

**SUBSTITUTE FOR
HOUSE BILL NO. 5372**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11g, 11j, 11k, 11m, 12, 15,
18, 18c, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 25, 26a,
26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 51a, 51c, 51d, 53a, 54,
56, 61a, 62, 74, 81, 93, 94a, 98, 99, 101, 104, 107, 147, 147a,
152a, 201, 201a, 202, 203, 204, 206, 207, 208, 209, 210a, 211, 212,
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388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611g,
 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1618,
 388.1618c, 388.1619, 388.1620, 388.1620d, 388.1622a, 388.1622b,
 388.1622d, 388.1622f, 388.1624, 388.1624a, 388.1624c, 388.1625,
 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b,
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 388.1870, 388.1870a, 388.1873, 388.1874, 388.1874a, 388.1875,
 388.1875a, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880,
 388.1881, 388.1882, 388.1883, 388.1884, 388.1885, 388.1886,
 388.1889, 388.1890, and 388.1891), sections 3, 19, and 101 as
 amended by 2010 PA 110, section 4 as amended by 2008 PA 268,
 sections 6, 11, 11a, 11m, 22a, 22b, 24a, 24c, 26b, 51a, 51c, 74,
 and 104 as amended by 2012 PA 29, sections 11g, 11k, 15, 18, 20,
 20d, 22d, 24, 31a, 32b, 32d, 32j, 39, 39a, 51d, 54, 56, 61a, 81,
 93, 94a, 98, 99, 107, 147, and 152a as amended and sections 12,

22f, 147a, 201, 201a, 202, 203, 204, 206, 207, 208, 209, 210a, 211, 212, 213, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 236, 236a, 237, 238, 239, 239a, 241, 242, 243, 244, 245, 251, 252, 253, 254, 255, 256, 257, 258, 261, 263, 263a, 264, 265, 267, 268, 269, 270, 270a, 273, 274, 274a, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 289, 290, and 291 as added by 2011 PA 62, sections 11j, 26a, 31d, 31f, 53a, and 62 as amended by 2011 PA 299, section 18c as added by 2000 PA 297, and section 25 as amended by 2011 PA 322, and by adding sections 22g, 22i, 95, 229a, 236b, 237b, 246, 260, 265a, 273a, and 293a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) **"ACHIEVEMENT AUTHORITY" MEANS THAT TERM AS DEFINED**
2 **IN PART 7C OF THE REVISED SCHOOL CODE, MCL 380.771 TO 380.778.**

3 (2) **"ACHIEVEMENT SCHOOL" MEANS A PUBLIC SCHOOL WITHIN THE**
4 **EDUCATION ACHIEVEMENT SYSTEM OPERATED, MANAGED, AUTHORIZED,**
5 **ESTABLISHED, OR OVERSEEN BY THE ACHIEVEMENT AUTHORITY.**

6 (3) ~~(1)~~—"Average daily attendance", for the purposes of
7 complying with federal law, means 92% of the pupils counted in
8 membership on the pupil membership count day, as defined in section
9 6(7).

10 (4) ~~(2)~~—"Board" means the governing body of a district or
11 public school academy.

12 (5) ~~(3)~~—"Center" means the center for educational performance
13 and information created in section 94a.

14 (6) ~~(4)~~—"Cooperative education program" means a written
15 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.

(7) ~~(5)~~—"Department", except in section 107, means the department of education.

(8) ~~(6)~~—"District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, ~~23, 29, 31a, 51a(15), 51A(14)~~, 105, 105c, and 166b, a public school academy. ~~Except in sections 6(4), 6(6), 13, 20, 22a, 29, 51a(15), 105, 105c, and 166b, district also includes a university school.~~ **EXCEPT IN SECTIONS 6(4), 6(6), 6(8), 13, 20, 22A, 31A, 105, 105C, AND 166B, DISTRICT ALSO INCLUDES THE EDUCATION ACHIEVEMENT SYSTEM.**

(9) ~~(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 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.

1 (10) ~~(8)~~—"District superintendent" means the superintendent of
2 a district, the chief administrator of a public school academy, or
3 the ~~chief administrator of a university school.~~**CHANCELLOR OF THE**
4 **ACHIEVEMENT AUTHORITY.**

5 Sec. 4. (1) **"EDUCATION ACHIEVEMENT SYSTEM" MEANS THAT TERM AS**
6 **DEFINED IN PART 7C OF THE REVISED SCHOOL CODE, MCL 380.771 TO**
7 **380.778.**

8 (2) ~~(1)~~—"Elementary pupil" means a pupil in membership in
9 grades K to 8 in a district not maintaining classes above the
10 eighth grade or in grades K to 6 in a district maintaining classes
11 above the eighth grade. For the purposes of calculating universal
12 service fund (e-rate) discounts, "elementary pupil" includes
13 children enrolled in a preschool program operated by a district in
14 its facilities.

15 (3) ~~(2)~~—"Extended school year" means an educational program
16 conducted by a district in which pupils must be enrolled but not
17 necessarily in attendance on the pupil membership count day in an
18 extended year program. The mandatory clock hours shall be completed
19 by each pupil not more than 365 calendar days after the pupil's
20 first day of classes for the school year prescribed. The department
21 shall prescribe pupil, personnel, and other reporting requirements
22 for the educational program.

23 (4) ~~(3)~~—"Fiscal year" means the state fiscal year that
24 commences October 1 and continues through September 30.

25 (5) ~~(4)~~—"General educational development testing preparation
26 program" means a program that has high school level courses in
27 English language arts, social studies, science, and mathematics and

1 that prepares a person to successfully complete the general
2 educational development (GED) test.

3 (6) ~~(5)~~—"High school pupil" means a pupil in membership in
4 grades 7 to 12, except in a district not maintaining grades above
5 the eighth grade.

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

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

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

7 (4) "Membership", except as otherwise provided in this
8 article, means for a district, **A** public school academy, ~~university~~
9 ~~school,~~ **THE EDUCATION ACHIEVEMENT SYSTEM**, or **AN** intermediate
10 district the sum of the product of .90 times the number of full-
11 time equated pupils in grades K to 12 actually enrolled and in
12 regular daily attendance on the pupil membership count day for the
13 current school year, plus the product of .10 times the final
14 audited count from the supplemental count day for the immediately
15 preceding school year. **IT IS THE INTENT OF THE LEGISLATURE TO MOVE**
16 **TO A PUPIL ACCOUNTING SYSTEM WITH 8 PUPIL MEMBERSHIP COUNT DATES**
17 **BEGINNING IN 2013-2014, BASED ON RECOMMENDATIONS FOR THIS POLICY**
18 **CHANGE DEVELOPED BY THE DEPARTMENT WORKING WITH THE CENTER,**
19 **INTERMEDIATE DISTRICTS, DISTRICTS, AND OTHER INTERESTED**
20 **STAKEHOLDERS.** All pupil counts used in this subsection are as
21 determined by the department and calculated by adding the number of
22 pupils registered for attendance plus pupils received by transfer
23 and minus pupils lost as defined by rules promulgated by the
24 superintendent, and as corrected by a subsequent department audit.
25 For the purposes of this section and section 6a, for a school of
26 excellence that is a cyber school, as defined in section 551 of the
27 revised school code, MCL 380.551, and is in compliance with section

1 553a of the revised school code, MCL 380.553a, **OR FOR THE EDUCATION**
2 **ACHIEVEMENT SYSTEM**, a pupil's participation in the cyber school's
3 educational program **OR IN AN ONLINE EDUCATIONAL PROGRAM OF THE**
4 **EDUCATION ACHIEVEMENT SYSTEM OR OF AN ACHIEVEMENT SCHOOL** is
5 considered regular daily attendance. The amount of the foundation
6 allowance for a pupil in membership is determined under section 20.
7 In making the calculation of membership, all of the following, as
8 applicable, apply to determining the membership of a district, **A**
9 public school academy, ~~university school, THE EDUCATION ACHIEVEMENT~~
10 **SYSTEM**, or **AN** intermediate district:

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

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

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

1 district.

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

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

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

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

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

21 **(H) A PUPIL ENROLLED IN AN ACHIEVEMENT SCHOOL SHALL BE COUNTED**
22 **IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT SYSTEM.**

23 (i) For a new district ~~, university school,~~ or public school
24 academy beginning its operation after December 31, 1994, **OR FOR THE**
25 **EDUCATION ACHIEVEMENT SYSTEM OR AN ACHIEVEMENT SCHOOL,** membership
26 for the first 2 full or partial fiscal years of operation shall be
27 determined as follows:

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

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

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

1 (k) In a district, **A** public school academy, ~~university school,~~
2 **THE EDUCATION ACHIEVEMENT SYSTEM**, or **AN** intermediate district
3 operating an extended school year program approved by the
4 superintendent, a pupil enrolled, but not scheduled to be in
5 regular daily attendance on a pupil membership count day, shall be
6 counted.

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

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

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

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

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

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

25 (m) An individual who has obtained a high school diploma shall
26 not be counted in membership. An individual who has obtained a
27 general educational development (G.E.D.) certificate shall not be

counted in membership unless the individual is a ~~student~~**PUPIL** with a disability as defined in R 340.1702 of the Michigan administrative code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund, ~~or the workforce development agency,~~ or participating in any successor of either of those 2 programs, shall not be counted in membership.

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

(i) If the public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall receive as its prorated share of the full-time equated membership for each of those pupils an amount

1 equal to 1 times the product of the hours of instruction the public
2 school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** provides divided
3 by the number of hours specified in subdivision (q) for full-time
4 equivalency, and the remainder of the full-time membership for each
5 of those pupils shall be allocated to the district or intermediate
6 district providing the remainder of the hours of instruction.

7 (ii) If the public school academy **OR THE EDUCATION ACHIEVEMENT**
8 **SYSTEM** provides instruction for less than 1/2 of the class hours
9 specified in subdivision (q), the district or intermediate district
10 providing the remainder of the hours of instruction shall receive
11 as its prorated share of the full-time equated membership for each
12 of those pupils an amount equal to 1 times the product of the hours
13 of instruction the district or intermediate district provides
14 divided by the number of hours specified in subdivision (q) for
15 full-time equivalency, and the remainder of the full-time
16 membership for each of those pupils shall be allocated to the
17 public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM**.

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

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

25 (q) The number of class hours used to calculate full-time
26 equated memberships shall be consistent with section 101(3). In
27 determining full-time equated memberships for pupils who are

1 enrolled in a postsecondary institution, a pupil shall not be
 2 considered to be less than a full-time equated pupil solely because
 3 of the effect of his or her postsecondary enrollment, including
 4 necessary travel time, on the number of class hours provided by the
 5 district to the pupil.

6 ~~(r) Full-time equated memberships for pupils in kindergarten~~
 7 ~~shall be determined by dividing the number of class hours scheduled~~
 8 ~~and provided per year per kindergarten pupil by a number equal to~~
 9 ~~1/2 the number used for determining full-time equated memberships~~
 10 ~~for pupils in grades 1 to 12. However, beginning~~ **BEGINNING** in 2012-
 11 2013, full-time equated memberships for pupils in kindergarten
 12 shall be determined by dividing the number of ~~class~~ **INSTRUCTIONAL**
 13 hours scheduled and provided per year per kindergarten pupil by the
 14 same number used for determining full-time equated memberships for
 15 pupils in grades 1 to 12. **NOT LATER THAN THE FIFTH WEDNESDAY AFTER**
 16 **THE PUPIL MEMBERSHIP COUNT DAY, EACH DISTRICT OR PUBLIC SCHOOL**
 17 **ACADEMY AND THE EDUCATION ACHIEVEMENT SYSTEM SHALL REPORT TO THE**
 18 **DEPARTMENT AND THE CENTER THE NUMBER OF INSTRUCTIONAL HOURS**
 19 **SCHEDULED PER KINDERGARTEN PUPIL FOR 2012-2013. IF THE NUMBER OF**
 20 **INSTRUCTIONAL HOURS SCHEDULED PER KINDERGARTEN PUPIL IS NOT EQUAL**
 21 **FOR ALL KINDERGARTEN PUPILS IN THE DISTRICT, THE DISTRICT OR PUBLIC**
 22 **SCHOOL ACADEMY AND THE EDUCATION ACHIEVEMENT SYSTEM SHALL REPORT**
 23 **THE NUMBER OF KINDERGARTEN PUPILS WHO WERE SCHEDULED TO RECEIVE**
 24 **EACH OF THE DIFFERENT NUMBERS OF INSTRUCTIONAL HOURS SCHEDULED.**

25 (s) For a district, ~~university school, or~~ **A** public school
 26 academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** that has pupils
 27 enrolled in a grade level that was not offered by the district,

1 ~~university school, or~~ **THE** public school academy, **OR THE EDUCATION**
2 **ACHIEVEMENT SYSTEM** in the immediately preceding school year, the
3 number of pupils enrolled in that grade level to be counted in
4 membership is the average of the number of those pupils enrolled
5 and in regular daily attendance on the pupil membership count day
6 and the supplemental count day of the current school year, as
7 determined by the department. Membership shall be calculated by
8 adding the number of pupils registered for attendance in that grade
9 level on the pupil membership count day plus pupils received by
10 transfer and minus pupils lost as defined by rules promulgated by
11 the superintendent, and as corrected by subsequent department
12 audit, plus the final audited count from the supplemental count day
13 for the current school year, and dividing that sum by 2.

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

17 (u) If, as a result of a disciplinary action, a district
18 determines through the district's alternative or disciplinary
19 education program that the best instructional placement for a pupil
20 is in the pupil's home or otherwise apart from the general school
21 population, if that placement is authorized in writing by the
22 district superintendent and district alternative or disciplinary
23 education supervisor, and if the district provides appropriate
24 instruction as described in this subdivision to the pupil at the
25 pupil's home or otherwise apart from the general school population,
26 the district may count the pupil in membership on a pro rata basis,
27 with the proration based on the number of hours of instruction the

1 district actually provides to the pupil divided by the number of
2 hours specified in subdivision (q) for full-time equivalency. For
3 the purposes of this subdivision, a district shall be considered to
4 be providing appropriate instruction if all of the following are
5 met:

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

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

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

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

17 (v) A pupil enrolled in an alternative or disciplinary
18 education program described in section 25 shall be counted in
19 membership in the district, ~~or THE~~ public school academy, **OR THE**
20 **EDUCATION ACHIEVEMENT SYSTEM** that is educating the pupil.

21 (w) If a pupil was enrolled in a public school academy on the
22 pupil membership count day, if the public school academy's contract
23 with its authorizing body is revoked or the public school academy
24 otherwise ceases to operate, and if the pupil enrolls in a district
25 **OR THE EDUCATION ACHIEVEMENT SYSTEM** within 45 days after the pupil
26 membership count day, the department shall adjust the district's **OR**
27 **THE EDUCATION ACHIEVEMENT SYSTEM'S** pupil count for the pupil

1 membership count day to include the pupil in the count.

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

12 (y) If a district's membership for a particular fiscal year,
13 as otherwise calculated under this subsection, would be less than
14 1,550 pupils and the district has 4.5 or fewer pupils per square
15 mile, as determined by the department, and, beginning in 2007-2008,
16 if the district does not receive funding under section 22d(2), the
17 district's membership shall be considered to be the membership
18 figure calculated under this subdivision. If a district educates
19 and counts in its membership pupils in grades 9 to 12 who reside in
20 a contiguous district that does not operate grades 9 to 12 and if 1
21 or both of the affected districts request the department to use the
22 determination allowed under this sentence, the department shall
23 include the square mileage of both districts in determining the
24 number of pupils per square mile for each of the districts for the
25 purposes of this subdivision. The membership figure calculated
26 under this subdivision is the greater of the following:

27 (i) The average of the district's membership for the 3-fiscal-

1 year period ending with that fiscal year, calculated by adding the
2 district's actual membership for each of those 3 fiscal years, as
3 otherwise calculated under this subsection, and dividing the sum of
4 those 3 membership figures by 3.

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

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

18 (aa) Full-time equated memberships for ~~preprimary-aged-special~~
19 education pupils who are not enrolled in kindergarten but are
20 enrolled in a classroom program under R 340.1754 of the Michigan
21 administrative code shall be determined by dividing the number of
22 class hours scheduled and provided per year by 450. Full-time
23 equated memberships for ~~preprimary-aged-special~~ education pupils
24 who are not enrolled in kindergarten but are receiving early
25 childhood special education services under R 340.1755 of the
26 Michigan administrative code shall be determined by dividing the
27 number of hours of service scheduled and provided per year per

1 pupil by 180.

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

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

17 (dd) A district, **A PUBLIC SCHOOL ACADEMY, OR THE EDUCATION**
18 **ACHIEVEMENT SYSTEM** that educates a pupil who attends a United
19 States Olympic education center may count the pupil in membership
20 regardless of whether or not the pupil is a resident of this state.

21 (ee) A pupil enrolled in a district other than the pupil's
22 district of residence pursuant to section 1148(2) of the revised
23 school code, MCL 380.1148, shall be counted in the educating
24 district **OR THE EDUCATION ACHIEVEMENT SYSTEM.**

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

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

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

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

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

9 (c) A pupil enrolled in a public school academy or ~~university~~
10 ~~school~~. **THE EDUCATION ACHIEVEMENT SYSTEM.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (i) Fourth Wednesday in July.

23 (ii) First Wednesday in October.

24 (iii) Second Wednesday in February.

25 (iv) Fourth Wednesday in April.

26 (8) "Pupils in grades K to 12 actually enrolled and in regular
27 daily attendance" means pupils in grades K to 12 in attendance and

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

1 purposes of this subsection, "class" means a period of time in 1
2 day when pupils and a certificated teacher or legally qualified
3 substitute teacher are together and instruction is taking place.

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

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

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

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

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

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

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

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

1 to attend another school district after the pupil has been assigned
2 to a school district.

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

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

9 (19) "Textbook" means a book, electronic book, or other
10 instructional print or electronic resource that is selected and
11 approved by the governing board of a district **OR, FOR AN**
12 **ACHIEVEMENT SCHOOL, BY THE CHANCELLOR OF THE ACHIEVEMENT AUTHORITY**
13 and that contains a presentation of principles of a subject, or
14 that is a literary work relevant to the study of a subject required
15 for the use of classroom pupils, or another type of course material
16 that forms the basis of classroom instruction.

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

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

24 Sec. 11. (1) Subject to subsection (3), for the fiscal year
25 ending September 30, ~~2012,~~ **2013**, there is appropriated for the
26 public schools of this state and certain other state purposes
27 relating to education the sum of ~~\$10,967,333,600.00~~

House Bill No. 5372 (H-1) as amended April 26, 2012

1 ~~[\$10,782,707,800.00]~~ from the state school aid fund and the sum of
2 ~~\$118,642,400.00~~ **\$333,000,000.00** from the general fund. In addition,
3 all other available federal funds ~~, except those otherwise~~
4 ~~appropriated under section 11p,~~ are appropriated for the fiscal
5 year ending September 30, ~~2012~~ **2013**.

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

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

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

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

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

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

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

27 (3) Money available in the school aid stabilization fund may

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

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

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

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

26 (7) For ~~2011-2012~~, **2012-2013**, in addition to the
27 appropriations in section 11, there is appropriated from the school

1 aid stabilization fund to the state school aid fund the amount
2 necessary to fully fund the allocations under this article.

3 (8) Effective ~~on the effective date of this subsection,~~
4 **FEBRUARY 24, 2012**, in addition to any amounts otherwise deposited
5 into the school aid stabilization fund, there is transferred from
6 the state school aid fund to the school aid stabilization fund an
7 amount equal to \$100,000,000.00.

8 Sec. 11g. (1) From the appropriation in section 11, there is
9 allocated for this section an amount not to exceed \$39,000,000.00
10 for the fiscal year ending September 30, ~~2012~~**2013**, and for each
11 succeeding fiscal year through the fiscal year ending September 30,
12 2015, after which these payments will cease. These allocations are
13 for paying the amounts described in subsection (3) to districts and
14 intermediate districts, other than those receiving a lump-sum
15 payment under section 11f(2), that were not plaintiffs in the
16 consolidated cases known as Durant v State of Michigan, Michigan
17 supreme court docket no. 104458-104492 and that, on or before March
18 2, 1998, submitted to the state treasurer a waiver resolution
19 described in section 11f. The amounts paid under this section
20 represent offers of settlement and compromise of any claim or
21 claims that were or could have been asserted by these districts and
22 intermediate districts, as described in this section.

23 (2) This section does not create any obligation or liability
24 of this state to any district or intermediate district that does
25 not submit a waiver resolution described in section 11f. This
26 section and any other provision of this article are not intended to
27 admit liability or waive any defense that is or would be available

1 to this state or its agencies, employees, or agents in any
2 litigation or future litigation with a district or intermediate
3 district regarding these claims or potential claims.

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

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

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

19 (4) The entire amount of each payment under this section each
20 fiscal year shall be paid on May 15 of the applicable fiscal year
21 or on the next business day following that date. If a district or
22 intermediate district borrows money and issues bonds under section
23 11i, the district or intermediate district shall use funds received
24 under this section to pay debt service on bonds issued under
25 section 11i. If a district or intermediate district does not borrow
26 money and issue bonds under section 11i, the district or
27 intermediate district shall use funds received under this section

1 only for the following purposes, in the following order of
2 priority:

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

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

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

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

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

19 Sec. 11j. From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$2,837,800.00 for 2010-2011 and~~
21 ~~an amount not to exceed \$93,575,300.00 for 2011-2012~~
22 **\$120,390,000.00 FOR 2012-2013** for payments to the school loan bond
23 redemption fund in the department of treasury on behalf of
24 districts and intermediate districts. Notwithstanding section 11 or
25 any other provision of this act, funds allocated under this section
26 are not subject to proration and shall be paid in full.

27 Sec. 11k. For ~~2011-2012,~~ **2012-2013**, there is appropriated from

1 the general fund to the school loan revolving fund an amount equal
2 to the amount of school bond loans assigned to the Michigan finance
3 authority, not to exceed the total amount of school bond loans held
4 in reserve as long-term assets. As used in this section, "school
5 loan revolving fund" means that fund created in section 16c of the
6 shared credit rating act, 1985 PA 227, MCL 141.1066c.

7 Sec. 11m. From the appropriations in section 11, there is
8 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed
9 ~~\$8,500,000.00~~ **\$10,000,000.00** for fiscal year cash-flow borrowing
10 costs solely related to the state school aid fund established by
11 section 11 of article IX of the state constitution of 1963.

12 Sec. 12. It is the intent of the legislature to appropriate
13 and allocate for the fiscal year ending September 30, ~~2013-2014~~ the
14 same amounts of money from the same sources for the same purposes
15 as are appropriated and allocated under this article for the fiscal
16 year ending September 30, ~~2012-2013~~, as adjusted for changes in
17 pupil membership, taxable values, special education costs, **INTEREST**
18 **COSTS**, and available revenue. These adjustments will be determined
19 after the January ~~2012-2013~~ consensus revenue estimating
20 conference.

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

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

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

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

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

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

8 (5) In addition to funds appropriated in section 11 for all
9 programs and services, there is appropriated for ~~2011-2012-2012-~~
10 **2013** for obligations in excess of applicable appropriations an
11 amount equal to the collection of overpayments, but not to exceed
12 amounts available from overpayments.

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

1 otherwise due upon a violation by the recipient.

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

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

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

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

17 (A) Salaries and wages.

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

21 (C) Retirement benefit costs.

22 (D) All other personnel costs.

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

25 (A) Instruction.

26 (B) Support services.

27 (C) Business and administration.

1 (D) Operations and maintenance.

2 (c) Links to all of the following:

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

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

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

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

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

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

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

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

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

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

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

21 (c) A district's or intermediate district's annual financial
22 audit shall include an analysis of the financial and pupil
23 accounting data used as the basis for distribution of state school
24 aid.

25 (d) The pupil and financial accounting records and reports,
26 audits, and management letters are subject to requirements
27 established in the auditing and accounting manuals approved and

1 published by the department.

2 (e) All of the following shall be done not later than November
3 15 each year:

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

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

8 (iii) The intermediate district shall enter the pupil membership
9 audit reports for its constituent districts and for the
10 intermediate district, for the pupil membership count day and
11 supplemental count day, in the Michigan student data system.

12 (f) The annual financial audit reports and pupil accounting
13 procedures reports shall be available to the public in compliance
14 with the freedom of information act, 1976 PA 442, MCL 15.231 to
15 15.246.

16 (g) Not later than January 31 of each year, the department
17 shall notify the state budget director and the legislative
18 appropriations subcommittees responsible for review of the school
19 aid budget of districts and intermediate districts that have not
20 filed an annual financial audit and pupil accounting procedures
21 report required under this section for the school year ending in
22 the immediately preceding fiscal year.

23 (5) By November 15 of each year, each district and
24 intermediate district shall submit to the center, in a manner
25 prescribed by the center, annual comprehensive financial data
26 consistent with accounting manuals and charts of accounts approved
27 and published by the department. For an intermediate district, the

1 report shall also contain the website address where the department
2 can access the report required under section 620 of the revised
3 school code, MCL 380.620. The department shall ensure that the
4 prescribed Michigan public school accounting manual chart of
5 accounts includes standard conventions to distinguish expenditures
6 by allowable fund function and object. The functions shall include
7 at minimum categories for instruction, pupil support, instructional
8 staff support, general administration, school administration,
9 business administration, transportation, facilities operation and
10 maintenance, facilities acquisition, and debt service; and shall
11 include object classifications of salary, benefits, including
12 categories for active employee health expenditures, purchased
13 services, supplies, capital outlay, and other. Districts shall
14 report the required level of detail consistent with the manual as
15 part of the comprehensive annual financial report.

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

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

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

27 (9) If a district that is a public school academy purchases

1 property using money received under this article, the public school
2 academy shall retain ownership of the property unless the public
3 school academy sells the property at fair market value.

4 (10) If a district or intermediate district does not comply
5 with subsections (4), (5), (6), and (7), the department shall
6 withhold all state school aid due to the district or intermediate
7 district under this article, beginning with the next payment due to
8 the district or intermediate district, until the district or
9 intermediate district complies with subsections (4), (5), (6), and
10 (7). If the district or intermediate district does not comply with
11 subsections (4), (5), (6), and (7) by the end of the fiscal year,
12 the district or intermediate district forfeits the amount withheld.

13 Sec. 18c. Any contract, mortgage, loan, or other instrument of
14 indebtedness entered into by a public school academy, **THE**
15 **ACHIEVEMENT AUTHORITY, OR AN ACHIEVEMENT SCHOOL** receiving funds
16 under this act and a third party does not constitute an obligation,
17 either general, special, or moral, of this state or of an
18 authorizing body. The full faith and credit or the taxing power of
19 this state or any agency of this state, or the full faith and
20 credit of an authorizing body, shall not be pledged for the payment
21 of any contract, mortgage, loan, or other instrument of
22 indebtedness entered into by a public school academy, **THE**
23 **ACHIEVEMENT AUTHORITY, OR AN ACHIEVEMENT SCHOOL.**

24 Sec. 19. (1) A district or intermediate district shall comply
25 with all applicable reporting requirements specified in state and
26 federal law. Data provided to the center, in a form and manner
27 prescribed by the center, shall be aggregated and disaggregated as

1 required by state and federal law. In addition, a district or
2 intermediate district shall cooperate with all measures taken by
3 the center to ~~comply with the provisions of the American recovery~~
4 ~~and reinvestment act of 2009, Public Law 111-5, requiring the~~
5 ~~establishment of~~ **ESTABLISH AND MAINTAIN** a statewide P-20
6 longitudinal data system.

7 (2) Each district shall furnish to the center not later than 5
8 weeks after the pupil membership count day **AND BY JUNE 30 OF THE**
9 **SCHOOL FISCAL YEAR ENDING IN THE FISCAL YEAR**, in a manner
10 prescribed by the center, the information necessary for the
11 preparation of the district and high school graduation report. This
12 information shall meet requirements established in the pupil
13 auditing manual approved and published by the department. The
14 center shall calculate an annual graduation and pupil dropout rate
15 for each high school, each district, and this state, in compliance
16 with nationally recognized standards for these calculations. The
17 center shall report all graduation and dropout rates to the senate
18 and house education committees and appropriations committees, the
19 state budget director, and the department not later than 30 days
20 after the publication of the list described in subsection (6).

21 (3) By the first business day in December and by June 30 of
22 each year, a district shall furnish to the center, in a manner
23 prescribed by the center, information related to educational
24 personnel as necessary for reporting required by state and federal
25 law.

26 (4) By June 30 of each year, a district shall furnish to the
27 center, in a manner prescribed by the center, information related

1 to safety practices and criminal incidents as necessary for
2 reporting required by state and federal law.

3 (5) If a district or intermediate district fails to meet the
4 requirements of this section, the department shall withhold 5% of
5 the total funds for which the district or intermediate district
6 qualifies under this ~~act~~ **ARTICLE** until the district or intermediate
7 district complies with all of those subsections. If the district or
8 intermediate district does not comply with all of those subsections
9 by the end of the fiscal year, the department shall place the
10 amount withheld in an escrow account until the district or
11 intermediate district complies with all of those subsections.

12 (6) Before publishing a list of schools or districts
13 determined to have failed to make adequate yearly progress as
14 required by the no child left behind act of 2001, Public Law 107-
15 110, the department shall allow a school or district to appeal that
16 determination. The department shall consider and act upon the
17 appeal within 30 days after it is submitted and shall not publish
18 the list until after all appeals have been considered and decided.

19 **(7) IT IS THE INTENT OF THE LEGISLATURE TO IMPLEMENT NOT LATER**
20 **THAN 2014-2015 EITHER A SINGLE STATEWIDE EDUCATION DATA REPORTING**
21 **SYSTEM OR A LIMITED NUMBER OF EDUCATION DATA REPORTING SYSTEMS**
22 **APPROVED BY THE DEPARTMENT IN CONJUNCTION WITH THE CENTER. THE**
23 **DEPARTMENT SHALL WORK WITH THE CENTER, INTERMEDIATE DISTRICTS,**
24 **DISTRICTS, AND OTHER INTERESTED STAKEHOLDERS TO DEVELOP**
25 **RECOMMENDATIONS ON THE IMPLEMENTATION OF THIS POLICY CHANGE.**

26 Sec. 20. (1) For 2011-2012, **AND FOR 2012-2013**, the basic
27 foundation allowance is \$8,019.00.

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

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

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

1 between the basic foundation allowance for the current state fiscal
2 year and the sum of \$7,108.00 plus the total dollar amount of all
3 adjustments made from 2006-2007 to the immediately preceding state
4 fiscal year in the lowest foundation allowance among all
5 districts]. For 2011-2012, for a district that had a foundation
6 allowance for the immediately preceding state fiscal year that was
7 at least equal to the sum of \$7,108.00 plus the total dollar amount
8 of all adjustments made from 2006-2007 to the immediately preceding
9 state fiscal year in the lowest foundation allowance among all
10 districts, but less than the basic foundation allowance for the
11 immediately preceding state fiscal year, the district shall receive
12 a foundation allowance in an amount equal to the district's
13 foundation allowance for 2010-2011, minus \$470.00. **FOR 2012-2013,**
14 **FOR A DISTRICT THAT HAD A FOUNDATION ALLOWANCE FOR THE IMMEDIATELY**
15 **PRECEDING STATE FISCAL YEAR THAT WAS AT LEAST EQUAL TO THE SUM OF**
16 **\$7,108.00 PLUS THE TOTAL DOLLAR AMOUNT OF ALL ADJUSTMENTS MADE FROM**
17 **2006-2007 TO THE IMMEDIATELY PRECEDING STATE FISCAL YEAR IN THE**
18 **LOWEST FOUNDATION ALLOWANCE AMONG ALL DISTRICTS, BUT LESS THAN THE**
19 **BASIC FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE**
20 **FISCAL YEAR, THE DISTRICT SHALL RECEIVE A FOUNDATION ALLOWANCE IN**
21 **AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE**
22 **IMMEDIATELY PRECEDING STATE FISCAL YEAR.** However, the foundation
23 allowance for a district that had less than the basic foundation
24 allowance for the immediately preceding state fiscal year shall not
25 exceed the basic foundation allowance for the current state fiscal
26 year.

