000.00 for 2008-2009 to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act

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351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00.”

Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1641a Repealed. 2007, Act 92, Imd. Eff. Oct. 1, 2007.

Compiler's note: The repealed section pertained to instruction for pupils of limited English-speaking ability.

388.1645-388.1648 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to school health education curriculum, school dropout prevention programs, gifted and talented pupil programs, and nonresidential alternative juvenile rehabilitation programs.

ARTICLE 5

388.1651 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils with handicaps.

388.1651a Allocations for reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils eligible for special education programs; allocation of state and federal funds; reimbursement; total payment; adjustments; rights, benefits, and tenure of transferred personnel; refund; foundation allowance; order of expenditures; responsibility for added costs for pupil enrolled in public school academy which is outside intermediate school district where pupil resides.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2008-2009 an amount not to exceed $1,023,783,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to

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380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at $224,800,000.00 for 2008-2009, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 2008-2009 the amount necessary, estimated at $1,600,000.00, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department for 2008-2009 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or

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improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 for 2008-2009 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for 2007-2008 that the amounts allocated for 2007-2008 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for 2007-2008 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2007-2008 only, for a district or intermediate district whose reimbursement for 2007-2008 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated for 2008-2009 an amount not to exceed $15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall

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be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at $7,100,000.00 for 2008-2009, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) If it is determined that funds allocated under subsection (2) or (12) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (12) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsections (2), (3), and (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(15) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;

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—Am. 2004, Act 518, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 90, Imd. Eff. Apr. 4, 2006;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1651b Funding; compliance with rules.

Sec. 51b. A district or intermediate district shall not receive funds under this article unless the district or intermediate district complies with rules promulgated under article 3 of the revised school code, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996.

388.1651c Reimbursement for percentage of special education and special education transportation costs.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for 2008-2009 the amount necessary, estimated at $721,400,000.00, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before

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September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

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Enacting section 1 of 2005 PA 98 provides:

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(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

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388.1651d Federally funded special education programs; distribution; payment schedule; "DED-OSERS" defined.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for 2008-2009 all available federal funding, estimated at $74,000,000.00, for special education programs that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for 2008-2009:

(a) An amount estimated at $15,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at $14,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at $45,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States department of education office of special education and rehabilitative services.

History: Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

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For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

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Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1652 Special education programs and services; reimbursement; limitation.

Sec. 52. Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51a(1), but not to exceed 75% of the total approved costs of operating special education programs and services approved by the department and included or applying for inclusion in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, for special education pupils other than those programs funded under section 53a, and of the costs of summer programs and services and the costs of providing room and board for special education pupils, as approved by the department. If the state financed proportion of reimbursement of the necessary costs of a special education activity or service required by article 3 of the revised school code, MCL 380.1701 to 380.1766, which is in addition to or different from the special education activities or services required under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state financed proportion of the necessary costs of that activity or service in 1978-79, the portion of the amount appropriated shall be increased to reimburse that activity or service accordingly.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

388.1653 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to special education programs and services.

388.1653a Special education programs and services; reimbursement of total approved costs; limitation; costs of transportation; allocation.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20, and minus the amount calculated for the district under section 20j. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and under section 20j.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not

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reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $12,800,000.00 of the allocation for 2008-2009 in section 51a(1) shall be allocated under this section.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1653a, which pertained to competitive contract bidding process to provide education services to emotionally impaired pupils, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1654 Intermediate district to receive amount for pupil attending Michigan schools for the deaf and blind.

Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than $1,688,000.00 of the allocation for 2008-2009 in section 51a(1) shall be allocated under this section.

History: Add. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00."

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Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1654a Lending library at central Michigan university.

Sec. 54a. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $100,000.00 for 2008-2009 to the lending library located at central Michigan university from which districts and intermediate districts can borrow assessment materials designed specifically for children with severe loss of vision or hearing, severe cognitive or motor disabilities, or multiple disabilities and for children who require the most specialized types of psychological and educational assessment.

(2) The lending library shall make test assessment materials available through borrowing to districts and intermediate districts. The lending library shall also provide information about the lending library at meetings and conferences for school personnel and shall develop a website to describe the services offered by the lending library. The lending library also shall mail information about the services offered by the lending library to all districts and intermediate districts.

History: Add. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007 ;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1654b Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: The repealed section pertained to a conductive learning center.

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388.1654c Availability of Newsline electronically.

Sec. 54c. From the general fund appropriation in section 11, there is allocated to the department an amount not to exceed $80,000.00 each fiscal year for 2007-2008 and for 2008-2009 for the department to make Newsline available electronically on a statewide basis for persons who are visually impaired.

History: Add. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Imd. Eff. Aug. 6, 2008.

Compiler's note: Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1655 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to allocation to west Michigan center for autism spectrum disorders at Grand Valley state university.

388.1656 Definitions; reimbursement to intermediate districts levying millages for special education; limitation; distribution plan; computation.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed $36,881,100.00 for 2008-2009 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2007-2008 shall be made in 2008-2009 at an amount per 2007-2008 membership pupil computed by subtracting from $172,800.00 the 2007-2008 taxable value behind each membership pupil and multiplying the resulting difference by the 2007-2008 millage levied.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to

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local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1657 Advanced and accelerated students; grants.

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed $285,000.00 for 2008-2009 for grants to intermediate districts for advanced and accelerated students.

(2) To qualify for funding under this section, a grant recipient shall support part of the cost of summer institutes for advanced and accelerated students and, to the extent the funding allows, provide comprehensive programs for advanced and accelerated pupils.

(3) Except as otherwise provided in this subsection, the amount of a single grant award under this section shall not exceed $5,000.00. Intermediate districts may form a consortium, and that consortium may receive a maximum grant amount of $5,000.00 for each participant intermediate district. Each intermediate district or consortium must apply for grant funding by April 1, 2009 and demonstrate compliance with subsection (2).

(4) A district, intermediate district, or consortium that receives a grant under this section shall provide at least a 25% match for grant money received under this section from local public or private resources.

(5) Any unallocated grant funds may be allocated to intermediate districts and consortia receiving grants under this section in an equal amount per intermediate district.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1657, which pertained to allocation for special education students, was repealed by Act 128 of 1987, Eff. Oct. 1, 1987.

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

In the first sentence of subsection (2), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

In the first sentence of subsection (3), as amended by Act 121 of 2001, the phrase "and an amount not to exceed $4,000,000.00 for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00

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and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1657a Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed section pertained to international baccalaureate diploma program or international baccalaureate middle years program.

388.1658 Special education transportation services; basis.

Sec. 58. Allocations to districts and intermediate districts under section 51a for providing special education transportation services shall be based on data reported by the districts and intermediate districts for the current school year.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

ARTICLE 6

388.1661 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to reimbursement for vocational-technical education programs.

388.1661a Vocational-technical education programs; added cost; reimbursement for local vocational administration, shared-time vocational administration, and career education planning district vocational-technical administration; allocation.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $30,000,000.00 for 2008-2009 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including parenthood education programs, according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary vocational-technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than $800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) From the allocation in subsection (1), there is allocated an amount not to exceed $388,700.00 for 2008-2009 to intermediate districts with constituent districts that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more, served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, and had an adjustment made to their 1994-95 combined state and local revenue per membership pupil pursuant to section 20d. The payment under this subsection to the intermediate district shall equal the amount of the allocation to the intermediate district for 1996-97 under this subsection.

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History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1662 Definitions; vocational-technical education programs; limitation; allocation; distribution.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(*i*) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(*ii*) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for

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the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed $9,000,000.00 for 2008-2009 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2007-2008 shall be made in 2008-2009 at an amount per 2007-2008 membership pupil computed by subtracting from $181,900.00 the 2007-2008 taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 millage levied.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Imd. Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In the first sentence of subsection (2), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $11,330,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

In the first sentence of subsection (4), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $1,470,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1663 Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

Compiler's note: The repealed section pertained to Michigan manufacturing technology program.

388.1664 Middle college focused on field of health sciences; grants; awards; "middle college" defined; amount.

Sec. 64. (1) From the appropriation in section 11, there is allocated an amount not to exceed $2,000,000.00 for 2008-2009 for grants to intermediate districts or a district of the first class that are in consortium with a

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community college or state public university 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.

(e) Instruction in mathematics, science, and language arts that is integrated, where appropriate, into the health sciences courses.

(3) For the purposes of this section, "middle college" means 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 degree from a community college or state public university.

(4) Beginning in 2006-2007, a district or intermediate district may receive a grant under this section for up to 4 consecutive fiscal years. For the first 2 fiscal years of the grant period, the grant amount shall be 100% of the award determined by the department. For each of the remaining 2 fiscal years of the grant period, the grant amount shall be an amount equal to 50% of the recipient's grant amount for the previous fiscal year.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008
.

Compiler's note: Former MCL 388.1665, which pertained to adult vocational training, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1665 Precollege programs in engineering and sciences; awards; requirements; report; payment schedule.

Sec. 65. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed $980,100.00 for 2008-2009 for grants to districts or intermediate districts, as determined by the department, for eligible precollege programs in engineering and the sciences.

(2) From the funds allocated under subsection (1), the department shall award $680,100.00 for 2008-2009 to the 2 eligible existing programs that received funds appropriated for these purposes in the appropriations act containing the department of labor and economic growth budget for 2005-2006.

(3) From the funds allocated under subsection (1), the department shall award $75,000.00 for 2008-2009 to the Kalamazoo regional education service agency to support an area program substantially similar to the 2 eligible existing programs receiving funds under subsection (2).

(4) From the funds allocated under subsection (1), the department shall award $225,000.00 for 2008-2009 to eligible intermediate districts for programs to train pupils in alternative energy. The department shall award $75,000.00 to each eligible intermediate district. The intermediate district shall use the funds for engineering and sciences programs with industry level partnerships that are in proximity to renewable energy facilities. To be eligible for funds under this subsection, an intermediate district must meet all of the following requirements:

(a) The combined total 2007-2008 pupil membership for all of its constituent districts was less than 20,000 pupils.

(b) Levied at least .11 but not more than .19 operating mills in 2007-2008.

(c) Had a 2007 taxable value greater than $1,500,000,000.00.

(d) At least 28% of the combined total number of pupils in membership for all of its constituent districts were eligible for free or reduced-price lunch for 2007-2008.

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(e) Is contiguous to at least 1 other intermediate district that meets the requirements of subdivisions (a) to (d).

(5) The department shall submit a report to the appropriations subcommittees responsible for this act, to the state budget director, and to the house and senate fiscal agencies by February 1, 2009 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and mathematics-based fields for pupils who were enrolled in the programs awarded funds under this section or under preceding legislation. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded under this section.

(6) Notwithstanding section 17b, payments under this section shall be paid on a schedule and in a manner determined by the department.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1665, which pertained to expenditures for vocational spending, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1666 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to job training and development programs.

388.1667 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to Michigan career preparation system grants.

388.1668 Repealed. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: The repealed section pertained to Michigan career preparation system.

ARTICLE 7

388.1671, 388.1672 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to transportation services funding and aid.

388.1673 Repealed. 1986, Act 212, Eff. Oct. 1, 1986.

Compiler's note: The repealed section pertained to transportation programs and procurement of school buses.

388.1674 School bus driver safety instruction; cost of instruction and driver compensation; nonspecial education auxiliary services transportation; inspection by department of state police; reimbursement.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed $3,028,500.00 for 2008-2009 for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for 2008-2009 the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary to pay the

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reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this act for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed $1,403,500.00 for 2008-2009 for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to each affected district in a time and manner determined jointly by the department and the department of state police. The department shall reimburse each district and intermediate district for costs detailed on the statement within 30 days after receipt of the statement. Districts for which services are provided shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... ."

In subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1675 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to nonspecial education auxiliary services transportation.

388.1676 Funding for transporting nonpublic school students.

Sec. 76. If a district received money in 1993-94 attributable to nonspecial education transportation under former section 71 and that money was included in calculating the district's combined state and local revenue

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per membership pupil in 1993-94 under section 20(21), as that section was in effect for 1994-95, then the district shall use funding as calculated under section 20 as the funding for transporting nonpublic school students as required under section 1321 of the revised school code, MCL 380.1321.

History: Add. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

ARTICLE 8

388.1681 Allocations to intermediate districts; amounts; expanded professional development opportunities for teachers; consolidated, annexed, or attached districts; report of adjustment and amount of estimated amount of increase; duties of intermediate district.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for 2008-2009 to the intermediate districts the sum necessary, but not to exceed $81,721,100.00, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2008-2009 an amount equal to 101.0% of the amount appropriated under this subsection for 2007-2008. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) Intermediate districts receiving funds under this section shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(3) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of $3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies and the state budget director not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.

(f) Comply with section 761 of the revised school code, MCL 380.761.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff.

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Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Subsection (3) of Sec. 81, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Sec. 81, as amended by Act 212 of 1986, did not have a subsection (3).

Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00.”

Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

Subsection (3) of Sec. 81, as amended by Act 118 of 1991, was vetoed by the governor on October 11, 1991. Subsection (3) of Sec. 81, as amended by Act 207 of 1990, is set forth in the text of Sec. 81 above.

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrases “and for 2002-2003” and “and not to exceed $95,028,100.00 for 2002-2003” were vetoed by the governor September 28, 2001.

The fourth sentence of subsection (1), as amended by Act 121 of 2001, and which read “Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2002-2003 an amount equal to 103.1% of the amount of funding actually received by the intermediate district under this subsection for 2001-2002.”, was vetoed by the governor September 28, 2001.

In the second sentence of subsection (3), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

In the first sentence of subsection (5), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $940,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1681a Repealed. 1988, Act 318, Eff. Oct. 1, 1988.

Compiler's note: The repealed section pertained to reduction of allocations.

388.1682 Model intervening program for grades K to 3.

Sec. 82. From the funds allocated under section 81, an intermediate district may develop and make available to districts an early intervening model program for grades K to 3. The model early intervening program shall be designed to 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 model program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

History: Add. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

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act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1683 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to educational media centers.

388.1684 Repealed. 1991, Act 118, Imd. Eff. Oct. 11, 1991.

Compiler's note: The repealed section pertained to instructional services to homebound or hospitalized pupils.

388.1685 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to allocations for intermediate school districts.

388.1686 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to regular nonspecial education educational programs in residential child care institutions for court placed pupils.

ARTICLE 9

388.1690 Repealed. 1992, Act 148, Eff. Oct. 1, 1992.

Compiler's note: The repealed section pertained to allocations for innovative and diversified educational programs and for pilot school-level building program.

388.1691 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to long-range school improvement plans, annual education report, and core curriculum.

388.1691a Cessation of pilot intermediate district schools of choice program; enrollment of nonresident pupil in district.