27 (b) Except as otherwise provided in this subsection, for a

1 district that in the immediately preceding state fiscal year had a
2 foundation allowance in an amount at least equal to the amount of
3 the basic foundation allowance for the immediately preceding state
4 fiscal year, the district shall receive a foundation allowance for
5 2011-2012 in an amount equal to the district's foundation allowance
6 for 2010-2011, minus \$470.00. **FOR 2012-2013, EXCEPT AS OTHERWISE**
7 **PROVIDED IN THIS SUBSECTION, FOR A DISTRICT THAT IN THE IMMEDIATELY**
8 **PRECEDING STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE IN AN AMOUNT**
9 **AT LEAST EQUAL TO THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE FOR**
10 **THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, THE DISTRICT SHALL**
11 **RECEIVE A FOUNDATION ALLOWANCE FOR 2012-2013 IN AN AMOUNT EQUAL TO**
12 **THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING**
13 **STATE FISCAL YEAR.**

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

1 in subdivision (d), for 2011-2012, for a district that in the 1994-
2 1995 state fiscal year had a foundation allowance greater than
3 \$6,500.00, the district's foundation allowance is an amount equal
4 to the district's foundation allowance for the 2010-2011 fiscal
5 year minus \$470.00. **FOR 2012-2013, EXCEPT AS OTHERWISE PROVIDED IN**
6 **SUBDIVISION (D), FOR A DISTRICT THAT IN THE 1994-1995 STATE FISCAL**
7 **YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE**
8 **DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL TO THE**
9 **DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE**
10 **FISCAL YEAR.**

11 (d) For a district that in the 1994-95 state fiscal year had a
12 foundation allowance greater than \$6,500.00 and that had a
13 foundation allowance for the 2009-2010 state fiscal year, as
14 otherwise calculated under this section, that was less than the
15 basic foundation allowance, the district's foundation allowance for
16 2011-2012 and each succeeding fiscal year shall be considered to be
17 an amount equal to the basic foundation allowance.

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

21 (f) For a district that received a payment under section 22c
22 as that section was in effect for 2001-2002, the district's 2001-
23 2002 foundation allowance shall be considered to have been an
24 amount equal to the sum of the district's actual 2001-2002
25 foundation allowance as otherwise calculated under this section
26 plus the per pupil amount of the district's equity payment for
27 2001-2002 under section 22c as that section was in effect for 2001-

1 2002.

2 (g) For a district that received a payment under section 22c
3 as that section was in effect for 2006-2007, the district's 2006-
4 2007 foundation allowance shall be considered to have been an
5 amount equal to the sum of the district's actual 2006-2007
6 foundation allowance as otherwise calculated under this section
7 plus the per pupil amount of the district's equity payment for
8 2006-2007 under section 22c as that section was in effect for 2006-
9 2007.

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

1 product of the taxable value per membership pupil of all property
2 in the district that is nonexempt property times the district's
3 certified mills and, for a district with certified mills exceeding
4 12, the product of the taxable value per membership pupil of
5 property in the district that is commercial personal property times
6 the certified mills minus 12 mills and the quotient of the ad
7 valorem property tax revenue of the district captured under tax
8 increment financing acts divided by the district's membership
9 excluding special education pupils. For a district that has a
10 millage reduction required under section 31 of article IX of the
11 state constitution of 1963, the state portion of the district's
12 foundation allowance shall be calculated as if that reduction did
13 not occur.

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

1 allocation calculated under this section shall be based on the
2 foundation allowance of the educating district if the educating
3 district's foundation allowance is greater than the foundation
4 allowance of the pupil's district of residence.

5 (6) ~~Subject to subsection (7) and except~~ **EXCEPT** as otherwise
6 provided in this subsection, for pupils in membership, other than
7 special education pupils, in a public school academy, ~~or a~~
8 ~~university school~~, the allocation calculated under this section is
9 an amount per membership pupil other than special education pupils
10 in the public school academy ~~or university school~~ equal to the
11 foundation allowance of the district in which the public school
12 academy ~~or university school~~ is located or the state maximum public
13 school academy allocation, whichever is less. However, a public
14 school academy ~~or university school~~ that had an allocation under
15 this subsection before 2009-2010 that was equal to the sum of the
16 local school operating revenue per membership pupil other than
17 special education pupils for the district in which the public
18 school academy ~~or university school~~ is located and the state
19 portion of that district's foundation allowance shall not have that
20 allocation reduced as a result of the 2010 amendment to this
21 subsection. Notwithstanding section 101, for a public school
22 academy that begins operations after the pupil membership count
23 day, the amount per membership pupil calculated under this
24 subsection shall be adjusted by multiplying that amount per
25 membership pupil by the number of hours of pupil instruction
26 provided by the public school academy after it begins operations,
27 as determined by the department, divided by the minimum number of

1 hours of pupil instruction required under section 101(3). The
2 result of this calculation shall not exceed the amount per
3 membership pupil otherwise calculated under this subsection.

4 ~~—— (7) If more than 25% of the pupils residing within a district~~
5 ~~are in membership in 1 or more public school academies located in~~
6 ~~the district, then the amount per membership pupil calculated under~~
7 ~~this section for a public school academy located in the district~~
8 ~~shall be reduced by an amount equal to the difference between the~~
9 ~~sum of the product of the taxable value per membership pupil of all~~
10 ~~property in the district that is nonexempt property times the~~
11 ~~district's certified mills and, for a district with certified mills~~
12 ~~exceeding 12, the product of the taxable value per membership pupil~~
13 ~~of property in the district that is commercial personal property~~
14 ~~times the certified mills minus 12 mills and the quotient of the ad~~
15 ~~valorem property tax revenue of the district captured under tax~~
16 ~~increment financing acts divided by the district's membership~~
17 ~~excluding special education pupils, in the school fiscal year~~
18 ~~ending in the current state fiscal year, calculated as if the~~
19 ~~resident pupils in membership in 1 or more public school academies~~
20 ~~located in the district were in membership in the district. In~~
21 ~~order to receive state school aid under this article, a district~~
22 ~~described in this subsection shall pay to the authorizing body that~~
23 ~~is the fiscal agent for a public school academy located in the~~
24 ~~district for forwarding to the public school academy an amount~~
25 ~~equal to that local school operating revenue per membership pupil~~
26 ~~for each resident pupil in membership other than special education~~
27 ~~pupils in the public school academy, as determined by the~~

1 ~~department.~~

2 (7) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR
3 PUPILS ATTENDING AN ACHIEVEMENT SCHOOL AND IN MEMBERSHIP IN THE
4 EDUCATION ACHIEVEMENT SYSTEM, OTHER THAN SPECIAL EDUCATION PUPILS,
5 THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT PER
6 MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS EQUAL TO THE
7 FOUNDATION ALLOWANCE OF THE DISTRICT IN WHICH THE ACHIEVEMENT
8 SCHOOL IS LOCATED, NOT TO EXCEED THE BASIC FOUNDATION ALLOWANCE.
9 NOTWITHSTANDING SECTION 101, FOR AN ACHIEVEMENT SCHOOL THAT BEGINS
10 OPERATION AFTER THE PUPIL MEMBERSHIP COUNT DAY, THE AMOUNT PER
11 MEMBERSHIP PUPIL CALCULATED UNDER THIS SUBSECTION SHALL BE ADJUSTED
12 BY MULTIPLYING THAT AMOUNT PER MEMBERSHIP PUPIL BY THE NUMBER OF
13 HOURS OF PUPIL INSTRUCTION PROVIDED BY THE ACHIEVEMENT SCHOOL AFTER
14 IT BEGINS OPERATIONS, AS DETERMINED BY THE DEPARTMENT, DIVIDED BY
15 THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER
16 SECTION 101(3). THE RESULT OF THIS CALCULATION SHALL NOT EXCEED THE
17 AMOUNT PER MEMBERSHIP PUPIL OTHERWISE CALCULATED UNDER THIS
18 SUBSECTION. FOR THE PURPOSES OF THIS SUBSECTION, IF A PUBLIC SCHOOL
19 IS TRANSFERRED FROM A DISTRICT TO THE STATE SCHOOL REFORM/REDESIGN
20 DISTRICT OR THE ACHIEVEMENT AUTHORITY UNDER SECTION 1280C OF THE
21 REVISED SCHOOL CODE, THAT PUBLIC SCHOOL IS CONSIDERED TO BE AN
22 ACHIEVEMENT SCHOOL WITHIN THE EDUCATION ACHIEVEMENT SYSTEM AND NOT
23 A SCHOOL THAT IS PART OF A DISTRICT, AND A PUPIL ATTENDING THAT
24 PUBLIC SCHOOL IS CONSIDERED TO BE IN MEMBERSHIP IN THE EDUCATION
25 ACHIEVEMENT SYSTEM AND NOT IN MEMBERSHIP IN THE DISTRICT THAT
26 OPERATED THE SCHOOL BEFORE THE TRANSFER.

27 (8) Subject to subsection (4), for a district that is formed

1 or reconfigured after June 1, 2002 by consolidation of 2 or more
2 districts or by annexation, the resulting district's foundation
3 allowance under this section beginning after the effective date of
4 the consolidation or annexation shall be the average of the
5 foundation allowances of each of the original or affected
6 districts, calculated as provided in this section, weighted as to
7 the percentage of pupils in total membership in the resulting
8 district who reside in the geographic area of each of the original
9 or affected districts.

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

14 (10) State payments related to payment of the foundation
15 allowance for a special education pupil are not calculated under
16 this section but are instead calculated under section 51a.

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

23 (a) The pupil membership factor shall be computed by dividing
24 the estimated membership in the school year ending in the current
25 state fiscal year, excluding intermediate district membership, by
26 the estimated membership for the school year ending in the
27 subsequent state fiscal year, excluding intermediate district

1 membership. If a consensus membership factor is not determined at
2 the revenue estimating conference, the principals of the revenue
3 estimating conference shall report their estimates to the house and
4 senate subcommittees responsible for school aid appropriations not
5 later than 7 days after the conclusion of the revenue conference.

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

24 (c) The index shall be calculated by multiplying the pupil
25 membership factor by the revenue adjustment factor. However, for
26 2011-2012, the index shall be 0.93575 **AND FOR 2012-2013, THE INDEX**
27 **SHALL BE 1.00**. If a consensus index is not determined at the

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1 revenue estimating conference, the principals of the revenue
2 estimating conference shall report their estimates to the house and
3 senate subcommittees responsible for school aid appropriations not
4 later than 7 days after the conclusion of the revenue conference.

5 ~~—— (12) If the principals at the revenue estimating conference~~
6 ~~reach a consensus on the index described in subsection (11)(c), the~~
7 ~~lowest foundation allowance among all districts for the subsequent~~
8 ~~state fiscal year shall be at least the amount of that consensus~~
9 ~~index multiplied by the lowest foundation allowance among all~~
10 ~~districts for the immediately preceding state fiscal year.~~

11 (12) ~~(13)~~ For a district in which 7.75 mills levied in 1992
12 for school operating purposes in the 1992-93 school year were not
13 renewed in 1993 for school operating purposes in the 1993-94 school
14 year, the district's combined state and local revenue per
15 membership pupil shall be recalculated as if that millage reduction
16 did not occur and the district's foundation allowance shall be
17 calculated as if its 1994-95 foundation allowance had been
18 calculated using that recalculated 1993-94 combined state and local
19 revenue per membership pupil as a base. A district is not entitled
20 to any retroactive payments for fiscal years before 2000-2001 due
21 to this subsection. A district receiving an adjustment under this
22 subsection shall not receive as a result of this adjustment an
23 amount that exceeds 50% of the amount the district received as a
24 result of this adjustment for 2010-2011. This adjustment shall not
25 ~~[be made]~~ **EXCEED A TOTAL COST OF \$100.00** after 2011-2012.

26 (13) ~~(14)~~ For a district in which an industrial facilities
27 exemption certificate that abated taxes on property with a state

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

13 (14) ~~(15)~~ For a district that received a grant under former
14 section 32e for 2001-2002, the district's foundation allowance for
15 2002-2003 and each succeeding fiscal year shall be adjusted to be
16 an amount equal to the sum of the district's foundation allowance,
17 as otherwise calculated under this section, plus the quotient of
18 100% of the amount of the grant award to the district for 2001-2002
19 under former section 32e divided by the number of pupils in the
20 district's membership for 2001-2002 who were residents of and
21 enrolled in the district. Except as otherwise provided in this
22 subsection, a district qualifying for a foundation allowance
23 adjustment under this subsection shall use the funds resulting from
24 this adjustment for at least 1 of grades K to 3 for purposes
25 allowable under former section 32e as in effect for 2001-2002. ~~7~~
26 ~~and may also use these funds for an early intervening program~~
27 ~~described in subsection (20).~~ For an individual school or schools

1 operated by a district qualifying for a foundation allowance under
2 this subsection that have been determined by the department to meet
3 the adequate yearly progress standards of the federal no child left
4 behind act of 2001, Public Law 107-110, in both mathematics and
5 English language arts at all applicable grade levels for all
6 applicable subgroups, the district may submit to the department an
7 application for flexibility in using the funds resulting from this
8 adjustment that are attributable to the pupils in the school or
9 schools. The application shall identify the affected school or
10 schools and the affected funds and shall contain a plan for using
11 the funds for specific purposes identified by the district that are
12 designed to reduce class size, but that may be different from the
13 purposes otherwise allowable under this subsection. The department
14 shall approve the application if the department determines that the
15 purposes identified in the plan are reasonably designed to reduce
16 class size. If the department does not act to approve or disapprove
17 an application within 30 days after it is submitted to the
18 department, the application is considered to be approved. If an
19 application for flexibility in using the funds is approved, the
20 district may use the funds identified in the application for any
21 purpose identified in the plan. A district receiving an adjustment
22 under this subsection shall not receive as a result of this
23 adjustment an amount that exceeds 68.5% of the amount the district
24 received as a result of this adjustment for 2010-2011. This
25 adjustment shall not be made after 2011-2012.

26 (15) ~~(16)~~ For a district that levied 1.9 mills in 1993 to
27 finance an operating deficit, the district's foundation allowance

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

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

25 (17) ~~(18)~~ Payments to districts, ~~university schools, or public~~
26 school academies, **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall not be
27 made under this section. Rather, the calculations under this

1 section shall be used to determine the amount of state payments
2 under section 22b.

3 (18) ~~(19)~~—If an amendment to section 2 of article VIII of the
4 state constitution of 1963 allowing state aid to some or all
5 nonpublic schools is approved by the voters of this state, each
6 foundation allowance or per pupil payment calculation under this
7 section may be reduced.

8 (19) ~~(20)~~—As used in this section:

9 (a) "Certified mills" means the lesser of 18 mills or the
10 number of mills of school operating taxes levied by the district in
11 1993-94.

12 (b) "Combined state and local revenue" means the aggregate of
13 the district's state school aid received by or paid on behalf of
14 the district under this section and the district's local school
15 operating revenue.

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

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

21 (e) "Immediately preceding state fiscal year" means the state
22 fiscal year immediately preceding the current state fiscal year.

23 (f) "Local school operating revenue" means school operating
24 taxes levied under section 1211 of the revised school code, MCL
25 380.1211.

26 (g) "Local school operating revenue per membership pupil"
27 means a district's local school operating revenue divided by the

1 district's membership excluding special education pupils.

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

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

27 (j) "Nonexempt property" means property that is not a

1 principal residence, qualified agricultural property, qualified
2 forest property, supportive housing property, industrial personal
3 property, or commercial personal property.

4 (k) "Principal residence", "qualified agricultural property",
5 "qualified forest property", "supportive housing property",
6 "industrial personal property", and "commercial personal property"
7 mean those terms as defined in section 1211 of the revised school
8 code, MCL 380.1211.

9 (l) "School operating purposes" means the purposes included in
10 the operation costs of the district as prescribed in sections 7 and
11 18.

12 (m) "School operating taxes" means local ad valorem property
13 taxes levied under section 1211 of the revised school code, MCL
14 380.1211, and retained for school operating purposes.

15 (n) "Tax increment financing acts" means 1975 PA 197, MCL
16 125.1651 to 125.1681, the tax increment finance authority act, 1980
17 PA 450, MCL 125.1801 to 125.1830, the local development financing
18 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
19 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
20 or the corridor improvement authority act, 2005 PA 280, MCL
21 125.2871 to 125.2899.

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

27 Sec. 20d. In making the final determination required under

1 former section 20a of a district's combined state and local revenue
2 per membership pupil in 1993-94 and in making calculations under
3 section 20 for ~~2011-2012~~, **2012-2013**, the department and the
4 department of treasury shall comply with all of the following:

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

21 (b) If a district had an adjustment made to its 1993-94 total
22 state school aid that excluded payments made under former section
23 146 and under section 147 on behalf of the district's employees who
24 provided direct services for intermediate district center programs
25 operated by the district under article 5, if nonresident pupils
26 attending the center programs were included in the district's
27 membership for purposes of calculating the combined state and local

1 revenue per membership pupil for 1993-94, and if there is a signed
2 agreement by all constituent districts of the intermediate district
3 that an adjustment under this subdivision shall be made, the
4 foundation allowances for 1995-96 and 1996-97 of all districts that
5 had pupils attending the intermediate district center program
6 operated by the district that had the adjustment shall be
7 calculated as if their combined state and local revenue per
8 membership pupil for 1993-94 included resident pupils attending the
9 center program and excluded nonresident pupils attending the center
10 program.

11 Sec. 22a. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$5,769,000,000.00 for 2011-2012
13 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,707,000,000.00**
14 **FOR 2012-2013** for payments to districts ~~, qualifying university~~
15 ~~schools,~~ and qualifying public school academies to guarantee each
16 district ~~, qualifying university school,~~ and qualifying public
17 school academy an amount equal to its 1994-95 total state and local
18 per pupil revenue for school operating purposes under section 11 of
19 article IX of the state constitution of 1963. Pursuant to section
20 11 of article IX of the state constitution of 1963, this guarantee
21 does not apply to a district in a year in which the district levies
22 a millage rate for school district operating purposes less than it
23 levied in 1994. However, subsection (2) applies to calculating the
24 payments under this section. Funds allocated under this section
25 that are not expended in the state fiscal year for which they were
26 allocated, as determined by the department, may be used to
27 supplement the allocations under sections 22b and 51c in order to

1 fully fund those calculated allocations for the same fiscal year.

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

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

23 (b) For a district that had a 1994-95 foundation allowance
24 greater than \$6,500.00, the state payment under this subsection
25 shall be the sum of the amount calculated under subdivision (a)
26 plus the amount calculated under this subdivision. The amount
27 calculated under this subdivision shall be equal to the difference

1 between the district's 1994-95 foundation allowance minus \$6,500.00
2 and the current year hold harmless school operating taxes per
3 pupil. If the result of the calculation under subdivision (a) is
4 negative, the negative amount shall be an offset against any state
5 payment calculated under this subdivision. If the result of a
6 calculation under this subdivision is negative, there shall not be
7 a state payment or a deduction under this subdivision. The taxable
8 values per membership pupil used in the calculations under this
9 subdivision are as adjusted by ad valorem property tax revenue
10 captured under tax increment financing acts divided by the
11 district's membership.

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

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

26 (5) For a district that is formed or reconfigured after June
27 1, 2000 by consolidation of 2 or more districts or by annexation,

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

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

25 (a) To be eligible for a payment under this subsection, a
26 district shall be determined by the department and the department
27 of treasury to meet all of the following:

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

3 (ii) Before January 1, 2011, the owner of a natural-gas-powered
4 power plant located in a renaissance zone within the district's
5 geographic boundaries for 2009 and 2010 appealed to the Michigan
6 tax tribunal an order of the state tax commission for tax years
7 2009 and 2010 pursuant to section 154 of the general property tax
8 act, 1893 PA 206, MCL 211.154, and appealed to the state tax
9 commission the 2011 classification and valuation of the power
10 plant.

11 (iii) The district received a reduced amount of local school
12 operating revenue for tax years 2009, 2010, and 2011 as a result of
13 the exemptions of industrial personal property and commercial
14 personal property under section 1211 of the revised school code,
15 MCL 380.1211.

16 (iv) A settlement agreement has been signed to resolve the
17 Michigan tax tribunal appeal described in subparagraph (ii) and a
18 memorandum of understanding that stipulates terms of the settlement
19 has been executed by the parties.

20 (b) A payment made under this subsection shall be in addition
21 to renaissance zone reimbursement amounts paid in the 2009-2010 and
22 2010-2011 state fiscal years under section 26a to districts
23 eligible for payment under this subsection. The 2009-2010 and 2010-
24 2011 state fiscal year payments under section 26a to a district
25 receiving a payment under this subsection shall not be reduced as a
26 result of the reduction to the district's 2009 and 2010 taxable
27 value of real property under the appeals described in subdivision

1 (a) (ii) .

2 (7) As used in this section:

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

7 (b) "Certified mills" means the lesser of 18 mills or the
8 number of mills of school operating taxes levied by the district in
9 1993-94.

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

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

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

27 (f) "Homestead", "qualified agricultural property", "qualified

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

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

8 (h) "Nonexempt property" means property that is not a
9 principal residence, qualified agricultural property, qualified
10 forest property, supportive housing property, industrial personal
11 property, or commercial personal property.

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

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

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

21 (K) ~~(l)~~ "Tax increment financing acts" means 1975 PA 197, MCL
22 125.1651 to 125.1681, the tax increment finance authority act, 1980
23 PA 450, MCL 125.1801 to 125.1830, the local development financing
24 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
26 or the corridor improvement authority act, 2005 PA 280, MCL
27 125.2871 to 125.2899.

1 (l) ~~(m)~~ "Taxable value per membership pupil" means each of the
2 following divided by the district's membership:

3 (i) For the number of mills by which the exemption from the
4 levy of school operating taxes on a homestead, qualified
5 agricultural property, qualified forest property, supportive
6 housing property, industrial personal property, and commercial
7 personal property may be reduced as provided in section 1211 of the
8 revised school code, MCL 380.1211, the taxable value of homestead,
9 qualified agricultural property, qualified forest property,
10 supportive housing property, industrial personal property, and
11 commercial personal property for the calendar year ending in the
12 current state fiscal year.

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

18 Sec. 22b. (1) From the state funds appropriated in section 11,
19 there is allocated for 2011-2012 an amount not to exceed
20 \$3,052,000,000.00 **AND THERE IS ALLOCATED FOR 2012-2013 AN AMOUNT**
21 **NOT TO EXCEED \$3,077,000,000.00** for discretionary nonmandated
22 payments to districts under this section. Funds allocated under
23 this section that are not expended in the state fiscal year for
24 which they were allocated, as determined by the department, may be
25 used to supplement the allocations under sections 22a and 51c in
26 order to fully fund those calculated allocations for the same
27 fiscal year.

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

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

8 (a) Administer in each grade level that it operates in grades
9 1 to 5 a standardized assessment approved by the department of
10 grade-appropriate basic educational skills. A district may use the
11 Michigan literacy progress profile to satisfy this requirement for
12 grades 1 to 3. Also, if the revised school code is amended to
13 require annual assessments at additional grade levels, in order to
14 receive an allocation under this section each district shall comply
15 with that requirement.

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

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

21 (d) Comply with section 1230g of the revised school code, MCL
22 380.1230g.

23 (4) Districts are encouraged to use funds allocated under this
24 section for the purchase and support of payroll, human resources,
25 and other business function software that is compatible with that
26 of the intermediate district in which the district is located and
27 with other districts located within that intermediate district.

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

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

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

1 completed upon resolution of the litigation.

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

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

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

26 (11) If a lawsuit challenging payments made to districts
27 related to costs reimbursed by federal title XIX medicaid funds is

1 filed against this state, then, for the purpose of addressing
2 potential liability under such a lawsuit, the state budget director
3 may place funds allocated under this section in escrow or allocate
4 money from the funds otherwise allocated under this section, up to
5 a maximum of 50% of the amount allocated in subsection (1). If
6 funds are placed in escrow under this subsection, those funds are a
7 work project appropriation and the funds are carried forward into
8 the following fiscal year. The purpose of the work project is to
9 provide for any payments that may be awarded to districts as a
10 result of the litigation. The work project shall be completed upon
11 resolution of the litigation. In addition, this state reserves the
12 right to terminate future federal title XIX medicaid reimbursement
13 payments to districts if the amount or allocation of reimbursed
14 funds is challenged in the lawsuit. As used in this subsection,
15 "title XIX" means title XIX of the social security act, 42 USC 1396
16 to 1396v.

17 (12) NOT LATER THAN JANUARY 1, 2013, THE DEPARTMENT SHALL
18 SUBMIT A REPORT TO THE LEGISLATURE IDENTIFYING THE AMOUNT OF THE
19 SAVINGS THAT THE DEPARTMENT HAS CALCULATED AS HAVING BEEN ACHIEVED
20 DUE TO THE REVISED NUMBER OF INSTRUCTIONAL HOURS USED TO CALCULATE
21 FULL-TIME EQUATED MEMBERSHIPS FOR KINDERGARTEN PUPILS UNDER SECTION
22 6(4)(R) AS AMENDED BY 2011 PA 62. IT IS THE INTENT OF THE
23 LEGISLATURE THAT FUNDS AVAILABLE DUE TO IDENTIFIED SAVINGS WILL BE
24 APPROPRIATED IN SECTION 147A TO REIMBURSE DISTRICTS FOR A PORTION
25 OF THEIR RETIREMENT COSTS.

26 Sec. 22d. (1) From the appropriation in section 11, an amount
27 not to exceed \$2,025,000.00 is allocated **EACH FISCAL YEAR** for 2011-

1 2012 **AND FOR 2012-2013** for supplemental payments to rural districts
2 under this section.

3 (2) From the allocation under subsection (1), there is
4 allocated **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** an
5 amount not to exceed \$750,000.00 for payments under this subsection
6 to districts that meet all of the following:

7 (a) Operates grades K to 12.

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

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

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

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

14 (3) The amount of the additional funding to each eligible
15 district under subsection (2) shall be determined under a spending
16 plan developed as provided in this subsection and approved by the
17 superintendent of public instruction. The spending plan shall be
18 developed cooperatively by the intermediate superintendents of each
19 intermediate district in which an eligible district is located. The
20 intermediate superintendents shall review the financial situation
21 of each eligible district, determine the minimum essential
22 financial needs of each eligible district, and develop and agree on
23 a spending plan that distributes the available funding under
24 subsection (2) to the eligible districts based on those financial
25 needs. The intermediate superintendents shall submit the spending
26 plan to the superintendent of public instruction for approval. Upon
27 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 **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** an amount not to exceed \$1,275,000.00 for payments under this subsection to districts that meet all of the following:

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

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

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

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

Sec. 22f. (1) From the appropriation in section 11, there is allocated for ~~2011-2012 only~~ **2012-2013** an amount not to exceed

~~\$154,000,000.00~~ **\$115,000,000.00** to provide incentive payments to

districts that meet ~~financial~~ best practices under this section.

~~The money allocated in this section represents a portion of the year end state school aid fund balance for 2010-2011.~~ **PAYMENTS**

RECEIVED UNDER THIS SECTION MAY BE USED FOR ANY PURPOSE FOR WHICH PAYMENTS UNDER SECTIONS 22A AND 22B MAY BE USED.

(2) The amount of the incentive payment **UNDER THIS SECTION** is

1 an amount equal to ~~\$100.00~~ **\$75.00** per pupil. A district shall
2 receive an incentive payment under this section if the district
3 satisfies at least ~~4~~ **6** of the following requirements not later than
4 June 1, ~~2012~~ **2013**:

5 ~~—— (a) If a district provides medical, pharmacy, dental, vision,~~
6 ~~disability, long-term care, or any other type of benefit that would~~
7 ~~constitute a health care services benefit, to employees and their~~
8 ~~dependents, the district does not pay on behalf of any employee a~~
9 ~~total amount that is greater than the state maximum allowable~~
10 ~~employer contribution for health care services benefits, as~~
11 ~~described in subsection (3), depending on the coverage option.~~

12 **(A)** ~~(b)~~ If a district provides medical, pharmacy, dental,
13 vision, disability, long-term care, or any other type of benefit
14 that would constitute a health care services benefit, to employees
15 and their dependents, the district is the policyholder for each of
16 its insurance policies that covers 1 or more of these benefits. A
17 district that does not directly employ its staff is considered to
18 have satisfied this requirement.

19 ~~—— (c) If a district did not enter into an agreement with the~~
20 ~~department to develop a service consolidation plan to reduce school~~
21 ~~operating costs under former section 11d as it was in effect for~~
22 ~~2010-2011, the district enters into an agreement with the~~
23 ~~department to develop a service consolidation plan that is in~~
24 ~~compliance with department guidelines described in subsection (2).~~
25 ~~If a district entered into an agreement with the department to~~
26 ~~develop a service consolidation plan under former section 11d, the~~
27 ~~district continues to implement that plan and report to the~~

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~~department not later than February 1 of each fiscal year the district's progress in implementing that plan.~~

(B) ~~(d)~~—The district has obtained competitive bids on the provision of pupil transportation, food service, custodial, or 1 or more other noninstructional services ~~with a value of at least \$50,000.00.~~ FOR 2012-2013.

(C) THE DISTRICT ACCEPTS APPLICATIONS FOR ENROLLMENT BY NONRESIDENT APPLICANTS UNDER SECTION 105 OR 105C. [A PUBLIC SCHOOL ACADEMY IS CONSIDERED TO HAVE MET THIS REQUIREMENT.]

(D) THE DISTRICT MONITORS INDIVIDUAL PUPIL ACADEMIC GROWTH IN EACH SUBJECT AREA AT LEAST TWICE DURING THE SCHOOL YEAR USING COMPETENCY-BASED ONLINE ASSESSMENTS AND REPORTS THOSE RESULTS TO THE PUPIL AND HIS OR HER PARENT OR GUARDIAN, OR PROVIDES THE DEPARTMENT WITH A PLAN AND IS ABLE TO SHOW PROGRESS TOWARD DEVELOPING THE TECHNOLOGY INFRASTRUCTURE NECESSARY FOR THE IMPLEMENTATION OF PUPIL ACADEMIC GROWTH ASSESSMENTS BY 2014-2015.

(E) THE DISTRICT SUPPORTS OPPORTUNITIES FOR PUPILS TO RECEIVE POSTSECONDARY CREDIT WHILE ATTENDING SECONDARY SCHOOL, BY DOING AT LEAST 1 OF THE FOLLOWING, AND MAKES ALL ELIGIBLE PUPILS AND THEIR PARENTS OR GUARDIANS AWARE OF THESE OPPORTUNITIES:

(i) SUPPORTS ATTENDANCE OF DISTRICT PUPILS UNDER THE POSTSECONDARY ENROLLMENT OPERATIONS ACT, MCL 388.511 TO 388.524, OR UNDER THE CAREER AND TECHNICAL PREPARATION ACT, MCL 388.1901 TO 388.1913, CONSISTENT WITH PROVISIONS UNDER SECTION 21B.

(ii) OFFERS COLLEGE-LEVEL EQUIVALENT COURSES, AS DEFINED IN SECTION 1471 OF THE REVISED SCHOOL CODE, MCL 380.1471.

(iii) PARTICIPATES IN A MIDDLE COLLEGE. FOR THE PURPOSES OF THIS SUBPARAGRAPH, "MIDDLE COLLEGE" MEANS A SERIES OF COURSES AND OTHER

1 REQUIREMENTS AND CONDITIONS THAT ALLOW A PUPIL TO GRADUATE WITH A
2 HIGH SCHOOL DIPLOMA AND A CERTIFICATE OR DEGREE FROM A COMMUNITY
3 COLLEGE OR STATE PUBLIC UNIVERSITY.

4 (iv) PROVIDES OTHER OPPORTUNITIES TO PUPILS THAT ALLOW THOSE
5 PUPILS TO GRADUATE WITH A HIGH SCHOOL DIPLOMA AND ALSO COMPLETE
6 COURSEWORK THAT A POSTSECONDARY INSTITUTION NORMALLY APPLIES TOWARD
7 SATISFACTION OF DEGREE REQUIREMENTS.

8 (F) THE DISTRICT OFFERS ONLINE INSTRUCTIONAL PROGRAMS OR
9 BLENDED LEARNING OPPORTUNITIES TO ALL ELIGIBLE PUPILS. IN ORDER TO
10 SATISFY THIS REQUIREMENT, DISTRICTS MUST MAKE ALL ELIGIBLE PUPILS
11 AND THEIR PARENTS OR GUARDIANS AWARE OF THESE OPPORTUNITIES. FOR
12 THE PURPOSES OF THIS SUBDIVISION:

13 (i) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY
14 MODEL WHERE PUPILS ARE PROVIDED FACE-TO-FACE INSTRUCTION, IN PART
15 AT A SUPERVISED SCHOOL FACILITY AWAY FROM HOME AND PARTIALLY
16 THROUGH COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENTS
17 WITH SOME DEGREE OF PUPIL CONTROL OVER TIME, LOCATION, AND PACE OF
18 INSTRUCTION.

19 (ii) "ONLINE INSTRUCTIONAL PROGRAM" MEANS A COURSE OF STUDY
20 THAT GENERATES A CREDIT OR A GRADE, PROVIDED IN AN INTERACTIVE
21 COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENT, IN
22 WHICH PUPILS ARE SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION,
23 OR BOTH, AND IN WHICH A MICHIGAN CERTIFICATED TEACHER IS
24 RESPONSIBLE FOR PROVIDING DIRECT INSTRUCTION, DIAGNOSING LEARNING
25 NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION
26 STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF
27 INSTRUCTION AND SUPPORT STRATEGIES.

1 (G) ~~(e)~~—The district provides to parents and community members
2 a dashboard or report card demonstrating the district's efforts to
3 manage its finances responsibly. The dashboard or report card shall
4 include at least all of the following for the 3 most recent school
5 years for which the data are available:

6 (i) Graduation and dropout rates.

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

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

10 (iv) Elementary and middle school MEAP scores.

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

13 (vi) General fund balance.

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

15 **(H) THE DISTRICT PROVIDES PHYSICAL EDUCATION CONSISTENT WITH**
16 **THE STATE BOARD'S POLICY ON QUALITY PHYSICAL EDUCATION ADOPTED**
17 **SEPTEMBER 25, 2003, AND PROVIDES HEALTH EDUCATION CONSISTENT WITH**
18 **THE STATE BOARD'S POLICY ON COMPREHENSIVE SCHOOL HEALTH EDUCATION**
19 **ADOPTED JUNE 8, 2004.**

20 ~~—— (2) The department shall maintain the guidelines for the~~
21 ~~service consolidation plans that were developed for former section~~
22 ~~11d as it was in effect for 2010-2011. The guidelines may identify,~~
23 ~~but are not limited to, allowable cost sharing arrangements for the~~
24 ~~provision of noninstructional and instructional services and the~~
25 ~~creation of joint operating agreements between and among districts,~~
26 ~~intermediate districts, and other units of local government. The~~
27 ~~department shall create benchmarks to measure success in~~

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~~implementing service consolidation plans, including, but not limited to, demonstrated cost reductions and efficiency. In determining eligibility for incentive payments, the department shall recognize service consolidation and cooperation and cost reductions already in effect as well as continued progress.~~

~~—— (3) For the purposes of this section, the state maximum allowable employer contribution on behalf of any employee is an amount equal to 90% of the combined total costs for the employee for the school fiscal year for medical, pharmacy, dental, vision, disability, long term care, or any other type of benefit that would constitute a health care services benefit for each of the following coverage options:~~

~~—— (a) Employee only coverage.~~

~~—— (b) Employee and spouse coverage.~~

~~—— (c) Employee and children coverage.~~

~~—— (d) Full family coverage.~~

~~—— (4) A district that accepts funds allocated under this section acknowledges that the incentive payment under this section is for 2011-2012 only and that funds will not be appropriated for the purposes of this section for subsequent fiscal years.~~

~~(3) (5) If the department determines that a district has intentionally submitted false information in order to qualify for an incentive payment under this section, the district forfeits an amount equal to the amount it received under this section from its total state school aid for 2012-2013-2013-2014.~~

[(4) IF THE DEPARTMENT DETERMINES THAT FUNDS ALLOCATED UNDER THIS SECTION WILL REMAIN UNEXPENDED AFTER THE INITIAL ALLOCATION OF \$75.00 PER PUPIL TO ELIGIBLE DISTRICTS UNDER SUBSECTION (2), THE REMAINING UNEXPENDED AMOUNT IS ALLOCATED ON AN EQUAL PER PUPIL BASIS TO DISTRICTS THAT MEET THE REQUIREMENTS OF SUBSECTION (2) AND THAT HAVE A FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20, IN AN AMOUNT THAT IS LESS THAN THE BASIC FOUNDATION ALLOWANCE UNDER THAT SECTION.]

SEC. 22G. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2012-2013 ONLY AN AMOUNT NOT TO EXCEED

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1 \$10,000,000.00 FOR COMPETITIVE ASSISTANCE GRANTS TO DISTRICTS AND
2 INTERMEDIATE DISTRICTS. MONEY ALLOCATED IN THIS SECTION REPRESENTS
3 A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2011-
4 2012.

5 (2) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR
6 REIMBURSEMENT OF TRANSITION COSTS ASSOCIATED WITH THE CONSOLIDATION
7 OF OPERATIONS OR SERVICES BETWEEN 2 OR MORE DISTRICTS, INTERMEDIATE
8 DISTRICTS, OR OTHER LOCAL UNITS OF GOVERNMENT OR THE CONSOLIDATION
9 OF DISTRICTS OR INTERMEDIATE DISTRICTS. GRANT FUNDING SHALL BE
10 AVAILABLE FOR CONSOLIDATIONS THAT OCCUR ON OR AFTER JUNE 1, 2012.
11 THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS AND METHOD OF
12 GRANT DISTRIBUTION. HOWEVER, A DISTRICT OR INTERMEDIATE DISTRICT IS
13 NOT ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION IF THE DISTRICT
14 OR INTERMEDIATE DISTRICT RECEIVES A GRANT FROM THE COMPETITIVE
15 GRANT ASSISTANCE PROGRAM IN THE DEPARTMENT OF TREASURY
16 APPROPRIATIONS FOR 2012-2013 UNDER SECTION 951 OF HOUSE BILL NO.
17 5382 OF THE 96TH LEGISLATURE.

18 SEC. 22I. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
19 IS ALLOCATED FOR 2012-2013 AN AMOUNT NOT TO EXCEED \$75,000,000.00
20 FOR TECHNOLOGY INFRASTRUCTURE GRANTS TO DISTRICTS OR TO
21 INTERMEDIATE DISTRICTS ON BEHALF OF THEIR CONSTITUENT DISTRICTS.
22 FUNDS RECEIVED UNDER THIS SECTION SHALL BE USED FOR THE DEVELOPMENT
23 OR IMPROVEMENT OF A DISTRICT'S TECHNOLOGY INFRASTRUCTURE IN
24 PREPARATION FOR THE PLANNED IMPLEMENTATION IN 2014-2015 OF ONLINE
25 GROWTH ASSESSMENTS [.]

26 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION
27 PROCESS AND METHOD OF GRANT DISTRIBUTION. GRANTS TO DISTRICTS SHALL

1 NOT EXCEED \$2,000,000.00 PER DISTRICT. A GRANT TO AN INTERMEDIATE
2 DISTRICT ON BEHALF OF ITS CONSTITUENT DISTRICTS SHALL NOT EXCEED
3 \$2,000,000.00 PER CONSTITUENT DISTRICT. TO RECEIVE A GRANT UNDER
4 THIS SECTION, AN INTERMEDIATE DISTRICT SHALL DEMONSTRATE THAT A
5 GRANT AWARDED TO THE INTERMEDIATE DISTRICT ON BEHALF OF ITS
6 CONSTITUENT DISTRICTS WOULD PROVIDE SAVINGS COMPARED TO PROVIDING
7 GRANTS TO INDIVIDUAL DISTRICTS.

8 Sec. 24. (1) From the appropriation in section 11, there is
9 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed
10 \$8,000,000.00 for payments to the educating district or
11 intermediate district for educating pupils assigned by a court or
12 the department of human services to reside in or to attend a
13 juvenile detention facility or child caring institution licensed by
14 the department of human services and approved by the department to
15 provide an on-grounds education program. The amount of the payment
16 under this section to a district or intermediate district shall be
17 calculated as prescribed under subsection (2).

18 (2) The total amount allocated under this section shall be
19 allocated by paying to the educating district or intermediate
20 district an amount equal to the lesser of the district's or
21 intermediate district's added cost or the department's approved per
22 pupil allocation for the district or intermediate district. For the
23 purposes of this subsection:

24 (a) "Added cost" means 100% of the added cost each fiscal year
25 for educating all pupils assigned by a court or the department of
26 human services to reside in or to attend a juvenile detention
27 facility or child caring institution licensed by the department of

1 human services or the department of licensing and regulatory
2 affairs and approved by the department to provide an on-grounds
3 education program. Added cost shall be computed by deducting all
4 other revenue received under this act for pupils described in this
5 section from total costs, as approved by the department, in whole
6 or in part, for educating those pupils in the on-grounds education
7 program or in a program approved by the department that is located
8 on property adjacent to a juvenile detention facility or child
9 caring institution. Costs reimbursed by federal funds are not
10 included.

11 (b) "Department's approved per pupil allocation" for a
12 district or intermediate district shall be determined by dividing
13 the total amount allocated under this section for a fiscal year by
14 the full-time equated membership total for all pupils approved by
15 the department to be funded under this section for that fiscal year
16 for the district or intermediate district.

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

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

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1 Sec. 24a. From the appropriation in section 11, there is
2 allocated an amount not to exceed ~~\$2,114,800.00 for 2011-2012~~
3 **\$2,135,800.00 FOR 2012-2013** for payments to intermediate districts
4 for pupils who are placed in juvenile justice service facilities
5 operated by the department of human services. Each intermediate
6 district shall receive an amount equal to the state share of those
7 costs that are clearly and directly attributable to the educational
8 programs for pupils placed in facilities described in this section
9 that are located within the intermediate district's boundaries. The
10 intermediate districts receiving payments under this section shall
11 cooperate with the department of human services to ensure that all
12 funding allocated under this section is utilized by the
13 intermediate district and department of human services for
14 educational programs for pupils described in this section. Pupils
15 described in this section are not eligible to be funded under
16 section 24. However, a program responsibility or other fiscal
17 responsibility associated with these pupils shall not be
18 transferred from the department of human services to a district or
19 intermediate district unless the district or intermediate district
20 consents to the transfer.

21 Sec. 24c. From the appropriation in section 11, there is
22 allocated an amount not to exceed ~~[\$765,600.00-\$1,500,000.00]~~ for ~~2011-~~
23 **2013** for payments to districts for pupils who are enrolled in a
24 nationally administered community-based education and youth
25 mentoring program, known as the youth challenge program, that is
26 located within the district and is administered by the department
27 of military and veterans affairs. Both of the following apply to a

1 district receiving payments under this section:

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

6 (b) The district may retain for its administrative expenses an
7 amount not to exceed 3% of the amount of the payment the district
8 receives under this section.

9 Sec. 25. (1) If a pupil is enrolled in an alternative
10 education program operated by an intermediate district or district
11 for the purpose of educating pupils who have been expelled from
12 school or referred from the court, and if the pupil is counted in
13 membership in another intermediate district or district, the
14 intermediate district or district operating the alternative
15 education program shall report the enrollment information to the
16 department and to the district in which the pupil is counted in
17 membership, and the intermediate district or district in which the
18 pupil is counted in membership shall pay to the intermediate
19 district or district operating the alternative education program an
20 amount equal to the amount of the foundation allowance or per pupil
21 payment as calculated under section 20 for the intermediate
22 district or district in which the pupil is counted in membership,
23 prorated according to the number of days of the school year ending
24 in the fiscal year the pupil is educated in the alternative
25 education program compared to the number of days of the school year
26 ending in the fiscal year the pupil was actually enrolled in the
27 intermediate district or district in which the pupil is counted in

1 membership. The foundation allowance or per pupil payment shall be
2 adjusted by the pupil's full-time equated status as affected by the
3 membership definition under section 6(4). If an intermediate
4 district or district does not make the payment required under this
5 section within 30 days after receipt of the report, the department
6 shall calculate the amount owed, shall deduct that amount from the
7 remaining state school aid payments to the intermediate district or
8 district for that fiscal year under this act, and shall pay that
9 amount to the intermediate district or district operating the
10 alternative education program. The intermediate district or
11 district in which the pupil is counted in membership and the
12 intermediate district or district operating the alternative
13 education program shall provide to the department all information
14 the department requires to enforce this section.

15 (2) If a pupil is enrolled in a strict discipline academy for
16 pupils who have been expelled or suspended from school or otherwise
17 placed in a strict discipline academy as described in section 1311g
18 of the revised school code, MCL 380.1311g, and if the pupil is
19 counted in membership in another district or intermediate district,
20 the strict discipline academy shall report the enrollment
21 information to the department and to the district or intermediate
22 district in which the pupil is counted in membership. Upon receipt
23 of enrollment information under this subsection indicating that a
24 pupil has enrolled in a strict discipline academy as described in
25 this subsection, the department shall do both of the following:

26 (a) Adjust the membership calculation for the district or
27 intermediate district in which the pupil was counted in membership

1 so that the district's or intermediate district's membership is
2 prorated to allow the district or intermediate district to receive
3 for each school day in which the pupil was enrolled in the district
4 an amount equal to 1/180 of the foundation allowance or per pupil
5 payment as calculated under section 20 for the district or
6 intermediate district. The foundation allowance or per pupil
7 payment shall be adjusted by the pupil's full-time equated status
8 as affected by the membership definition under section 6(4).

9 (b) Include in the calculation of state school aid for the
10 strict discipline academy for each school day in which the pupil is
11 enrolled in the strict discipline academy, not to exceed a number
12 of school days equal to the difference between 180 and the number
13 of school days in which the pupil was reported under this section
14 as previously enrolled in 1 or more other districts or intermediate
15 districts, an amount equal to 1/180 of the per pupil payment as
16 calculated under section 20 for the strict discipline academy. The
17 per pupil payment shall be adjusted by the pupil's full-time
18 equated status as affected by the membership definition under
19 section 6(4).

20 (3) The changes in calculation of state school aid required
21 under subsection (2) shall take effect as of the date that the
22 pupil enrolls in the strict discipline academy, and the department
23 shall base all subsequent payments under this act for the fiscal
24 year to the affected districts or intermediate districts and for
25 the strict discipline academy, as applicable, on this recalculation
26 of state school aid.

27 (4) If a pupil enrolls in a strict discipline academy as

1 described in subsection (2), if adjustments are made in
2 calculations pursuant to subsection (2) due to that enrollment, and
3 if the pupil subsequently ceases to be enrolled in the strict
4 discipline academy, the strict discipline academy shall notify the
5 department of the last date of the pupil's enrollment in the strict
6 discipline academy and the number of days the pupil was enrolled in
7 the strict discipline academy.

8 (5) If a pupil enrolls in a strict discipline academy as
9 described in subsection (2), the district or intermediate district
10 in which the pupil is counted in membership and the strict
11 discipline academy shall provide to the department all information
12 the department requires to comply with this section.

13 ~~—— (6) The changes in the requirements under this section that~~
14 ~~are contained in subsections (2) to (5) apply beginning with~~
15 ~~payments made for the 2011-2012 fiscal year.~~

16 Sec. 26a. (1) From the state school aid fund appropriation in
17 section 11, there is allocated an amount not to exceed
18 ~~\$22,932,000.00 for 2010-2011 and an amount not to exceed~~
19 ~~\$26,300,000.00 for 2011-2012~~ **2012-2013** to reimburse districts and
20 intermediate districts pursuant to section 12 of the Michigan
21 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
22 in ~~2011-2012~~. The allocations shall be made not later than 60 days
23 after the department of treasury certifies to the department and to
24 the state budget director that the department of treasury has
25 received all necessary information to properly determine the
26 amounts due to each eligible recipient.

27 (2) **IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM**

1 THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS
 2 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR 2012-2013 TO
 3 REIMBURSE PUBLIC LIBRARIES PURSUANT TO SECTION 12 OF THE MICHIGAN
 4 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2692, FOR TAXES LEVIED
 5 IN 2012. THE ALLOCATIONS SHALL BE MADE NOT LATER THAN 60 DAYS AFTER
 6 THE DEPARTMENT OF TREASURY CERTIFIES TO THE DEPARTMENT AND TO THE
 7 STATE BUDGET DIRECTOR THAT THE DEPARTMENT OF TREASURY HAS RECEIVED
 8 ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE AMOUNTS DUE TO
 9 EACH ELIGIBLE RECIPIENT.

10 Sec. 26b. (1) From the appropriation in section 11, there is
 11 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed
 12 \$1,838,000.00 for payments to districts, intermediate districts,
 13 and community college districts for the portion of the payment in
 14 lieu of taxes obligation that is attributable to districts,
 15 intermediate districts, and community college districts pursuant to
 16 section 2154 of the natural resources and environmental protection
 17 act, 1994 PA 451, MCL 324.2154.

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

22 Sec. 31a. (1) From the state school aid fund money
 23 appropriated in section 11, there is allocated for ~~2011-2012-2012-~~
 24 **2013** an amount not to exceed \$317,695,500.00 for payments to
 25 eligible districts, ~~and~~ eligible public school academies, **AND THE**
 26 **EDUCATION ACHIEVEMENT SYSTEM** under this section. Subject to
 27 subsection (14), the amount of the additional allowance under this

1 section, other than funding under subsection (6) or (7), shall be
2 based on the number of actual pupils in membership in the district
3 or public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** who
4 met the income eligibility criteria for free breakfast, lunch, or
5 milk in the immediately preceding state fiscal year, as determined
6 under the Richard B. Russell national school lunch act, 42 USC 1751
7 to 1769i, and reported to the department ~~by October 31~~ **NOT LATER**
8 **THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY** of
9 the immediately preceding fiscal year and adjusted not later than
10 December 31 of the immediately preceding fiscal year in the form
11 and manner prescribed by the center. However, for a public school
12 academy that began operations as a public school academy, **OR FOR AN**
13 **ACHIEVEMENT SCHOOL THAT BEGAN OPERATIONS AS AN ACHIEVEMENT SCHOOL,**
14 after the pupil membership count day of the immediately preceding
15 school year, the basis for the additional allowance under this
16 section shall be the number of actual pupils in membership in the
17 public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** who met
18 the income eligibility criteria for free breakfast, lunch, or milk
19 in the current state fiscal year, as determined under the Richard
20 B. Russell national school lunch act **AND REPORTED TO THE DEPARTMENT**
21 **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT**
22 **DAY.**

23 (2) To be eligible to receive funding under this section,
24 other than funding under subsection (6) or (7), a district or
25 public school academy that has not been previously determined to be
26 eligible **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall apply to the
27 department, in a form and manner prescribed by the department, and

1 a district or public school academy **OR THE EDUCATION ACHIEVEMENT**
2 **SYSTEM** must meet all of the following:

3 (a) The sum of the district's or public school academy's **OR**
4 **THE EDUCATION ACHIEVEMENT SYSTEM'S** combined state and local revenue
5 per membership pupil in the current state fiscal year, as
6 calculated under section 20, is less than or equal to the basic
7 foundation allowance under section 20 for the current state fiscal
8 year.

9 (b) The district or public school academy **OR THE EDUCATION**
10 **ACHIEVEMENT SYSTEM** agrees to use the funding only for purposes
11 allowed under this section and to comply with the program and
12 accountability requirements under this section.

13 (3) Except as otherwise provided in this subsection, an
14 eligible district or eligible public school academy **OR THE**
15 **EDUCATION ACHIEVEMENT SYSTEM** shall receive under this section for
16 each membership pupil in the district or public school academy **OR**
17 **THE EDUCATION ACHIEVEMENT SYSTEM** who met the income eligibility
18 criteria for free breakfast, lunch, or milk, as determined under
19 the Richard B. Russell national school lunch act and as reported to
20 the department ~~by October 31~~ **NOT LATER THAN THE FIFTH WEDNESDAY**
21 **AFTER THE PUPIL MEMBERSHIP COUNT DAY** of the immediately preceding
22 fiscal year and adjusted not later than December 31 of the
23 immediately preceding fiscal year, an amount per pupil equal to
24 11.5% of the sum of the district's foundation allowance or **THE**
25 public school academy's **OR THE EDUCATION ACHIEVEMENT SYSTEM'S** per
26 pupil amount calculated under section 20, not to exceed the basic
27 foundation allowance under section 20 for the current state fiscal

1 year, or of the public school academy's **OR THE EDUCATION**
 2 **ACHIEVEMENT SYSTEM'S** per membership pupil amount calculated under
 3 section 20 for the current state fiscal year. A public school
 4 academy that began operations as a public school academy, **OR AN**
 5 **ACHIEVEMENT SCHOOL THAT BEGAN OPERATIONS AS AN ACHIEVEMENT SCHOOL,**
 6 after the pupil membership count day of the immediately preceding
 7 school year shall receive under this section for each membership
 8 pupil in the public school academy **OR IN THE EDUCATION ACHIEVEMENT**
 9 **SYSTEM** who met the income eligibility criteria for free breakfast,
 10 lunch, or milk, as determined under the Richard B. Russell national
 11 school lunch act and as reported to the department ~~by October 31~~
 12 **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT**
 13 **DAY** of the current fiscal year and adjusted not later than December
 14 31 of the current fiscal year, an amount per pupil equal to 11.5%
 15 of the public school academy's **OR THE EDUCATION ACHIEVEMENT**
 16 **SYSTEM'S** per membership pupil amount calculated under section 20
 17 for the current state fiscal year.

18 (4) Except as otherwise provided in this section, a district
 19 or public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM,**
 20 receiving funding under this section shall use that money only to
 21 provide instructional programs and direct noninstructional
 22 services, including, but not limited to, medical or counseling
 23 services, for at-risk pupils; for school health clinics; and for
 24 the purposes of subsection (5), (6), or (7). In addition, a
 25 district that is a school district of the first class or a district
 26 or public school academy in which at least 50% of the pupils in
 27 membership met the income eligibility criteria for free breakfast,

1 lunch, or milk in the immediately preceding state fiscal year, as
2 determined and reported as described in subsection (1), **OR THE**
3 **EDUCATION ACHIEVEMENT SYSTEM IF IT MEETS THIS REQUIREMENT**, may use
4 not more than 20% of the funds it receives under this section for
5 school security. A district, ~~or THE~~ public school academy, **OR THE**
6 **EDUCATION ACHIEVEMENT SYSTEM** shall not use any of that money for
7 administrative costs or to supplant another program or other funds,
8 except for funds allocated to the district or public school academy
9 **OR THE EDUCATION ACHIEVEMENT SYSTEM** under this section in the
10 immediately preceding year and already being used by the district
11 or public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** for
12 at-risk pupils. The instruction or direct noninstructional services
13 provided under this section may be conducted before or after
14 regular school hours or by adding extra school days to the school
15 year and may include, but are not limited to, tutorial services,
16 early childhood programs to serve children age 0 to 5, and reading
17 programs as described in former section 32f as in effect for 2001-
18 2002. A tutorial method may be conducted with paraprofessionals
19 working under the supervision of a certificated teacher. The ratio
20 of pupils to paraprofessionals shall be between 10:1 and 15:1. Only
21 1 certificated teacher is required to supervise instruction using a
22 tutorial method. As used in this subsection, "to supplant another
23 program" means to take the place of a previously existing
24 instructional program or direct noninstructional services funded
25 from a funding source other than funding under this section.

26 (5) Except as otherwise provided in subsection (12), a
27 district or public school academy that receives funds under this

1 section and that operates a school breakfast program under section
2 1272a of the revised school code, MCL 380.1272a, **OR THE EDUCATION**
3 **ACHIEVEMENT SYSTEM IF IT OPERATES A SCHOOL BREAKFAST PROGRAM**, shall
4 use from the funds received under this section an amount, not to
5 exceed \$10.00 per pupil for whom the district or public school
6 academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** receives funds under
7 this section, necessary to pay for costs associated with the
8 operation of the school breakfast program.

9 (6) From the funds allocated under subsection (1), there is
10 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed
11 \$3,557,300.00 to support child and adolescent health centers. These
12 grants shall be awarded for 5 consecutive years beginning with
13 2003-2004 in a form and manner approved jointly by the department
14 and the department of community health. Each grant recipient shall
15 remain in compliance with the terms of the grant award or shall
16 forfeit the grant award for the duration of the 5-year period after
17 the noncompliance. To continue to receive funding for a child and
18 adolescent health center under this section a grant recipient shall
19 ensure that the child and adolescent health center has an advisory
20 committee and that at least one-third of the members of the
21 advisory committee are parents or legal guardians of school-aged
22 children. A child and adolescent health center program shall
23 recognize the role of a child's parents or legal guardian in the
24 physical and emotional well-being of the child. Funding under this
25 subsection shall be used to support child and adolescent health
26 center services provided to children up to age 21. If any funds
27 allocated under this subsection are not used for the purposes of

1 this subsection for the fiscal year in which they are allocated,
2 those unused funds shall be used that fiscal year to avoid or
3 minimize any proration that would otherwise be required under
4 subsection (14) for that fiscal year.

5 (7) From the funds allocated under subsection (1), there is
6 allocated for ~~2011-2012~~**-2012-2013** an amount not to exceed
7 \$5,150,000.00 for the state portion of the hearing and vision
8 screenings as described in section 9301 of the public health code,
9 1978 PA 368, MCL 333.9301. A local public health department shall
10 pay at least 50% of the total cost of the screenings. The frequency
11 of the screenings shall be as required under R 325.13091 to R
12 325.13096 and R 325.3271 to R 325.3276 of the Michigan
13 administrative code. Funds shall be awarded in a form and manner
14 approved jointly by the department and the department of community
15 health. Notwithstanding section 17b, payments to eligible entities
16 under this subsection shall be paid on a schedule determined by the
17 department.

18 (8) Each district or public school academy receiving funds
19 under this section **AND THE EDUCATION ACHIEVEMENT SYSTEM** shall
20 submit to the department by July 15 of each fiscal year a report,
21 not to exceed 10 pages, on the usage by the district or public
22 school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** of funds under
23 this section, which report shall include at least a brief
24 description of each program conducted by the district or public
25 school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** using funds
26 under this section, the amount of funds under this section
27 allocated to each of those programs, the number of at-risk pupils

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1 eligible for free or reduced price school lunch who were served by
2 each of those programs, and the total number of at-risk pupils
3 served by each of those programs. If a district or public school
4 academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** does not comply with
5 this subsection, the department shall withhold an amount equal to
6 the August payment due under this section until the district or
7 public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** complies
8 with this subsection. If the district or public school academy **OR**
9 **THE EDUCATION ACHIEVEMENT SYSTEM** does not comply with this
10 subsection by the end of the state fiscal year, the withheld funds
11 shall be forfeited to the school aid fund.

12 (9) In order to receive funds under this section, a district
13 or public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall
14 allow access for the department or the department's designee to
15 audit all records related to the program for which it receives
16 those funds. The district or public school academy **OR THE EDUCATION**
17 **ACHIEVEMENT SYSTEM** shall reimburse the state for all disallowances
18 found in the audit.

19 (10) Subject to subsections (5), (6), (7), (12), and (13), any
20 district may use up to 100% of the funds it receives under this
21 section to reduce the ratio of pupils to teachers in grades [~~K-6,~~ **K-12,**]
or
22 any combination of those grades, in school buildings in which the
23 percentage of pupils described in subsection (1) exceeds the
24 district's aggregate percentage of those pupils. Subject to
25 subsections (5), (6), (7), (12), and (13), if a district obtains a
26 waiver from the department, the district may use up to 100% of the
27 funds it receives under this section to reduce the ratio of pupils

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1 to teachers in grades [~~K-6,~~ K-12,] or any combination of those grades, in
2 school buildings in which the percentage of pupils described in
3 subsection (1) is at least 60% of the district's aggregate
4 percentage of those pupils and at least 30% of the total number of
5 pupils enrolled in the school building. To obtain a waiver, a
6 district must apply to the department and demonstrate to the
7 satisfaction of the department that the class size reductions would
8 be in the best interests of the district's at-risk pupils.

9 (11) A district or public school academy **OR THE EDUCATION**
10 **ACHIEVEMENT SYSTEM** may use funds received under this section for
11 adult high school completion, general educational development
12 (G.E.D.) test preparation, adult English as a second language, or
13 adult basic education programs described in section 107.