Sec. 91a. If a district allowed a nonresident pupil to enroll in the district under a pilot intermediate district schools of choice program under former section 91, the district shall continue to allow that pupil to enroll in the district until the pupil graduates from high school even if the district ceases to participate in the pilot intermediate district schools of choice program or the program is discontinued.

History: Add. 1995, Act 130, Eff. Oct. 1, 1995.

388.1691b Repealed. 2000, Act 297, Eff. Oct. 1, 2000.

Compiler's note: The repealed section pertained to enrollment of nonresident pupil in district.

388.1691c Transfer student; eligibility to participate in interscholastic athletic competition.

Sec. 91c. A pupil who transfers to a district other than the pupil's district of residence under an intermediate district schools of choice pilot program under former section 91 is ineligible to participate in interscholastic athletic competition for a period of 1 semester from the date the pupil transfers.

History: Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

388.1692a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to basic skills development program.

388.1693 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to alternative education programs for school-age expectant parents and school-age parents and their children.

388.1694 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to technical assistance to districts for school accreditation purposes.

388.1694a Center for educational performance and information.

Sec. 94a. (1) There is created within the office of the state budget director in the department of management and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from all entities receiving funds under this act.

(b) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities.

(c) Establish procedures to ensure the reasonable validity and reliability of the data and the collection

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process.

(d) Develop state and model local data collection policies, including, but not limited to, policies that ensure the privacy of individual student data. State privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Assist all entities receiving funds under this act in complying with audits performed according to generally accepted accounting procedures.

(h) To the extent funding is available, coordinate the electronic exchange of student records using a unique identification numbering system among entities receiving funds under this act and postsecondary institutions for students participating in public education programs from preschool through postsecondary education.

(i) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts or intermediate districts as required under state or federal law shall make arrangements with the center, and with the districts or intermediate districts, to have the center collect the information and to provide it to the department, officer, or agency as necessary. To the extent that it does not cause financial hardship, the center shall arrange to collect the information in a manner that allows electronic submission of the information to the center. Each affected state department, officer, or agency shall provide the center with any details necessary for the center to collect information as provided under this subsection. This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee, consisting of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the office of the state budget director.

(d) One representative from the state education agency.

(e) One representative each from the department of labor and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(*i*) Michigan association of school boards.

(*ii*) Michigan association of school administrators.

(*iii*) Michigan school business officials.

(h) One representative representing private sector firms responsible for auditing school records.

(i) Other representatives as the state budget director determines are necessary.

(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:

(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data.

(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring the data is made available to state and local policymakers and citizens of this state in the most useful format possible.

(h) Other matters as determined by the state budget director or the director of the center.

(5) The center may enter into any interlocal agreements necessary to fulfill its functions.

(6) From the general fund appropriation in section 11, there is allocated an amount not to exceed $4,935,400.00 for 2008-2009 to the department of management and budget to support the operations of the center and the development and implementation of a comprehensive longitudinal data collection management

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and reporting system that includes student-level data. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state. In addition, from the federal funds appropriated in section 11 for 2008-2009, there is allocated the amount necessary, estimated at $2,793,200.00, in order to fulfill federal reporting requirements.

(7) From the federal funds allocated in subsection (6), there is allocated for 2008-2009 an amount not to exceed $750,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30, 2008, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.

(8) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund revenues.

(9) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year.

(10) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (6) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(11) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 180, Imd. Eff. Oct. 3, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: In subsection (1), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $2,519,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

For transfer of powers, duties, functions, and responsibilities of the database for educational performance and information to the center for educational performance and information by type II transfer, see E.R.O. No. 2000-6, compiled at MCL 388.996 of the Michigan compiled laws.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Sec. 94a, as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

For transfer of a position on the center for educational performance and information advisory committee designated for a representative of the department of career development to the director of the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of

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government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1695 Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

Compiler's note: The repealed section pertained to teacher professional development training program.

388.1696 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to golden apple awards.

388.1697 Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

Compiler's note: The repealed section pertained to teacher technology initiative.

388.1698 Michigan virtual high school; powers and duties of Michigan virtual university; report; definitions.

Sec. 98. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $500,000.00 for 2008-2009 and from the general fund money appropriated in section 11, there is allocated an amount not to exceed $1,750,000.00 for 2008-2009 to provide a grant to the Michigan virtual university for the development, implementation, and operation of the Michigan virtual high school; to provide professional development opportunities for educators; and to fund other purposes described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2008-2009 an amount estimated at $2,700,000.00.

(2) The Michigan virtual high school shall have the following goals:

(a) Significantly expand curricular offerings for high schools across this state through agreements with districts or licenses from other recognized providers. The Michigan virtual high school shall explore options for providing rigorous civics curricula online.

(b) Create statewide instructional models using interactive multimedia tools delivered by electronic means, including, but not limited to, the internet, digital broadcast, or satellite network, for distributed learning at the high school level.

(c) Provide pupils with opportunities to develop skills and competencies through on-line learning.

(d) Grant high school diplomas through a dual enrollment method with districts.

(e) Act as a broker for college level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471, and dual enrollment courses from postsecondary education institutions.

(f) Maintain the accreditation status of the Michigan virtual high school from recognized national and international accrediting entities.

(3) The Michigan virtual high school course offerings shall include, but are not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) General education development test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs and services for teachers.

(4) From the federal funds allocated in subsection (1), there is allocated for 2008-2009 an amount estimated at $1,700,000.00 from DED-OESE, title II, improving teacher quality funds for a grant to the Michigan virtual university for the purpose of this subsection. The state education agency shall sign a memorandum of understanding with the Michigan virtual university regarding the DED-OESE, title II, improving teacher quality funds as provided under this subsection. The memorandum of understanding under this subsection shall require that the Michigan virtual university coordinate the following activities related to DED-OESE, title II, improving teacher quality funds in accordance with federal law:

(a) Develop, and assist districts in the development and use of, proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as strategies that involve delivery through the use of technology, peer networks, and distance learning.

(b) Encourage and support the training of teachers and administrators to effectively integrate technology into curricula and instruction.

(c) Coordinate the activities of eligible partnerships that include higher education institutions for the

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purposes of providing professional development activities for teachers, paraprofessionals, and principals as defined in federal law.

(d) Offer teachers opportunities to learn new skills and strategies for developing and delivering instructional services.

(e) Provide online professional development opportunities for educators to update and expand knowledge and skills needed to support the Michigan merit curriculum core content standards and credit requirements.

(5) The Michigan virtual university shall offer at least 200 hours of online professional development for classroom teachers under this section each fiscal year beginning in 2006-2007 without charge to the teachers or to districts or intermediate districts. A district or intermediate district may require a full-time teacher to participate in at least 5 hours of online professional development provided by the Michigan virtual university under subsection (4). Five hours of this professional development shall be considered to be part of the 38 hours allowed to be counted as hours of pupil instruction under section 101(10).

(6) From the federal funds appropriated in subsection (1), there is allocated for 2008-2009 an amount estimated at $1,000,000.00 from the DED-OESE, title II, educational technology grant funds to support e-learning and virtual school initiatives consistent with the goals contained in the United States national educational technology plan issued in January 2005. These funds shall be used to support activities designed to build the capacity of the Michigan virtual university and shall not be used to supplant other funding. Not later than November 30, 2008, from the funds allocated in this subsection, the department shall award a single grant of $1,000,000.00 to a consortium or partnership established by the Michigan virtual university that meets the requirements of this subsection. To be eligible for this funding, a consortium or partnership established by the Michigan virtual university shall include at least 1 intermediate district and at least 1 high-need local district. All of the following apply to this funding:

(a) An eligible consortium or partnership must demonstrate the following:

(*i*) Prior success in delivering online courses and instructional services to K-12 pupils throughout this state.

(*ii*) Expertise in designing, developing, and evaluating online K-12 course content.

(*iii*) Experience in maintaining a statewide help desk service for pupils, online teachers, and other school personnel.

(*iv*) Knowledge and experience in providing technical assistance and support to K-12 schools in the area of online education.

(*v*) Experience in training and supporting K-12 educators in this state to teach online courses.

(*vi*) Demonstrated technical expertise and capacity in managing complex technology systems.

(*vii*) Experience promoting twenty-first century learning skills through the use of online technologies.

(b) The Michigan virtual university, which operates the Michigan virtual high school, shall perform the following tasks related to this funding:

(*i*) Strengthen its capacity by pursuing activities, policies, and practices that increase the overall number of Michigan virtual high school course enrollments and course completions by at-risk students.

(*ii*) Examine the curricular and specific course content needs of middle and high school students in the areas of mathematics and science.

(*iii*) Design, develop, and acquire online courses and related supplemental resources aligned to state standards to create a comprehensive and rigorous statewide catalog of online courses and instructional services.

(*iv*) Conduct a demonstration pilot to promote new and innovative online courses and instructional services.

(*v*) Evaluate existing online teaching and learning practices and develop continuous improvement strategies to enhance student achievement.

(*vi*) Develop, support, and maintain the technology infrastructure and related software required to deliver online courses and instructional services to students statewide.

(7) From the state school aid fund allocation in subsection (1), an amount not to exceed $500,000.00 for 2008-2009 shall be awarded as a single grant to an intermediate district working in partnership with the Michigan virtual high school for a statewide license for "my dream explorer", a career exploration and planning tool, to be made available to all pupils at no cost. The Michigan virtual high school shall work collaboratively with the department, the presidents council of state universities of Michigan, the Michigan community college association, the association of independent colleges and universities of Michigan, and the appropriate K-12 education organizations to develop a comprehensive outreach and communications plan that provides parents and students with access to online resources designed to increase postsecondary enrollments and provide current information related to career planning, college selection, financial aid, and dual enrollment opportunities.

(8) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services

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provided by the Michigan virtual high school, the student may use the services provided by the Michigan virtual high school to the district without charge to the student beyond what is charged to a district pupil using the same services.

(9) Not later than December 1, 2008, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan virtual high school for the preceding state fiscal year:

(a) A list of the Michigan schools served by the Michigan virtual high school.

(b) A list of online course titles available to Michigan schools.

(c) The total number of online course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(e) A summary of DED-OESE, title IIA, teacher quality grant and DED-OESE, title IID, education technology grant expenditures.

(f) Identification of unmet educational needs that could be addressed by the Michigan virtual high school.

(g) The total number of active users of "my dream explorer" funded under subsection (7).

(10) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1698, which pertained to professional development programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1698a Repealed. 2001, Act 121, Eff. Oct. 1, 2001.

Compiler's note: The repealed section pertained to collaborative efforts to provide curricular support to teachers.

388.1698b Repealed. 2007, Act 92, Imd. Eff. Oct. 1, 2007.

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Compiler's note: The repealed section pertained to freedom to learn program.

388.1698c Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed section pertained to web-based practice assessment and classroom remediation program.

388.1699 Mathematics and science centers.

Sec. 99. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $3,390,000.00 for 2008-2009 and from the general fund appropriation in section 11, there is allocated an amount not to exceed $110,000.00 for 2008-2009 for implementing the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2008-2009 an amount estimated at $5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the master plan described in subsection (1), an established mathematics and science center shall address 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in 2007-2008 shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for 2007-2008. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for 2008-2009 an amount not to exceed $1,000,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) In order to receive state funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) Not later than September 30, 2013, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(9) The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(10) In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

(11) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

History: Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Subsections (5), (7), and (8), as amended by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

Subsections (7), (8), (9), and (10), as amended by Act 93 of 1997, were vetoed by the governor August 1, 1997.

In subsection (1), as amended by Act 121 of 2001, the phrases “and an amount not to exceed $9,784,500.00 for 2002-2003” and “and

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an amount not to exceed $596,000.00 for 2002-2003" were vetoed by the governor September 28, 2001.

In the first sentence of subsection (7), as amended by Act 121 of 2001, the phrase "and 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1699a Mathematics and science centers; pilot programs; grants.

Sec. 99a. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $725,000.00 for 2008-2009 for grants under this section.

(2) From the funds allocated under subsection (1), there is allocated for 2008-2009 an amount not to exceed $725,000.00 for pilot grants to mathematics and science centers funded under section 99 that are selected by the mathematics and science network in conjunction with the Michigan virtual university to develop and implement pilot programs for after-school and summer mathematics for eighth grade students, to be made available to up to 5,000 eighth grade students in this state who have experienced academic difficulty in mathematics. The pilot programs shall make use of highly qualified online mathematics coaches and tutors, along with a robust online diagnostic tool and shall present engaging, research-based prescriptive multimedia content. The goals of the pilot programs shall be to do at least all of the following:

(a) Expand access to engaging online teaching and learning resources in mathematics.

(b) Provide students with alternative learning options that are relevant and engaging.

(c) Improve the likelihood of student success with the Michigan high school graduation requirements in mathematics.

(3) Grant funds awarded under this section are intended to be for the first year of 3 years of funding.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

History: Add. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1699a, which pertained to school health education curriculum, was repealed by Act 158 of 2003, Eff. Oct. 1, 2003.

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1699b Repealed. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: The repealed section pertained to amounts allocated for middle school mathematics initiative, amounts allocated to intermediate districts, funds to improve MEAP mathematics assessment, and eligibility of intermediate school districts for continued funding.

388.1699c Repealed. 2008, Act 268, Eff. Oct. 1, 2008.

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Compiler's note: The repealed section pertained to middle school mathematics initiative.

388.1699d Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed section pertained to purchase of automated external defibillators.

388.1699e Allocation to districts having reduced foundation allowance; requirements.

Sec. 99e. (1) From the funds appropriated in section 11, there is allocated the amount of $125,000.00 for 2008-2009 to a district that meets all of the following requirements:

(a) The district's membership increased by at least 20% between 2004-2005 and 2005-2006.

(b) At least 60% of the pupils in the district were eligible for free or reduced lunch for 2005-2006.

(c) The district levies at least 10 mills for the purpose of debt retirement.

(d) The district had an emergency financial manager in place during 2004-2005.

(2) The funds allocated under subsection (1) shall be used to supplement the district's operational funds as compensation for having received a reduced foundation allowance due to proration while having had an emergency financial manager in place.

(3) The funds appropriated in this section shall be awarded for 3 consecutive years beginning with 2006-2007 in a form and manner approved by the department.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008
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Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1699f, 388.1699g Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.

Compiler's note: The repealed sections pertained to school building security mapping and expansion of school-based crisis intervention project.

388.1699h Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: The repealed section pertained to FIRST robotics competitions.

388.1699i Allocation to expand school-based crisis intervention project.

Sec. 99i. (1) From the funds appropriated in section 11, there is allocated the amount of $300,000.00 for 2008-2009 to a district that meets all of the following requirements:

(a) The district's membership is greater than 9,000 pupils.