14 (12) For an individual school or schools operated by a
15 district or public school academy receiving funds under this
16 section **OR THE EDUCATION ACHIEVEMENT SYSTEM** that have been
17 determined by the department to meet the adequate yearly progress
18 standards of the no child left behind act of 2001, Public Law 107-
19 110, in both mathematics and English language arts at all
20 applicable grade levels for all applicable subgroups, the district
21 or public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** may
22 ~~submit to the department an application for flexibility in using~~
23 ~~the funds received under this section that are attributable to the~~
24 ~~pupils in the school or schools. The application shall identify the~~
25 ~~affected school or schools and the affected funds and shall contain~~
26 ~~a plan for using the funds~~ **USE NOT MORE THAN 20% OF THE FUNDS IT**
27 **RECEIVES UNDER THIS SECTION** for specific **ALTERNATIVE** purposes

1 identified by the district **OR PUBLIC SCHOOL ACADEMY OR THE**
2 **EDUCATION ACHIEVEMENT SYSTEM** that are designed to benefit at-risk
3 pupils in the school, but that may be different from the purposes
4 otherwise allowable under this section. ~~The department shall~~
5 ~~approve the application if the department determines that the~~
6 ~~purposes identified in the plan are reasonably designed to benefit~~
7 ~~at risk pupils in the school. If the department does not act to~~
8 ~~approve or disapprove an application within 30 days after it is~~
9 ~~submitted to the department, the application is considered to be~~
10 ~~approved. If an application for flexibility in using the funds is~~
11 ~~approved, the district may use the funds identified in the~~
12 ~~application for any purpose identified in the plan. IF A DISTRICT~~
13 **OR PUBLIC SCHOOL ACADEMY OR THE EDUCATION ACHIEVEMENT SYSTEM USES**
14 **FUNDS FOR ALTERNATIVE PURPOSES ALLOWED UNDER THE FLEXIBILITY**
15 **PROVISIONS UNDER THIS SUBSECTION, THE DISTRICT OR PUBLIC SCHOOL**
16 **ACADEMY OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL MAINTAIN**
17 **DOCUMENTATION OF THE AMOUNTS USED FOR THOSE ALTERNATIVE PURPOSES**
18 **AND SHALL MAKE THAT INFORMATION AVAILABLE TO THE DEPARTMENT UPON**
19 **REQUEST.**

20 (13) A district or public school academy that receives funds
21 under this section **OR THE EDUCATION ACHIEVEMENT SYSTEM** may use
22 funds it receives under this section to implement and operate an
23 early intervening program for pupils in grades K to 3 that meets
24 either or both of the following:

25 (a) Monitors individual pupil learning and provides specific
26 support or learning strategies to pupils as early as possible in
27 order to reduce the need for special education placement. The

1 program shall include literacy and numeracy supports, sensory motor
2 skill development, behavior supports, instructional consultation
3 for teachers, and the development of a parent/school learning plan.
4 Specific support or learning strategies may include support in or
5 out of the general classroom in areas including reading, writing,
6 math, visual memory, motor skill development, behavior, or language
7 development. These would be provided based on an understanding of
8 the individual child's learning needs.

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

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

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

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

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

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

14 (17) A district or public school academy that receives funds
15 under this section **OR THE EDUCATION ACHIEVEMENT SYSTEM** may use
16 funds received under this section to provide an anti-bullying or
17 crisis intervention program.

18 Sec. 31d. (1) From the appropriations in section 11, there is
19 allocated an amount not to exceed ~~\$21,627,100.00 for 2010-2011 and~~
20 ~~an amount not to exceed \$22,495,100.00 for 2011-2012-2012-2013~~ for
21 the purpose of making payments to districts and other eligible
22 entities under this section.

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

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

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

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

15 (5) From the federal funds appropriated in section 11, there
16 is allocated for ~~2011-2012-2012-2013~~ all available federal funding,
17 estimated at \$400,000,000.00, for the national school lunch program
18 and all available federal funding, estimated at \$2,506,000.00, for
19 the emergency food assistance program.

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

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

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

1 allocated an amount not to exceed ~~\$3,800,000.00 for 2010-2011 and~~
2 ~~an amount not to exceed \$9,625,000.00 for 2011-2012-2012-2013~~ for
3 the purpose of making payments to districts to reimburse for the
4 cost of providing breakfast.

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

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

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

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

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

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

27 Sec. 32b. (1) From the funds appropriated under section 11,

1 there is allocated an amount not to exceed \$5,900,000.00 for ~~2011-~~
2 ~~2012-2012-2013~~ for competitive grants to intermediate districts for
3 the creation and continuance of great start communities or other
4 community purposes as identified by the early childhood investment
5 corporation. These dollars may not be expended until both of the
6 following conditions have been met:

7 (a) The early childhood investment corporation has identified
8 matching dollars of at least an amount equal to the amount of the
9 matching dollars for 2006-2007.

10 (b) The executive committee of the corporation includes, in
11 addition to the members of the executive committee provided for by
12 the interlocal agreement creating the corporation under the urban
13 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to
14 124.512, 4 members appointed by the governor as provided in this
15 subdivision. Not later than 30 days after the convening of a
16 regular legislative session in an odd-numbered year, the speaker of
17 the house of representatives, the house minority leader, the senate
18 majority leader, and the senate minority leader shall each submit
19 to the governor a list of 3 or more individuals as nominees for
20 appointment as members of the executive committee of the
21 corporation. The corporation shall notify each of the legislative
22 leaders of this requirement to submit a list of nominees not later
23 than 30 days before the date that the list is due. Within 60 days
24 of the submission to the governor of nominees by each of the 4
25 legislative leaders, the governor shall appoint 1 member of the
26 executive committee from each list of nominees submitted by each of
27 the 4 legislative leaders. A member appointed under this

1 subdivision shall serve a term as a member of the executive
2 committee through the next regular legislative session unless he or
3 she resigns or is otherwise unable to serve. When a vacancy occurs
4 other than by expiration of a term, the corporation shall notify
5 the legislative leader who originally nominated the member of the
6 vacancy and that legislative leader shall submit to the governor a
7 list of 3 or more individuals as nominees for appointment to fill
8 the vacancy within 30 days after being notified by the corporation
9 of the vacancy. The governor shall make an appointment to fill that
10 vacancy in the same manner as the original appointment not later
11 than 60 days after the date the vacancy occurs.

12 (2) The early childhood investment corporation shall award
13 grants to eligible intermediate districts in an amount to be
14 determined by the corporation.

15 (3) In order to receive funding, each intermediate district
16 applicant shall agree to convene a local great start collaborative
17 to address the availability of the 6 components of a great start
18 system in its communities: physical health, social-emotional
19 health, family supports, basic needs, economic stability and
20 safety, and parenting education and early education and care, to
21 ensure that every child in the community is ready for kindergarten.
22 Specifically, each grant will fund the following:

23 (a) The completion of a community needs assessment and
24 strategic plan for the creation of a comprehensive system of early
25 childhood services and supports, accessible to all children from
26 birth to kindergarten and their families.

27 (b) Identification of local resources and services for

1 children with disabilities, developmental delays, or special needs
2 and their families.

3 (c) Coordination and expansion of infrastructure to support
4 high-quality early childhood and childcare programs.

5 (d) Evaluation of local programs.

6 (4) Not later than December 1 of each fiscal year, for the
7 grants awarded under this section for the immediately preceding
8 fiscal year, the department shall provide to the house and senate
9 appropriations subcommittees on state school aid, the state budget
10 director, and the house and senate fiscal agencies a report
11 detailing the amount of each grant awarded under this section, the
12 grant recipients, the activities funded by each grant under this
13 section, and an analysis of each grant recipient's success in
14 addressing the development of a comprehensive system of early
15 childhood services and supports.

16 (5) An intermediate district receiving funds under this
17 section may carry over any unexpended funds received under this
18 section into the next fiscal year and may expend those unused funds
19 in the next fiscal year. A recipient of a grant shall return any
20 unexpended grant funds to the department in the manner prescribed
21 by the department not later than September 30 of the next fiscal
22 year after the fiscal year in which the funds are received.

23 (6) ~~Beginning with 2012-2013, it is the intent of the~~
24 ~~legislature~~ **THE DEPARTMENT SHALL DEVELOP A PLAN FOR A MULTIYEAR**
25 **PHASED-IN APPROACH** to transfer funding for great start
26 collaboratives under this section into an early childhood block
27 grant program, along with funding for great start readiness

1 programs under section 32d and funding for great parents, great
 2 start programs under section 32j. The early childhood block grant
 3 program will allocate funds to intermediate districts and consortia
 4 of intermediate districts to act as fiduciaries and provide
 5 administration of regional early childhood programs in conjunction
 6 with their regional great start collaborative to improve program
 7 quality, evaluation, and efficiency for early childhood programs.
 8 The department shall work with intermediate districts, districts,
 9 great start collaboratives, and the early childhood investment
 10 corporation to establish a revised funding formula, application
 11 process, program criteria, and data reporting requirements. ~~for~~
 12 ~~2012-2013. Not later than January 1, 2012, the department shall~~
 13 ~~report to the legislature its recommendations for the revisions~~
 14 ~~required under this subsection.~~

15 (7) Notwithstanding section 17b, payments under this section
 16 may be made pursuant to an agreement with the department.

17 Sec. 32d. (1) ~~For 2011-2012, FROM THE FUNDS APPROPRIATED IN~~
 18 **SECTION 11**, there is allocated to eligible intermediate districts
 19 and consortia of intermediate districts for great start readiness
 20 programs an amount not to exceed \$104,275,000.00 ~~from the state~~
 21 ~~school aid fund money appropriated in section 11. FOR 2012-2013.~~
 22 Funds allocated under this section shall be used to provide part-
 23 day, ~~or full day~~ **SCHOOL-DAY, OR GSRP/HEAD START BLENDED**
 24 comprehensive free compensatory **CLASSROOM** programs designed to do 1
 25 or both of the following:

26 (a) Improve the readiness and subsequent achievement of
 27 educationally disadvantaged children as defined by the department

1 who will be at least 4, but less than 5 years of age, as of
2 December 1 of the school year in which the programs are offered,
3 and who meet the participant eligibility and prioritization
4 guidelines as defined by the state board.

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

7 Beginning in 2007-2008, funds spent ~~by a district~~ for programs
8 described in this subdivision shall not exceed ~~the lesser of the~~
9 ~~amount spent by the district under this subdivision for 2006-2007~~
10 ~~or the amount spent under this subdivision in any subsequent~~ **FOR**
11 **THE IMMEDIATELY PRECEDING** fiscal year.

12 (2) Funds allocated under this section shall be allocated to
13 intermediate districts or consortia of intermediate districts. An
14 intermediate district or consortium of intermediate districts
15 receiving funding under this section shall act as the fiduciary for
16 the great start readiness programs. For ~~2011-2012,~~ **2012-2013**, the
17 fiduciary intermediate districts and consortia of intermediate
18 districts shall allocate the funding under this section as follows:

19 (a) An amount not to exceed \$95,400,000.00 allocated to
20 **INTERMEDIATE** districts and consortia of **INTERMEDIATE** districts as
21 directed by the department based on the formula in section 39. In
22 order to be eligible to receive funds allocated under this
23 subdivision from an intermediate district or consortium of
24 intermediate districts, a district or consortium of districts shall
25 comply with this section and section 39.

26 (b) An amount not to exceed \$8,875,000.00 allocated in grants
27 to competitive great start readiness programs as directed by the

1 department based on the grant award process in section 32/. In order
2 to be eligible to receive funds allocated under this section from
3 an intermediate district or consortium of intermediate districts, a
4 competitive great start readiness program shall comply with this
5 section and section 32/.

6 (3) In addition to the allocation under subsection (1), from
7 the general fund money appropriated under section 11, there is
8 allocated an amount not to exceed \$300,000.00 for ~~2011-2012-2012-~~
9 **2013** for a competitive grant to continue a longitudinal evaluation
10 of children who have participated in great start readiness
11 programs.

12 (4) To be eligible for funding under this section, a program
13 shall prepare children for success in school through comprehensive
14 part-day, ~~ex~~-school-day, **OR GSRP/HEAD START BLENDED** programs that
15 contain all of the following program components, as determined by
16 the department:

17 (a) Participation in a collaborative recruitment and
18 enrollment process. At a minimum, the process shall include all
19 other funded preschool programs that may serve children in the same
20 geographic area, to assure that each child is enrolled in the
21 program most appropriate to his or her needs and to maximize the
22 use of federal, state, and local funds.

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

26 (c) Nutritional services for all program participants.

27 (d) Health and developmental screening services for all

1 program participants.

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

4 (f) Active and continuous involvement of the parents or
5 guardians of the program participants.

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

9 (h) Participation in a multidistrict, multiagency, school
10 readiness advisory committee that provides for the involvement of
11 classroom teachers, parents or guardians of program participants,
12 and community, volunteer, and social service agencies and
13 organizations, as appropriate. The advisory committee **ANNUALLY**
14 shall review the program components listed in this subsection and
15 make recommendations for changes to the great start readiness
16 program for which it is an advisory committee.

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

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

22 (a) Ensure compliance with all program components described in
23 subsection (4).

24 (b) Ensure that more than 75% of the children participating in
25 an eligible great start readiness program are children who live
26 with families with a household income that is equal to or less than
27 300% of the federal poverty level.

1 (c) Ensure that the applicant only ~~employs~~**USES** qualified
2 personnel for this program, as follows:

3 (i) Teachers possessing proper training. For programs managed
4 directly by ~~an~~**A DISTRICT OR** intermediate district, a valid
5 teaching certificate and an early childhood (ZA or ZS) endorsement
6 are required. This provision does not apply to ~~an~~**A DISTRICT,**
7 intermediate district, or competitive program that subcontracts
8 with an eligible child development program. In that situation, a
9 teacher must have a valid Michigan teaching certificate with an
10 early childhood (ZA or ZS) endorsement, a valid Michigan elementary
11 teaching certificate with a child development associate credential,
12 or a bachelor's degree in child development with specialization in
13 preschool teaching. However, if an ~~intermediate district~~**APPLICANT**
14 demonstrates to the department that it is unable to fully comply
15 with this subparagraph after making reasonable efforts to comply,
16 teachers who have significant but incomplete training in early
17 childhood education or child development may be ~~employed by the~~
18 ~~intermediate district~~**USED** if the ~~intermediate district~~**APPLICANT**
19 provides to the department, and the department approves, a plan for
20 each teacher to come into compliance with the standards in this
21 subparagraph. A teacher's compliance plan must be completed within
22 2 years of the date of employment. Progress toward completion of
23 the compliance plan shall consist of at least 2 courses per
24 calendar year.

25 (ii) Paraprofessionals possessing proper training in early
26 childhood development, including an associate's degree in early
27 childhood education or child development or the equivalent, or a

1 child development associate (CDA) credential. However, if an
2 ~~intermediate district~~ **APPLICANT** demonstrates to the department that
3 it is unable to fully comply with this subparagraph after making
4 reasonable efforts to comply, the ~~intermediate district~~ **APPLICANT**
5 may ~~employ~~ **USE** paraprofessionals who have completed at least 1
6 course that earns college credit in early childhood education or
7 child development if the ~~intermediate district~~ **APPLICANT** provides
8 to the department, and the department approves, a plan for each
9 paraprofessional to come into compliance with the standards in this
10 subparagraph. A paraprofessional's compliance plan must be
11 completed within 2 years of the date of employment. Progress toward
12 completion of the compliance plan shall consist of at least 2
13 courses or 60 clock hours of training per calendar year.

14 (d) Include a program budget that contains only those costs
15 that are not reimbursed or reimbursable by federal funding, that
16 are clearly and directly attributable to the great start readiness
17 program, and that would not be incurred if the program were not
18 being offered. The program budget shall indicate the extent to
19 which these funds will supplement other federal, state, local, or
20 private funds. Funds received under this section shall not be used
21 to supplant any federal funds by the applicant to serve children
22 eligible for a federally funded existing preschool program that has
23 the capacity to serve those children.

24 (6) For a grant recipient that enrolls pupils in a school-day
25 program funded under this section, each child enrolled in the
26 school-day program shall be counted as 2 children served by the
27 program for purposes of determining the number of children to be

1 served and for determining the amount of the grant award. A grant
2 award shall not be increased solely on the basis of providing a
3 school-day program.

4 (7) An intermediate district or consortium of intermediate
5 districts receiving a grant under this section may contract with
6 for-profit or nonprofit preschool center providers that meet all
7 requirements of subsection (4) and retain for administrative
8 services an amount equal to not more than 5% of the grant amount.
9 An intermediate district, consortium of intermediate districts, or
10 competitive grant program may expend not more than 10% of the total
11 grant amount for administration of the program.

12 (8) Any public or private for-profit or nonprofit legal entity
13 or agency may apply for a competitive grant under this section.
14 However, a district or intermediate district may not apply for a
15 competitive grant under this section unless the district,
16 intermediate district, or consortium of districts or intermediate
17 districts is acting as a local grantee for the federal head start
18 program operating under the head start act, 42 USC 9831 to 9852.

19 (9) A recipient of funds under this section shall report to
20 the department in a form and manner prescribed by the department
21 the number of children participating in the program who meet the
22 income or other eligibility criteria prescribed by the department
23 and the total number of children participating in the program. For
24 children participating in the program who meet the income or other
25 eligibility criteria specified under subsection (5)(b), a recipient
26 shall also report whether or not a parent is available to provide
27 care based on employment status. For the purposes of this

subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(10) As used in this section:

(A) "GSRP/HEAD START BLENDED PROGRAM" MEANS A PART-DAY PROGRAM FUNDED UNDER THIS SECTION AND A HEAD START PROGRAM, WHICH ARE COMBINED FOR A SCHOOL-DAY PROGRAM.

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

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

(11) A grant recipient receiving funds under this section is encouraged to establish a sliding scale of tuition rates based upon a child's family income for the purpose of expanding eligible programs under this section. A grant recipient may charge tuition for programs provided under this section according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the program eligibility requirements under this section.

~~(12) Beginning with 2012-2013, it is the intent of the legislature~~ **THE DEPARTMENT SHALL DEVELOP A PLAN FOR A MULTIYEAR PHASED-IN APPROACH** to transfer funding for great start readiness

1 programs under this section into an early childhood block grant
2 program, along with funding for great start collaboratives under
3 section 32b and funding for great parents, great start programs
4 under section 32j. The early childhood block grant program will
5 allocate funds to intermediate districts and consortia of
6 intermediate districts to act as fiduciaries and provide
7 administration of regional early childhood programs in conjunction
8 with their regional great start collaborative to improve program
9 quality, evaluation, and efficiency for early childhood programs.
10 The department shall work with intermediate districts, districts,
11 great start collaboratives, and the early childhood investment
12 corporation to establish a revised funding formula, application
13 process, program criteria, and data reporting requirements. ~~for~~
14 ~~2012-2013. Not later than January 1, 2012, the department shall~~
15 ~~report to the legislature its recommendations for the revisions~~
16 ~~required under this subsection.~~

17 Sec. 32j. (1) From the appropriations in section 11, there is
18 allocated an amount not to exceed \$5,000,000.00 for ~~2011-2012-2012-~~
19 ~~2013~~ for great parents, great start grants to intermediate
20 districts to provide programs for parents with young children. The
21 purpose of these programs is to encourage early mathematics and
22 reading literacy, improve school readiness, reduce the need for
23 special education services, and foster the maintenance of stable
24 families by encouraging positive parenting skills.

25 (2) To qualify for funding under this section, a program shall
26 provide services to all families with children age 5 or younger
27 residing within the intermediate district who choose to

1 participate, including at least all of the following services:

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

4 (b) Providing parents with methods to enhance parent-child
5 interaction that promote social and emotional development and age-
6 appropriate language, mathematics, and early reading skills for
7 young children; including, but not limited to, encouraging parents
8 to read to their preschool children at least 1/2 hour per day.

9 (c) Providing parents with examples of learning opportunities
10 to promote intellectual, physical, and social growth of young
11 children, including the acquisition of age-appropriate language,
12 mathematics, and early reading skills.

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

15 (3) To receive a grant under this section, an intermediate
16 district shall submit a plan to the department not later than
17 October 15 ~~, 2011~~ **OF THE APPLICABLE FISCAL YEAR** in the form and
18 manner prescribed by the department. The plan shall do all of the
19 following in a manner prescribed by the department:

20 (a) Provide a plan for the delivery of the program components
21 described in subsection (2) that targets resources based on family
22 need and provides for educators trained in child development to
23 help parents understand their role in their child's developmental
24 process, thereby promoting school readiness and mitigating the need
25 for special education services.

26 (b) Demonstrate an adequate collaboration of local entities
27 involved in providing programs and services for preschool children

1 and their parents and, where there is a great start collaborative,
2 demonstrate that the planned services are part of the community's
3 great start strategic plan.

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

12 (4) Each intermediate district receiving a grant under this
13 section shall agree to include a data collection system approved by
14 the department. The data collection system shall provide a report
15 by October 15 of each year on the number of children in families
16 with income below ~~200%~~ **300%** of the federal poverty level that
17 received services under this program and the total number of
18 children who received services under this program.

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

21 (a) The superintendent shall approve or disapprove the plans
22 and notify the intermediate district of that decision not later
23 than November 15 ~~, 2011.~~ **OF THE APPLICABLE FISCAL YEAR.** The amount
24 allocated to each intermediate district shall be at least an amount
25 equal to 100% of the intermediate district's ~~2010-2011~~ payment
26 under this section **FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.**

27 (b) The department shall ensure that all programs funded under

1 this section utilize the most current validated research-based
2 methods and curriculum for providing the program components
3 described in subsection (2).

4 (6) An intermediate district receiving funds under this
5 section shall use the funds only for the program funded under this
6 section. An intermediate district receiving funds under this
7 section may carry over any unexpended funds received under this
8 section into the next fiscal year and may expend those unused funds
9 in the next fiscal year. A recipient of a grant shall return any
10 unexpended grant funds to the department in the manner prescribed
11 by the department not later than September 30 of the next fiscal
12 year after the fiscal year in which the funds are received.

13 ~~(7) Beginning with 2012-2013, it is the intent of the~~
14 ~~legislature~~ **THE DEPARTMENT SHALL DEVELOP A PLAN FOR A MULTIYEAR**
15 **PHASED-IN APPROACH** to transfer funding for great parents, great
16 start programs under this section into an early childhood block
17 grant program, along with funding for great start collaboratives
18 under section 32b and funding for great start readiness programs
19 under section 32d. The early childhood block grant program will
20 allocate funds to intermediate districts and consortia of
21 intermediate districts to act as fiduciaries and provide
22 administration of regional early childhood programs in conjunction
23 with their regional great start collaborative to improve program
24 quality, evaluation, and efficiency for early childhood programs.
25 The department shall work with intermediate districts, districts,
26 great start collaboratives, and the early childhood investment
27 corporation to establish a revised funding formula, application

1 process, program criteria, and data reporting requirements. ~~for~~
2 ~~2012-2013. Not later than January 1, 2012, the department shall~~
3 ~~report to the legislature its recommendations for the revisions~~
4 ~~required under this subsection.~~

5 Sec. 39. (1) ~~A district~~ **AN ELIGIBLE APPLICANT** receiving funds
6 ~~from an intermediate district or consortium of intermediate~~
7 ~~districts~~ under section 32d shall submit a preapplication, in a
8 form and manner prescribed by the department, by a date specified
9 by the department in the immediately preceding state fiscal year.
10 The preapplication shall include a comprehensive needs assessment
11 **USING AGGREGATED DATA FROM THE APPLICANT'S ENTIRE SERVICE AREA** and
12 **A** community collaboration plan ~~, which~~ **THAT** is endorsed by the
13 local great start collaborative and is part of the community's
14 great start strategic plan that includes, but is not limited to,
15 great start readiness program and head start providers, and shall
16 identify all of the following:

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

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

24 (c) The number of children the ~~district~~ **APPLICANT** will be able
25 to serve who meet the criteria of section 32d including a
26 verification of physical facility and staff resources capacity.

27 (d) The estimated number of children who meet the criteria of

1 section 32d who will remain unserved after the ~~district~~-**APPLICANT**
2 and community early childhood programs have met their funded
3 enrollments. The ~~school-district~~-**APPLICANT** shall maintain a waiting
4 list of identified unserved eligible children who would be served
5 when openings are available.

6 (2) A ~~district~~-**AN APPLICANT** receiving funds from an
7 ~~intermediate district or consortium of intermediate districts~~ under
8 section 32d shall also submit a final application for approval, in
9 a form and manner prescribed by the department, by a date specified
10 by the department, that details how the ~~district~~-**APPLICANT** complies
11 with the program components established by the department pursuant
12 to section 32d.

13 (3) The number of prekindergarten children construed to be in
14 need of special readiness assistance under section 32d shall be
15 calculated for each ~~district~~-**APPLICANT** in the following manner: 1/2
16 of the percentage of the ~~district's~~-**APPLICANT'S** pupils in grades 1
17 to 5 **IN ALL DISTRICTS SERVED BY THE APPLICANT** who are eligible for
18 free lunch, as determined using the district's pupil membership
19 count as of the pupil membership count day in the school year prior
20 to the fiscal year for which the calculation is made, under the
21 Richard B. Russell national school lunch act, 42 USC 1751 to 1769i,
22 shall be multiplied by the average kindergarten enrollment of the
23 ~~district~~-**DISTRICTS SERVED BY THE APPLICANT** on the pupil membership
24 count day of the 2 immediately preceding fiscal years.

25 (4) The initial allocation for each fiscal year to each
26 eligible ~~district~~-**APPLICANT** under section 32d shall be determined
27 by multiplying the number of children determined by the formula

1 under subsection (3) or the number of children the ~~district~~
 2 **APPLICANT** indicates it will be able to serve under subsection
 3 (1)(c), whichever is less, by \$3,400.00 and shall be distributed
 4 among ~~districts~~**APPLICANT** in decreasing order of concentration of
 5 eligible children as determined by the formula under subsection
 6 (3). If the number of children a ~~district~~**AN APPLICANT** indicates it
 7 will be able to serve under subsection (1)(c) includes children
 8 able to be served in a school-day program, then the number able to
 9 be served in a school-day program shall be doubled for the purposes
 10 of making this calculation of the lesser of the number of children
 11 determined by the formula under subsection (3) and the number of
 12 children the ~~district~~**APPLICANT** indicates it will be able to serve
 13 under subsection (1)(c) and determining the amount of the initial
 14 allocation to the ~~district~~**APPLICANT** under section 32d. A district
 15 may contract with a head start agency to serve children enrolled in
 16 head start with a school-day program by blending head start funds
 17 with a part-day great start readiness program allocation. All head
 18 start and great start readiness program policies and regulations
 19 apply to the blended program.

20 (5) If funds allocated for eligible ~~districts~~**APPLICANTS** in
 21 section 32d remain after the initial allocation under subsection
 22 (4), the allocation under this subsection shall be distributed to
 23 each eligible ~~district~~**APPLICANT** under section 32d in decreasing
 24 order of concentration of eligible children as determined by the
 25 formula under subsection (3). The allocation shall be determined by
 26 multiplying the number of children each ~~eligible~~**district** **WITHIN**
 27 **THE APPLICANT'S SERVICE AREA** served in the immediately preceding

1 fiscal year or the number of children the ~~district~~**APPLICANT**
 2 indicates it will be able to serve under subsection (1)(c),
 3 whichever is less, minus the number of children for which the
 4 ~~district~~**APPLICANT** received funding in subsection (4) by \$3,400.00.

5 (6) If funds allocated for eligible ~~districts~~**APPLICANTS** in
 6 section 32d remain after the allocations under subsections (4) and
 7 (5), remaining funds shall be distributed to each eligible ~~district~~
 8 **APPLICANT** under section 32d in decreasing order of concentration of
 9 eligible children as determined by the formula under subsection
 10 (3). If the number of children the ~~district~~**APPLICANT** indicates it
 11 will be able to serve under subsection (1)(c) exceeds the number of
 12 children for which funds have been received under subsections (4)
 13 and (5), the allocation under this subsection shall be determined
 14 by multiplying the number of children the ~~district~~**APPLICANT**
 15 indicates it will be able to serve under subsection (1)(c) less the
 16 number of children for which funds have been received under
 17 subsections (4) and (5) by \$3,400.00 until the funds allocated for
 18 eligible ~~districts~~**APPLICANTS** in section 32d are distributed.

19 ~~—— (7) If a district is participating in a program under section~~
 20 ~~32d for the first year, the maximum allocation under this section~~
 21 ~~is 32 multiplied by \$3,400.00.~~

22 (7) ~~(8) A district~~**AN APPLICANT** that offers supplementary
 23 child care funded by funds other than those received under ~~this~~
 24 section **32D** and therefore offers full-day programs as part of its
 25 early childhood development program shall receive priority in the
 26 allocation of funds under section 32d over other eligible
 27 ~~districts~~**APPLICANTS**. As used in this subsection, "full-day

1 program" means a program that provides supplementary child care
2 that totals at least 10 hours of programming per day.

3 ~~—— (9) For any district with 315 or more eligible pupils, the~~
4 ~~number of eligible pupils shall be 65% of the number calculated~~
5 ~~using the formula under subsection (3). However, none of these~~
6 ~~districts may have less than 315 pupils for purposes of calculating~~
7 ~~the tentative allocation for eligible districts under section 32d.~~

8 (8) ~~(10)~~ If, taking into account the total amount to be
9 allocated to the ~~district~~ **APPLICANT** as calculated under this
10 section, a ~~district~~ **AN APPLICANT** determines that it is able to
11 include additional eligible children in the great start readiness
12 program without additional funds under section 32d, the ~~district~~
13 **APPLICANT** may include additional eligible children but shall not
14 receive additional funding under section 32d for those children.

15 ~~—— (11) A consortium of 2 or more districts shall be eligible for~~
16 ~~an allocation under section 32d if the districts designate a~~
17 ~~district or intermediate district to serve as the fiscal agent for~~
18 ~~the consortium's allocation. A consortium shall submit a single~~
19 ~~application for the total number of children to be served. The~~
20 ~~consortium may decide, with approval of all consortium members, to~~
21 ~~serve numbers of children based on the allocation to each district~~
22 ~~or based on the allocation to the entire consortium, allowing~~
23 ~~children residing in any district in the consortium to be served by~~
24 ~~the consortium at any location.~~

25 Sec. 39a. (1) From the federal funds appropriated in section
26 11, there is allocated for ~~2011-2012~~ **2012-2013** to districts,
27 intermediate districts, and other eligible entities all available

1 federal funding, estimated at ~~\$761,973,600.00~~, **\$812,328,500.00**, for
2 the federal programs under the no child left behind act of 2001,
3 Public Law 107-110. These funds are allocated as follows:

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

8 (b) An amount estimated at ~~\$7,461,800.00~~ **\$250,000.00** for the
9 purpose of improving teaching and learning through a more effective
10 use of technology, funded from DED-OESE, educational technology
11 state grant funds.

12 (c) An amount estimated at ~~\$109,411,900.00~~ **\$111,111,900.00** for
13 the purpose of preparing, training, and recruiting high-quality
14 teachers and class size reduction, funded from DED-OESE, improving
15 teacher quality funds.

16 (d) An amount estimated at ~~\$10,322,300.00~~ **\$12,200,000.00** for
17 programs to teach English to limited English proficient (LEP)
18 children, funded from DED-OESE, language acquisition state grant
19 funds.