(b) At least 60% of the pupils in the district were eligible for free or reduced lunch for 2005-2006.

(c) The district's foundation allowance for 2006-2007 was less than $7,310.00.

(2) Funds allocated to a district under this section shall be used to expand the school-based crisis intervention project that received funds in 2005-2006 under section 304 of 2005 PA 147.

(3) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

History: Add. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

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388.1699j Pilot programs; allocations; "principal residence" and "qualified agricultural property" defined.

Sec. 99j. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $1,500,000.00 for 2008-2009 for pilot programs as provided for under this section.

(2) From the funds allocated under subsection (1), the department shall award $1,050,000.00 for 2008-2009 for demonstration projects in science and math instruction. The projects shall showcase differentiated instruction and the integration of technology as a learning tool. These funds shall be allocated to a district that meets all of the following:

(a) The district is located in a county that includes a district that is a school district of the first class.

(b) The district had a 2006 taxable value per pupil for property that is not a principal residence or qualified agricultural property of less than $100,000.00.

(c) The district had a 2006-2007 pupil membership greater than 8,500 and less than 9,000.

(3) From the funds allocated under subsection (1), the department shall award $450,000.00 for 2008-2009 for initiatives to increase opportunities for academically talented students, to implement a districtwide improvement initiative, and to implement positive behavior support programs. These funds shall be allocated to a district that meets all of the following:

(a) The district is located in a county that includes a district that is a school district of the first class.

(b) The district had a 2006 taxable value per pupil for property that is not a principal residence or qualified agricultural property of less than $100,000.00.

(c) The district had a 2006-2007 pupil membership greater than 1,000 and less than 1,500.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(5) As used in this section, "principal residence" and "qualified agricultural property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

History: Add. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1699k Districts financing operating deficit; allocations; "principal residence" and "qualified agricultural property" defined.

Sec. 99k. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $850,000.00 for 2008-2009 for payments to districts under this section.

(2) From the allocation under subsection (1), there is allocated the amount of $250,000.00 for 2008-2009 to a district that levied 4.87 mills in 1993 to finance an operating deficit.

(3) From the allocation under subsection (1), there is allocated the amount of $150,000.00 for 2008-2009 to a district in which 4.91 mills levied in 1992 for school operating purposes in the 1992-1993 school year were not renewed in 1993 for school operating purposes in the 1993-1994 school year.

(4) From the allocation under subsection (1), there is allocated the amount of $450,000.00 for 2008-2009 to a district that meets all of the following:

(a) The district is located in a county that includes a district that is a school district of the first class.

(b) The district had a 2006 taxable value per pupil for property that is not a principal residence or qualified agricultural property of less than $100,000.00.

(c) The district had a 2006-2007 pupil membership greater than 3,500 and less than 4,500.

(d) The district had a 2005-2006 operating deficit, as determined by the department, greater than 10%.

(5) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(6) As used in this section, "principal residence" and "qualified agricultural property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

History: Add. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of

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government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1699n Community college programs; cooperative arrangements.

Sec. 99n. (1) It is the intent of the legislature to fund for 2008-2009 competitive grants to districts or intermediate districts that enter into cooperative arrangements with a community college to establish programs to allow pupils to earn community college credit while enrolled in middle school or high school.

(2) It is the intent of the legislature that a district that formerly operated a community college program and that ceased to operate that program after 1995 shall be merged with a community college district located in a city with a population of more than 750,000.

History: Add. 2008, Act 112, Imd. Eff. Apr. 29, 2008.

Compiler's note: Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

388.1699p Programs that provide pupils with access to cultural, art, or music resources and experiences; grants; application; awards; payment schedule.

Sec. 99p. (1) From the appropriation in section 11, there is allocated an amount not to exceed $100,000.00 for 2008-2009 for competitive grants to districts for programs that provide pupils with access to cultural, art, or music resources and experiences that are available in the community and that may promote reading, literacy, and communications skills among pupils.

(2) A district applying for a grant shall submit an application to the department in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that at least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year.

(3) Grant awards shall be made in a manner determined by the department. However, the department may set maximum grant amounts in a manner that maximizes the number of pupils that will be able to participate.

(4) Notwithstanding section 17b, payments to eligible districts under this section shall be paid on a schedule determined by the department.

History: Add. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

ARTICLE 10

388.1701 Eligibility to receive state aid; filing certified and sworn copy of enrollment; failure to file; withholding state aid; falsification; minimum hours of pupil instruction; forfeiture; certification; strikes or teachers' conferences; rules; hours not counted as pupil instruction; alternative scheduling program; certification of planned number of hours of pupil instruction; conditions requiring forfeiture; waiver for alternative education program; counting qualifying professional development as pupil instruction.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district for the current

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school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the intermediate district shall transmit to the center revised data, as applicable, for each of its constituent districts. If a district fails to file the sworn and certified copy with the intermediate superintendent in a timely manner, as required under this subsection, the intermediate district shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If an intermediate district fails to transmit the data in its possession in a timely and accurate manner to the center, as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to transmit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) All of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours of pupil instruction. Except as otherwise provided in this act, a district failing to comply with the required minimum hours of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours the district was in noncompliance in relation to the required minimum number of hours under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6). Hours lost because of strikes or teachers' conferences shall not be counted as days or hours of pupil instruction.

(b) Except as otherwise provided in subdivision (c), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(c) Beginning in 2005-2006, at the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver for a period of 3 school years from the requirements of subdivision (b) in order to conduct a pilot study. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (b) only if the district does not have at least 50% of the district’s membership in attendance on any day of pupil instruction. Not later than 2008-2009, the department shall report on the impact of this waiver on the academic achievement of pupils in these districts to the state budget director and the senate and house appropriations subcommittees on state school aid. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements during the pilot study:

(*i*) The district offers the minimum hours of pupil instruction as required under this section.

(*ii*) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(*iii*) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil’s individual education plan.

(d) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 30 hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours of pupil instruction. Beginning in 2003-2004, with the approval of the superintendent of public instruction, the department shall count as hours of pupil

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instruction for a fiscal year not more than 30 additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours shall not be counted as hours of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(7) In providing the minimum number of hours of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) The department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply

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with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours of pupil instruction actually provided to the minimum number of hours of pupil instruction required under subsection (3).

(10) A district may count up to 38 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. However, if a collective bargaining agreement that provides more than 38 but not more than 51 hours of professional development for teachers is in effect for employees of a district as of the effective date of the 2006 amendatory act that amended this subsection, then until the fiscal year that begins after the expiration of that collective bargaining agreement a district may count up to 51 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 142, Imd. Eff. July 15, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 476, Imd. Eff. June 27, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 127, Imd. Eff. June 3, 2004;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 41, Imd. Eff. June 7, 2005;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: The last sentence of subsection (4), as amended by Act 180 of 1996, which provided “However, for 1995-96 only, for a school district at or above townline 16, the first 5 days for which pupil instruction is not provided because of conditions described in this subsection shall be counted as days of pupil instruction.” was vetoed by the governor on April 22, 1996.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Administrative rules: R 340.1 et seq. of the Michigan Administrative Code.

388.1701a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to extended school year.

388.1702 Deficit budget or operating deficit prohibited; release of state aid payments; report; amount of permissible deficit; monthly monitoring report; plan to eliminate deficit; district considered to have incurred deficit.

Sec. 102. (1) A district or intermediate district receiving money under this act shall not adopt or operate under a deficit budget, and a district or intermediate district shall not incur an operating deficit in a fund during a school fiscal year. A district or intermediate district having an existing deficit or which incurs a deficit shall not be allotted or paid a further sum under this act until the district or intermediate district submits to the department for approval a budget for the current school fiscal year and a plan to eliminate the district's or intermediate district's deficit not later than the end of the second school fiscal year after the deficit

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was incurred. Withheld state aid payments shall be released after the department approves the deficit reduction plan and ensures that the budget for the current school fiscal year is balanced.

(2) Not later than March 1 of each year, the department shall prepare a report of deficits incurred by districts and intermediate districts in the immediately preceding fiscal year and the progress made in reducing those deficits and submit the report to the standing committees of the legislature responsible for K-12 education legislation, the appropriations subcommittees of the legislature responsible for K-12 education appropriations, the house and senate fiscal agencies, the state treasurer, and the state budget director. The department shall also submit interim reports concerning district and intermediate district deficits as necessary.

(3) The amount of the permissible deficit for each school fiscal year shall not exceed the amount of state aid reduced by an executive order during that school fiscal year.

(4) A district or intermediate district with an existing deficit or which incurs a deficit shall submit to the department a monthly monitoring report on revenue and expenditures in a form and manner prescribed by the department.

(5) If a district or intermediate district is not able to comply with the provisions of this section, the district or intermediate district shall submit to the department a plan to eliminate its deficit. Upon approval of the plan submitted, the superintendent of public instruction may continue allotment and payment of funds under this act, extend the period of time in which a district or intermediate district has to eliminate its deficit, and set special conditions that the district or intermediate district must meet during the period of the extension.

(6) For the purposes of this section, a district or intermediate district is considered to have incurred an operating deficit if the district or intermediate district incurs any withholding of or financial penalty, other than a temporary delay, against any portion of its total state school aid allocation under this act.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1979, Act 138, Imd. Eff. Nov. 7, 1979;—Am. 1980, Act 52, Imd. Eff. Mar. 27, 1980;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 136, Imd. Eff. Apr. 27, 1982;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 55, Imd. Eff. May 16, 1983;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

388.1703 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to pupil to teacher ratio.

388.1704 Compliance with revised school code and federal no child left behind act of 2001; allocation of federal funds; definitions.

Sec. 104. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2008-2009 an amount not to exceed $28,872,800.00 for payments on behalf of districts for costs associated with complying with sections 104a and 104b, sections 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. In addition, from the federal funds appropriated in section 11, there is allocated for 2008-2009 an amount estimated at $8,512,900.00, funded from DED-OESE, title VI, state assessments funds and DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OSERS" means the DED office of special education and rehabilitative services.

History: Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1704, which pertained to student portfolios, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.
Enacting section 1 of Act 342 of 2006 provides:

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"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1704a State assessments to high school pupils.

Sec. 104a. (1) Subject to subsection (14) and section 104b, until the end of the 2005-2006 school year, in order to receive state aid under this act, a district shall comply with this section and shall administer state assessments to high school pupils in the subject areas of English language arts, mathematics, science, and social studies. If the superintendent determines that it would be consistent with the purposes of this section, the superintendent may designate the grade 11 Michigan education assessment program tests as the assessments to be used for the purposes of this section. The district shall include on the pupil's high school transcript all of the following:

(a) For each high school graduate who has completed a subject area assessment under this section, the pupil's scaled score on the assessment.

(b) If the pupil's scaled score on a subject area assessment falls within the range required under subsection (2) for "exceeds expectations", "meets expectations", or "basic", an indication that the pupil has achieved state endorsement for that subject area.

(c) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(2) The superintendent shall develop scaled scores for reporting subject area assessment results for each of the subject areas under this section. The superintendent shall establish 4 categories for each subject area indicating exceeds expectations, meets expectations, basic, and below basic, and shall establish the scaled score range required for each category. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes these categories in each subject area and indicates the scaled score ranges for each category in each subject area. A district may award a high school diploma to a pupil who successfully completes local district requirements established in accordance with state law for high school graduation, regardless of whether the pupil is eligible for any state endorsement.

(3) The assessments administered for the purposes of this section shall be administered to pupils during the last 90 school days of grade 11. The superintendent shall ensure that the assessments are scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate the pupil's scaled score for each subject area assessment, the range of scaled scores for each subject area, and the range of scaled scores required for each category established under subsection (2). In reporting the scores to pupils, parents, and schools, the superintendent shall provide specific, meaningful, and timely feedback on the pupil's performance on the assessment.

(4) Beginning with assessments conducted in the 2005-2006 school year, all of the following apply to the assessments under this section:

(a) The superintendent shall ensure that any contractor used for scoring the assessment supplies an individual report for each pupil that will identify for the student's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The superintendent shall ensure that any contractor used for scoring, developing, or processing an assessment instrument meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the 2005-2006 school year assessments and at least meeting level 3

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of the capability maturity model for subsequent assessments.

(c) The superintendent shall ensure that any contract it enters into for scoring, administering, or developing an assessment instrument includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent shall ensure that the assessment instruments meet all of the following:

(*i*) Are designed to test pupils on grade level content expectations or course content expectations, as appropriate, in all subjects tested.

(*ii*) Comply with requirements of the no child left behind act of 2001, Public Law 107-110.

(*iii*) Are consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American psychological association.

(*iv*) Are factually accurate. If the superintendent determines that a question is not factually accurate and should be removed from an assessment instrument, the state board and the superintendent shall ensure that the question is removed from the assessment instrument.

(5) For each pupil who does not achieve proficiency in 1 or more subject areas, the board of the district in which the pupil is enrolled shall provide that there be at least 1 meeting attended by at least the pupil and a member of the district's staff or a local or intermediate district consultant who is proficient in the measurement and evaluation of pupils. The district may provide the meeting as a group meeting for pupils in similar circumstances. If the pupil is a minor, the district shall invite and encourage the pupil's parent, legal guardian, or person in loco parentis to attend the meeting and shall mail a notice of the meeting to the pupil's parent, legal guardian, or person in loco parentis. The purpose of this meeting and any subsequent meeting under this subsection shall be to determine an educational program for the pupil designed to have the pupil achieve state endorsement in each subject area in which he or she did not achieve state endorsement. In addition, a district may provide for subsequent meetings with the pupil conducted by a high school counselor or teacher designated by the pupil's high school principal, and shall invite and encourage the pupil's parent, legal guardian, or person in loco parentis to attend the subsequent meetings. The district shall provide special programs for the pupil or develop a program using the educational programs regularly provided by the district unless the board of the district decides otherwise and publishes and explains its decision in a public justification report.

(6) A pupil who wants to repeat an assessment administered under this section may repeat the assessment, without charge to the pupil, in the next school year or after graduation. An individual may repeat an assessment at any time the district administers an applicable assessment instrument or during a retesting period under subsection (8).

(7) The superintendent shall ensure that the length of the assessments used for the purposes of this section and the combined total time necessary to administer all of the assessments are the shortest possible that will still maintain the degree of reliability and validity of the assessment results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for administration of all of the assessments used for the purposes of this section does not exceed 8 hours. However, this subsection does not limit the amount of time that individuals may have to complete the assessments.

(8) The superintendent shall establish, schedule, and arrange periodic retesting periods throughout the year until the end of the 2006-2007 school year for individuals who desire to repeat an assessment under this section. The superintendent shall coordinate the arrangements for administering the repeat assessments and shall ensure that the retesting is made available at least within each intermediate district and, to the extent possible, within each district.

(9) A district shall provide accommodations to a pupil with disabilities for the assessments required under this section, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes.

(10) For the purposes of this section, the superintendent shall develop or select and approve assessment instruments to measure pupil performance in English language arts, mathematics, social studies, and science. The assessment instruments shall be based on grade level content expectations or course content expectations, as appropriate.

(11) Upon written request by the pupil's parent or legal guardian stating that the request is being made for the purpose of providing the pupil with an opportunity to qualify to take 1 or more postsecondary courses as an eligible student under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, the board of a

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district shall allow a pupil who is in at least grade 10 to take an assessment administered under this section without charge at any time the district regularly administers the assessment or during a retesting period established under subsection (8). A district is not required to include in an annual education report, or in any other report submitted to the superintendent for accreditation purposes, results of assessments taken under this subsection by a pupil in grade 11 or lower until the results of that pupil's graduating class are otherwise reported.

(12) All assessment instruments developed or selected and approved by the state under any statute or rule for a purpose related to K to 12 education shall be objective-oriented and consistent with grade level content expectations or course content expectations, as appropriate.

(13) Until the end of the 2006-2007 school year, a person who has graduated from high school after 1996 and who has not previously taken an assessment under this section may take an assessment used for the purposes of this section, without charge to the person, at the district from which he or she graduated from high school at any time that district administers the assessment or during a retesting period scheduled under subsection (8) and have his or her scaled score on the assessment included on his or her high school transcript. If the person's scaled score on a subject area assessment falls within the range required under subsection (2) for a category established under subsection (2), the district shall also indicate on the person's high school transcript that the person has achieved state endorsement for that subject area.

(14) Until the end of the 2006-2007 school year, a person who has previously taken an assessment under this section may take a retest on the assessment for the purposes of qualifying for a Michigan merit award under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459. The person may take the retest, without charge to the person, at the district in which he or she is enrolled or resides or, if it is not available in that district, at another location within the intermediate district in which he or she resides, at a regular testing time scheduled for the assessment or during a retesting period scheduled under subsection (8).

(15) A child who is a student in a nonpublic school or home school may take an assessment under this section. To take an assessment, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the assessment, or the child may take the assessment at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall supply assessments and the nonpublic school may administer the assessment. If a district administers an assessment under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(16) The purpose of the assessment under this section is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards. These standards are based upon the expectations of what pupils should know and be able to do by the end of grade 11.

(17) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

History: Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 161, Eff. July 1, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 176, Imd. Eff. Dec. 30, 1997;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 425, Imd. Eff. Dec. 15, 2004;—Am. 2004, Act 593, Imd. Eff. Jan. 5, 2005.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

For transfer of powers and duties from Michigan assessment governing board to superintendent of public instruction by type II transfer, and for abolishment of said board, see E.R.O. No. 2003-2, compiled at MCL 388.997.

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388.1704b Michigan merit examination.

Sec. 104b. (1) In order to receive state aid under this act, a district shall comply with this section and shall administer the Michigan merit examination to pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section.

(2) For the purposes of this section, the department of management and budget shall contract with 1 or more providers to develop, supply, and score the Michigan merit examination. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading, and science and are used by colleges and universities in this state for entrance or placement purposes. This shall include a writing component in which the pupil produces an extended writing sample. The Michigan merit examination shall not require any other extended writing sample.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply at least reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions. The department of management and budget and the superintendent shall ensure that any test or tests selected under this subdivision have all the components necessary to allow a pupil to be eligible to receive the results of a nationally recognized evaluation of workforce readiness if the pupil's test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110.

(3) In addition to all other requirements of this section, all of the following apply to the Michigan merit examination:

(a) The department of management and budget and the superintendent shall ensure that any contractor used for scoring the Michigan merit examination supplies an individual report for each pupil that will identify for the pupil's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The department of management and budget and the superintendent shall ensure that any contractor used for scoring, developing, or processing the Michigan merit examination meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the first year the Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3 of the capability maturity model for subsequent years.

(c) The department of management and budget and the superintendent shall ensure that any contract for scoring, administering, or developing the Michigan merit examination includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent shall ensure that the Michigan merit examination meets all of the following:

(*i*) Is designed to test pupils on grade level content expectations or course content expectations, as appropriate, in all subjects tested.

(*ii*) Complies with requirements of the no child left behind act of 2001, Public Law 107-110.

(*iii*) Is consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American psychological association.

(*iv*) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent shall ensure that the question is excluded from scoring.

(4) A district shall include on each pupil's high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil's scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination, including scaling and merging of test items for the different subject area components. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple

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and concise document that describes the scoring for each subject area and indicates the scaled score ranges for each subject area.

(6) The Michigan merit examination shall be administered each year after March 1 and before June 1 to pupils in grade 11. The superintendent shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate at least the pupil's scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the scores to pupils, parents, and schools, the superintendent shall provide standards-specific, meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

(7) A district shall administer the complete Michigan merit examination to a pupil only once and shall not administer the complete Michigan merit examination to the same pupil more than once. If a pupil does not take the complete Michigan merit examination in grade 11, the district shall administer the complete Michigan merit examination to the pupil in grade 12. If a pupil chooses to retake the college entrance examination component of the Michigan merit examination, as described in subsection (2)(a), the pupil may do so through the provider of the college entrance examination component and the cost of the retake is the responsibility of the pupil unless all of the following are met:

(a) The pupil has taken the complete Michigan merit examination.

(b) The pupil did not qualify for a Michigan promise grant under section 6 of the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's performance on the complete Michigan merit examination.

(c) The pupil meets the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(d) The pupil has applied to the provider of the college entrance examination component for a scholarship or fee waiver to cover the cost of the retake and that application has been denied.

(e) After taking the complete Michigan merit examination, the pupil has not already received a free retake of the college entrance examination component paid for either by this state or through a scholarship or fee waiver by the provider.

(8) The superintendent shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for pupils to answer all test questions on the Michigan merit examination does not exceed 8 hours if the superintendent determines that sufficient alignment to applicable Michigan merit curriculum content standards can be achieved within that time limit.

(9) A district shall provide accommodations to a pupil with disabilities for the Michigan merit examination, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or providers of the Michigan merit examination and the superintendent shall mutually agree upon the accommodations to be provided under this subsection.

(10) To the greatest extent possible, the Michigan merit examination shall be based on grade level content expectations or course content expectations, as appropriate. Not later than July 1, 2008, the department shall identify specific grade level content expectations to be taught before and after the middle of grade 11, so that teachers will know what content will be covered within the Michigan merit examination.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a district administers the Michigan merit examination under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(12) In contracting under subsection (2), the department of management and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(13) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and

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establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(14) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

History: Add. 2004, Act 593, Imd. Eff. Jan. 5, 2005;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1705 Counting nonresident pupils in membership; application for enrollment; procedures.

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing within the same intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents in that grade, school, or program:

(*i*) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(*ii*) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing within the same intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program:

(*i*) The district may accept applications for enrollment in that grade, school, or program, and may enroll

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nonresidents residing within the same intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(*ii*) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment that the applicant has been accepted for enrollment in the grade, school, or program and of the procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing within the same intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing within the same intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing within the same intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing within the same intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(6) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

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(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing within the same intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

History: Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1705, which pertained to age of pupils counted in membership, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1705a Repealed. 2006, Act 342, Eff. Oct. 1, 2006.

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Compiler's note: The repealed section pertained to counting nonresident pupils in membership.

388.1705b Intermediate district operating under pilot schools of choice program.

Sec. 105b. If an intermediate district is operating under an intermediate district pilot schools of choice program established under former section 91 or as described in section 91a, the intermediate district and its constituent districts are exempt from section 105.

History: Add. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

388.1705c Enrollment by nonresident applicants residing in district located in a contiguous intermediate district.

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a district located in a contiguous intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing in a district located in a contiguous intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents under this section, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(*i*) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(*ii*) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing in a district located in a contiguous intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program under this section:

(*i*) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(*ii*) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of

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each nonresident applicant who is accepted for enrollment under this section that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing in a district located in a contiguous intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing in a district located in a contiguous intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll under this section in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing in a district located in a contiguous intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing in a district located in a contiguous intermediate district may limit the number of those nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant under this section.

(6) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant under this section if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant under this section if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants

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residing in a district located in a contiguous intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance under this section in a school, grade, or program does not exceed the positions available for nonresident pupils under this section in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing in a district located in a contiguous intermediate district eligible for acceptance under this section exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant under this section, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) In order for a district or intermediate district to enroll pursuant to this section a nonresident pupil who resides in a district located in a contiguous intermediate district and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the enrolling district shall have a written agreement with the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. The written agreement shall include, but is not limited to, an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil. The written agreement shall address how the agreement shall be amended in the event of significant changes in the costs or level of special education programs or services required by the pupil.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(22) This section is repealed if the final decision of a court of competent jurisdiction holds that any portion of this section is unconstitutional, ineffective, invalid, or in violation of federal law.

(23) As used in this section, "district located in a contiguous intermediate district" means a district located in an intermediate district that is contiguous to the intermediate district in which a pupil's district of residence is located.

History: Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units

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of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1706 Pupils not counted in membership.

Sec. 106. A pupil enrolled in a public school program organized under federal or state supervision and in which the teaching costs are fully subsidized from federal or state funds shall not be counted in membership.

History: 1979, Act 94, Eff. Oct. 1, 1979.

388.1707 Adult education programs.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $24,000,000.00 for 2008-2009 for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(*i*) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(*ii*) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(*iii*) Is enrolled in an English as a second language program.

(*iv*) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(*i*) Is at least 20 years of age on September 1 of the school year.

(*ii*) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(3) Except as otherwise provided in subsection (4), from the amount allocated under subsection (1), at least $23,300,000.00 shall be distributed as follows:

(a) For districts and consortia that received payments for 2007-2008 under this section, the amount allocated to each for 2008-2009 shall be based on the number of participants served by the district or consortium for 2008-2009, using the amount allocated per full-time equated participant under subsection (6), up to a maximum total allocation under this subsection in an amount equal to the amount the district or consortium received for 2007-2008 under this section before any reallocations made for 2007-2008 under subsection (4).

(b) A district or consortium that received funding in 2007-2008 under this section may operate independently of a consortium or join or form a consortium for 2008-2009. The allocation for 2008-2009 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2007-2008. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2008-2009 by October 1, 2008.

(c) If a district had a declaration of financial emergency in place under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and that declaration was revoked during 2005, the district may operate a program under this section independently of a consortium or may join or form a consortium to operate a program under this section. The allocation for 2008-2009 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2007-2008 or, for a district for which a declaration of financial emergency was revoked during 2005, based on the amount the district received under this section using a 3-year average of the 3 most recent fiscal years the district received funding under this section. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2008-2009 by October 1, 2008.

(4) A district that operated an adult education program in 2007-2008 and does not intend to operate a program in 2008-2009 shall notify the department by October 1, 2008 of its intention. The funds intended to be allocated under this section to a district that does not operate a program in 2008-2009 and the unspent

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funds originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (3) shall instead be proportionately reallocated to the other districts described in subsection (3)(a) that are operating an adult education program in 2008-2009 under this section.

(5) From the amount allocated under subsection (1), up to a maximum of $200,000.00 shall be allocated for not more than 1 grant not to exceed $200,000.00 for expansion of an existing innovative community college program that focuses on educating adults. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(a) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities.

(b) Is located off-campus in an urban residential setting with documented high poverty and low high school graduation rates.

(c) Provides general educational development (G.E.D.) test preparation courses and workshops.

(d) Provides developmental courses taught by college faculty that prepare students to be successful in college-level courses.

(e) Uses learning communities to allow for shared, rather than isolated, learning experiences.

(f) Provides on-site tutoring.

(g) Provides access to up-to-date technology, including personal computers.

(h) Partners with a financial institution to provide financial literacy education.

(i) Assists students in gaining access to financial aid.

(j) Provides on-site academic advising to students.

(k) Provides vouchers for reduced G.E.D. testing costs.

(*l*) Partners with local agencies to provide referrals for social services as needed.

(m) Enrolls participants as students of the community college.

(n) Partners with philanthropic and business entities to provide capital funding.

(6) The amount allocated under this section per full-time equated participant is $2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by an appropriate assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and tests participants to determine progress after every 90 hours of attendance, using assessment instruments approved by the department of labor and economic growth.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (11) until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency as defined by the department.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer other tests after every 90 hours of attendance to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant passes the G.E.D. test.

(*ii*) The participant fails to show progress on 2 successive tests used to determine readiness to take the

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G.E.D. test after having completed at least 450 hours of instruction.

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(*i*) The individual achieves the requisite skills as determined by appropriate assessment instruments administered at least after every 90 hours of attendance.

(*ii*) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency, as defined by the department in the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(12) As used in this section, "participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(13) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (7), (8), (9), or (10) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(14) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section. However, from the amount allocated under subsection (1), up to a maximum of $500,000.00 shall be made available as competitive grants to districts that enroll adults who do not have a high school diploma or G.E.D. and who are incarcerated in a state correctional facility in general education development (G.E.D.) test preparation courses and workshops or high school completion programs. Districts applying for grants under this subsection shall do so in a form and manner determined by the department. Districts receiving funding under this subsection shall provide G.E.D. and high school diploma programs substantially similar to those programs as described in this section and shall receive $2,850.00 per participant enrolled in the programs.

(15) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(16) A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

(17) In order to receive funds under this section, a district shall furnish to the department, in a form and

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manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(18) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

(19) As used in this section, "department" means the department of labor and economic growth.

History: Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Former MCL 388.1707, which pertained to adult education programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

In subdivision (3)(a), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

In subdivision (3)(b), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (16), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1707a Repealed. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: The repealed section pertained to family resource center curriculum blue ribbon study committee.

388.1707b Repealed. 2005, Act 155, Eff. Oct. 1, 2005.

Compiler's note: The repealed section pertained to adult learning system pilot project.

388.1707c, 388.1707d Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to literacy project grants and adult education categorical grants.

388.1707e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to adult education programs.

388.1707f Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

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Compiler's note: The repealed section pertained to adult education programs.

388.1708 Repealed. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: The repealed section pertained to adult learning programs.

388.1709 Providing appropriate instructional services to pupil requiring hospitalization or confinement at home.

Sec. 109. (1) Subject to subsection (2), in order to receive funds under this act, each district or intermediate district shall provide appropriate instructional services, as determined by the district or intermediate district, to an enrolled pupil who is certified by the pupil's attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days. The district or intermediate district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section.