20 (e) An amount estimated at ~~\$8,550,000.00~~ **\$10,286,500.00** for
21 the Michigan charter school subgrant program, funded from DED-OESE,
22 charter school funds.

23 (f) An amount estimated at ~~\$1,760,000.00~~ **\$2,393,500.00** for
24 rural and low income schools, funded from DED-OESE, rural and low
25 income school funds.

26 ~~— (g) An amount estimated at \$1,000.00 to help schools develop~~
27 ~~and implement comprehensive school reform programs, funded from~~

1 ~~DED-OESE, title I and title X, comprehensive school reform funds.~~

2 (G) ~~(h)~~—An amount estimated at ~~\$517,479,800.00~~ **\$591,500,000.00**
3 to provide supplemental programs to enable educationally
4 disadvantaged children to meet challenging academic standards,
5 funded from DED-OESE, title I, disadvantaged children funds.

6 (H) ~~(i)~~—An amount estimated at ~~\$2,152,700.00~~ **\$250,000.00** for
7 the purpose of providing unified family literacy programs, funded
8 from DED-OESE, title I, even start funds.

9 (I) ~~(j)~~—An amount estimated at ~~\$8,807,200.00~~ **\$8,878,000.00** for
10 the purpose of identifying and serving migrant children, funded
11 from DED-OESE, title I, migrant education funds.

12 ~~——(k) An amount estimated at \$24,733,200.00 to promote high-~~
13 ~~quality school reading instruction for grades K-3, funded from DED-~~
14 ~~OESE, title I, reading first state grant funds.~~

15 ~~——(l) An amount estimated at \$2,849,000.00 for the purpose of~~
16 ~~implementing innovative strategies for improving student~~
17 ~~achievement, funded from DED-OESE, title VI, innovative strategies~~
18 ~~funds.~~

19 (J) ~~(m)~~—An amount estimated at \$40,050,000.00 for the purpose
20 of providing high-quality extended learning opportunities, after
21 school and during the summer, for children in low-performing
22 schools, funded from DED-OESE, twenty-first century community
23 learning center funds.

24 (K) ~~(n)~~—An amount estimated at ~~\$17,586,100.00~~ **\$24,600,000.00**
25 to help support local school improvement efforts, funded from DED-
26 OESE, title I, local school improvement grants.

27 (2) From the federal funds appropriated in section 11, there

1 is allocated for ~~2011-2012-2012-2013~~ to districts, intermediate
2 districts, and other eligible entities all available federal
3 funding, estimated at ~~\$32,359,700.00,~~ **\$33,514,100.00** for the
4 following programs that are funded by federal grants:

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

8 (b) An amount estimated at \$1,814,100.00 to provide services
9 to homeless children and youth, funded from DED-OVAE, homeless
10 children and youth funds.

11 (c) An amount estimated at ~~\$1,445,600.00~~ **\$2,600,000.00** for
12 serve America grants, funded from the corporation for national and
13 community service funds.

14 (d) An amount estimated at \$28,500,000.00 for providing career
15 and technical education services to pupils, funded from DED-OVAE,
16 basic grants to states.

17 (3) To the extent allowed under federal law, the funds
18 allocated under subsection ~~(1)(h), (i), (k), and (n)~~ **(1)(G), (H),**
19 **AND (K)** may be used for 1 or more reading improvement programs that
20 meet at least 1 of the following:

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

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

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

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

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

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

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

25 (6) As used in this section:

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

27 (b) "DED-OESE" means the DED office of elementary and

1 secondary education.

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

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

6 (e) "HHS-ACF" means the HHS administration for children and
7 families.

8 Sec. 51a. (1) From the appropriation in section 11, there is
9 allocated for 2011-2012 an amount not to exceed \$954,769,100.00 **AND**
10 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$990,269,100.00 FOR**
11 **2012-2013** from state sources and all available federal funding
12 under sections 611 to 619 of part B of the individuals with
13 disabilities education act, 20 USC 1411 to 1419, estimated at
14 \$363,400,000.00 for 2011-2012 **AND ESTIMATED AT \$365,000,000.00 FOR**
15 **2012-2013**, plus any carryover federal funds from previous year
16 appropriations. The allocations under this subsection are for the
17 purpose of reimbursing districts and intermediate districts for
18 special education programs, services, and special education
19 personnel as prescribed in article 3 of the revised school code,
20 MCL 380.1701 to 380.1766; net tuition payments made by intermediate
21 districts to the Michigan schools for the deaf and blind; and
22 special education programs and services for pupils who are eligible
23 for special education programs and services according to statute or
24 rule. For meeting the costs of special education programs and
25 services not reimbursed under this article, a district or
26 intermediate district may use money in general funds or special
27 education funds, not otherwise restricted, or contributions from

1 districts to intermediate districts, tuition payments, gifts and
2 contributions from individuals **OR OTHER ENTITIES**, or federal funds
3 that may be available for this purpose, as determined by the
4 intermediate district plan prepared pursuant to article 3 of the
5 revised school code, MCL 380.1701 to 380.1766. All federal funds
6 allocated under this section in excess of those allocated under
7 this section for 2002-2003 may be distributed in accordance with
8 the flexible funding provisions of the individuals with
9 disabilities education act, Public Law 108-446, including, but not
10 limited to, 34 CFR 300.206 and 300.208. Notwithstanding section
11 17b, payments of federal funds to districts, intermediate
12 districts, and other eligible entities under this section shall be
13 paid on a schedule determined by the department.

14 (2) From the funds allocated under subsection (1), there is
15 allocated the amount necessary, estimated at \$247,000,000.00 for
16 2011-2012 **AND ESTIMATED AT \$257,300,000.00 FOR 2012-2013**, for
17 payments toward reimbursing districts and intermediate districts
18 for 28.6138% of total approved costs of special education,
19 excluding costs reimbursed under section 53a, and 70.4165% of total
20 approved costs of special education transportation. Allocations
21 under this subsection shall be made as follows:

22 (a) The initial amount allocated to a district under this
23 subsection toward fulfilling the specified percentages shall be
24 calculated by multiplying the district's special education pupil
25 membership, excluding pupils described in subsection (11), times
26 the foundation allowance under section 20 of the pupil's district
27 of residence, not to exceed the basic foundation allowance under

1 section 20 for the current fiscal year, or, for a special education
2 pupil in membership in a district that is a public school academy,
3 ~~or university school,~~ times an amount equal to the amount per
4 membership pupil calculated under section 20(6) **OR, FOR A PUPIL**
5 **DESCRIBED IN THIS SUBSECTION WHO IS COUNTED IN MEMBERSHIP IN THE**
6 **EDUCATION ACHIEVEMENT SYSTEM, TIMES AN AMOUNT EQUAL TO THE AMOUNT**
7 **PER MEMBERSHIP PUPIL UNDER SECTION 20(7).** For an intermediate
8 district, the amount allocated under this subdivision toward
9 fulfilling the specified percentages shall be an amount per special
10 education membership pupil, excluding pupils described in
11 subsection (11), and shall be calculated in the same manner as for
12 a district, using the foundation allowance under section 20 of the
13 pupil's district of residence, not to exceed the basic foundation
14 allowance under section 20 for the current fiscal year.

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

20 (3) From the funds allocated under subsection (1), there is
21 allocated **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** an
22 amount not to exceed \$1,000,000.00 to make payments to districts
23 and intermediate districts under this subsection. If the amount
24 allocated to a district or intermediate district for a fiscal year
25 under subsection (2)(b) is less than the sum of the amounts
26 allocated to the district or intermediate district for 1996-97
27 under sections 52 and 58, there is allocated to the district or

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

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

1 subsection (2)(a) in itself exceeds the amount necessary to fulfill
2 the specified percentages in subsection (2), there shall be no
3 deduction under this subsection.

4 (5) State funds shall be allocated on a total approved cost
5 basis. Federal funds shall be allocated under applicable federal
6 requirements, except that an amount not to exceed \$3,500,000.00 may
7 be allocated by the department **EACH FISCAL YEAR** for 2011-2012 **AND**
8 **FOR 2012-2013** to districts, intermediate districts, or other
9 eligible entities on a competitive grant basis for programs,
10 equipment, and services that the department determines to be
11 designed to benefit or improve special education on a statewide
12 scale.

13 (6) From the amount allocated in subsection (1), there is
14 allocated an amount not to exceed \$2,200,000.00 **EACH FISCAL YEAR**
15 for 2011-2012 **AND FOR 2012-2013** to reimburse 100% of the net
16 increase in necessary costs incurred by a district or intermediate
17 district in implementing the revisions in the administrative rules
18 for special education that became effective on July 1, 1987. As
19 used in this subsection, "net increase in necessary costs" means
20 the necessary additional costs incurred solely because of new or
21 revised requirements in the administrative rules minus cost savings
22 permitted in implementing the revised rules. Net increase in
23 necessary costs shall be determined in a manner specified by the
24 department.

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

27 (a) "Total approved costs of special education" shall be

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

21 (b) Beginning with the 2004-2005 fiscal year, a district or
22 intermediate district that employed special education support
23 services staff to provide special education support services in
24 2003-2004 or in a subsequent fiscal year and that in a fiscal year
25 after 2003-2004 receives the same type of support services from
26 another district or intermediate district shall report the cost of
27 those support services for special education reimbursement purposes

1 under this article. This subdivision does not prohibit the transfer
2 of special education classroom teachers and special education
3 classroom aides if the pupils counted in membership associated with
4 those special education classroom teachers and special education
5 classroom aides are transferred and counted in membership in the
6 other district or intermediate district in conjunction with the
7 transfer of those teachers and aides.

8 (c) If the department determines before bookclosing for a
9 fiscal year that the amounts allocated for that fiscal year under
10 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
11 will exceed expenditures for that fiscal year under subsections
12 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
13 district or intermediate district whose reimbursement for that
14 fiscal year would otherwise be affected by subdivision (b),
15 subdivision (b) does not apply to the calculation of the
16 reimbursement for that district or intermediate district and
17 reimbursement for that district or intermediate district shall be
18 calculated in the same manner as it was for 2003-2004. If the
19 amount of the excess allocations under subsections (2), (3), (6),
20 and (11) and sections 53a, 54, and 56 is not sufficient to fully
21 fund the calculation of reimbursement to those districts and
22 intermediate districts under this subdivision, then the
23 calculations and resulting reimbursement under this subdivision
24 shall be prorated on an equal percentage basis. **THE TOTAL RESULTING**
25 **REIMBURSEMENT UNDER THIS SUBSECTION SHALL NOT EXCEED AN AMOUNT**
26 **EQUAL TO THE FOLLOWING:**

27 (i) \$1,000,000.00 FOR 2012-2013.

1 (ii) \$600,000.00 FOR 2013-2014.

2 (iii) \$300,000.00 FOR 2014-2015.

3 (iv) THIS REIMBURSEMENT SHALL NOT BE MADE AFTER 2014-2015.

4 (d) Reimbursement for ancillary and other related services, as
5 defined by R 340.1701c of the Michigan administrative code, shall
6 not be provided when those services are covered by and available
7 through private group health insurance carriers or federal
8 reimbursed program sources unless the department and district or
9 intermediate district agree otherwise and that agreement is
10 approved by the state budget director. Expenses, other than the
11 incidental expense of filing, shall not be borne by the parent. In
12 addition, the filing of claims shall not delay the education of a
13 pupil. A district or intermediate district shall be responsible for
14 payment of a deductible amount and for an advance payment required
15 until the time a claim is paid.

16 (e) Beginning with calculations for 2004-2005, if an
17 intermediate district purchases a special education pupil
18 transportation service from a constituent district that was
19 previously purchased from a private entity; if the purchase from
20 the constituent district is at a lower cost, adjusted for changes
21 in fuel costs; and if the cost shift from the intermediate district
22 to the constituent does not result in any net change in the revenue
23 the constituent district receives from payments under sections 22b
24 and 51c, then upon application by the intermediate district, the
25 department shall direct the intermediate district to continue to
26 report the cost associated with the specific identified special
27 education pupil transportation service and shall adjust the costs

1 reported by the constituent district to remove the cost associated
2 with that specific service.

3 (8) A pupil who is enrolled in a full-time special education
4 program conducted or administered by an intermediate district or a
5 pupil who is enrolled in the Michigan schools for the deaf and
6 blind shall not be included in the membership count of a district,
7 but shall be counted in membership in the intermediate district of
8 residence.

9 (9) Special education personnel transferred from 1 district to
10 another to implement the revised school code shall be entitled to
11 the rights, benefits, and tenure to which the person would
12 otherwise be entitled had that person been employed by the
13 receiving district originally.

14 (10) If a district or intermediate district uses money
15 received under this section for a purpose other than the purpose or
16 purposes for which the money is allocated, the department may
17 require the district or intermediate district to refund the amount
18 of money received. Money that is refunded shall be deposited in the
19 state treasury to the credit of the state school aid fund.

20 (11) From the funds allocated in subsection (1), there is
21 allocated the amount necessary, estimated at \$5,000,000.00 for
22 2011-2012 **AND ESTIMATED AT \$4,800,000.00 FOR 2012-2013**, to pay the
23 foundation allowances for pupils described in this subsection. The
24 allocation to a district under this subsection shall be calculated
25 by multiplying the number of pupils described in this subsection
26 who are counted in membership in the district times the foundation
27 allowance under section 20 of the pupil's district of residence,

1 not to exceed the basic foundation allowance under section 20 for
2 the current fiscal year, or, for a pupil described in this
3 subsection who is counted in membership in a district that is a
4 public school academy, ~~or university school,~~ times an amount equal
5 to the amount per membership pupil under section 20(6) **OR, FOR A**
6 **PUPIL DESCRIBED IN THIS SUBSECTION WHO IS COUNTED IN MEMBERSHIP IN**
7 **THE EDUCATION ACHIEVEMENT SYSTEM, TIMES AN AMOUNT EQUAL TO THE**
8 **AMOUNT PER MEMBERSHIP PUPIL UNDER SECTION 20(7).** The allocation to
9 an intermediate district under this subsection shall be calculated
10 in the same manner as for a district, using the foundation
11 allowance under section 20 of the pupil's district of residence,
12 not to exceed the basic foundation allowance under section 20 for
13 the current fiscal year. This subsection applies to all of the
14 following pupils:

15 (a) Pupils described in section 53a.

16 (b) Pupils counted in membership in an intermediate district
17 who are not special education pupils and are served by the
18 intermediate district in a juvenile detention or child caring
19 facility.

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

23 (12) If it is determined that funds allocated under subsection
24 (2) or (11) or under section 51c will not be expended, funds up to
25 the amount necessary and available may be used to supplement the
26 allocations under subsection (2) or (11) or under section 51c in
27 order to fully fund those allocations. After payments under

1 subsections (2) and (11) and section 51c, the remaining
2 expenditures from the allocation in subsection (1) shall be made in
3 the following order:

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

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

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

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

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

9 (13) The allocations under subsections (2), (3), and (11)
10 shall be allocations to intermediate districts only and shall not
11 be allocations to districts, but instead shall be calculations used
12 only to determine the state payments under section 22b.

13 (14) If a public school academy enrolls pursuant to this
14 section a pupil who resides outside of the intermediate district in
15 which the public school academy is located and who is eligible for
16 special education programs and services according to statute or
17 rule, or who is a child with disabilities, as defined under the
18 individuals with disabilities education act, Public Law 108-446,
19 the provision of special education programs and services and the
20 payment of the added costs of special education programs and
21 services for the pupil are the responsibility of the district and
22 intermediate district in which the pupil resides unless the
23 enrolling district or intermediate district has a written agreement
24 with the district or intermediate district in which the pupil
25 resides or the public school academy for the purpose of providing
26 the pupil with a free appropriate public education and the written
27 agreement includes at least an agreement on the responsibility for

1 the payment of the added costs of special education programs and
2 services for the pupil.

3 Sec. 51c. As required by the court in the consolidated cases
4 known as Durant v State of Michigan, Michigan supreme court docket
5 no. 104458-104492, from the allocation under section 51a(1), there
6 is allocated **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** the
7 amount necessary, estimated at \$647,500,000.00 for 2011-2012 **AND**
8 **ESTIMATED AT \$672,900,000.00 FOR 2012-2013**, for payments to
9 reimburse districts for 28.6138% of total approved costs of special
10 education excluding costs reimbursed under section 53a, and
11 70.4165% of total approved costs of special education
12 transportation. Funds allocated under this section that are not
13 expended in the state fiscal year for which they were allocated, as
14 determined by the department, may be used to supplement the
15 allocations under sections 22a and 22b in order to fully fund those
16 calculated allocations for the same fiscal year.

17 Sec. 51d. (1) From the federal funds appropriated in section
18 11, there is allocated for **EACH FISCAL YEAR** 2011-2012 **AND FOR 2012-**
19 **2013** all available federal funding, estimated at \$74,000,000.00
20 **EACH FISCAL YEAR**, for special education programs that are funded by
21 federal grants. All federal funds allocated under this section
22 shall be distributed in accordance with federal law.
23 Notwithstanding section 17b, payments of federal funds to
24 districts, intermediate districts, and other eligible entities
25 under this section shall be paid on a schedule determined by the
26 department.

27 (2) From the federal funds allocated under subsection (1), the

1 following amounts are allocated **EACH FISCAL YEAR** for 2011-2012 **AND**
2 **FOR 2012-2013:**

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

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

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

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

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

27 (2) Reimbursement under subsection (1) is for the following

1 special education pupils:

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

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

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

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

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

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

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

27 (5) ~~Not more than \$12,300,000.00 of the allocation for 2010-~~

1 ~~2011 and not more than~~ \$13,500,000.00 of the allocation for 2011-
2 2012 **AND FOR 2012-2013** in section 51a(1) shall be allocated **FOR**
3 **EACH FISCAL YEAR** under this section.

4 Sec. 54. Each intermediate district shall receive an amount
5 per pupil for each pupil in attendance at the Michigan schools for
6 the deaf and blind. The amount shall be proportionate to the total
7 instructional cost at each school. Not more than \$1,688,000.00 of
8 the allocation for ~~2011-2012~~ **2012-2013** in section 51a(1) shall be
9 allocated under this section.

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

11 (a) "Membership" means for a particular fiscal year the total
12 membership for the immediately preceding fiscal year of the
13 intermediate district and the districts constituent to the
14 intermediate district.

15 (b) "Millage levied" means the millage levied for special
16 education pursuant to part 30 of the revised school code, MCL
17 380.1711 to 380.1743, including a levy for debt service
18 obligations.

19 (c) "Taxable value" means the total taxable value of the
20 districts constituent to an intermediate district, except that if a
21 district has elected not to come under part 30 of the revised
22 school code, MCL 380.1711 to 380.1743, membership and taxable value
23 of the district shall not be included in the membership and taxable
24 value of the intermediate district.

25 (2) From the allocation under section 51a(1), there is
26 allocated an amount not to exceed \$36,881,100.00 for ~~2011-2012~~
27 **2012-2013** 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 ~~2010-2011-2011-~~ **2012** shall be made in ~~2011-2012-2012-2013~~ at an amount per ~~2010-~~ ~~2011-2011-2012~~ membership pupil computed by subtracting from ~~\$174,700.00~~ **\$171,300.00** the ~~2010-2011-2011-2012~~ taxable value behind each membership pupil and multiplying the resulting difference by the ~~2010-2011-2011-2012~~ millage levied.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$26,611,300.00 for 2011-2012~~ **\$30,000,000.00 FOR 2012-2013** to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be based on the type of

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

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

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

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

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

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

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

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

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

24 (2) From the appropriation in section 11, there is allocated
25 an amount not to exceed ~~\$8,693,000.00 for 2010-2011 and an amount~~
26 ~~not to exceed \$9,000,000.00 for 2011-2012-2012-2013~~ to reimburse
27 intermediate districts and area vocational-technical education

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

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

13 Sec. 74. (1) From the amount appropriated in section 11, there
14 is allocated an amount not to exceed ~~\$3,233,900.00 for 2011-2012~~
15 **\$3,259,900.00 FOR 2012-2013** for the purposes of this section.

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

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

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

11 (4) From the funds allocated in subsection (1), there is
12 allocated an amount not to exceed ~~\$1,608,900.00 for 2011-2012~~
13 **\$1,634,900.00 FOR 2012-2013** for reimbursement to districts and
14 intermediate districts for costs associated with the inspection of
15 school buses and pupil transportation vehicles by the department of
16 state police as required under section 715a of the Michigan vehicle
17 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
18 transportation act, 1990 PA 187, MCL 257.1839. The department of
19 state police shall prepare a statement of costs attributable to
20 each district for which bus inspections are provided and submit it
21 to the department and to ~~each affected~~ **AN INTERMEDIATE** district
22 **SERVING AS FIDUCIARY** in a time and manner determined jointly by the
23 department and the department of state police. ~~The~~ **UPON REVIEW AND**
24 **APPROVAL OF THE STATEMENT OF COST, THE** department shall ~~reimburse~~
25 **FORWARD TO THE DESIGNATED INTERMEDIATE DISTRICT SERVING AS**
26 **FIDUCIARY THE AMOUNT OF THE REIMBURSEMENT ON BEHALF OF** each
27 district and intermediate district for costs detailed on the

statement within ~~30~~45 days after receipt of the statement.

~~Districts for which services are provided~~ **THE DESIGNATED**

INTERMEDIATE DISTRICT shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for ~~2011-2012~~2012-2013 to the intermediate districts the sum necessary, but not to exceed ~~\$62,108,000.00,~~ \$65,213,000.00, to provide state aid to intermediate districts under this section. ~~Except as otherwise provided in this section, there shall be allocated~~

(2) **FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$62,108,000.00 FOR ALLOCATIONS** to each intermediate district for ~~2011-2012~~2012-2013 **IN** an amount equal to ~~95%~~100% of the amount allocated **TO THE INTERMEDIATE DISTRICT** under this subsection for ~~2010-2011.~~2011-2012. Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

(3) ~~(2)~~Intermediate districts receiving funds under ~~this section~~**SUBSECTION (2)** shall collaborate with the department to

1 develop expanded professional development opportunities for
2 teachers to update and expand their knowledge and skills needed to
3 support the Michigan merit curriculum.

4 (4) ~~(3)~~—From the allocation in subsection (1), there is
5 allocated to an intermediate district, formed by the consolidation
6 or annexation of 2 or more intermediate districts or the attachment
7 of a total intermediate district to another intermediate school
8 district or the annexation of all of the constituent K-12 districts
9 of a previously existing intermediate school district which has
10 disorganized, an additional allotment of \$3,500.00 each fiscal year
11 for each intermediate district included in the new intermediate
12 district for 3 years following consolidation, annexation, or
13 attachment.

14 (5) ~~(4)~~—During a fiscal year, the department shall not
15 increase an intermediate district's allocation under subsection (1)
16 because of an adjustment made by the department during the fiscal
17 year in the intermediate district's taxable value for a prior year.
18 Instead, the department shall report the adjustment and the
19 estimated amount of the increase to the house and senate fiscal
20 agencies and the state budget director not later than June 1 of the
21 fiscal year, and the legislature shall appropriate money for the
22 adjustment in the next succeeding fiscal year.

23 (6) ~~(5)~~—In order to receive funding under ~~this section,~~
24 **SUBSECTION (2)**, an intermediate district shall do all of the
25 following:

26 (a) Demonstrate to the satisfaction of the department that the
27 intermediate district employs at least 1 person who is trained in

1 pupil ~~counting~~ **ACCOUNTING AND AUDITING** procedures, rules, and
2 regulations.

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

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

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

14 (e) Comply with section 1230g of the revised school code, MCL
15 380.1230g.

16 (f) Comply with section 761 of the revised school code, MCL
17 380.761.

18 **(7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
19 **AN AMOUNT NOT TO EXCEED \$3,105,000.00 FOR 2012-2013 FOR AN**
20 **INCENTIVE PAYMENT TO EACH INTERMEDIATE DISTRICT THAT MEETS BEST**
21 **PRACTICES AS DETERMINED BY THE DEPARTMENT UNDER THIS SUBSECTION.**
22 **THE AMOUNT OF THE INCENTIVE PAYMENT IS AN AMOUNT EQUAL TO 5% OF THE**
23 **AMOUNT ALLOCATED TO THE INTERMEDIATE DISTRICT UNDER SUBSECTION (2).**
24 **AN INTERMEDIATE DISTRICT IS ELIGIBLE FOR AN INCENTIVE PAYMENT UNDER**
25 **THIS SUBSECTION IF THE INTERMEDIATE DISTRICT SATISFIES AT LEAST 4**
26 **OF THE FOLLOWING REQUIREMENTS NOT LATER THAN JUNE 1, 2013:**

27 **(A) THE INTERMEDIATE DISTRICT ENTERS INTO AN AGREEMENT WITH**

1 THE DEPARTMENT TO DO ALL OF THE FOLLOWING:

2 (i) DEVELOP A SERVICE CONSOLIDATION PLAN IN 2012-2013 TO REDUCE
3 OPERATING COSTS THAT IS IN COMPLIANCE WITH GUIDELINES THAT WERE
4 DEVELOPED BY THE DEPARTMENT FOR FORMER SECTION 11D AS THAT SECTION
5 WAS IN EFFECT FOR 2010-2011.

6 (ii) IMPLEMENT THE SERVICE CONSOLIDATION PLAN IN 2013-2014 AND
7 REPORT TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1, 2014 ON THE
8 INTERMEDIATE DISTRICT'S PROGRESS IN IMPLEMENTING THE SERVICE
9 CONSOLIDATION PLAN.

10 (B) THE INTERMEDIATE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON
11 THE PROVISION OF 1 OR MORE NONINSTRUCTIONAL SERVICES FOR THE
12 INTERMEDIATE DISTRICT OR ITS CONSTITUENT DISTRICTS WITH A VALUE OF
13 AT LEAST \$50,000.00.

14 (C) THE INTERMEDIATE DISTRICT DEVELOPS A TECHNOLOGY PLAN IN
15 ACCORDANCE WITH DEPARTMENT POLICY ON BEHALF OF ALL CONSTITUENT
16 DISTRICTS WITHIN THE INTERMEDIATE DISTRICT THAT INTEGRATES
17 TECHNOLOGY INTO THE CLASSROOM AND PREPARES TEACHERS TO USE DIGITAL
18 TECHNOLOGIES AS PART OF THE INSTRUCTIONAL PROGRAM OF EACH OF ITS
19 CONSTITUENT DISTRICTS.

20 (D) THE INTERMEDIATE DISTRICT PROVIDES TO PARENTS AND
21 COMMUNITY MEMBERS A DASHBOARD OR REPORT CARD DEMONSTRATING THE
22 INTERMEDIATE DISTRICT'S EFFORTS TO MANAGE ITS FINANCES RESPONSIBLY.
23 THE DASHBOARD OR REPORT CARD SHALL INCLUDE AT LEAST ALL OF THE
24 FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR WHICH THE DATA ARE
25 AVAILABLE:

26 (i) A LIST OF SERVICES OFFERED BY THE INTERMEDIATE DISTRICT
27 THAT ARE SHARED BY OTHER LOCAL OR INTERMEDIATE DISTRICTS AND A LIST

1 OF THE DISTRICTS OR INTERMEDIATE DISTRICTS THAT PARTICIPATE.

2 (ii) THE TOTAL COST SAVINGS TO LOCAL OR OTHER INTERMEDIATE
3 DISTRICTS THAT SHARE SERVICES WITH THE INTERMEDIATE DISTRICT.

4 (iii) THE NUMBER AND PERCENTAGE OF TEACHERS IN THE INTERMEDIATE
5 DISTRICT SERVICE AREA THAT ARE TRAINED TO INTEGRATE TECHNOLOGY INTO
6 THE CLASSROOM.

7 (iv) THE TOTAL FUNDS RECEIVED FROM LEVYING SPECIAL EDUCATION
8 AND VOCATIONAL EDUCATION MILLAGES, AND THE NUMBER OF SPECIAL
9 EDUCATION AND VOCATIONAL EDUCATION PUPILS SERVED WITH THOSE
10 DOLLARS.

11 (v) THE NUMBER AND PERCENTAGE OF INDIVIDUALIZED EDUCATION
12 PROGRAMS DEVELOPED FOR SPECIAL EDUCATION PUPILS THAT CONTAIN
13 ACADEMIC GOALS.

14 (E) THE INTERMEDIATE DISTRICT WORKS IN A CONSORTIUM WITH 1 OR
15 MORE OTHER INTERMEDIATE DISTRICTS TO DEVELOP INFORMATION MANAGEMENT
16 SYSTEM REQUIREMENTS AND BID SPECIFICATIONS THAT CAN BE USED AS
17 STATEWIDE MODELS. AT A MINIMUM, THESE SPECIFICATIONS SHALL ADDRESS
18 PUPIL MANAGEMENT SYSTEMS FOR BOTH GENERAL AND SPECIAL EDUCATION,
19 LEARNING MANAGEMENT TOOLS, AND BUSINESS SERVICES.

20 Sec. 93. From the general fund money appropriated in section
21 11, there is allocated for ~~2011-2012~~ 2012-2013 an amount not to
22 exceed \$1,304,300.00 to the library of Michigan for state aid to
23 libraries payments to help support the provision of the Michigan
24 electronic library in public schools and public libraries. The
25 library of Michigan shall distribute the payments to libraries
26 under this section pursuant to the state aid to public libraries
27 act, 1977 PA 89, MCL 397.551 to 397.576.

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

5 (a) Coordinate the collection of all data required by state
6 and federal law from districts, intermediate districts, and
7 postsecondary institutions.

8 (b) Create, maintain, and enhance this state's ~~statewide~~ **P-20**
9 longitudinal data system and ensure that it meets the requirements
10 of subsection (4).

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

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

19 (i) Data sets that link teachers to student information,
20 allowing districts to assess individual teacher impact on student
21 performance and consider student growth factors in teacher and
22 principal evaluation systems.

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

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

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

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

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

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

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

21 (4) The center shall ensure that the ~~statewide~~**P-20**
22 longitudinal data system required under subsection (1)(b) meets all
23 of the following:

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

26 (b) Supports interoperability by using standard data
27 structures, data formats, and data definitions to ensure linkage

1 and connectivity in a manner that facilitates the exchange of data
2 among agencies and institutions within the state and between
3 states.

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

7 (d) Enables the matching of individual teachers with
8 information about their certification and the institutions that
9 prepared and recommended those teachers for state certification.

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

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

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

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

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

22 (ii) Contains student-level enrollment, demographic, and
23 program participation information.

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

27 (iv) Has the capacity to communicate with higher education data

1 systems.

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

4 (i) Contains yearly test records of individual students for
5 assessments approved by DED-OESE for accountability purposes under
6 section 1111(b) of the elementary and secondary education act of
7 1965, 20 USC 6311, including information on individual students not
8 tested, by grade and subject.

9 (ii) Contains student-level transcript information, including
10 information on courses completed and grades earned.

11 (iii) Contains student-level college readiness test scores.

12 (j) For data elements related to postsecondary education only:

13 (i) Contains data that provide information regarding the extent
14 to which individual students transition successfully from secondary
15 school to postsecondary education, including, but not limited to,
16 all of the following:

17 (A) Enrollment in remedial coursework.

18 (B) Completion of 1 year's worth of college credit applicable
19 to a degree within 2 years of enrollment.

20 (ii) Contains data that provide other information determined
21 necessary to address alignment and adequate preparation for success
22 in postsecondary education.

23 (5) From the general fund appropriation in section 11, there
24 is allocated an amount not to exceed ~~\$5,768,700.00 for 2011-2012~~
25 **\$9,218,400.00 FOR 2012-2013** to the department of technology,
26 management, and budget to support the operations of the center. In
27 addition, from the federal funds appropriated in section 11 there

1 is allocated for ~~2011-2012~~**2012-2013** the amount necessary,
 2 estimated at ~~\$2,893,200.00,~~**\$193,500.00 FOR 2012-2013**, to support
 3 the operations of the center and to establish a **P-20** longitudinal
 4 data system as provided under this section in compliance with the
 5 assurance provided to the United States department of education in
 6 order to receive state fiscal stabilization funds. The center shall
 7 cooperate with the ~~state education agency~~**DEPARTMENT** to ensure that
 8 this state is in compliance with federal law and is maximizing
 9 opportunities for increased federal funding to improve education in
 10 this state.

11 (6) From the ~~federal~~ funds allocated in subsection (5), there
 12 is allocated for ~~2011-2012~~**2012-2013** an amount not to exceed
 13 \$850,000.00 ~~funded from the competitive grants of DED OESE, title~~
 14 ~~II, educational technology funds for the purposes of this~~
 15 ~~subsection. Not later than November 30 of each fiscal year, the~~
 16 ~~department shall award a single grant to an eligible partnership~~
 17 ~~that includes an intermediate district with at least 1 high need~~
 18 ~~local school district and the center.~~**FOR COMPETITIVE GRANTS TO**
 19 **SUPPORT COLLABORATIVE EFFORTS ON THE P-20 LONGITUDINAL DATA SYSTEM.**
 20 **ALL OF THE FOLLOWING APPLY TO GRANTS AWARDED UNDER THIS SUBSECTION:**

21 (A) THE CENTER SHALL AWARD COMPETITIVE GRANTS TO ELIGIBLE
 22 INTERMEDIATE DISTRICTS OR A CONSORTIUM OF INTERMEDIATE DISTRICTS
 23 BASED ON CRITERIA ESTABLISHED BY THE CENTER.

24 (B) ACTIVITIES FUNDED UNDER THE GRANT SHALL SUPPORT THE P-20
 25 LONGITUDINAL DATA SYSTEM PORTAL AND MAY INCLUDE PORTAL HOSTING,
 26 HARDWARE AND SOFTWARE ACQUISITION, MAINTENANCE, ENHANCEMENTS, USER
 27 SUPPORT AND RELATED MATERIALS, AND PROFESSIONAL LEARNING TOOLS AND

1 ACTIVITIES AIMED AT IMPROVING THE UTILITY OF THE P-20 LONGITUDINAL
2 DATA SYSTEM.

3 (C) AN APPLICANT THAT RECEIVED A GRANT UNDER THIS SUBSECTION
4 FOR THE IMMEDIATELY PRECEDING FISCAL YEAR SHALL RECEIVE PRIORITY
5 FOR FUNDING UNDER THIS SECTION. HOWEVER, AFTER 3 FISCAL YEARS OF
6 CONTINUOUS FUNDING, AN APPLICANT IS REQUIRED TO COMPETE OPENLY WITH
7 NEW APPLICANTS.

8 ~~—— (7) From the federal funds allocated in subsection (5), there~~
9 ~~is allocated for 2011-2012 an amount not to exceed \$242,000.00 to~~
10 ~~support the efforts of postsecondary institutions to comply with~~
11 ~~the requirements of this state's statewide longitudinal data~~
12 ~~system. The funds shall be distributed to postsecondary~~
13 ~~institutions in an amount and manner determined by the center.~~

14 ~~—— (8) The center and the department shall work cooperatively to~~
15 ~~develop a cost allocation plan that pays for center expenses from~~
16 ~~the appropriate federal fund and state restricted fund revenues.~~

17 (7) ~~(9)~~ Funds allocated under this section that are not
18 expended in the fiscal year in which they were allocated may be
19 carried forward to a subsequent fiscal year and are appropriated
20 for the purposes for which the funds were originally allocated.

21 (8) ~~(10)~~ The center may bill departments as necessary in order
22 to fulfill reporting requirements of state and federal law. The
23 center may also enter into agreements to supply custom data,
24 analysis, and reporting to other principal executive departments,
25 state agencies, local units of government, and other individuals
26 and organizations. The center may receive and expend funds in
27 addition to those authorized in subsection (5) to cover the costs

1 associated with salaries, benefits, supplies, materials, and
2 equipment necessary to provide such data, analysis, and reporting
3 services.

4 (9) ~~(11)~~ As used in this section:

5 (a) "DED-OESE" means the United States department of education
6 office of elementary and secondary education.

7 ~~—— (b) "High-need local school district" means a local~~
8 ~~educational agency as defined in the enhancing education through~~
9 ~~technology part of the no child left behind act of 2001, Public Law~~
10 ~~107-110.~~

11 (B) ~~(c)~~ "State education agency" means the department.

12 SEC. 95. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
13 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,750,000.00 FOR 2012-2013
14 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR
15 PRINCIPALS AND ASSISTANT PRINCIPALS IN A DEPARTMENT-APPROVED
16 TRAINING PROGRAM FOR IMPLEMENTING EDUCATOR EVALUATIONS AS REQUIRED
17 UNDER SECTION 1249 OF THE REVISED SCHOOL CODE, MCL 380.1249.

18 (2) FOR 2012-13, ALL DISTRICTS MAY APPLY FOR FUNDING UNDER
19 THIS SECTION BY A DATE DETERMINED BY THE DEPARTMENT. BEGINNING IN
20 2013-2014, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT,
21 PRIORITY WILL BE GIVEN TO DISTRICTS THAT HAVE NEW BUILDING
22 ADMINISTRATORS WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING IN
23 PROGRAMS FUNDED UNDER THIS SECTION.

24 (3) THE DEPARTMENT SHALL APPROVE TRAINING PROGRAMS FOR THE
25 PURPOSE OF THIS SECTION. THE DEPARTMENT SHALL APPROVE ALL TRAINING
26 PROGRAMS RECOMMENDED BY THE GOVERNOR'S COUNCIL ON EDUCATOR
27 EFFECTIVENESS AND MAY APPROVE OTHER TRAINING PROGRAMS THAT MEET

1 DEPARTMENT CRITERIA. AT A MINIMUM, THESE OTHER PROGRAMS SHALL MEET
2 ALL OF THE FOLLOWING CRITERIA:

3 (A) CONTAIN INSTRUCTIONAL CONTENT ON METHODS OF EVALUATING
4 TEACHERS CONSISTENTLY ACROSS MULTIPLE GRADES AND SUBJECTS.

5 (B) INCLUDE TRAINING ON EVALUATION OBSERVATION THAT IS FOCUSED
6 ON RELIABILITY AND BIAS AWARENESS AND THAT INSTILLS SKILLS NEEDED
7 FOR CONSISTENT, EVIDENCE-BASED OBSERVATIONS.

8 (C) INCORPORATE THE USE OF VIDEOS OF ACTUAL LESSONS FOR
9 APPLYING RUBRICS AND CONSISTENT SCORING.

10 (D) ALIGN WITH RECOMMENDATIONS OF THE GOVERNOR'S COUNCIL ON
11 EDUCATOR EFFECTIVENESS.

12 (E) PROVIDE ONGOING SUPPORT TO MAINTAIN INTER-RATER
13 RELIABILITY. AS USED IN THIS SUBDIVISION, "INTER-RATER RELIABILITY"
14 MEANS A CONSISTENCY OF MEASUREMENT FROM DIFFERENT EVALUATORS
15 INDEPENDENTLY APPLYING THE SAME EVALUATION CRITERIA TO THE SAME
16 CLASSROOM OBSERVATION.

17 (4) THE DEPARTMENT SHALL AWARD GRANTS TO ELIGIBLE DISTRICTS IN
18 AN AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$350.00
19 PER PARTICIPANT.

20 (5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE
21 THE FUNDS ONLY FOR DEPARTMENT-APPROVED TRAINING PROGRAMS UNDER THIS
22 SECTION.

23 Sec. 98. (1) From the general fund money appropriated in
24 section 11, there is allocated an amount not to exceed
25 ~~\$1,687,500.00~~ ~~\$4,387,500.00~~ for 2011-2012 to provide a grant to the
26 ~~Michigan virtual university for the development, implementation,~~
27 ~~and operation of the Michigan virtual high school; to provide~~

~~professional development opportunities for educators; and to fund
ether 2012-2013 FOR THE purposes described in this section. In
addition, from the federal funds appropriated in section 11, there
is allocated for 2011-2012 an amount estimated at \$2,700,000.00.~~

~~—— (2) The Michigan virtual high school shall have the following
goals:~~

~~—— (a) Significantly expand curricular offerings for high schools
across this state through agreements with districts or licenses
from other recognized providers.~~

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

~~—— (c) Provide pupils with opportunities to develop skills and
competencies through online learning.~~

~~—— (d) Grant high school diplomas through a dual enrollment
method with districts.~~

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

~~—— (f) Maintain the accreditation status of the Michigan virtual
high school from recognized national and international accrediting
entities.~~

**(2) THE MICHIGAN VIRTUAL UNIVERSITY SHALL ESTABLISH THE CENTER
FOR ONLINE LEARNING RESEARCH AND INNOVATION. THE CENTER FOR ONLINE
LEARNING RESEARCH AND INNOVATION SHALL DO ALL OF THE FOLLOWING:**

1 (A) SUPPORT AND ACCELERATE INNOVATION IN EDUCATION THROUGH THE
2 FOLLOWING ACTIVITIES:

3 (i) TEST, EVALUATE, AND RECOMMEND AS APPROPRIATE NEW
4 TECHNOLOGY-BASED INSTRUCTIONAL TOOLS AND RESOURCES.

5 (ii) RESEARCH, DESIGN, AND RECOMMEND ONLINE AND BLENDED
6 EDUCATION DELIVERY MODELS FOR USE BY PUPILS AND TEACHERS THAT
7 INCLUDE AGE-APPROPRIATE MULTIMEDIA INSTRUCTIONAL CONTENT.

8 (iii) RESEARCH, DESIGN, AND RECOMMEND COMPETENCY-BASED ONLINE
9 ASSESSMENTS.

10 (iv) RESEARCH, DEVELOP, AND RECOMMEND ANNUALLY TO THE
11 DEPARTMENT CRITERIA BY WHICH CYBER SCHOOLS AND ONLINE COURSE
12 PROVIDERS SHOULD BE MONITORED AND EVALUATED TO ENSURE A QUALITY
13 EDUCATION FOR THEIR PUPILS.

14 (v) BASED ON PUPIL COMPLETION AND PERFORMANCE DATA REPORTED TO
15 THE DEPARTMENT OR THE CENTER FOR EDUCATIONAL PERFORMANCE AND
16 INFORMATION FROM CYBER SCHOOLS AND OTHER ONLINE COURSE PROVIDERS
17 OPERATING IN THIS STATE, ANALYZE THE EFFECTIVENESS OF ONLINE
18 LEARNING DELIVERY MODELS IN PREPARING PUPILS TO BE COLLEGE- AND
19 CAREER-READY AND PUBLISH A REPORT THAT HIGHLIGHTS ENROLLMENT
20 TOTALS, COMPLETION RATES, AND THE OVERALL IMPACT ON PUPILS. THE
21 REPORT SHALL BE SUBMITTED TO THE HOUSE AND SENATE APPROPRIATIONS
22 SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, THE
23 HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT NOT LATER THAN
24 DECEMBER 31, 2013.

25 (vi) DESIGN PROFESSIONAL DEVELOPMENT SERVICES FOR TEACHERS,
26 SCHOOL ADMINISTRATORS, AND SCHOOL BOARD MEMBERS TO LEARN HOW TO
27 EFFECTIVELY INTEGRATE NEW TECHNOLOGIES AND ONLINE LEARNING INTO

1 CURRICULA AND INSTRUCTION.

2 (vii) IDENTIFY AND SHARE BEST PRACTICES FOR IMPLEMENTING ONLINE
3 AND BLENDED EDUCATION DELIVERY MODELS WITH INTERMEDIATE DISTRICTS,
4 DISTRICTS, AND PUBLIC SCHOOL ACADEMIES TO ACCELERATE THE ADOPTION
5 OF INNOVATIVE EDUCATION DELIVERY MODELS STATEWIDE.

6 (B) PROVIDE LEADERSHIP FOR THIS STATE'S SYSTEM OF ONLINE AND
7 BLENDED LEARNING EDUCATION BY DOING THE FOLLOWING ACTIVITIES:

8 (i) DEVELOP AND REPORT POLICY RECOMMENDATIONS TO THE GOVERNOR
9 AND THE LEGISLATURE THAT ACCELERATE THE EXPANSION OF EFFECTIVE
10 ONLINE LEARNING IN THIS STATE'S SCHOOLS.

11 (ii) PROVIDE A CLEARINGHOUSE FOR RESEARCH REPORTS, ACADEMIC
12 STUDIES, EVALUATIONS, AND OTHER INFORMATION RELATED TO ONLINE
13 LEARNING.

14 (iii) PROMOTE AND DISTRIBUTE THE MOST CURRENT INSTRUCTIONAL
15 DESIGN STANDARDS AND GUIDELINES FOR ONLINE TEACHING.

16 (iv) IN COLLABORATION WITH THE DEPARTMENT AND INTERESTED
17 COLLEGES AND UNIVERSITIES IN THIS STATE, RECOMMEND TO THE
18 SUPERINTENDENT GUIDELINES AND STANDARDS FOR A NEW TEACHER
19 ENDORSEMENT CREDENTIAL RELATED TO EFFECTIVE ONLINE AND BLENDED
20 INSTRUCTION.

21 (v) PURSUE PUBLIC/PRIVATE PARTNERSHIPS THAT INCLUDE DISTRICTS
22 TO STUDY AND IMPLEMENT COMPETENCY-BASED TECHNOLOGY-RICH ONLINE
23 LEARNING MODELS.

24 (vi) CONVENE FOCUS GROUPS AND CONDUCT ANNUAL SURVEYS OF
25 TEACHERS, ADMINISTRATORS, PUPILS, PARENTS, AND OTHERS TO IDENTIFY
26 BARRIERS AND OPPORTUNITIES RELATED TO ONLINE LEARNING.

27 (vii) PRODUCE AN ANNUAL CONSUMER AWARENESS REPORT FOR SCHOOLS

1 AND PARENTS ABOUT EFFECTIVE ONLINE EDUCATION PROVIDERS AND
2 EDUCATION DELIVERY MODELS, PERFORMANCE DATA, COST STRUCTURES, AND
3 RESEARCH TRENDS.

4 (3) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, FROM THE
5 FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT
6 TO EXCEED \$500,000.00 FOR 2012-2013 TO THE MICHIGAN VIRTUAL SCHOOL
7 OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY TO CONDUCT AND REPORT
8 ON A YEAR-LONG PILOT STUDY OF A NEW PERFORMANCE-BASED FUNDING MODEL
9 FOR THE MICHIGAN VIRTUAL SCHOOL. THE PURPOSE OF THE PILOT STUDY IS
10 TO DETERMINE THE MERITS OF A PAYMENT SYSTEM FOR ONLINE
11 INSTRUCTIONAL PROGRAMS BASED ON PUPIL PERFORMANCE RATHER THAN
12 SOLELY ON ENROLLMENT AND ATTENDANCE FACTORS. ALL OF THE FOLLOWING
13 APPLY TO THE PILOT STUDY AND THE FUNDING UNDER THIS SUBSECTION:

14 (A) THE MICHIGAN VIRTUAL SCHOOL SHALL RANDOMLY SELECT A
15 MINIMUM OF 1,000 OF ITS QUALIFYING ONLINE COURSE ENROLLMENTS FOR
16 INCLUSION IN THE PILOT STUDY. THE MICHIGAN VIRTUAL SCHOOL SHALL
17 ISSUE A REFUND OR CREDIT TO DISTRICTS FOR ALL ONLINE COURSE
18 ENROLLMENTS INCLUDED IN THE PILOT STUDY.

19 (B) THE MICHIGAN VIRTUAL SCHOOL SHALL REPORT TO THE DEPARTMENT
20 THE NUMBER OF ONLINE COURSE ENROLLMENTS IN THE PILOT STUDY THAT
21 MEET THE FOLLOWING CONDITIONS:

22 (i) THE PUPIL SUCCESSFULLY COMPLETED THE ONLINE COURSE AS
23 MEASURED BY ASSESSMENTS ALIGNED TO THE COURSE CONTENT AND EARNED A
24 GRADE OR CREDIT FROM THE DISTRICT OR PUBLIC SCHOOL ACADEMY IN WHICH
25 THE PUPIL IS ENROLLED.

26 (ii) THE ONLINE COURSE IS TAUGHT BY A MICHIGAN CERTIFICATED
27 TEACHER CERTIFIED IN THE SUBJECT AREA IN WHICH THE COURSE IS BEING

1 OFFERED.

2 (iii) WHERE APPLICABLE, THE ONLINE COURSE IS ALIGNED WITH
3 MICHIGAN CURRICULUM STANDARDS.

4 (iv) THE ONLINE COURSE CURRICULUM CONTAINS PERIODIC ONLINE
5 PUPIL ASSESSMENTS.

6 (v) PUPILS HAVE ACCESS TO THE APPROPRIATE TECHNOLOGY HARDWARE
7 AND SOFTWARE NECESSARY TO TAKE THE ONLINE COURSE.

8 (vi) PARENTS OR GUARDIANS AND PUPILS HAVE SECURE ONLINE ACCESS
9 TO REVIEW PERIODIC PUPIL PROGRESS AND PERFORMANCE DATA.

10 (vii) THE ONLINE INSTRUCTOR IS AVAILABLE TO INTERACT WITH
11 PARENTS OR GUARDIANS AND PUPILS USING ELECTRONIC COMMUNICATIONS.

12 (C) THE DEPARTMENT SHALL PAY TO MICHIGAN VIRTUAL SCHOOL FROM
13 THE FUNDING UNDER THIS SUBSECTION AN AMOUNT NOT TO EXCEED THE
14 EQUIVALENT OF 1/12 OF THE STATE'S MINIMUM PER PUPIL FOUNDATION
15 ALLOWANCE FOR EACH ONLINE COURSE ENROLLMENT INCLUDED IN THE PILOT
16 STUDY THAT MEETS THE CONDITIONS OF SUBDIVISION (B) IN THE NEXT
17 SCHOOL AID PAYMENT AFTER THE REPORT IS RECEIVED BY THE DEPARTMENT.

18 (4) IN ORDER FOR THE MICHIGAN VIRTUAL UNIVERSITY TO RECEIVE
19 ANY FUNDS ALLOCATED UNDER THIS SECTION, THE MICHIGAN VIRTUAL SCHOOL
20 MUST MAINTAIN ITS ACCREDITATION STATUS FROM RECOGNIZED NATIONAL AND
21 INTERNATIONAL ACCREDITING ENTITIES.

22 (5) ~~(3)~~ The Michigan virtual high-school MAY OFFER ONLINE
23 course offerings ~~shall include, but are~~ IN ADDITION TO THOSE
24 OFFERED IN THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING,
25 BUT not limited to, all of the following:

26 (a) Information technology courses.

27 (b) College level equivalent courses, as defined in section

1 1471 of the revised school code, MCL 380.1471.

2 (c) Courses and dual enrollment opportunities.

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

4 (e) General education development test preparation courses for
5 adjudicated youth.

6 (f) Special interest courses.

7 (g) Professional development programs ~~that teach Michigan~~
8 ~~educators how to develop and deliver online instructional~~
9 ~~services.~~ **FOR TEACHERS, SCHOOL ADMINISTRATORS, OTHER SCHOOL**
10 **EMPLOYEES, AND SCHOOL BOARD MEMBERS.**

11 ~~—— (4) From the federal funds allocated in subsection (1), there~~
12 ~~is allocated for 2011-2012 an amount estimated at \$1,700,000.00~~
13 ~~from DED-OESE, title II, improving teacher quality funds for a~~
14 ~~grant to the Michigan virtual university for the purpose of this~~
15 ~~subsection. With the approval of the department, the Michigan~~
16 ~~virtual university shall coordinate the following activities~~
17 ~~related to DED-OESE, title II, improving teacher quality funds in~~
18 ~~accordance with federal law:~~

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

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

27 ~~—— (c) Coordinate the activities of eligible partnerships that~~

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

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

~~—— (e) Provide online professional development opportunities for educators to update and expand knowledge and skills needed to support the Michigan merit curriculum core content standards and credit requirements.~~

~~—— (5) The Michigan virtual university shall offer at least 200 hours of online professional development for classroom teachers under this section each fiscal year beginning in 2006-2007 without charge to the teachers or to districts or intermediate districts.~~

~~—— (6) From the federal funds appropriated in subsection (1), there is allocated for 2011-2012 an amount estimated at \$1,000,000.00 from the DED OESE, title II, educational technology grant funds to support e-learning and virtual school initiatives consistent with the goals contained in the United States national educational technology plan issued in January 2005. These funds shall be used to support activities designed to build the capacity of the Michigan virtual university and shall not be used to supplant other funding. Not later than November 30, 2010, from the funds allocated in this subsection, the department shall award a single grant of \$1,000,000.00 to a consortium or partnership established by the Michigan virtual university that meets the requirements of this subsection. To be eligible for this funding, a consortium or partnership established by the Michigan virtual~~

~~university shall include at least 1 intermediate district and at least 1 high need local district. All of the following apply to this funding:~~

~~—— (a) An eligible consortium or partnership must demonstrate the following:~~

~~—— (i) Prior success in delivering online courses and instructional services to K-12 pupils throughout this state.~~

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

~~—— (iii) Experience in maintaining a statewide help desk service for pupils, online teachers, and other school personnel.~~

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

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

~~—— (vi) Demonstrated technical expertise and capacity in managing complex technology systems.~~

~~—— (vii) Experience promoting twenty-first century learning skills through the use of online technologies.~~

~~—— (b) The Michigan virtual university, which operates the Michigan virtual high school, shall perform the following tasks related to this funding:~~

~~—— (i) Strengthen its capacity by pursuing activities, policies, and practices that increase the overall number of Michigan virtual high school course enrollments and course completions by at-risk students.~~

~~—— (ii) Examine the curricular and specific course content needs~~

1 ~~of middle and high school students in the areas of mathematics and~~
2 ~~science.~~

3 ~~—— (iii) Design, develop, and acquire online courses and related~~
4 ~~supplemental resources aligned to state standards to create a~~
5 ~~comprehensive and rigorous statewide catalog of online courses and~~
6 ~~instructional services.~~

7 ~~—— (iv) Continue to evaluate and conduct pilot programs for new~~
8 ~~and innovative online tools, resources, and courses.~~

9 ~~—— (v) Evaluate existing online teaching and learning practices~~
10 ~~and develop continuous improvement strategies to enhance student~~
11 ~~achievement.~~

12 ~~—— (vi) Develop, support, and maintain the technology~~
13 ~~infrastructure and related software required to deliver online~~
14 ~~courses and instructional services to students statewide.~~

15 (6) ~~(7)~~—If a home-schooled or nonpublic school student is a
16 resident of a district that subscribes to services provided by the
17 Michigan virtual ~~high~~-school, the student may use the services
18 provided by the Michigan virtual ~~high~~-school to the district
19 without charge to the student beyond what is charged to a district
20 pupil using the same services.

21 (7) ~~(8)~~—Not later than December 1 of each fiscal year, the
22 Michigan virtual university shall provide a report to the house and
23 senate appropriations subcommittees on state school aid, the state
24 budget director, the house and senate fiscal agencies, and the
25 department that includes at least all of the following information
26 related to the Michigan virtual ~~high~~-school for the preceding state
27 fiscal year:

(a) A list of the ~~Michigan schools~~ **DISTRICTS** served by the Michigan virtual high school.

(b) A list of online course titles available to ~~Michigan schools~~ **DISTRICTS**.

(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.~~

(E) AN ANALYSIS OF THE RESULTS OF THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING, BUT NOT LIMITED TO:

(i) A LIST OF THE DISTRICTS THAT WERE SELECTED TO BE PART OF THE PILOT STUDY.

(ii) THE NUMBER OF SUCCESSFUL ONLINE COURSE COMPLETIONS.

(iii) A LIST OF THE COURSES OFFERED IN THE PILOT STUDY AND THE COMPLETION RATES FOR EACH COURSE.

(iv) IDENTIFICATION OF OPPORTUNITIES AND BARRIERS THAT MUST BE ADDRESSED IN ORDER TO APPLY ONLINE LEARNING PERFORMANCE FUNDING BASED ON SUCCESSFUL COMPLETIONS RATHER THAN ENROLLMENT AND ATTENDANCE FOR ONLINE LEARNING OFFERINGS STATEWIDE.

(8) ~~(9)~~ As used in this section:

~~—— (a) "DED OESE" means the United States department of education office of elementary and secondary education.~~

~~—— (b) "High-need local district" means a local educational agency as defined in the enhancing education through technology~~

1 ~~part of the no child left behind act of 2001, Public Law 107-110.~~

2 ~~----- (c) "State education agency" means the department.~~

3 (A) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY
4 MODEL WHERE PUPILS ARE PROVIDED FACE-TO-FACE INSTRUCTION, IN PART
5 AT A SUPERVISED SCHOOL FACILITY AWAY FROM HOME AND IN PART THROUGH
6 COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENTS WITH
7 SOME DEGREE OF PUPIL CONTROL OVER TIME, LOCATION, AND PACE OF
8 INSTRUCTION.

9 (B) "CYBER SCHOOL" MEANS A FULL-TIME ONLINE INSTRUCTIONAL
10 PROGRAM FOR PUPILS THAT MAY OR MAY NOT REQUIRE ATTENDANCE AT A
11 PHYSICAL SCHOOL LOCATION.

12 (C) "ONLINE INSTRUCTIONAL PROGRAM" MEANS A COURSE OF STUDY
13 THAT GENERATES A CREDIT OR A GRADE, PROVIDED IN AN INTERACTIVE
14 COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENT, IN
15 WHICH PUPILS ARE SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION,
16 OR BOTH, AND IN WHICH A MICHIGAN CERTIFICATED TEACHER IS
17 RESPONSIBLE FOR PROVIDING DIRECT INSTRUCTION, DIAGNOSING LEARNING
18 NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION
19 STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF
20 INSTRUCTION AND SUPPORT STRATEGIES.

21 Sec. 99. (1) From the ~~state school aid fund money~~ **FUNDS**
22 appropriated in section 11, there is allocated an amount not to
23 exceed ~~\$2,515,000.00 for 2011-2012 and from the general fund~~
24 ~~appropriation in section 11, there is allocated an amount not to~~
25 ~~exceed \$110,000.00 for 2011-2012~~ **\$2,625,000.00 FOR 2012-2013** to
26 support the activities and programs of mathematics and science
27 centers and for other purposes as described in this section. In

1 addition, from the federal funds appropriated in section 11, there
2 is allocated for ~~2011-2012-2012-2013~~ an amount estimated at
3 \$5,249,300.00 from DED-OESE, title II, mathematics and science
4 partnership grants.

5 (2) Within a service area designated locally, approved by the
6 department, and consistent with the comprehensive master plan for
7 mathematics and science centers developed by the department and
8 approved by the state board, an established mathematics and science
9 center shall provide 2 or more of the following 6 basic services,
10 as described in the master plan, to constituent districts and
11 communities: leadership, pupil services, curriculum support,
12 community involvement, professional development, and resource
13 clearinghouse services.

14 (3) The department shall not award a state grant under this
15 section to more than 1 mathematics and science center located in a
16 designated region as prescribed in the 2007 master plan unless each
17 of the grants serves a distinct target population or provides a
18 service that does not duplicate another program in the designated
19 region.

20 (4) As part of the technical assistance process, the
21 department shall provide minimum standard guidelines that may be
22 used by the mathematics and science center for providing fair
23 access for qualified pupils and professional staff as prescribed in
24 this section.

25 (5) Allocations under this section to support the activities
26 and programs of mathematics and science centers shall be continuing
27 support grants to all 33 established mathematics and science

1 centers. Each established mathematics and science center that was
2 funded in the immediately preceding fiscal year shall receive state
3 funding in an amount equal to 100% of the amount it was allocated
4 under this subsection for the immediately preceding fiscal year. If
5 a center declines state funding or a center closes, the remaining
6 money available under this section shall be distributed to the
7 remaining centers, as determined by the department.

8 (6) From the funds allocated in subsection (1), there is
9 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed
10 \$750,000.00 in a form and manner determined by the department to
11 those centers able to provide curriculum and professional
12 development support to assist districts in implementing the
13 Michigan merit curriculum components for mathematics and science.
14 Funding under this subsection is in addition to funding allocated
15 under subsection (5).

16 (7) In order to receive state or federal funds under this
17 section, a grant recipient shall allow access for the department or
18 the department's designee to audit all records related to the
19 program for which it receives such funds. The grant recipient shall
20 reimburse the state for all disallowances found in the audit.

21 (8) Not later than September 30, 2013, the department shall
22 reevaluate and update the comprehensive master plan described in
23 subsection (1).

24 (9) The department shall give preference in awarding the
25 federal grants allocated in subsection (1) to eligible existing
26 mathematics and science centers.

27 (10) In order to receive state funds under this section, a

1 grant recipient shall provide at least a 10% local match from local
2 public or private resources for the funds received under this
3 section.

4 (11) Not later than July 1 of each year, a mathematics and
5 science center that receives funds under this section shall report
6 to the department in a form and manner prescribed by the department
7 on the following performance measures:

8 (a) Statistical change in pre- and post-assessment scores for
9 students who enrolled in mathematics and science activities
10 provided to districts by the mathematics and science center.

11 (b) Statistical change in pre- and post-assessment scores for
12 teachers who enrolled in professional development activities
13 provided by the mathematics and science center.

14 (12) As used in this section:

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

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

18 Sec. 101. (1) To be eligible to receive state aid under this
19 act, not later than the fifth Wednesday after the pupil membership
20 count day and not later than the fifth Wednesday after the
21 supplemental count day, each district superintendent shall submit
22 to the center and the intermediate superintendent, in the form and
23 manner prescribed by the center, the number of pupils enrolled and
24 in regular daily attendance in the district as of the pupil
25 membership count day and as of the supplemental count day, as
26 applicable, for the current school year. In addition, a district
27 maintaining school during the entire year, as provided under

1 section 1561 of the revised school code, MCL 380.1561, shall submit
2 to the center and the intermediate superintendent, in the form and
3 manner prescribed by the center, the number of pupils enrolled and
4 in regular daily attendance in the district for the current school
5 year pursuant to rules promulgated by the superintendent. Not later
6 than the seventh Wednesday after the pupil membership count day and
7 not later than the ~~seventh~~**SIXTH** Wednesday after the supplemental
8 count day, the district shall certify the data in a form and manner
9 prescribed by the center and file the certified data with the
10 intermediate superintendent. If a district fails to submit and
11 certify the attendance data, as required under this subsection, the
12 center shall notify the department and state aid due to be
13 distributed under this ~~act~~**ARTICLE** shall be withheld from the
14 defaulting district immediately, beginning with the next payment
15 after the failure and continuing with each payment until the
16 district complies with this subsection. If a district does not
17 comply with this subsection by the end of the fiscal year, the
18 district forfeits the amount withheld. A person who willfully
19 falsifies a figure or statement in the certified and sworn copy of
20 enrollment shall be punished in the manner prescribed by section
21 161.