(2) A district or intermediate district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district's or intermediate district's prior knowledge only if the district or intermediate district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd numbered year, the department shall prepare and distribute to each district and intermediate district a written explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation to any other person upon request.

History: Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Eff. Oct. 1, 1994.

ARTICLE 11

388.1711 Tuition rates; computation; uniformity.

Sec. 111. A district having tuition pupils enrolled on the pupil membership count day of each year may charge the district of residence an amount for tuition that does not exceed the tuition rate computed under section 1401 of the revised school code, MCL 380.1401. The rate charged by a district shall be uniform within each category of tuition pupils enrolled in the district. However, for a tuition pupil who resides in a K-5, K-6, or K-8 district and who is enrolled in a grade not offered by the pupil's district of residence, the tuition rate charged to the pupil's district of residence shall not exceed the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district, whichever is greater.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982 ;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 4, Imd. Eff. Mar. 27, 1985;—Am. 1986, Act 97, Imd. Eff. May 14, 1986;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1995;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

Compiler's note: In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... ."

388.1712 Full-day kindergarten; tuition or fee prohibited.

Sec. 112. A district receiving funds under this act shall not charge tuition or any other fee for full-day kindergarten for a pupil who is eligible to enroll in the district.

History: Add. 1997, Act 93, Eff. Oct. 1, 1997.

388.1713 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to pupils residing in juvenile or detention home and attending school by court direction.

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388.1716 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to American Indian pupils.

388.1717 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to charging legal amount of tuition as requirement for allotment or payment.

388.1718 Conditions for allotment or payment; failure to pay full amount; remittance; deduction from school aid.

Sec. 118. (1) Subject to subsection (3), a district shall not be allotted or paid a sum under this act unless that district pays the agreed-upon amount of tuition or other payment for pupils educated outside the boundaries of the pupil's district of residence.

(2) A district that sends pupils to 1 or more districts, that is legally liable for the payment of the amount described in subsection (1), and that fails to pay that amount in full before April 1 of each year shall remit the full amount owed to the receiving district before making any other financial expenditure or commitment for the next school fiscal year.

(3) The department shall not deduct any amount from a district's state school aid pursuant to this section unless the receiving district demonstrates to the satisfaction of the department, not later than April 30 of the same fiscal year, that the liable district has not paid the required amount as described in subsection (2).

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1995, Act 130, Eff. Oct. 1, 1995.

ARTICLE 12

388.1721 Valuation of district; adjustments.

Sec. 121. (1) The valuation of a whole or fractional district shall be the total taxable value of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the taxable value of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under 1953 PA 189, MCL 211.181 to 211.182, and the value of property used to calculate the state payment in lieu of taxes on state purchased property under section 2153 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2153. Adjustments to this taxable value shall be made for all of the following:

(a) State tax tribunal decisions.

(b) Court decisions.

(c) Local board of review adjustments made after the state tax commission determination.

(d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.

(e) The requirements of this act.

(2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1721a Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to state education tax.

388.1722 Deducting valuation of property from valuation of district; condition; credit as lien; payment of school aid fund.

Sec. 122. The valuation of property assessed under Act No. 189 of the Public Acts of 1953, as amended, being sections 211.181 to 211.182 of the Michigan Compiled Laws, shall be deducted from the total valuation

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of a district if school taxes levied against the property are not collected from the lessee or user of the property. The credit so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 336, Eff. Oct. 1, 1994.

388.1724 Reducing valuation of district when taxes paid under certain conditions; credits as lien against district; payment to school aid fund; implementation of subsection (2).

Sec. 124. (1) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are paid under protest and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

(2) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are not paid by a single bankrupt debtor that files for reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. 1101 to 1174, and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected. This subsection shall be implemented upon verification by the department that the district has taken proper action to attempt to secure payment of taxes by the bankrupt debtor.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1987, Act 17, Imd. Eff. Apr. 24, 1987;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

ARTICLE 14

388.1743-388.1744a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to amounts allocated to eligible districts, allocations to applicants sustaining SEV reduction due to listing of forest land, deductions of amounts, and sources of revenue.

388.1745 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to state share of desegregation costs.

388.1746 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed section pertained to social security and medicare obligations.

388.1746a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to payments to districts for social security and medicare.

388.1747 Allocations to public school employees' retirement system.

Sec. 147. The allocation for 2008-2009 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate is estimated at 16.54% for the 2008-2009 state fiscal year. The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of 29 years for 2008-2009. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

History: Add. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before

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September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.

”Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00.

"Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at $1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at $1,044,700,000.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1748, 388.1749 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed sections pertained to grant to Detroit compact for comprehensive school, business, government, and community partnership, and Michigan partnership for new education.

388.1749a, 388.1749c, Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to dropout prevention program and Detroit compact for comprehensive school, business, government, and community partnerships.

ARTICLE 15

388.1751 Statement of taxable value; report by tax tribunal.

Sec. 151. (1) The treasurer of each county shall furnish to the department, on or before August 1 of each year following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, using forms furnished by the department. On or before May 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the immediately preceding year of each district and fraction of a district within the county, using forms furnished by the department. On or before October 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the years after 1993 of each district and fraction of a district within the county, using forms furnished by the department. The reports required by this subsection shall also contain the amount of ad valorem taxable value captured for school operating taxes under tax increment financing acts.

(2) Not later than the tenth day of each month, the tax tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779, shall report to the department the changes in taxable value for tax years after 1993 that are not reported to the department under subsection (1) and that are caused by tax tribunal decisions in the immediately preceding month for property that is a principal residence or qualified agricultural property, as defined in section 1211 of the revised school code, MCL 380.1211, and for property that is not a principal residence or qualified agricultural property, in each district and intermediate district. The report shall also contain the amount of taxable value captured under a tax increment financing plan described in subsection (1) for school operating tax purposes.

(3) As used in this section, "tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act

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297, Imd. Eff. July 26, 2000;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1752 Reports for determination of allocation of funds; information; reports of educational progress.

Sec. 152. Except for reports due on other dates specified in this act, each district and intermediate district shall furnish to the center or the department, as applicable, before the first Monday in November of each year those reports the department considers necessary for the determination of the allocation of funds under this act. In order to receive funds under this act, each district and intermediate district shall also furnish to the center or the department, as applicable, the information the department considers necessary for the administration of this act, including information necessary to determine compliance with article 16, and for the provision of reports of educational progress to the senate and house committees responsible for education, the senate and house appropriations subcommittees responsible for appropriations to school districts, the senate and house fiscal agencies, and the state budget director, as appropriate. This section does not require a district or intermediate district to submit any information to both the center and the department.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

388.1752a Repealed. 1995, Act 130, Imd. Eff. June 30, 1995.

Compiler's note: The repealed section pertained to estimates of full-time equated K-12 and part-time membership.

388.1753 Furnishing information to legislative fiscal agencies.

Sec. 153. Each district and intermediate district shall furnish to the legislative fiscal agencies of the state legislature information the agencies require on forms prepared and furnished by the agencies, relative to the expenditure of funds appropriated and allocated under this act.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980.

388.1754 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to names and post office addresses of treasurers, presidents, and secretaries of boards.

388.1755 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to certifications as to nonresident pupils.

388.1756, 388.1757 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

Compiler's note: The repealed sections pertained to informing legislators of amounts received and study of suspended or expelled students.

388.1758 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to furnishing information for preparation of district pupil retention report.

388.1758a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to reports on suspended and expelled pupils.

388.1758b Report by district receiving federal impact aid.

Sec. 158b. Each district that receives federal impact aid annually shall report to the center, in the form and manner prescribed by the center, the amount of that aid the district received.

History: Add. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this

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amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

388.1758c Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to reports on grants or contracts.

388.1759 Repealed. 1993, Act 175, Eff. Oct. 1, 1993.

Compiler's note: The repealed section pertained to special report including membership data.

ARTICLE 16

388.1761 Violation as misdemeanor; penalty.

Sec. 161. A school official or member of a board or other person who neglects or refuses to do or perform an act required by this act or who violates or knowingly permits or consents to the violation of this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not more than $1,500.00, or both.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990.

388.1761a False report; court order.

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section 6(6)(f) knowing the report to be false for the purpose of having a pupil counted in membership in a district under section 6(6)(f), as part of the restitution ordered under section 30 of chapter XIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in his or her district of residence.

History: Add. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1762 Failure to file reports; forfeiture of funds.

Sec. 162. A district or intermediate district that fails through the negligence of school officials to file reports pursuant to this act shall forfeit that proportion of funds to which the district or intermediate district otherwise would be entitled under this act as the delay in the reports bears to a school year consisting of the required minimum number of days and hours, as prescribed in section 1284 of the revised school code, being section 380.1284 of the Michigan Compiled Laws, for the district or intermediate district.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1763 Prohibited conduct; deduction; notice; misdemeanor; penalty.

Sec. 163. (1) Except as provided in the revised school code, the board of a district or intermediate district shall not permit any of the following:

(a) A noncertificated teacher to teach in an elementary or secondary school or in an adult basic education or high school completion program.

(b) A noncertificated counselor to provide counseling services to pupils in an elementary or secondary school or in an adult basic education or high school completion program.

(2) Except as provided in the revised school code, a district or intermediate district employing teachers or counselors not legally certificated shall have deducted the sum equal to the amount paid the teachers or counselors for the period of noncertificated or illegal employment. Each intermediate superintendent shall notify the department of the name of the noncertificated teacher or counselor, and the district employing that

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individual and the amount of salary the noncertificated teacher or counselor was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing a nonapproved noncertificated teacher or counselor in violation of this section and knowingly continues to employ that teacher or counselor, the school official is guilty of a misdemeanor, punishable by a fine of $1,500.00 for each incidence.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1763a Enrollment of homeless child; definition.

Sec. 163a. (1) A district shall allow a homeless child who is residing in the district to enroll in the district in accordance with state law and with subtitle B of title VII of the Stewart B. McKinney homeless assistance act, Public Law 100-77, 42 U.S.C. 11431 to 11435.

(2) As used in this section, "homeless child" means a school-age child who is homeless, as defined in section 103 of title I of Public Law 100-77, 42 U.S.C. 11302, or who is the child of a homeless individual, as defined in 42 U.S.C. 11302.

History: Add. 1994, Act 283, Eff. Oct. 1, 1994.

388.1764 Forfeiture of amount equal to expenditure for cars or chauffeurs.

Sec. 164. A district or intermediate district shall forfeit an amount to which the district or intermediate district otherwise would be entitled under this act equal to the district's or intermediate district's expenditures in the immediately preceding school fiscal year for purchasing, leasing, or renting cars for board members for use within district or intermediate district boundaries, and for chauffeurs for board members or administrators.

History: Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1764a Receipt by school administrator of monetary payment in lieu of unused vacation or personal leave.

Sec. 164a. A district or intermediate district shall not allow a school administrator to receive a monetary payment in lieu of unused vacation or personal leave for the purpose of increasing the school administrator's retirement benefits. If a district or intermediate district violates this section in a fiscal year, the district or intermediate district forfeits from its funds due under this act for that fiscal year an amount equal to the salary of the district's or intermediate district's superintendent for that fiscal year.

History: Add. 1994, Act 283, Eff. Oct. 1, 1994.

388.1764b Payment or reimbursement of board member expenses.

Sec. 164b. (1) The board of a district or intermediate district shall not pay an expense incurred by a member of the board unless the payment is in compliance with section 1254 of the revised school code, being section 380.1254 of the Michigan Compiled Laws.

(2) In addition to the requirements of section 1254 of the revised school code, the board of a district or intermediate district shall not approve reimbursement of an expense incurred by a board member unless 1 or both of the following conditions is met:

(a) The board, by a majority vote of its members at an open meeting, approved reimbursement of the specific expense before the expense was incurred.

(b) The expense is consistent with a policy adopted by the board, by a majority vote of its members at a regular board meeting, establishing specific categories of reimbursable expenses and the board, by a majority vote of its members at an open meeting, approved the reimbursement before it is actually paid.

(3) Records of all payments under this section shall be open to the public.

(4) A violation of this section is punishable under section 161.

History: Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

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388.1764c Purchase of foreign goods or services; preference.

Sec. 164c. A district or intermediate district shall not use funds appropriated under this act to purchase foreign goods or services, or both, if American goods or services, or both, are available and are competitively priced and of comparable quality. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

History: Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1764d Adoption, implementation, or issuance of certain policies, practices, or statements; prohibition.

Sec. 164d. A district or intermediate district shall not expend funds received under this act to adopt or implement a policy or practice, or to make or issue any public statement or directive, that has the effect of any of the following:

(a) Denies to a student of a particular state university access to the district or intermediate district for student teaching purposes solely because the student is enrolled in that state university.

(b) Prevents the hiring of a graduate of a particular state university solely because the individual graduated from that state university.

(c) Discourages or prohibits a counselor employed by the district or intermediate district from recommending a particular state university to a pupil of the district or intermediate district for reasons other than the suitability of the state university's educational offerings for the particular pupil.

History: Add. 1995, Act 130, Eff. Oct. 1, 1995.

388.1764e Student teaching; employment discrimination prohibited.

Sec. 164e. If a district or an employee of a district discriminates against a person engaging in or seeking to engage in student teaching in the district because the state university in which the person is enrolled serves as the authorizing body for 1 or more public school academies, the district forfeits an amount equal to 10% of the funds due to the district under this act.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996.

388.1765 Reimbursement by entity in contractual shared time agreement.

Sec. 165. If an individual or private entity receives payment or consideration from a district or intermediate district as a result of involvement in a contractual shared time agreement and if memberships attributable to that agreement are subsequently disallowed by the department, the individual or entity shall reimburse to the district or intermediate district the full amount of the payment or consideration received. The attorney general may take any action necessary to enforce the reimbursement required under this section.

History: Add. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

Compiler's note: Former MCL 388.1765, which pertained to forfeiture of apportionments, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

388.1766 Dispensing or distributing family planning or drug or device, dispensing prescriptions for family planning drug, or making referrals for abortion; forfeiture.

Sec. 166. A district in which a school official, member of a board, or other person dispenses or otherwise distributes a family planning drug or device in a public school in violation of section 1507 of the revised school code, being section 380.1507 of the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.

History: Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1766a Instruction in reproductive health or other sex education; complaint process.

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Sec. 166a. (1) In order to avoid forfeiture of state aid under subsection (2), the board of a district or intermediate district providing reproductive health or other sex education instruction under section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, or under any other provision of law, shall ensure that all of the following are met:

(a) That the district or intermediate district does not provide any of the instruction to a pupil who is less than 18 years of age unless the district or intermediate district notifies the pupil's parent or legal guardian in advance of the instruction and the content of the instruction, gives the pupil's parent or legal guardian a prior opportunity to review the materials to be used in the instruction, allows the pupil's parent or legal guardian to observe the instruction, and notifies the pupil's parent or legal guardian in advance of his or her rights to observe the instruction and to have the pupil excused from the instruction.

(b) That, upon the written request of a pupil's parent or legal guardian or of a pupil if the pupil is at least age 18, the pupil shall be excused, without penalty or loss of academic credit, from attending class sessions in which the instruction is provided.

(c) That the sex education instruction includes age-appropriate information clearly informing pupils at 1 or more age-appropriate grade levels that having sex or sexual contact with an individual under the age of 16 is a crime punishable by imprisonment, and that 1 of the other results of being convicted of this crime is to be listed on the sex offender registry on the internet for up to 25 years.

(2) If a parent or legal guardian of a pupil enrolled in a district or intermediate district believes that the district or intermediate district has violated this section or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, he or she may file a complaint with the superintendent or chief administrator of the district or intermediate district in which the pupil is enrolled. Upon receipt of the complaint, the superintendent or chief administrator of the district or intermediate district shall investigate the complaint and, within 30 days after the date of the complaint, provide a written report of his or her findings to the parent or legal guardian who filed the complaint and to the superintendent of public instruction. If the investigation reveals that 1 or more violations have occurred, the written report shall contain a description of each violation and of corrective action the district or intermediate district will take to correct the situation to ensure that there is no further violation. The district or intermediate district shall take the corrective action described in the written report within 30 days after the date of the written report.

(3) If a parent who has filed a complaint with a district under subsection (2) believes that the district is still not in compliance with law based on the findings made by the superintendent or chief administrator of the district, the parent may appeal the findings to the intermediate district in which the district is located. If there is an appeal to an intermediate district under this subsection, the intermediate superintendent of the intermediate district shall investigate the complaint and, within 30 days after the date of the appeal, provide a written report of his or her findings to the parent or legal guardian who filed the appeal and to the superintendent of public instruction. If the investigation by the intermediate superintendent reveals that 1 or more violations have occurred, the intermediate superintendent in consultation with the local district shall develop a plan for corrective action for the district to take to correct the situation to ensure that there is no further violation, and shall include this plan for corrective action with the written report provided to the parent or legal guardian and the superintendent of public instruction. The district shall take the corrective action described in the plan within 30 days after the date of the written report.

(4) If a parent who has filed a complaint with an intermediate district under subsection (2) or a parent who has filed an appeal with an intermediate district under subsection (3) believes that the district or intermediate district is still not in compliance with law based on the findings made by the intermediate superintendent of the intermediate district, the parent may appeal the findings to the department. If there is an appeal to the department under this subsection, the department shall investigate the complaint and, within 90 days after the date of the appeal, provide a written report of its findings to the parent or legal guardian who filed the appeal, to the superintendent of public instruction, and to the district and intermediate district. If the department finds 1 or more violations as a result of its investigation, then all of the following apply:

(a) The department shall develop a plan for corrective action for the district or intermediate district to take to correct the situation to ensure that there is no further violation, and shall include this plan for corrective action with the written report provided to the parent or legal guardian, the superintendent of public instruction, and the district or intermediate district. The district or intermediate district shall take the corrective action described in the plan within 30 days after the date of the written report.

(b) In addition to withholding the percentage of state school aid forfeited by the district or intermediate district under subsection (5), the department may assess a fee to the district or intermediate district that committed the violation in an amount not to exceed the actual cost to the department of conducting the investigation and making the reports required under this subsection.

(5) If an investigation conducted by the department under subsection (4) reveals that a district or

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intermediate district has committed 1 or more violations of this section or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, the district or intermediate district shall forfeit an amount equal to 1% of its total state school aid allocation under this act.

(6) The department, with the approval of the superintendent of public instruction, shall establish a reasonable process for a complainant to appeal to the department under subsection (4). The process shall not place an undue burden on the complainant, the district or intermediate district, or the department.

(7) The department shall track the number of complaints and appeals it receives under this section for the 2004-2005 school year and, not later than the end of that school year, shall submit a report to the standing committees and appropriations subcommittees of the legislature having jurisdiction over education legislation and state school aid that details the number and nature of those complaints and appeals and the cost to the department of handling them.

History: Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 166, Imd. Eff. June 24, 2004.

388.1766b Minor enrolled in nonpublic school or home school.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district or intermediate district in any curricular offering that is provided by the district or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are offered to full-time pupils in the minor's grade level or age group during regularly scheduled school hours.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school located within the district or who resides within the district and is being home-schooled from also enrolling the minor in the district in a curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) Either of the following:

(*i*) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(*ii*) If the nonpublic school has submitted a written request for a specific fiscal year to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the portion of the instruction that the district has not agreed to provide is instead provided by a district that is contiguous to the district in which the nonpublic school is located. This subparagraph applies only to instruction, or a portion of instruction, that is specifically included in the written request that was made to the district in which the nonpublic school is located and that was denied by that district.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

(c) The instruction is scheduled to occur during the regular school day.

(d) The instruction is provided directly by an employee of the district or of an intermediate district.

(e) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district during the regular school day at a public school site.

(f) The curricular offering is restricted to nonessential elective courses for pupils in grades 1 to 12.

(3) A minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

(4) A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the instruction for each portion of instruction included in the request.

History: Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2008, Act 219, Imd. Eff. July 16, 2008
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388.1766d Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

Compiler's note: The repealed section pertained to health care coverage for abortion services.

388.1766e Construction of new building, or addition to or repair or renovation of existing building; use of competitive bid process.

Sec. 166e. Before entering into a contract in an amount in excess of $15,000.00 for any materials, supplies, or equipment or a contract in an amount in excess of $15,000.00 for construction of a new building, or addition to or repair or renovation of an existing building, the board of a district of the first class, or any other purchasing authority within a district of the first class, shall obtain sealed competitive bids, and the district shall award such a contract using this competitive bid process. This section does not prohibit a district from making a public request for proposals before requesting bids and does not prohibit a district from awarding a contract based on a combination of price, quality, and service factors. A school official or member of a school board or other person who neglects or refuses to do or perform an act required by this section, or who violates or knowingly permits or consents to a violation of this section, is guilty of a misdemeanor punishable by a fine of not more than $500.00, or imprisonment for not more than 3 months, or both.

History: Add. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1767 Plan for compliance with MCL 333.9209 and 380.1177; report of immunization status; districts subject to subsection (4); failure to comply with section; pupil relocated in state due to natural disaster.

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils, as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils who enrolled in the district or intermediate district for the first time.

(3) Each district or intermediate district shall again report to the local health department in which it is located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 of the immediately preceding fiscal year and December 31 of the current fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils, as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils who enrolled in the district or intermediate district for the first time. If the department of community health is not able to report to the department by March 31 because

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a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

History: Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 89, Imd. Eff. May 1, 2000;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1767a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

Compiler's note: The repealed section pertained to funds held in escrow.

388.1768 Access to records; audit.

Sec. 168. In order to receive funds under this act, a district, intermediate district, grant recipient, contractor, or other entity that directly or indirectly receives funds under this act shall allow access for the department or the department's designee to audit all records related to a program for which it receives such funds. The district, intermediate district, grant recipient, contractor, or other entity shall reimburse the state for all disallowances found in the audit.

History: Add. 1993, Act 175, Eff. Oct. 1, 1993.

388.1768a Removing or contracting to remove asbestos.

Sec. 168a. In order to receive funds under this act, a district or intermediate district shall not remove asbestos, or contract for the removal of asbestos, from an educational facility unless the removal is required under Act No. 51 of the Public Acts of 1993, being sections 388.861 to 388.864 of the Michigan Compiled Laws.

History: Add. 1993, Act 175, Eff. Oct. 1, 1993.

388.1769 State aid to public school academies.

Sec. 169. In order for a public school academy to receive state aid under this act, the public school academy shall demonstrate to the satisfaction of the department that the public school academy has made a good faith effort to advertise, throughout the entire area of the intermediate district in which the public school academy is located, that the academy is enrolling students and the procedures for applying for enrollment. The department shall not make any payments to a public school academy until the public school academy supplies evidence satisfactory to the department demonstrating compliance with this section. If a public school academy is a successor to a nonpublic school and more than 75% of the pupils enrolled in the public school academy during its first school year of operation were previously enrolled in that nonpublic school, there is a rebuttable presumption that the public school academy did not make the good faith effort required under this section.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996.

Compiler's note: Former MCL 388.1769, which pertained to purchasing foreign goods or services, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

388.1769a Michigan schools for the deaf and blind; information about residential programs; interference with right or ability prohibited; educational placement options.

Sec. 169a. (1) A board member, official, or employee of a district or intermediate district shall not interfere

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with the right or ability of the Michigan schools for the deaf and blind to provide information about the residential program among parents and guardians of pupils or residents of the district or intermediate district.

(2) Upon determining that a pupil is deaf or hard of hearing, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan coalition for deaf and hard of hearing persons, on educational placement options for deaf and hard of hearing children.

(3) Upon determining that a pupil is blind, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan federation for the blind, on educational placement options for blind children.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

Compiler's note: Former MCL 388.1769a, which pertained to reports, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

388.1769b Contract in which board member has conflict of interest; abstention from voting.

Sec. 169b. A board member of a district, intermediate district, public school academy, or public school academy corporation shall abstain from voting on any contract in which the board member has a conflict of interest.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996.

ARTICLE 17

388.1771 Repeal of MCL 388.1401 to 388.1572; certain references considered references to former act.

Sec. 171. (1) Act No. 90 of the Public Acts of 1977, as amended, being sections 388.1401 to 388.1572 of the Compiled Laws of 1970, is repealed.

(2) A reference to a section or subsection of this act applicable to a fiscal year ending before October 1, 1979, shall be considered a reference to the section, subsection, or provision of former Act No. 90 of the Public Acts of 1977 or former Act No. 258 of the Public Acts of 1972, governing the same subject matter, as determined by the department.

History: 1979, Act 94, Eff. Oct. 1, 1979.

388.1771a Repealed. 1984, Act 239, Eff. Oct. 1, 1984.

Compiler's note: The repealed section pertained to revised method of distributing general membership aid.

388.1772 Effective date.

Sec. 172. This act shall take effect October 1, 1979.

History: 1979, Act 94, Eff. Oct. 1, 1979.

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CAREER AND TECHNICAL PREPARATION ACT
Act 258 of 2000

AN ACT to establish career and technical preparation enrollment options for certain students enrolled in Michigan schools; to prescribe certain duties of public schools and certain postsecondary institutions; to prescribe certain powers and duties of certain state departments, officials, and agencies; and to repeal acts and parts of acts.

History: 2000, Act 258, Eff. Apr. 1, 2001.

The People of the State of Michigan enact:

388.1901 Short title.

Sec. 1. This act shall be known and may be cited as the “career and technical preparation act”.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1902 Purpose of act.

Sec. 2. The purpose of this act is to provide a wider variety of options to high school pupils by encouraging and enabling qualified pupils to enroll in courses or programs in career and technical preparation programs at eligible postsecondary educational institutions.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1903 Definitions; rules; scope.

Sec. 3. (1) As used in this act:

(a) "Career and technical preparation program" means a program that teaches a trade, occupation, or vocation and that is operated by an eligible postsecondary educational institution located in this state.

(b) "Community college" means a community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a federal tribally controlled community college located in this state that is recognized under the tribally controlled community college assistance act of 1978, 25 USC 1801 to 1852, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(c) "Department" means the department of labor and economic growth.

(d) "Eligible charges" means tuition and mandatory course fees, material fees, and registration fees required by a career and technical preparation program for enrollment in an eligible course. Eligible charges also include any late fees charged by a career and technical preparation program due to the school district's failure to make a required payment according to the timetable prescribed under this act. Eligible charges do not include transportation or parking costs or activity fees.

(e) "Eligible course" means a course offered by a career and technical preparation program that is not offered through the school district, intermediate school district, or area vocational-technical education program in which the eligible student is enrolled, or that is offered through the school district, intermediate school district, or area vocational-technical education program but is determined by its governing board to not be available to the eligible student because of a scheduling conflict beyond the eligible student's control; that is a career and technical preparation course not ordinarily taken as an activity course; that is a course that the career and technical preparation program normally applies toward satisfaction of certificate, degree, or program completion requirements; and that is not a hobby craft or recreational course.

(f) "Eligible postsecondary educational institution" means a state university, community college, or independent nonprofit degree-granting college or university that is located in this state and that chooses to comply with this act.

(g) "Eligible student" means a student enrolled in at least 1 high school class in at least grade 11 in a

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school district in this state, except a foreign exchange pupil enrolled in a school district under a cultural exchange program. Until the 2006-2007 school year, to be an eligible student a student must have achieved state endorsement in all subject areas under section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, and, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act. However, if the student has not achieved state endorsement in all subject areas under that section, the student is an eligible student if the student achieves state endorsement in mathematics and a qualifying score on a nationally or industry recognized job skills assessment test as determined by the department. Beginning with eligibility to participate under this act during the 2006-2007 school year, to be an eligible student a student who has not taken the Michigan merit examination must have achieved a qualifying score in all subject areas on a readiness assessment and a student who has taken the Michigan merit examination must have achieved a qualifying score in all subject areas on the Michigan merit examination, and, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act. However, if the student has not achieved a qualifying score in all subject areas on a readiness assessment or the Michigan merit examination, as applicable for the student, the student is an eligible student if the student achieves a qualifying score in mathematics and a qualifying score on a nationally or industry recognized job skills assessment test as determined by the superintendent of public instruction. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled in high school for that school year.

(h) "Intermediate school district" means that term as defined in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

(i) "Michigan merit examination" means that examination developed under section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g.

(j) "Qualifying score" means a score on a readiness assessment or on a nationally or industry recognized job skills assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course under this act.

(k) "Readiness assessment" means assessment instruments that are aligned with state learning standards; that are used nationally to provide high school students with an early indication of college readiness proficiency in English, mathematics, reading, social studies, and science and may contain a comprehensive career planning program; and that are approved by the superintendent of public instruction for the purposes of this act.

(*l*) "School district" means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, a local act school district as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, or a public school academy organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(m) "State university" means a state institution of higher education described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(2) The department, in consultation with the superintendent of public instruction, shall promulgate rules establishing criteria and procedures under which a student who has been enrolled in high school for more than 4 years but not more than 5 years may be considered to be an eligible student. The rules shall address special circumstances under which a student may qualify to be considered an eligible student under this subsection and may limit the number of courses in which a student who qualifies under this subsection may enroll. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled for that school year.