22 (2) To be eligible to receive state aid under this ~~act~~,
23 **ARTICLE**, not later than the twenty-fourth Wednesday after the pupil
24 membership count day and not later than the twenty-fourth Wednesday
25 after the supplemental count day, an intermediate district shall
26 submit to the center, in a form and manner prescribed by the
27 center, the audited enrollment and attendance data for the pupils

1 of its constituent districts and of the intermediate district. If
2 an intermediate district fails to submit the audited data as
3 required under this subsection, state aid due to be distributed
4 under this ~~act~~**ARTICLE** shall be withheld from the defaulting
5 intermediate district immediately, beginning with the next payment
6 after the failure and continuing with each payment until the
7 intermediate district complies with this subsection. If an
8 intermediate district does not comply with this subsection by the
9 end of the fiscal year, the intermediate district forfeits the
10 amount withheld.

11 (3) Except as otherwise provided in subsection (11), all of
12 the following apply to the provision of pupil instruction:

13 (a) Except as otherwise provided in this section, each
14 district shall provide at least 1,098 hours and, beginning in 2010-
15 2011, the required minimum number of days of pupil instruction. For
16 2010-2011 and for 2011-2012, the required minimum number of days of
17 pupil instruction is 165. Beginning in 2012-2013, the required
18 minimum number of days of pupil instruction is 170. However,
19 beginning in 2010-2011, a district shall not provide fewer days of
20 pupil instruction than the district provided for 2009-2010. A
21 district may apply for a waiver under subsection (9) from the
22 requirements of this subdivision.

23 (b) Except as otherwise provided in this ~~act~~**ARTICLE**, a
24 district failing to comply with the required minimum hours and days
25 of pupil instruction under this subsection shall forfeit from its
26 total state aid allocation an amount determined by applying a ratio
27 of the number of hours or days the district was in noncompliance in

1 relation to the required minimum number of hours and days under
2 this subsection. Not later than August 1, the board of each
3 district shall certify to the department the number of hours and,
4 beginning in 2010-2011, days of pupil instruction in the previous
5 school year. If the district did not provide at least the required
6 minimum number of hours and days of pupil instruction under this
7 subsection, the deduction of state aid shall be made in the
8 following fiscal year from the first payment of state school aid. A
9 district is not subject to forfeiture of funds under this
10 subsection for a fiscal year in which a forfeiture was already
11 imposed under subsection (6).

12 (c) Hours or days lost because of strikes or teachers'
13 conferences shall not be counted as hours or days of pupil
14 instruction.

15 (d) If a collective bargaining agreement that provides a
16 complete school calendar is in effect for employees of a district
17 as of October 19, 2009, and if that school calendar is not in
18 compliance with this subsection, then this subsection does not
19 apply to that district until after the expiration of that
20 collective bargaining agreement.

21 (e) Except as otherwise provided in subdivision (f), a
22 district not having at least 75% of the district's membership in
23 attendance on any day of pupil instruction shall receive state aid
24 in that proportion of 1/180 that the actual percent of attendance
25 bears to the specified percentage.

26 (f) At the request of a district that operates a department-
27 approved alternative education program and that does not provide

1 instruction for pupils in all of grades K to 12, the superintendent
2 may grant a waiver from the requirements of subdivision (e) in
3 order to conduct a pilot study. The waiver shall indicate that an
4 eligible district is subject to the proration provisions of
5 subdivision (e) only if the district does not have at least 50% of
6 the district's membership in attendance on any day of pupil
7 instruction. In order to be eligible for this waiver, a district
8 must maintain records to substantiate its compliance with the
9 following requirements during the pilot study:

10 (i) The district offers the minimum hours of pupil instruction
11 as required under this section.

12 (ii) For each enrolled pupil, the district uses appropriate
13 academic assessments to develop an individual education plan that
14 leads to a high school diploma.

15 (iii) The district tests each pupil to determine academic
16 progress at regular intervals and records the results of those
17 tests in that pupil's individual education plan.

18 (g) The superintendent shall promulgate rules for the
19 implementation of this subsection.

20 (4) Except as otherwise provided in this subsection, the first
21 6 days or the equivalent number of hours for which pupil
22 instruction is not provided because of conditions not within the
23 control of school authorities, such as severe storms, fires,
24 epidemics, utility power unavailability, water or sewer failure, or
25 health conditions as defined by the city, county, or state health
26 authorities, shall be counted as hours and days of pupil
27 instruction. With the approval of the superintendent of public

1 instruction, the department shall count as hours and days of pupil
2 instruction for a fiscal year not more than 6 additional days or
3 the equivalent number of additional hours for which pupil
4 instruction is not provided in a district after April 1 of the
5 applicable school year due to unusual and extenuating occurrences
6 resulting from conditions not within the control of school
7 authorities such as those conditions described in this subsection.
8 Subsequent such hours or days shall not be counted as hours or days
9 of pupil instruction.

10 (5) A district shall not forfeit part of its state aid
11 appropriation because it adopts or has in existence an alternative
12 scheduling program for pupils in kindergarten if the program
13 provides at least the number of hours required under subsection (3)
14 for a full-time equated membership for a pupil in kindergarten as
15 provided under section 6(4).

16 (6) Not later than April 15 of each fiscal year, the board of
17 each district shall certify to the department the planned number of
18 hours and days of pupil instruction in the district for the school
19 year ending in the fiscal year. In addition to any other penalty or
20 forfeiture under this section, if at any time the department
21 determines that 1 or more of the following has occurred in a
22 district, the district shall forfeit in the current fiscal year
23 beginning in the next payment to be calculated by the department a
24 proportion of the funds due to the district under this ~~act~~ **ARTICLE**
25 that is equal to the proportion below the required minimum number
26 of hours and days of pupil instruction under subsection (3), as
27 specified in the following:

1 (a) The district fails to operate its schools for at least the
2 required minimum number of hours and days of pupil instruction
3 under subsection (3) in a school year, including hours and days
4 counted under subsection (4).

5 (b) The board of the district takes formal action not to
6 operate its schools for at least the required minimum number of
7 hours and days of pupil instruction under subsection (3) in a
8 school year, including hours and days counted under subsection (4).

9 (7) In providing the minimum number of hours and days of pupil
10 instruction required under subsection (3), a district shall use the
11 following guidelines, and a district shall maintain records to
12 substantiate its compliance with the following guidelines:

13 (a) Except as otherwise provided in this subsection, a pupil
14 must be scheduled for at least the required minimum number of hours
15 of instruction, excluding study halls, or at least the sum of 90
16 hours plus the required minimum number of hours of instruction,
17 including up to 2 study halls.

18 (b) The time a pupil is assigned to any tutorial activity in a
19 block schedule may be considered instructional time, unless that
20 time is determined in an audit to be a study hall period.

21 (c) Except as otherwise provided in this subdivision, a pupil
22 in grades 9 to 12 for whom a reduced schedule is determined to be
23 in the individual pupil's best educational interest must be
24 scheduled for a number of hours equal to at least 80% of the
25 required minimum number of hours of pupil instruction to be
26 considered a full-time equivalent pupil. A pupil in grades 9 to 12
27 who is scheduled in a 4-block schedule may receive a reduced

1 schedule under this subsection if the pupil is scheduled for a
2 number of hours equal to at least 75% of the required minimum
3 number of hours of pupil instruction to be considered a full-time
4 equivalent pupil.

5 (d) If a pupil in grades 9 to 12 who is enrolled in a
6 cooperative education program or a special education pupil cannot
7 receive the required minimum number of hours of pupil instruction
8 solely because of travel time between instructional sites during
9 the school day, that travel time, up to a maximum of 3 hours per
10 school week, shall be considered to be pupil instruction time for
11 the purpose of determining whether the pupil is receiving the
12 required minimum number of hours of pupil instruction. However, if
13 a district demonstrates to the satisfaction of the department that
14 the travel time limitation under this subdivision would create
15 undue costs or hardship to the district, the department may
16 consider more travel time to be pupil instruction time for this
17 purpose.

18 (e) In grades 7 through 12, instructional time that is part of
19 a junior reserve officer training corps (JROTC) program shall be
20 considered to be pupil instruction time regardless of whether the
21 instructor is a certificated teacher if all of the following are
22 met:

23 (i) The instructor has met all of the requirements established
24 by the United States department of defense and the applicable
25 branch of the armed services for serving as an instructor in the
26 junior reserve officer training corps program.

27 (ii) The board of the district or intermediate district

1 employing or assigning the instructor complies with the
2 requirements of sections 1230 and 1230a of the revised school code,
3 MCL 380.1230 and 380.1230a, with respect to the instructor to the
4 same extent as if employing the instructor as a regular classroom
5 teacher.

6 (8) Except as otherwise provided in subsection (11), the
7 department shall apply the guidelines under subsection (7) in
8 calculating the full-time equivalency of pupils.

9 (9) Upon application by the district for a particular fiscal
10 year, the superintendent may waive for a district the minimum
11 number of hours and days of pupil instruction requirement of
12 subsection (3) for a department-approved alternative education
13 program or another innovative program approved by the department,
14 including a 4-day school week. If a district applies for and
15 receives a waiver under this subsection and complies with the terms
16 of the waiver, for the fiscal year covered by the waiver the
17 district is not subject to forfeiture under this section for the
18 specific program covered by the waiver. If the district does not
19 comply with the terms of the waiver, the amount of the forfeiture
20 shall be calculated based upon a comparison of the number of hours
21 and days of pupil instruction actually provided to the minimum
22 number of hours and days of pupil instruction required under
23 subsection (3). Pupils enrolled in a department-approved
24 alternative education program under this subsection shall be
25 reported to the center in a form and manner determined by the
26 center.

27 (10) A district may count up to 38 hours of qualifying

1 professional development for teachers as hours of pupil
2 instruction. Professional development provided online is allowable
3 and encouraged, as long as the instruction has been approved by the
4 district. The department shall issue a list of approved online
5 professional development providers, which shall include the
6 Michigan virtual university. ~~However, if a collective bargaining~~
7 ~~agreement that provides more than 38 but not more than 51 hours of~~
8 ~~professional development for teachers is in effect for employees of~~
9 ~~a district as of October 1, 2006, then until the fiscal year that~~
10 ~~begins after the expiration of that collective bargaining agreement~~
11 ~~a district may count up to 51 hours of qualifying professional~~
12 ~~development for teachers as hours of pupil instruction. A district~~
13 ~~that elects to use this exception shall notify the department of~~
14 ~~its election.~~ **SCHOOL.** As used in this subsection, "qualifying
15 professional development" means professional development that is
16 focused on 1 or more of the following:

17 (a) Achieving or improving adequate yearly progress as defined
18 under the no child left behind act of 2001, Public Law 107-110.

19 (b) Achieving accreditation or improving a school's
20 accreditation status under section 1280 of the revised school code,
21 MCL 380.1280.

22 (c) Achieving highly qualified teacher status as defined under
23 the no child left behind act of 2001, Public Law 107-110.

24 (d) Integrating technology into classroom instruction.

25 (e) Maintaining teacher certification.

26 (11) Subsections (3) and (8) do not apply to a school of
27 excellence that is a cyber school, as defined in section 551 of the

1 revised school code, MCL 380.551, and is in compliance with section
2 553a of the revised school code, MCL 380.553a.

3 ~~—— (12) The department shall study the actual costs of providing~~
4 ~~distance learning or other alternative instructional delivery that~~
5 ~~is being used in this state and shall report on its findings to the~~
6 ~~house and senate fiscal agencies and the office of the state budget~~
7 ~~not later than September 10, 2012. Upon request by the department,~~
8 ~~a school of excellence described in subsection (11), the Michigan~~
9 ~~virtual university, or a school that receives a seat time waiver~~
10 ~~from the department under this section shall submit to the~~
11 ~~department any data requested by the department for the purposes of~~
12 ~~this study.~~

13 Sec. 104. (1) In order to receive state aid under this
14 article, a district shall comply with sections 1249, 1278a, 1278b,
15 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
16 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
17 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
18 the state school aid fund money appropriated in section 11, there
19 is allocated for ~~2011-2012-2012-2013~~ an amount not to exceed
20 ~~\$35,194,400.00~~ **\$26,694,400.00** for payments on behalf of districts
21 for costs associated with complying with those provisions of law.
22 In addition, from the federal funds appropriated in section 11,
23 there is allocated for ~~2011-2012-2012-2013~~ an amount estimated at
24 \$8,250,000.00, funded from DED-OESE, title VI, state assessment
25 funds, **AND FROM** DED-OSERS, section 504 of part B of the individuals
26 with disabilities education act, Public Law 94-142, plus any
27 carryover federal funds from previous year appropriations, for the

1 purposes of complying with the federal no child left behind act of
2 2001, Public Law 107-110.

3 (2) The results of each test administered as part of the
4 Michigan educational assessment program, including tests
5 administered to high school students, shall include an item
6 analysis that lists all items that are counted for individual pupil
7 scores and the percentage of pupils choosing each possible
8 response.

9 (3) All federal funds allocated under this section shall be
10 distributed in accordance with federal law and with flexibility
11 provisions outlined in Public Law 107-116, and in the education
12 flexibility partnership act of 1999, Public Law 106-25.

13 (4) Notwithstanding section 17b, payments on behalf of
14 districts, intermediate districts, and other eligible entities
15 under this section shall be paid on a schedule determined by the
16 department.

17 (5) As used in this section:

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

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

21 (c) "DED-OSERS" means the DED office of special education and
22 rehabilitative services.

23 Sec. 107. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed \$22,000,000.00 for ~~2011-2012~~
25 **2012-2013** for adult education programs authorized under this
26 section. Funds allocated under this section are restricted for
27 adult education programs as authorized under this section only. A

1 recipient of funds under this section shall not use those funds for
2 any other purpose.

3 (2) To be eligible for funding under this section, a program
4 shall employ certificated teachers and qualified administrative
5 staff and shall offer continuing education opportunities for
6 teachers to allow them to maintain certification.

7 (3) To be eligible to be a participant funded under this
8 section, a person shall be enrolled in an adult basic education
9 program, an adult English as a second language program, a general
10 educational development (G.E.D.) test preparation program, a job or
11 employment related program, or a high school completion program,
12 that meets the requirements of this section, and shall meet either
13 of the following, as applicable:

14 (a) If the individual has obtained a high school diploma or a
15 general educational development (G.E.D.) certificate, the
16 individual meets 1 of the following:

17 (i) Is less than 20 years of age on September 1 of the school
18 year and is enrolled in the Michigan career and technical
19 institute.

20 (ii) Is less than 20 years of age on September 1 of the school
21 year, is not attending an institution of higher education, and is
22 enrolled in a job or employment-related program through a referral
23 by an employer.

24 (iii) Is enrolled in an English as a second language program.

25 (iv) Is enrolled in a high school completion program.

26 (b) If the individual has not obtained a high school diploma
27 or G.E.D. certificate, the individual meets 1 of the following:

1 (i) Is at least 20 years of age on September 1 of the school
2 year.

3 (ii) Is at least 16 years of age on September 1 of the school
4 year, has been permanently expelled from school under section
5 1311(2) or 1311a of the revised school code, MCL 380.1311 and
6 380.1311a, and has no appropriate alternative education program
7 available through his or her district of residence.

8 (4) Except as otherwise provided in subsection (5), the money
9 allocated under this section shall be distributed as follows:

10 (a) For districts and consortia that received payments for
11 ~~2010-2011-2011-2012~~ under this section, the amount allocated to
12 each for ~~2011-2012-2012-2013~~ shall be based on the number of
13 participants served by the district or consortium for ~~2011-2012,~~
14 **2012-2013**, using the amount allocated per full-time equated
15 participant under subsection (7), up to a maximum total allocation
16 under this subsection in an amount equal to ~~100.9% of the amount~~
17 the district or consortium received for ~~2010-2011-2011-2012~~ under
18 this section before any reallocations made for ~~2010-2011-2011-2012~~
19 under subsection (5).

20 (b) A district or consortium that received funding in ~~2010-~~
21 ~~2011-2011-2012~~ under this section may operate independently of a
22 consortium or join or form a consortium for ~~2011-2012.-2012-2013.~~
23 The allocation for ~~2011-2012-2012-2013~~ to the district or the newly
24 formed consortium under this subsection shall be determined by the
25 department and shall be based on the proportion of the amounts that
26 are attributable to the district or consortium that received
27 funding in ~~2010-2011.-2011-2012.~~ A district or consortium described

1 in this subdivision shall notify the department of its intention
2 with regard to ~~2011-2012~~ **2012-2013** by October 1, ~~2011-2012~~.

3 ~~—— (c) If a district had a declaration of financial emergency in~~
4 ~~place under the local government fiscal responsibility act, 1990 PA~~
5 ~~72, MCL 141.1201 to 141.1291, and that declaration was revoked~~
6 ~~during 2005, the district may operate a program under this section~~
7 ~~independently of a consortium or may join or form a consortium to~~
8 ~~operate a program under this section. The allocation for 2011-2012~~
9 ~~to the district or the newly formed consortium under this~~
10 ~~subsection shall be determined by the department and shall be based~~
11 ~~on the proportion of the amounts that are attributable to the~~
12 ~~district or consortium that received funding in 2010-2011 or, for a~~
13 ~~district for which a declaration of financial emergency was revoked~~
14 ~~during 2005, based on the amount the district received under this~~
15 ~~section using a 3 year average of the 3 most recent fiscal years~~
16 ~~the district received funding under this section. A district or~~
17 ~~consortium described in this subdivision shall notify the~~
18 ~~department of its intention with regard to 2011-2012 by October 1,~~
19 ~~2011.~~

20 (5) A district that operated an adult education program in
21 ~~2010-2011-2011-2012~~ and does not intend to operate a program in
22 ~~2011-2012-2012-2013~~ shall notify the department by October 1, ~~2011~~
23 **2012** of its intention. The money intended to be allocated under
24 this section to a district that does not operate a program in ~~2011-~~
25 ~~2012-2012-2013~~ and the unspent money originally allocated under
26 this section to a district or consortium that subsequently operates
27 a program at less than the level of funding allocated under

1 subsection (4) and any other unallocated money under this section
2 shall instead be proportionately reallocated to the other districts
3 described in subsection (4)(a) that are operating an adult
4 education program in ~~2011-2012-2012-2013~~ under this section.

5 (6) The amount allocated under this section per full-time
6 equated participant is \$2,850.00 for a 450-hour program. The amount
7 shall be proportionately reduced for a program offering less than
8 450 hours of instruction.

9 (7) An adult basic education program or an adult English as a
10 second language program operated on a year-round or school year
11 basis may be funded under this section, subject to all of the
12 following:

13 (a) The program enrolls adults who are determined by a
14 department-approved assessment, in a form and manner prescribed by
15 the department, to be below ninth grade level in reading or
16 mathematics, or both, or to lack basic English proficiency.

17 (b) The program tests individuals for eligibility under
18 subdivision (a) before enrollment and upon completion of the
19 program in compliance with the state-approved assessment policy.

20 (c) A participant in an adult basic education program is
21 eligible for reimbursement until 1 of the following occurs:

22 (i) The participant's reading and mathematics proficiency are
23 assessed at or above the ninth grade level.

24 (ii) The participant fails to show progress on 2 successive
25 assessments after having completed at least 450 hours of
26 instruction.

27 (d) A funding recipient enrolling a participant in an English

1 as a second language program is eligible for funding according to
2 subsection (11) until the participant meets 1 of the following:

3 (i) The participant is assessed as having attained basic
4 English proficiency as determined by a department-approved
5 assessment.

6 (ii) The participant fails to show progress on 2 successive
7 department-approved assessments after having completed at least 450
8 hours of instruction. The department shall provide information to a
9 funding recipient regarding appropriate assessment instruments for
10 this program.

11 (8) A general educational development (G.E.D.) test
12 preparation program operated on a year-round or school year basis
13 may be funded under this section, subject to all of the following:

14 (a) The program enrolls adults who do not have a high school
15 diploma.

16 (b) The program shall administer a G.E.D. pre-test approved by
17 the department before enrolling an individual to determine the
18 individual's potential for success on the G.E.D. test, and shall
19 administer a post-test upon completion of the program in compliance
20 with the state-approved assessment policy.

21 (c) A funding recipient shall receive funding according to
22 subsection (11) for a participant, and a participant may be
23 enrolled in the program until 1 of the following occurs:

24 (i) The participant passes the G.E.D. test.

25 (ii) The participant fails to show progress on 2 successive
26 department-approved assessments used to determine readiness to take
27 the G.E.D. test after having completed at least 450 hours of

1 instruction.

2 (9) A high school completion program operated on a year-round
3 or school year basis may be funded under this section, subject to
4 all of the following:

5 (a) The program enrolls adults who do not have a high school
6 diploma.

7 (b) The program tests participants described in subdivision
8 (a) before enrollment and upon completion of the program in
9 compliance with the state-approved assessment policy.

10 (c) A funding recipient shall receive funding according to
11 subsection (11) for a participant in a course offered under this
12 subsection until 1 of the following occurs:

13 (i) The participant passes the course and earns a high school
14 diploma.

15 (ii) The participant fails to earn credit in 2 successive
16 semesters or terms in which the participant is enrolled after
17 having completed at least 900 hours of instruction.

18 (10) A job or employment-related adult education program
19 operated on a year-round or school year basis may be funded under
20 this section, subject to all of the following:

21 (a) The program enrolls adults referred by their employer who
22 are less than 20 years of age, have a high school diploma, are
23 determined to be in need of remedial mathematics or communication
24 arts skills and are not attending an institution of higher
25 education.

26 **(B) THE PROGRAM TESTS PARTICIPANTS DESCRIBED IN SUBDIVISION**
27 **(A) BEFORE ENROLLMENT AND UPON COMPLETION OF THE PROGRAM IN**

1 COMPLIANCE WITH THE DEPARTMENT-APPROVED ASSESSMENT POLICY.

2 (C) ~~(b)~~ An individual may be enrolled in this program and the
3 grant recipient shall receive funding according to subsection (11)
4 until 1 of the following occurs:

5 (i) The individual achieves the requisite skills as determined
6 by department-approved assessment instruments. ~~administered at~~
7 ~~least after every 90 hours of attendance.~~

8 (ii) The individual fails to show progress on 2 successive
9 assessments after having completed at least 450 hours of
10 instruction. ~~The department shall provide information to a funding~~
11 ~~recipient regarding appropriate assessment instruments for this~~
12 ~~program.~~

13 (11) A funding recipient shall receive payments under this
14 section in accordance with the following:

15 (a) Ninety percent for enrollment of eligible participants.

16 (b) Ten percent for completion of the adult basic education
17 objectives by achieving an increase of at least 1 grade level of
18 proficiency in reading or mathematics; for achieving basic English
19 proficiency, as defined by the department in the adult education
20 guidebook; for obtaining a G.E.D. or passage of 1 or more
21 individual G.E.D. tests; for attainment of a high school diploma or
22 passage of a course required for a participant to attain a high
23 school diploma; or for completion of the course and demonstrated
24 proficiency in the academic skills to be learned in the course, as
25 applicable.

26 (12) As used in this section, "participant" means the sum of
27 the number of full-time equated individuals enrolled in and

1 attending a department-approved adult education program under this
2 section, using quarterly participant count days on the schedule
3 described in section 6(7)(b).

4 (13) A person who is not eligible to be a participant funded
5 under this section may receive adult education services upon the
6 payment of tuition. In addition, a person who is not eligible to be
7 served in a program under this section due to the program
8 limitations specified in subsection (7), (8), (9), or (10) may
9 continue to receive adult education services in that program upon
10 the payment of tuition. The tuition level shall be determined by
11 the local or intermediate district conducting the program.

12 (14) An individual who is an inmate in a state correctional
13 facility shall not be counted as a participant under this section.

14 (15) A district shall not commingle money received under this
15 section or from another source for adult education purposes with
16 any other funds of the district. A district receiving adult
17 education funds shall establish a separate ledger account for those
18 funds. This subsection does not prohibit a district from using
19 general funds of the district to support an adult education or
20 community education program.

21 (16) A district or intermediate district receiving funds under
22 this section may establish a sliding scale of tuition rates based
23 upon a participant's family income. A district or intermediate
24 district may charge a participant tuition to receive adult
25 education services under this section from that sliding scale of
26 tuition rates on a uniform basis. The amount of tuition charged per
27 participant shall not exceed the actual operating cost per

1 participant minus any funds received under this section per
2 participant. A district or intermediate district may not charge a
3 participant tuition under this section if the participant's income
4 is at or below 200% of the federal poverty guidelines published by
5 the United States department of health and human services.

6 (17) In order to receive funds under this section, a district
7 shall furnish to the department, in a form and manner determined by
8 the department, all information needed to administer this program
9 and meet federal reporting requirements; shall allow the department
10 or the department's designee to review all records related to the
11 program for which it receives funds; and shall reimburse the state
12 for all disallowances found in the review, as determined by the
13 department.

14 (18) All intermediate district participant audits of adult
15 education programs shall be performed pursuant to the adult
16 education participant auditing and accounting manuals published by
17 the department.

18 (19) As used in this section, "department" means the ~~workforce~~
19 ~~development agency.~~ **MICHIGAN STRATEGIC FUND.**

20 Sec. 147. The allocation for ~~2010-2011~~ **2012-2013** for the
21 public school employees' retirement system pursuant to the public
22 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
23 to 38.1408, shall be made using the entry age normal cost actuarial
24 method and risk assumptions adopted by the public school employees
25 retirement board and the department of technology, management, and
26 budget. For public school employees who first worked for a public
27 school reporting unit before July 1, 2010, the annual level

1 percentage of payroll contribution rate is estimated at ~~15.96%~~
 2 **18.62%** for pension and at ~~8.50%~~ **8.75%** for retiree health care for
 3 the ~~2011-2012~~ **2012-2013** fiscal year. For public school employees
 4 who first worked for a public school reporting unit on or after
 5 July 1, 2010, the annual level percentage of payroll contribution
 6 rate is estimated at ~~14.73%~~ **17.39%** for pension and ~~8.50%~~ **8.75%** for
 7 retiree health care for the ~~2011-2012~~ **2012-2013** fiscal year. For
 8 public school employees who first worked for a public school
 9 reporting unit before July 1, 2010, the annual level percentage of
 10 payroll contribution rate is estimated at ~~18.62%~~ **22.46%** for pension
 11 and 8.75% for retiree health care for the ~~2012-2013~~ **2013-2014**
 12 fiscal year. For public school employees who first worked for a
 13 public school reporting unit on or after July 1, 2010, the annual
 14 level percentage of payroll contribution rate is estimated at
 15 ~~17.39%~~ **21.19%** for pension and 8.75% for retiree health care for the
 16 ~~2012-2013~~ **2013-2014** fiscal year. The portion of the contribution
 17 rate assigned to districts and intermediate districts for each
 18 fiscal year is all of the total percentage points. This
 19 contribution rate reflects an amortization period of 26 years for
 20 ~~2011-2012~~ **2012-2013**. The public school employees' retirement
 21 system board shall notify each district and intermediate district
 22 by February 28 of each fiscal year of the estimated contribution
 23 rate for the next fiscal year.

24 Sec. 147a. From the appropriation in section 11, there is
 25 allocated for ~~2011-2012 only~~ **2012-2013** an amount not to exceed
 26 ~~\$155,000,000.00~~ **\$248,506,300.00** for ~~1-time~~ payments to
 27 participating districts **AND INTERMEDIATE DISTRICTS**. ~~The money~~

~~allocated in this section represents a portion of the year-end~~
~~state school aid fund balance for 2010-2011. A district OR~~
INTERMEDIATE DISTRICT that receives money under this section shall
 use that money solely for the purpose of offsetting a portion of
 the retirement contributions owed by the district **OR INTERMEDIATE**
DISTRICT for the fiscal year ending September 30, ~~2012-2013~~. The
 amount allocated to each participating district **OR INTERMEDIATE**
DISTRICT under this section shall be based on each participating
 district's **OR INTERMEDIATE DISTRICT'S** percentage of the total
 statewide payroll for all participating districts **AND INTERMEDIATE**
DISTRICTS for the ~~state~~**IMMEDIATELY PRECEDING** fiscal year. ~~ending~~
~~September 30, 2011.~~ As used in this section, "participating
 district **OR INTERMEDIATE DISTRICT**" means a district **OR INTERMEDIATE**
DISTRICT that is a reporting unit of the Michigan public school
 employees' retirement system under the public school employees
 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and
 that reports employees to the Michigan public school employees'
 retirement system for ~~September 2011.~~**THE APPLICABLE FISCAL YEAR.**

Sec. 152a. (1) As required by the court in the consolidated
 cases known as Adair v State of Michigan, Michigan supreme court
 docket nos. 137424 and 137453, from the state school aid fund money
 appropriated in section 11 there is allocated for ~~2011-2012-2012-~~
~~2013~~ an amount not to exceed ~~\$34,064,500.00~~**\$38,000,500.00** to be
 used solely for the purpose of paying necessary costs related to
 the state-mandated collection, maintenance, and reporting of data
 to this state.

(2) From the allocation in subsection (1), the department

shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsection~~ **SUBSECTIONS (2) AND (4)** are appropriated for community colleges for the fiscal year ending September 30, ~~2012,~~ **2013**, from the funds indicated in this section. The following is a summary of the appropriations in ~~subsection~~ **SUBSECTIONS (2) AND (4)**:

(a) The gross appropriation is ~~\$283,880,500.00.~~ **\$294,130,500.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$283,880,500.00.~~ **\$294,130,500.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$195,880,500.00.~~ **\$197,614,100.00.**

(v) State general fund/general purpose money, ~~\$88,000,000.00.~~ **\$96,516,400.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is \$283,880,500.00, allocated as follows:

- 1 (a) Alpena Community College, \$4,984,300.00.
- 2 (b) Bay de Noc Community College, \$5,040,200.00.
- 3 (c) Delta College, \$13,336,200.00.
- 4 (d) Glen Oaks Community College, \$2,320,900.00.
- 5 (e) Gogebic Community College, \$4,140,500.00.
- 6 (f) Grand Rapids Community College, \$16,649,700.00.
- 7 (g) Henry Ford Community College, \$20,145,000.00.
- 8 (h) Jackson Community College, \$11,219,700.00.
- 9 (i) Kalamazoo Valley Community College, \$11,522,700.00.
- 10 (j) Kellogg Community College, \$9,047,900.00.
- 11 (k) Kirtland Community College, \$2,872,900.00.
- 12 (l) Lake Michigan College, \$4,937,700.00.
- 13 (m) Lansing Community College, \$28,651,900.00.
- 14 (n) Macomb Community College, \$30,490,300.00.
- 15 (o) Mid Michigan Community College, \$4,266,800.00.
- 16 (p) Monroe County Community College, \$4,094,000.00.
- 17 (q) Montcalm Community College, \$2,946,800.00.
- 18 (r) C.S. Mott Community College, \$14,526,400.00.
- 19 (s) Muskegon Community College, \$8,256,700.00.
- 20 (t) North Central Michigan College, \$2,886,500.00.
- 21 (u) Northwestern Michigan College, \$8,430,300.00.
- 22 (v) Oakland Community College, \$19,455,900.00.
- 23 (w) St. Clair County Community College, \$6,534,100.00.
- 24 (x) Schoolcraft College, \$11,477,300.00.
- 25 (y) Southwestern Michigan College, \$6,143,700.00.
- 26 (z) Washtenaw Community College, \$11,827,300.00.
- 27 (aa) Wayne County Community College, \$15,425,900.00.