History: 2000, Act 258, Eff. Apr. 1, 2001;—Am. 2004, Act 592, Imd. Eff. Jan. 5, 2005;—Am. 2005, Act 181, Imd. Eff. Oct. 20, 2005.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1903a Readiness assessments; duties of superintendent of public instruction; determination of qualifying scores; costs.

Sec. 3a. (1) Not later than July 1, 2005, the superintendent of public instruction shall do both of the following:

(a) Approve 1 or more readiness assessments that may be used for the purposes of determining eligible

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students beginning with participation in the 2006-2007 school year. Readiness assessments shall be aligned with state learning standards and shall provide high school students with an early indication of proficiency in the subject areas of English, mathematics, reading, social studies, and science and contain a comprehensive career planning program.

(b) Determine qualifying scores for each subject area component of a readiness assessment and for a nationally or industry recognized job skills assessment test that indicate readiness to enroll in a course under this act.

(2) Not later than July 1, 2006, the superintendent of public instruction shall determine qualifying scores for each subject area component of the Michigan merit examination that indicate readiness to enroll in a course under this act.

(3) Unless the school district in which the student is enrolled elects to pay these costs, a student who takes a readiness assessment or a job skills assessment test for the purposes of this act is responsible for paying all costs for taking and obtaining qualifying scores on a readiness assessment or a job skills assessment test for the purposes of this act. This state is not responsible for any of these costs.

History: Add. 2004, Act 592, Imd. Eff. Jan. 5, 2005.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1904 Career and technical preparation program; enrollment requirements; payment.

Sec. 4. (1) Upon request by the eligible student, the school district in which an eligible student is enrolled shall provide to the eligible student a letter signed by the student's principal indicating the student's eligibility under this act.

(2) An eligible student may apply to a career and technical preparation program to enroll in 1 or more eligible courses offered by that career and technical preparation program and, if accepted, may enroll in 1 or more of those courses.

(3) Within a reasonable time after registration, the career and technical preparation program shall send written notice to the eligible student and his or her school district. The notice shall indicate the course or courses and hours of enrollment of that eligible student. The career and technical preparation program shall notify the eligible student about tuition, fees, books, materials, and other related charges, as determined by the career and technical preparation program, in the customary manner used by the career and technical preparation program, and shall notify the eligible student of the estimated amount of the eligible charges that will be billed to the school district under subsection (4).

(4) Unless otherwise agreed between the career and technical preparation program and the school district, after the expiration of the career and technical preparation program's drop/add period for the course, the career and technical preparation program shall send a bill to the eligible student's school district detailing the eligible charges for each eligible course in which the student is enrolled under this act.

(5) Upon receiving the bill under subsection (4), the school district shall cause to be paid to the career and technical preparation program on behalf of the eligible student an amount equal to the lesser of the amount of the eligible charges or the prorated percentage of the state portion of the foundation allowance paid on behalf of that particular eligible student under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, with the proration based on the proportion of the school year that the eligible student attends the career and technical preparation program. A school district may pay more money to a career and technical preparation program on behalf of an eligible student than is required under this act, and may use local school operating revenue for that purpose. The eligible student is responsible for payment of the remainder of the costs associated with his or her enrollment in the career and technical preparation program that exceed the amount the school district is required to pay under this act and that are not paid by the school district. As used in this subsection, “local school operating revenue” means that term as defined in section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620.

(6) A career and technical preparation program shall not charge a late fee to an eligible student or a school district for a payment that is made in compliance with the timetable prescribed under this act even if the payment would otherwise be considered late by the career and technical preparation program.

(7) A school district may require an eligible student to provide, on a form supplied by the school district, reasonable verification that the eligible student is regularly attending a career and technical preparation course under this act.

(8) If an eligible student enrolled in an eligible course under this act does not complete the eligible course,

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and if the school district has paid money for the course on behalf of the student, all of the following apply:

(a) The career and technical preparation program shall forward to the school district any funds that are refundable due to noncompletion of the course. If applicable, the school district shall then forward to the student any refunded money in excess of the amount paid by the school district for the course on behalf of the student.

(b) The student shall repay to the school district any funds that were expended by the school district for the course that are not refunded to the school district by the career and technical preparation program. If the student does not repay this money, the school district may impose sanctions against the student as determined by school district policy. This subdivision does not apply to a student who does not complete the course due to a family or medical emergency, as determined by the career and technical preparation program.

(9) A school district shall make available to an eligible student enrolled in the school district copies of all correspondence in the possession of the school district regarding the eligible student's participation in a career and technical preparation course under this act. Correspondence described in this subsection shall be kept by the school district for at least 1 year.

(10) If a school district pays for books for an eligible student for a career and technical preparation course under this section, the books are the property of the school district and shall be turned over to the school district after the eligible student completes the course.

(11) This section does not apply to any career and technical preparation courses in which an eligible student is enrolled in addition to being enrolled full-time in that eligible student's school district; to a career and technical preparation course an eligible student is retaking after failing to achieve a satisfactory grade; or to a course contrary to the eligibility provisions of this act. In determining full-time enrollment in a school district under this act or full-time equated membership under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, for pupils enrolled in a career and technical preparation program under this act, the pupil's enrollment in both the school district and the career and technical preparation program shall be counted as enrollment in the school district and a pupil shall not be considered to be enrolled in a school district less than full-time solely because of the effect of the pupil's enrollment in 1 or more career and technical preparation courses under this act, including necessary travel time, on the number of class hours provided by the school district to the pupil.

(12) This act does not require a school district to pay or otherwise provide financial support for transportation or parking costs necessary for an eligible student to participate in a career and technical preparation program under this act. A school district is not liable for any injury incurred by an eligible student that is related to transportation necessary for the eligible student to participate in a career and technical preparation program under this act.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1905 Intercollegiate athletics; participation prohibited.

Sec. 5. An eligible student enrolled in a career and technical preparation program under this act shall not participate in intercollegiate athletics while he or she is enrolled in the career and technical preparation program under this act. An eligible student who violates this section forfeits his or her eligibility under this act.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1906 Enrollment; priority.

Sec. 6. A career and technical preparation program may give priority to its postsecondary students when enrolling eligible students in career and technical preparation courses under this act for high school credit only. Once an eligible student has been enrolled in a career and technical preparation course under this act, the career and technical preparation program shall not displace the eligible student with another student.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to

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powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1907 Academic credit.

Sec. 7. (1) An eligible student may enroll in, and receive payment by the school district under section 4 of all or part of eligible charges for, an eligible course under this act for high school credit or postsecondary credit, or both. At the time an eligible student enrolls in a career and technical preparation course under this act, he or she shall designate whether the course is for high school or postsecondary credit, or both, and shall notify both his or her high school and the career and technical preparation program of that designation. An eligible student taking more than 1 eligible course under this act may make different credit designations under this subsection for different courses. An eligible student shall not audit a course in which he or she is enrolled under this act.

(2) A school district shall grant academic credit to an eligible student enrolled in an eligible course for high school credit under this act if he or she successfully completes the course, as determined by the career and technical preparation program. The amount of high school credit granted by a school district for a course completed under this act shall be determined by the school district.

(3) The high school credits granted to an eligible student under this act shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and high school credits granted shall be included in the eligible student's high school record. Subject to section 444 of subpart 4 of part C of the general education provisions act, title IV of Public Law 90-247, 20 U.S.C. 1232g, commonly referred to as the family educational rights and privacy act of 1974, a career and technical preparation program shall provide the school district with a copy of the eligible student's grade in each course taken for high school credit under this act. Upon the request of an eligible student, his or her high school record and transcript shall also include evidence of successful completion and postsecondary credits granted for a course taken for postsecondary credit under this act. In either case, the eligible student's high school record and transcript shall indicate that the credits were earned at a career and technical preparation program and identify the career and technical preparation program.

(4) If a student enrolls in a career and technical preparation program after leaving high school, the career and technical preparation program, in accordance with institutional policy, shall award postsecondary credit for postsecondary courses successfully completed by that student for high school credit under this act at that career and technical preparation program. A career and technical preparation program shall not charge a student for credit awarded under this subsection.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1908 Enrollment without tuition and fee support.

Sec. 8. This act does not restrict the ability of an eligible student or any other pupil to enroll in any career and technical preparation program without tuition and fee support under this act.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1909 Information and counseling services.

Sec. 9. (1) Each school district shall provide information to all high school students on the career and technical preparation enrollment options under this act, including enrollment eligibility; the programs and types of courses that are eligible for participation; the decision-making process for granting academic credits; an explanation of eligible charges that will be paid by the school district and of financial arrangements for eligible charges and for paying costs not paid for by the school district; eligibility for payment of all or part of eligible charges by the school district under this act; an explanation that, if the student qualifies for payment of all or part of eligible charges by the school district under this act, the school district will pay that support directly to the career and technical preparation program upon being billed by the career and technical preparation program and that the student is not responsible for that payment but is responsible for payment of

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costs not paid for under this act; available support services; the need to arrange an appropriate schedule; consequences of failing or not completing a vocational education course in which the eligible student enrolls; the effect of enrolling in a career and technical preparation course on the eligible student's ability to complete the required high school graduation requirements; and the academic and social responsibilities that must be assumed by the eligible student and his or her parent or guardian.

(2) To the extent possible, a school district shall provide counseling services to an eligible student and his or her parent or guardian before the eligible student enrolls in a career and technical preparation course under this act to ensure that the eligible student and his or her parent or guardian are fully aware of the benefits, risks, and possible consequences of enrolling in the course. The person providing the counseling shall encourage the eligible student and his or her parent or guardian to also use available counseling services at the career and technical preparation program before the quarter or semester of enrollment to ensure that anticipated plans are appropriate. A school district may provide the counseling required under this section in a group meeting if additional personalized counseling is also made available.

(3) Before enrolling in an eligible course at a career and technical preparation program under this act, an eligible student and his or her parent or guardian shall file with the career and technical preparation program a signed form provided by the eligible student's school district stating that the student is an eligible student and has received the information and counseling specified in subsections (1) and (2) and that the student understands the responsibilities that must be assumed in enrolling in the course. Upon request, the department shall provide technical assistance to a school district and to a career and technical preparation program in developing appropriate forms and counseling guidelines for purposes of this section.

History: 2000, Act 258, Eff. Apr. 1, 2001;—2004, Act 592, Imd. Eff. Jan. 5, 2005.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1910 Enrollment information.

Sec. 10. By May 1, 2001, and by March 1 of each school year thereafter, a school district shall provide general information about the career and technical preparation enrollment options under this act to all pupils in grade 8 or higher.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1911 Annual report.

Sec. 11. (1) Each intermediate school district annually shall collect from each of its constituent school districts and provide to the department of education at the same time that it submits the annual comprehensive financial report required under section 18 of the state school aid act of 1979, 1979 PA 94, MCL 388.1618, information for the immediately preceding school year on all of the following:

(a) The amount of money expended by the school district for payments required under this act.

(b) The number of eligible students who were enrolled in the school district and the number of those eligible students who enrolled in 1 or more eligible courses under this act and received payment of all or part of eligible charges under this act, both in the aggregate and by grade level.

(c) The percentage of the school district's enrollment represented by the eligible students described in subdivision (b), both in the aggregate and by grade level.

(d) The total number of courses for which the school district made payment under this act, the number of those courses for which postsecondary credit was granted, the number of those courses for which high school credit was granted, and the number of those courses that were not completed by the eligible student.

(2) Not later than March 1 of each year, the department shall prepare and submit to the house and senate fiscal agencies and the department of management and budget a summary annual report on the information received under subsection (1). The department of education shall work cooperatively with the department in the preparation of this report.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see

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E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1912 Rules.

Sec. 12. The department may promulgate rules it considers necessary to implement this act. Rules shall be promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 2000, Act 258, Eff. Apr. 1, 2001.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1913 Effective date; payment of charges.

Sec. 13. This act takes effect April 1, 2001. Payment of all or part of eligible charges under this act for eligible courses shall begin in the state fiscal year beginning on October 1, 2001.

History: 2000, Act 258, Eff. Apr. 1, 2001;—Am. 2006, Act 94, Imd. Eff. Apr. 4, 2006.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

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SCHOOL BOND QUALIFICATION, APPROVAL, AND LOAN ACT
Act 92 of 2005

AN ACT to prescribe the procedures, terms, and conditions for the qualification or approval of school bonds and other bonds; to authorize this state to make loans to certain school districts for the payment of certain bonds and to authorize schools to borrow from this state for that purpose; to prescribe the terms and conditions of certain loans to school districts; to prescribe the powers and duties of certain state agencies and certain state and local officials; to provide for certain fees; to prescribe certain penalties; and to repeal acts and parts of acts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

The People of the State of Michigan enact:

388.1921 Short title.

Sec. 1. This act shall be known and may be cited as the "school bond qualification, approval, and loan act".

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1922 Purpose of act.

Sec. 2. The purpose of this act is to implement section 16 of article IX of the state constitution of 1963 and to provide for loans to school districts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1923 Definitions.

Sec. 3. As used in this act:

(a) "Computed millage" means the number of mills in any year, not less than 7 mills and not more than 13 mills, determined on the date of issuance of the order qualifying the bonds or on a later date if requested by the school district and approved by the state treasurer, that, if levied by the school district, will generate sufficient annual proceeds to pay principal and interest on all the school district's qualified bonds plus principal and interest on all loans related to those qualified bonds no later than the date specified in the note and repayment agreement entered into by the school district under this act.

(b) "Qualified bond" means a bond that is qualified under this act for state loans as provided in section 16 of article IX of the state constitution of 1963. A qualified bond includes the interest amount required for payment of a school district's net interest obligation under an interest rate exchange or swap, hedge, or other agreement entered into pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, but does not include a termination payment or similar payment related to the termination or cancellation of an interest rate exchange or swap, hedge, or other similar agreement. A qualified bond may include a bond issued to refund loans owed to the state under this act.

(c) "Qualified loan" means a loan made under this act or 1961 PA 108, MCL 388.951 to 388.963, from this state to a school district to pay debt service on a qualified bond.

(d) "Revolving loan fund" means the school loan revolving fund created under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

(e) "School district" means a general powers school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a school district of the first class as described in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, having the power to levy ad valorem property taxes.

(f) "State treasurer" means the state treasurer or his or her duly authorized designee.

(g) "Superintendent of public instruction" means the superintendent of public instruction appointed under section 3 of article VIII of the state constitution of 1963.

(h) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1924 Qualification of new bonds; terms and conditions applicable to outstanding qualified bonds; application for prequalification.

Sec. 4. (1) A school district may issue and market bonds as qualified bonds if the state treasurer has issued an order granting qualification under this act.

(2) Except with regard to qualification of new bonds, nothing in this act shall be construed to alter the terms and conditions applicable to outstanding qualified bonds issued in accordance with 1961 PA 108, MCL 388.951 to 388.963, and the loans associated with those qualified bonds. Unless otherwise amended as

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permitted by this act, outstanding qualified loans incurred in association with outstanding qualified bonds described in this subsection shall continue to bear interest and be due and payable as provided in the repayment agreements entered into between the school district and the state before the effective date of this act.

(3) The state treasurer may qualify bonds for which the state treasurer has received an application for prequalification on or before May 25, 2005 without regard to the requirements of section 5(2)(f) if the electors of the school district approve the bonds at an election held during 2005.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1925 Preliminary qualification; application.

Sec. 5. (1) A school district may apply to the state treasurer for preliminary qualification of a proposed school bond issue by filing an application in the form and containing the information required by this act.

(2) An application for preliminary qualification of a school bond shall contain all of the following information:

(a) The proposed ballot language to be submitted to the electors.

(b) A description of the project or projects proposed to be financed.

(c) A pro forma debt service projection showing the estimated mills the school district will levy to provide revenue the school district will use to pay the qualified bonds. For the purpose of the pro forma debt service projection, the school district may assume for the first 5 years following the date of the application the average growth in taxable value for the 5 years preceding the date of the application and the lesser of that average growth rate or 3% for the remaining term of the proposed bonds.

(d) Evidence that the rate of utilization of each project to be financed will be at least 85% for new buildings and 60% for renovated facilities. If the projected enrollment of the district would not otherwise support utilization at the rates described in this subsection, the school district may include an explanation of the actions the school district intends to take to address the underutilization, including, if applicable, actions to close school buildings or other actions designed to assure continued assured use of the facilities being financed.

(e) Evidence that the cost per square foot of the project or projects will be reasonable in light of economic conditions applicable to the geographic area in which the school district is located.

(f) Evidence that the school district will repay all outstanding qualified loans at the times described in section 9.

(g) The weighted average age of all school buildings in the school district based on square footage.

(h) The overall utilization rate of all school buildings in the school district, excluding special education purposes.

(i) The taxable value per pupil.

(j) The total bonded debt outstanding of the school district and the total taxable value of property in the school district for the school district fiscal year in which the application is filed.

(k) A statement describing any environmental or usability problems to be addressed by the project or projects.

(*l*) An architect's analysis of the overall condition of the facilities to be renovated or replaced as a part of the project or projects.

(m) An amortization schedule demonstrating that the weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the qualified bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1926 Disposition of fees; carrying forward unexpended funds.

Sec. 6. The state treasurer shall prequalify bonds of a school district if the state treasurer determines all of the following:

(a) The issuance of additional qualified bonds will not prevent the school district from repaying its outstanding qualified loans on the earlier of the dates described in section 9.

(b) The form of the ballot conforms with the requirements of this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1927 Qualification of bonds; determination by state treasurer; order; specifications; loan agreement; reapplication; qualification of refunding bonds.

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Sec. 7. (1) The state treasurer shall qualify bonds of a school district if the state treasurer determines all of the following:

(a) A majority of the school district electors have approved the bonds.

(b) The terms of the bond issue comply with applicable provisions of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(c) The school district is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(d) The weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(e) The school district has filed any information necessary to update the contents of the original application to reflect changes in any of the information approved in the preliminary qualification process.

(f) The school district has paid a qualification fee of not less than $3,000.00 or the amount determined by the state treasurer, which shall be approximately equal to the amount required to pay the estimated administrative expenses incurred under this act for the fiscal year in which the state treasurer imposes the fee.

(2) An order qualifying bonds shall specify the principal and interest payment dates for all the bonds, the maximum principal amount of and maximum interest rate on the bonds, the computed millage, if any, the final repayment date for any loans made with respect to those bonds, and other matters as the state treasurer shall determine or as are required by this act.

(3) If the application for prequalification demonstrates that the school district will borrow from this state in accordance with this act, the state treasurer and the school district shall enter into a loan agreement setting forth the terms and conditions of any qualified loans to be made to the school district under this act.

(4) If a school district does not issue its qualified bonds within 180 days after the date of the order qualifying bonds, the school district may reapply for qualification by filing an application and information necessary to update the contents of the original application for prequalification or qualification.

(5) The state treasurer shall qualify refunding bonds issued to refund qualified bonds if the state treasurer finds that the refunding bonds comply with the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1928 Submission of ballot to electors; notice of requirement to continue levy of mills.

Sec. 8. A ballot submitted to the school electors of a school district after November 8, 2005 requesting authorization to issue unlimited tax general obligations that will be guaranteed by this state in accordance with section 16 of article IX of the state constitution of 1963 shall inform the electors that if the school district borrows from this state to pay debt service on the bonds, the school district may be required to continue to levy mills beyond the term of the bonds to repay this state.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1929 Amount of borrowing; limitation; payment date for outstanding qualified loans; order; debt service; maintenance of separate accounts for each school district; duration of mills levy; amended and restated repayment agreements; waiver of portion of millage levy; findings; interest; computation of annual cost.

Sec. 9. (1) Except as otherwise provided in this act, a school district may borrow from the state an amount not greater than the difference between the proceeds of the school district's computed millage and the amount necessary to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies.

(2) For school districts having qualified loans outstanding as of July 20, 2005, the state treasurer shall review information relating to each school district regarding the taxable value of the school district and the actual debt service of outstanding qualified bonds as of July 20, 2005 and shall issue an order establishing the payment date for all those outstanding qualified loans and any additional qualified loans expected to be incurred by those school districts related to qualified bonds issued before July 20, 2005. The payment date shall be not later than 72 months after the date on which the qualified bonds most recently issued by the school district are due and payable.

(3) For qualified loans related to qualified bonds issued after July 20, 2005, the qualified loans shall be due not later than 72 months after the date on which the qualified bonds for which the school borrowed from this state are due and payable. This section does not preclude early repayment of qualified bonds or qualified loans.

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(4) Except with regard to qualified loans described in subsection (2), each loan made or considered made to a school district under this act shall be for debt service on only a specific qualified bond issue. The state treasurer shall maintain separate accounts for each school district on the books and accounts of this state noting the qualified bond, the related qualified loans, the final payment date of the bonds, the final payment date of the qualified loans, and the interest rate accrued on the loans.

(5) For qualified loans relating to qualified bonds issued after July 20, 2005, a school district shall continue to levy the computed mills until it has completely repaid all principal and interest on its qualified loans.

(6) For qualified loans relating to qualified bonds issued before July 20, 2005, a school district shall continue to comply with the levy and repayment requirements imposed before July 20, 2005. Not less than 90 days after July 20, 2005, the state treasurer and the school district shall enter into amended and restated repayment agreements to incorporate the levy and repayment requirements applicable to qualified loans issued before July 20, 2005.

(7) Upon the request of a school district made before June 1 of any year, the state treasurer annually may waive all or a portion of the millage required to be levied by a school district to pay principal and interest on its qualified bonds or qualified loans under this section if the state treasurer finds all of the following:

(a) The school board of the school district has applied to the state treasurer for permission to levy less than the millage required to be levied to pay the principal and interest on its qualified bonds or qualified loans under subsection (1).

(b) The application specifies the number of mills the school district requests permission to levy.

(c) The waiver will be financially beneficial to this state, the school district, or both.

(d) The waiver will not reduce the millage levied by the school district to pay principal and interest on qualified bonds or qualified loans under this act to less than 7 mills.

(e) The board of the school district, by resolution, has agreed to comply with all conditions that the state treasurer considers necessary.

(8) Except as otherwise provided in this act, loans shall bear interest at the greater of 3% or the average annual cost of funds computed annually on the basis of all state general obligations issued under section 16 of article IX of the state constitution of 1963 plus 0.125%. In the event this state has no outstanding general obligations under section 16 of article IX of the state constitution of 1963, the average annual cost of funds shall be computed on the basis of all state general obligations issued under section 15 of article IX of the state constitution of 1963 plus 0.125%.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2006, Act 71, Imd. Eff. Mar. 20, 2006.

388.1930 Certificates of qualification or approval; file; delivery.

Sec. 10. The state treasurer shall keep all certificates of qualification or approval in a permanent file and shall deliver copies of the certificates to the school district.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1931 Rules.

Sec. 11. The state treasurer shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1932 Failure to apply for prequalification, qualification, or approval of bond before issuance.

Sec. 12. If a school district does not apply for prequalification or qualification or approval of a bond issue before the issuance of those bonds, the state treasurer shall not approve or qualify those bonds as qualified bonds under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1933 School district owing revolving loan fund; filing annual loan activity application required; borrowing for debt service on qualified bonds; draw request; duties of state treasurer upon receipt of qualified loan confirmation; filing loan activity statement; statement of repayment amount; remittance.

Sec. 13. (1) If a school district owes a balance due to the revolving loan fund or has been identified as a potential borrower, the school district shall file an annual loan activity application with the state treasurer no less than 60 days before certifying its annual tax levy. The annual loan activity application shall be submitted in a format prescribed by the state treasurer and shall provide the taxable value, debt service, and any other information necessary to determine the proper required millage levy required under this act. The application

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shall contain a resolution passed by the local school board authorizing a designated school district official to complete all necessary documents to obtain a loan from the revolving loan fund or for making repayment to the revolving loan fund for the year.

(2) If a school district is eligible to borrow for debt service on qualified bonds, the school district shall file a draw request with the state treasurer not less than 30 days before each date on which the school district owes the debt service. The draw request shall include all of the following:

(a) A statement of the debt service owed in the next 6 months.

(b) A copy of the most recent bank statement showing the amount on hand in the debt service accounts for all qualified bonds.

(c) A statement of any revenue received for payment of the debt service since the date of the bank statement.

(d) A statement of any withdrawals made from the debt service account since the date of the bank statement.

(3) Not more than 7 days before the date established by the state treasurer for making qualified loans, the school district shall confirm in writing the final qualified loan amount to be drawn on a certificate in the form prescribed by the state treasurer.

(4) Upon receipt of a qualified loan confirmation described in subsection (3), the state treasurer shall determine the amount of the draw, which shall be the difference between the funds on hand in all debt service accounts and the amount of the debt service, and shall make a qualified loan in that amount to the school district no later than 6 days before the date the debt service is due.

(5) When a school district's computed millage is sufficient to pay principal and interest on its qualified bonds, a school district shall file a loan activity statement with the state treasurer no later than 30 days before the date set for payment of the qualified bonds setting forth all of the following:

(a) A statement of the debt service owed in the next 6 months.

(b) A copy of the most recent bank statement showing the amount on hand in the debt service account for the qualified bonds.

(c) A statement of any revenue received for payment of the debt service since the date of the bank statement.

(d) A statement of any withdrawals made from the debt service account since the date of the bank statement.

(6) Within 30 days after receipt of the loan activity statement under subsection (5), the state treasurer shall send an invoice to the school district for the amount of repayment the school district owes on its outstanding qualified loans, which shall be the difference between the debt service payable or paid to bondholders and the funds on hand at the school district, less a reasonable amount of funds on hand, as determined by the state treasurer, to cover minimum balance requirements or potential tax disputes. The school district shall remit the amount specified in the invoice within 30 days after the dated date of the invoice.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1934 Failure of school district to pay principal and interest due on qualified bonds; notice; payment by state treasurer; billing of school district for amount paid; remittance.

Sec. 14. (1) If any paying agent for a school district's qualified bonds notifies the state treasurer that the school district has failed to deposit sufficient funds to pay principal and interest due on the qualified bonds when due, or if a bondholder notifies the state treasurer that the school district has failed to pay principal or interest on qualified bonds when due, whether or not the school district has filed a draw request with the state treasurer, the state treasurer shall promptly pay the principal or interest on the qualified bond when due.

(2) If the state treasurer pays any amount described in this section, the state treasurer shall bill the school district for the amount paid and the school district shall immediately remit the amount to the state treasurer. If the school district would have been eligible to borrow the debt service in accordance with the terms of this act, the school district shall enter into a loan agreement establishing the terms of the qualified loan as provided in this act. If the state treasurer directs the Michigan municipal bond authority to pay any amount described in this section, the state treasurer shall cause the Michigan municipal bond authority to bill the school district for the amount paid and the school district shall immediately remit the amount to the Michigan municipal bond authority.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1935 Default; repayment.

Sec. 15. (1) If a school district that owes this state loan repayments relating to qualified bonds fails to levy at least the computed millage upon its taxable value for debt retirement purposes for qualified bonds and for

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repayment of a qualified loan made under this act while any part of the qualified loan is unpaid or defaults in its agreement to repay a qualified loan or any installment of a qualified loan, the school district shall increase its debt levy in the next succeeding year to obtain the amount necessary to repay this state the amount of the default plus a late charge of 3% and shall pay that amount to this state together with any other amounts owed during the next tax year. The school district may use other funds to repay this state including a transfer of general funds of the school district, if approved by the state treasurer. The state treasurer shall not disburse state school aid to the school district until the school district has made satisfactory arrangements with the state treasurer for the payment of the amount in default.

(2) If a school district fails to process any report, application, confirmation, or repayment as required under this act, the state treasurer may withhold a school district's state aid funds until the school district complies with the requirements under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1936 Disposition of fees.

Sec. 16. The state treasurer shall deposit all fees collected under this act into a separate fund established within the state treasury, and shall use the proceeds of the fees solely for the purpose of administering and enforcing this act. The unexpended and unobligated balance of this fund at the end of each state fiscal year shall be carried forward over to the succeeding state fiscal year and shall not lapse to the general fund but shall be available for reappropriation for the next state fiscal year.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1937 False statement or unauthorized use of proceeds; violation as felony; penalty.

Sec. 17. A person who knowingly makes a false statement or conceals material information for the purpose of obtaining qualification of a bond issue under this act or for the purpose of obtaining a qualified loan under this act, or who knowingly uses all or part of the proceeds of a qualified loan obtained under this act for any purpose not authorized by this act, is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than $5,000.00, or both.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1938 Use of remaining proceeds.

Sec. 18. If a school district has completed the projects approved by the school electors of the school district to be funded from proceeds of qualified bonds, a school district may use any remaining proceeds of the qualified bonds as follows:

(a) To pay for enhancements to the projects approved by the school electors as described in the ballot proposing the qualified bonds.

(b) To pay debt service on the qualified bonds.

(c) To repay this state.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1939 Actions by designee.

Sec. 19. The state treasurer may designate in writing a person or persons to take any actions required to be taken by the state treasurer under this act. The signature of any designee shall have the same force and effect as the signature of the state treasurer for all purposes of this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

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