(bb) West Shore Community College, \$2,248,900.00.

(3) The amount appropriated in subsection (2) for community college operations is appropriated from the following:

(a) School aid fund, ~~\$195,880,500.00~~ \$187,364,100.00.

(b) State general fund/general purpose money,
~~\$88,000,000.00~~ \$96,516,400.00.

(4) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS ALLOCATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED \$10,250,000.00 FOR PAYMENTS TO COMMUNITY COLLEGES FROM THE SCHOOL AID FUND. A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS SUBSECTION IS AS FOLLOWS:

(A) ALPENA COMMUNITY COLLEGE, \$180,000.00.

(B) BAY DE NOC COMMUNITY COLLEGE, \$182,000.00.

(C) DELTA COLLEGE, \$481,500.00.

(D) GLEN OAKS COMMUNITY COLLEGE, \$83,800.00.

(E) GOGEBIC COMMUNITY COLLEGE, \$149,500.00.

(F) GRAND RAPIDS COMMUNITY COLLEGE, \$601,200.00.

(G) HENRY FORD COMMUNITY COLLEGE, \$727,400.00.

(H) JACKSON COMMUNITY COLLEGE, \$405,100.00.

(I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$416,100.00.

(J) KELLOGG COMMUNITY COLLEGE, \$326,700.00.

(K) KIRTLAND COMMUNITY COLLEGE, \$103,700.00.

(L) LAKE MICHIGAN COLLEGE, \$178,300.00.

- 1 (M) LANSING COMMUNITY COLLEGE, \$1,034,500.00.
2 (N) MACOMB COMMUNITY COLLEGE, \$1,100,900.00.
3 (O) MID MICHIGAN COMMUNITY COLLEGE, \$154,100.00
4 (P) MONROE COUNTY COMMUNITY COLLEGE, \$147,800.00.
5 (Q) MONTCALM COMMUNITY COLLEGE, \$106,400.00.
6 (R) C.S. MOTT COMMUNITY COLLEGE, \$524,500.00.
7 (S) MUSKEGON COMMUNITY COLLEGE, \$298,100.00.
8 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$104,200.00.
9 (U) NORTHWESTERN MICHIGAN COLLEGE, \$304,400.00.
10 (V) OAKLAND COMMUNITY COLLEGE, \$702,500.00.
11 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$235,900.00.
12 (X) SCHOOLCRAFT COLLEGE, \$414,400.00.
13 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$221,800.00.
14 (Z) WASHTENAW COMMUNITY COLLEGE, \$427,000.00.
15 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$557,000.00.
16 (BB) WEST SHORE COMMUNITY COLLEGE, \$81,200.00.

17 Sec. 201a. It is the intent of the legislature to provide
18 appropriations for the fiscal year ending on September 30, ~~2013~~
19 **2014** for the items listed in section 201. The fiscal year ~~2012-2013~~
20 **2013-2014** appropriations are anticipated to be the same as those
21 for fiscal year ~~2011-2012, 2012-2013~~, except that the amounts will
22 be adjusted for changes in caseload and related costs, federal fund
23 match rates, economic factors, and available revenue. These
24 adjustments will be determined after the ~~January 2012~~ **MAY 2013**
25 consensus revenue estimating conference.

26 Sec. 202. ~~The~~ **ALL** appropriations authorized under this article
27 are subject to the management and budget act, 1984 PA 431, MCL

1 18.1101 to 18.1594.

2 Sec. 203. Unless otherwise specified, a community college
3 receiving appropriations in section 201 ~~and the workforce~~
4 ~~development agency~~ shall use the ~~Internet~~ **INTERNET** to fulfill the
5 reporting requirements of this article. This requirement may
6 include transmission of reports via electronic mail to the
7 recipients identified for each reporting requirement or it may
8 include placement of reports on an ~~Internet~~ **INTERNET** or ~~Intranet~~
9 **INTRANET** site.

10 Sec. 204. Funds appropriated in section 201 shall not be used
11 for the purchase of foreign goods or services, or both, if
12 competitively priced and of comparable quality American goods or
13 services, or both, are available. Preference should be given to
14 goods or services, or both, manufactured or provided by Michigan
15 businesses, if they are competitively priced and of comparable
16 quality. In addition, preference should be given to goods or
17 services, or both, that are manufactured or provided by Michigan
18 businesses **THAT ARE** owned and operated by veterans, if they are
19 competitively priced and of comparable quality.

20 Sec. 206. The funds appropriated in section 201 are
21 appropriated for community colleges with fiscal years ending June
22 30, ~~2012-2013~~ and shall be paid out of the state treasury and
23 distributed by the state treasurer to the respective community
24 colleges in 11 monthly installments on the sixteenth of each month,
25 or the next succeeding business day, beginning with October 16,
26 ~~2011-2012~~. Each community college shall accrue its July and August
27 ~~2012-2013~~ payments to its institutional fiscal year ending June 30,

1 ~~2012-2013.~~ However, if **THE STATE BUDGET DIRECTOR DETERMINES THAT** a
 2 community college ~~fails~~**FAILED** to submit all verified Michigan
 3 community colleges activities classification structure data for
 4 school year ~~2010-2011-2011-2012~~ to the workforce development agency
 5 by November 1, ~~2011, 2012,~~ **OR FAILED TO SUBMIT ITS LONGITUDINAL**
 6 **DATA SYSTEM DATA SET FOR SCHOOL YEAR 2011-2012 UNDER SECTION 219 BY**
 7 **OCTOBER 1, 2012, THE STATE TREASURER SHALL WITHHOLD** the monthly
 8 installments ~~shall be withheld~~ from that community college until
 9 those data are submitted.

10 Sec. 207. (1) A community college shall pay the employer's
 11 contributions to the Michigan public school employees' retirement
 12 system created by the public school employees retirement act of
 13 1979, 1980 PA 300, MCL 38.1301 to 38.1408. ~~as~~**THIS PAYMENT IS** a
 14 condition of receiving funds appropriated under this article.

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

18 Sec. 208. Money appropriated in section 201 shall not be used
 19 to pay for the construction or maintenance of a self-liquidating
 20 project. ~~A community college shall comply with the current use and~~
 21 ~~finance requirements of the joint capital outlay subcommittee~~
 22 ~~(JCOS) for any construction, renovation, or other capital outlay~~
 23 ~~projects pursuant to JCOS policy. The appropriation in section 201~~
 24 ~~for a community college that fails to comply with JCOS requirements~~
 25 ~~shall be reduced by 1% for each violation.~~

26 Sec. 209. (1) From the funds appropriated in section 201, each
 27 community college shall develop, post, and maintain, on a user-

1 friendly and publicly accessible ~~Internet~~**INTERNET** site, a
2 comprehensive report categorizing all institutional general fund
3 expenditures made by the community college within a fiscal year.
4 ~~The report shall include institutional general fund expenditure~~
5 ~~amounts categorized both by each academic unit, administrative~~
6 ~~unit, or external initiative within the community college and by~~
7 ~~major expenditure category, including faculty and staff salaries~~
8 ~~and fringe benefits, facility related costs, supplies and~~
9 ~~equipment, contracts, and transfers to and from other community~~
10 ~~college funds. The report shall also include a list of all employee~~
11 ~~positions funded partially or wholly through institutional general~~
12 ~~fund revenue that includes the position title, name, and annual~~
13 ~~salary or wage amount for each position.~~ **THE REPORT SHALL INCLUDE**
14 **ALL OF THE FOLLOWING INFORMATION:**

15 (A) **INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS CATEGORIZED**
16 **BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR EXTERNAL**
17 **INITIATIVE WITHIN THE COMMUNITY COLLEGE AND BY MAJOR EXPENDITURE**
18 **CATEGORY, INCLUDING FACULTY AND STAFF SALARIES AND FRINGE BENEFITS,**
19 **FACILITY-RELATED COSTS, SUPPLIES AND EQUIPMENT, CONTRACTS, AND**
20 **TRANSFERS TO AND FROM OTHER COMMUNITY COLLEGE FUNDS.**

21 (B) **A LIST OF ALL EMPLOYEE POSITIONS FUNDED PARTIALLY OR**
22 **WHOLLY THROUGH INSTITUTIONAL GENERAL FUND REVENUE THAT INCLUDES THE**
23 **POSITION TITLE, NAME, AND ANNUAL SALARY OR WAGE AMOUNT FOR EACH**
24 **POSITION.**

25 (C) **A LIST OF ALL POSITION TITLES, THE NUMBER OF EMPLOYEES AT**
26 **EACH POSITION, AND THE SALARY OR WAGE RANGES FOR ALL EMPLOYEES**
27 **SHARING EACH POSITION TITLE.**

1 (D) THE TOTAL NUMBER OF FULL-TIME FACULTY EMPLOYED BY THE
2 COMMUNITY COLLEGE.

3 (E) THE NUMBER OF STUDENTS ENROLLED IN THE COMMUNITY COLLEGE.

4 (F) THE NUMBER OF STUDENTS WHO RECEIVED A DEGREE OR
5 CERTIFICATE FROM THE COMMUNITY COLLEGE IN THE MOST RECENTLY
6 COMPLETED ACADEMIC YEAR.

7 (2) A community college shall not provide financial
8 information on its website under ~~this section~~ **SUBSECTION (1)** if
9 doing so would violate a federal or state law, rule, regulation, or
10 guideline that establishes privacy or security standards applicable
11 to that financial information.

12 (3) ~~(2)~~ Each community college shall report the following
13 information to the senate and house appropriations subcommittees on
14 community colleges, the senate and house fiscal agencies, and the
15 state budget office by November 15, ~~2011~~, **2012**, and post that
16 information on the ~~Internet~~ **INTERNET** website required under
17 subsection (1):

18 (a) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund
19 revenue from tuition and fees.

20 (b) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund
21 revenue from state appropriations.

22 (c) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund
23 revenue from property taxes.

24 (d) Budgeted fiscal year ~~2011-2012-2012-2013~~ total general
25 fund revenue.

26 (e) Budgeted fiscal year ~~2011-2012-2012-2013~~ total general
27 fund expenditures.

1 Sec. 210a. (1) A committee shall be created to develop a
2 process to improve the transferability of core college courses
3 between community colleges and public universities on a statewide
4 basis. Building off of the Michigan association of college
5 registrars and academic officers agreement and existing
6 articulation agreements in place between individual institutions,
7 the committee shall work to develop equivalency standards of core
8 college courses and identify equivalent courses offered by the
9 institutions.

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

11 (a) ~~Ten~~**FIVE** representatives from community colleges selected
12 by the Michigan community college association.

13 (b) ~~Ten~~**FIVE** representatives from public universities selected
14 by the presidents council, state universities of Michigan.

15 (c) One member of the house of representatives selected by the
16 speaker of the house.

17 (d) One member of the house of representatives selected by the
18 minority leader of the house of representatives.

19 (e) One member of the senate selected by the senate majority
20 leader.

21 (f) One member of the senate selected by the senate minority
22 leader.

23 (3) The committee shall submit ~~an~~ interim project status
24 ~~report~~**REPORTS** to the senate and house appropriations subcommittees
25 on community colleges and higher education, the senate and house
26 fiscal agencies, and the state budget director by March 1,
27 ~~2012-2013~~ **AND SEPTEMBER 1, 2013.**

1 Sec. 211. ~~Community colleges~~ **EACH COMMUNITY COLLEGE** shall do
2 the following:

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

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

9 Sec. 212. It is the intent of the legislature to encourage
10 community college districts to evaluate and pursue efficiency and
11 cost-containment measures that maximize state funding. Community
12 colleges shall identify practices that increase efficiencies,
13 including, but not limited to, establishing joint ventures,
14 consolidating services, utilizing program collaborations,
15 maximizing educational benefits through optimal class sizes and
16 frequency of course offerings, increasing web-based instruction,
17 eliminating low-enrollment and high-cost instructional programs,
18 using self-insurance, practicing energy conservation, and utilizing
19 group purchasing. ~~Efficiency efforts~~ **COMMUNITY COLLEGES** shall also
20 ~~include reviewing~~ **REVIEW** proposed capital outlay projects to
21 increase coordination and utilization of new facilities, renovation
22 projects, and technology improvements.

23 Sec. 213. It is the intent of the legislature that community
24 colleges work with public universities in the state to implement
25 statewide reverse transfer agreements to increase the number of
26 students that are awarded credentials of value upon completion of
27 the necessary credits. In doing so, the institutions should work

1 collaboratively and cooperatively to remove administrative barriers
2 that result in understating the academic attainment of Michigan's
3 citizens. It is the intent of the legislature that by August 1,
4 ~~2012,~~ **2013**, statewide agreements be in place between community
5 colleges and public universities that enable students who have
6 earned a significant number of credits at a community college and
7 transfer to a baccalaureate-granting institution before completing
8 a degree to transfer the credits earned at the baccalaureate
9 institution back to the community college in order to be awarded a
10 credential of value.

11 Sec. 216. (1) It is the intent of the legislature that the
12 senate and house appropriations subcommittees on community
13 colleges, together with the Michigan community college association
14 and other interested stakeholders, review any statutory mandates
15 imposed on community colleges, including those identified by the
16 legislative commission on statutory mandates established under
17 former chapter 7B of the legislative council act, 1986 PA 268, and
18 determine ~~whether~~ **IF** those mandates are necessary for the health
19 and safety of students; are essential to the academic integrity of
20 the community colleges; exceed any applicable federal requirements;
21 are superfluous to the core academic programs of the community
22 colleges; and materially impact local control and governance of the
23 colleges.

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

1 Sec. 217. Unless otherwise **SPECIFICALLY** stated, all data items
2 used in determining state aid in this article are as defined in the
3 "2001 Manual for Uniform Financial Reporting, Michigan Public
4 Community Colleges", which shall be the basis for reporting data,
5 and the "Activities Classification Structure Manual for Michigan
6 Community Colleges", as amended, which shall be used to document
7 financial needs of the community colleges.

8 Sec. 218. ~~A community college~~ **COMMUNITY COLLEGES** shall not
9 include in the enrollment data reported for determining state aid
10 under this article any student credit hours or student contact
11 hours for a student incarcerated in a Michigan penal institution.
12 Exclusion of these students is intended to avoid the payment of
13 state aid under this article for the same individuals for whom
14 reimbursement is provided by the state correctional system.

15 Sec. 219. ~~A community college receiving funds in section 201~~
16 ~~shall cooperate with the state's efforts to establish a statewide~~
17 ~~P-20 education longitudinal data system to comply with the state~~
18 ~~fiscal stabilization fund provisions of the American recovery and~~
19 ~~reinvestment act of 2009, Public Law 111-5.~~ **BY JUNE 30 OF EACH YEAR,**
20 **EACH COMMUNITY COLLEGE SHALL PROVIDE ITS LONGITUDINAL DATA SYSTEM**
21 **DATA SET FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER FOR**
22 **EDUCATIONAL PERFORMANCE AND INFORMATION FOR INCLUSION IN THE**
23 **STATEWIDE P-20 EDUCATION LONGITUDINAL DATA SYSTEM DESCRIBED IN**
24 **SECTION 94A.**

25 Sec. 220. (1) The auditor general or a certified public
26 accountant appointed by the auditor general may conduct performance
27 audits of community colleges as the auditor general considers

1 necessary.

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

14 Sec. 221. (1) A community college shall retain certified class
15 summaries, class lists, registration documents, and student
16 transcripts that are consistent with the taxonomy of courses. For
17 each enrollment period during the fiscal year, these certified
18 documents shall identify clearly by course the number of in-
19 district and out-of-district student credit and contact hours. The
20 class summaries and class lists shall be consistent with each other
21 and shall include the course prefix and numbers, course title,
22 course credit and contact hours, credit and contact hours generated
23 by each student, and activity classifications consistent with the
24 taxonomy. An auditable process shall be used by the community
25 college to determine the unduplicated head count for in-district
26 students, out-of-district students, and prisoners for each
27 enrollment period during the fiscal year.

1 (2) ~~Contracts~~ **A COMMUNITY COLLEGE SHALL RETAIN ALL CONTRACTS**
 2 between the community college and agencies that reimburse the
 3 community college for the costs of instruction ~~shall be retained~~
 4 for audit purposes.

5 Sec. 222. Each community college shall have an annual audit of
 6 all income and expenditures performed by an independent auditor and
 7 shall furnish the independent auditor's management letter and an
 8 annual audited accounting of all general and current funds income
 9 and expenditures including audits of college foundations to the
 10 members of the senate and house appropriations subcommittees on
 11 community colleges, the senate and house fiscal agencies, the
 12 auditor general, the workforce development agency, and the state
 13 budget director before November 15, ~~2011~~ **2012**. If a community
 14 college fails to furnish the audit materials, the monthly state aid
 15 installments shall be withheld from that college until the
 16 information is submitted. All reporting shall conform to the
 17 requirements set forth in the "2001 Manual for Uniform Financial
 18 Reporting, Michigan Public Community Colleges". It is the intent of
 19 the legislature that a community college shall make the information
 20 the community college is required to provide under this section
 21 available to the public on its ~~Internet~~ **INTERNET** website.

22 Sec. 223. Each community college shall report the following to
 23 the workforce development agency no later than November 1,
 24 ~~2011~~ **2012**:

25 (a) The number of North American Indian students enrolled each
 26 term for the previous fiscal year, using guidelines and procedures
 27 developed by the workforce development agency and the ~~Michigan~~

1 ~~commission on Indian affairs.~~**DEPARTMENT OF CIVIL RIGHTS.**

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

5 Sec. 224. Upon request, a community college shall inform
6 interested Michigan high schools of the aggregate academic status
7 of its students for the ~~prior~~**PREVIOUS** academic year, in a manner
8 prescribed by the Michigan community college association and in
9 cooperation with the Michigan association of secondary school
10 principals.

11 Sec. 225. Each community college shall report to the house and
12 senate fiscal agencies, the state budget director, and the
13 workforce development agency by August 31, ~~2011,~~**2012**, the tuition
14 and mandatory fees paid by a full-time in-district student and a
15 full-time out-of-district student as established by the college
16 governing board for the ~~2010-2011~~**2011-2012** academic year. This
17 report should also include the annual cost of attendance based on a
18 full-time course load of 30 credits. Each community college shall
19 also report any revisions to the reported ~~2010-2011~~**2011-2012**
20 academic year tuition and mandatory fees adopted by the college
21 governing board to the house and senate fiscal agencies, the state
22 budget director, and the workforce development agency within 15
23 days of being adopted.

24 Sec. 226. Each community college shall report to the workforce
25 development agency the numbers and type of associate degrees and
26 other certificates awarded during the previous fiscal year. The
27 report shall be made not later than November 15, ~~2011,~~**2012**.

1 Sec. 227. ~~Funds~~ **A COMMUNITY COLLEGE SHALL NOT USE FUNDS**
2 appropriated in section 201 ~~shall not be used~~ to enter into a lease
3 for, or to purchase, a vehicle assembled or manufactured outside of
4 the United States if competitively priced and comparable quality
5 vehicles made in the state of Michigan or elsewhere in the United
6 States of America are available.

7 Sec. 228. A community college shall not take disciplinary
8 action against an employee for communicating with a member of the
9 legislature or ~~his or her~~ **THE LEGISLATOR'S** staff.

10 Sec. 229. It is the intent of the legislature that each
11 community college ~~receiving~~ **THAT RECEIVES** an appropriation in
12 section 201 include in its admission application process a specific
13 question as to whether an applicant for admission is a veteran, an
14 active member of the military, a member of the national guard or
15 military reserves, or the spouse or dependent of a veteran, active
16 member of the military, or member of the national guard or military
17 reserves, in order to more quickly identify potential educational
18 assistance available to that applicant. As used in this section,
19 "veteran" means an honorably discharged veteran entitled to
20 educational assistance under the provisions of section 5003 of the
21 post-911 veterans educational assistance act of 2008, title V of
22 Public Law 110-252, 38 USC 3301 to 3324.

23 **SEC. 229A. IT IS THE INTENT OF THE LEGISLATURE THAT FISCAL**
24 **YEAR 2012-2013 APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY,**
25 **MANAGEMENT, AND BUDGET FOR STATE BUILDING AUTHORITY RENT BE**
26 **PROVIDED FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED**
27 **CAPITAL PROJECTS FOR COMMUNITY COLLEGES. THESE APPROPRIATIONS FOR**

1 STATE BUILDING AUTHORITY RENT APPROPRIATIONS REPRESENT ADDITIONAL
2 STATE GENERAL FUND SUPPORT FOR COMMUNITY COLLEGES, AND THE
3 FOLLOWING IS AN ESTIMATE OF THE AMOUNT OF THAT SUPPORT TO EACH
4 COMMUNITY COLLEGE:

5 (A) ALPENA COMMUNITY COLLEGE, \$428,100.00.

6 (B) BAY DE NOC COMMUNITY COLLEGE, \$618,000.00.

7 (C) DELTA COLLEGE, \$2,610,000.00.

8 (D) GLEN OAKS COMMUNITY COLLEGE, \$123,000.00.

9 (E) GOGEBIC COMMUNITY COLLEGE, \$60,000.00.

10 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$1,675,000.00.

11 (G) HENRY FORD COMMUNITY COLLEGE, \$1,110,000.00.

12 (H) JACKSON COMMUNITY COLLEGE, \$1,563,000.00.

13 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,467,000.00.

14 (J) KELLOGG COMMUNITY COLLEGE, \$520,000.00.

15 (K) KIRTLAND COMMUNITY COLLEGE, \$363,300.00.

16 (L) LAKE MICHIGAN COLLEGE, \$340,000.00.

17 (M) LANSING COMMUNITY COLLEGE, \$384,000.00.

18 (N) MACOMB COMMUNITY COLLEGE, \$1,313,100.00.

19 (O) MID MICHIGAN COMMUNITY COLLEGE, \$915,000.00.

20 (P) MONROE COUNTY COMMUNITY COLLEGE, \$1,355,000.00.

21 (Q) MONTCALM COMMUNITY COLLEGE, \$756,000.00.

22 (R) C.S. MOTT COMMUNITY COLLEGE, \$1,803,000.00.

23 (S) MUSKEGON COMMUNITY COLLEGE, \$198,000.00.

24 (T) NORTHWESTERN MICHIGAN COLLEGE, \$1,305,000.00.

25 (U) OAKLAND COMMUNITY COLLEGE, \$465,000.00.

26 (V) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$356,100.00.

27 (W) SCHOOLCRAFT COLLEGE, \$1,546,100.00.

(X) SOUTHWESTERN MICHIGAN COLLEGE, \$530,600.00.

(Y) WASHTENAW COMMUNITY COLLEGE, \$1,993,000.00.

(Z) WAYNE COUNTY COMMUNITY COLLEGE, \$1,890,000.00.

(AA) WEST SHORE COMMUNITY COLLEGE, \$577,000.00.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in subsections (2) to ~~(5)~~(6) are appropriated for higher education for the fiscal year ending September 30, ~~2012~~, **2013**, from the funds indicated in this section. The following is a summary of the appropriations in subsections (2) to ~~(5)~~**(6)**:

(a) The gross appropriation is ~~\$1,362,278,400.00~~. **\$1,399,641,600.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,362,278,400.00~~. **\$1,399,641,600.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, ~~\$98,326,400.00~~. **\$99,026,400.00**.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$200,219,500.00~~. **\$200,565,700.00**.

(v) State general fund/general purpose money, ~~\$1,063,732,500.00~~. **\$1,100,049,500.00**.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is

~~\$68,108,900.00, \$61,431,100.00~~ **\$71,133,500.00, \$68,108,900.00** for operations and ~~\$6,677,800.00~~ **\$3,024,600.00** for ~~tuition-restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

(i) State school aid fund, \$11,284,600.00.

(ii) State general fund/general purpose money, ~~\$56,824,300.00~~ **\$59,848,900.00**.

(b) The appropriation for Eastern Michigan University is ~~\$64,619,100.00, \$61,319,900.00~~ **\$67,065,300.00, \$64,619,100.00** for operations and ~~\$3,299,200.00~~ **\$2,446,200.00** for ~~tuition-restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

(i) State school aid fund, \$10,706,400.00.

(ii) State general fund/general purpose money, ~~\$53,912,700.00~~ **\$56,358,900.00**.

(c) The appropriation for Ferris State University is ~~\$41,324,300.00, \$37,971,600.00~~ **\$44,003,300.00, \$41,324,300.00** for operations and ~~\$3,352,700.00~~ **\$2,679,000.00** for ~~tuition-restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

(i) State school aid fund, \$6,846,800.00.

(ii) State general fund/general purpose money, ~~\$34,477,500.00~~ **\$37,156,500.00**.

(d) The appropriation for Grand Valley State University is ~~\$52,677,400.00, \$48,431,500.00~~ **\$56,576,100.00, \$52,677,400.00** for operations and ~~\$4,245,900.00~~ **\$3,898,700.00** for ~~tuition-restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

(i) State school aid fund, \$8,727,800.00.

(ii) State general fund/general purpose money, ~~\$43,949,600.00~~ **\$47,848,300.00**.

(e) The appropriation for Lake Superior State University is ~~\$10,789,500.00, \$10,055,100.00~~ **\$11,241,200.00, \$10,789,500.00** for operations and ~~\$734,400.00~~ **\$451,700.00** for ~~tuition restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

(i) State school aid fund, \$1,787,600.00.

(ii) State general fund/general purpose money, ~~\$9,001,900.00~~ **\$9,453,600.00**.

(f) The appropriation for Michigan State University is ~~\$293,746,600.00, \$222,796,200.00~~ **\$300,538,000.00, \$241,120,800.00** for operations, ~~\$18,324,600.00~~ **\$6,791,400.00** for ~~tuition restraint incentive,~~ **PERFORMANCE FUNDING**, and \$52,625,800.00 for ~~agricultural experiment and cooperative~~ **MSU AGBIORESEARCH AND MSU** extension activities, appropriated from the following:

(i) State school aid fund, \$39,949,900.00.

(ii) State general fund/general purpose money, ~~\$253,796,700.00~~ **\$260,588,100.00**.

(g) The appropriation for Michigan Technological University is ~~\$40,733,600.00, \$37,409,700.00~~ **\$42,009,900.00, \$40,733,600.00** for operations and ~~\$3,323,900.00~~ **\$1,276,300.00** for ~~tuition restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

(i) State school aid fund, \$6,748,900.00.

(ii) State general fund/general purpose money, ~~\$33,984,700.00~~ **\$35,261,000.00**.

(h) The appropriation for Northern Michigan University is ~~\$38,367,400.00, \$36,225,200.00~~ **\$39,514,100.00, \$38,367,400.00** for operations and ~~\$2,142,200.00~~ **\$1,146,700.00** for ~~tuition restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

1 (i) State school aid fund, \$6,356,900.00.

2 (ii) State general fund/general purpose money,
3 ~~\$32,010,500.00.~~**\$33,157,200.00.**

4 (i) The appropriation for Oakland University is
5 ~~\$43,145,000.00, \$39,313,500.00~~**\$45,568,500.00, \$43,145,000.00** for
6 operations and ~~\$3,831,500.00~~**\$2,423,500.00** for ~~tuition restraint~~
7 ~~incentive,~~**PERFORMANCE FUNDING**, appropriated from the following:

8 (i) State school aid fund, \$7,148,400.00.

9 (ii) State general fund/general purpose money,
10 ~~\$35,996,600.00.~~**\$38,420,100.00.**

11 (j) The appropriation for Saginaw Valley State University is
12 ~~\$23,561,500.00, \$21,969,300.00~~**\$24,663,300.00, \$23,561,500.00** for
13 operations and ~~\$1,592,200.00~~**\$1,101,800.00** for ~~tuition restraint~~
14 ~~incentive,~~**PERFORMANCE FUNDING**, appropriated from the following:

15 (i) State school aid fund, \$3,903,800.00.

16 (ii) State general fund/general purpose money,
17 ~~\$19,657,700.00.~~**\$20,759,500.00.**

18 (k) The appropriation for University of Michigan - Ann Arbor
19 is ~~\$268,803,300.00, \$254,931,800.00~~**\$273,590,700.00,**
20 **\$268,803,300.00** for operations and ~~\$13,871,500.00~~**\$4,787,400.00** for
21 ~~tuition restraint incentive,~~**PERFORMANCE FUNDING**, appropriated from
22 the following:

23 (i) State school aid fund, \$44,536,300.00.

24 (ii) State general fund/general purpose money,
25 ~~\$224,267,000.00.~~**\$229,054,400.00.**

26 (l) The appropriation for University of Michigan - Dearborn is
27 ~~\$21,016,300.00, \$19,627,400.00~~**\$22,098,400.00, \$21,016,300.00** for

1 operations and ~~\$1,388,900.00~~ **\$1,082,100.00** for ~~tuition restraint~~
 2 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

3 (i) State school aid fund, \$3,482,100.00.

4 (ii) State general fund/general purpose money,
 5 ~~\$17,534,200.00~~ **\$18,616,300.00**.

6 (m) The appropriation for University of Michigan - Flint is
 7 ~~\$17,762,400.00, \$16,679,400.00~~ **\$18,693,900.00, \$17,762,400.00** for
 8 operations and ~~\$1,083,000.00~~ **\$931,500.00** for ~~tuition restraint~~
 9 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

10 (i) State school aid fund, \$2,942,900.00.

11 (ii) State general fund/general purpose money,
 12 ~~\$14,819,500.00~~ **\$15,751,000.00**.

13 (n) The appropriation for Wayne State University is
 14 ~~\$182,036,900.00, \$169,209,400.00~~ **\$183,012,100.00, \$182,036,900.00**
 15 for operations and ~~\$12,827,500.00~~ **\$975,200.00** for ~~tuition restraint~~
 16 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

17 (i) State school aid fund, \$30,160,600.00.

18 (ii) State general fund/general purpose money,
 19 ~~\$151,876,300.00~~ **\$152,851,500.00**.

20 (o) The appropriation for Western Michigan University is
 21 ~~\$93,168,300.00, \$86,866,700.00~~ **\$96,369,200.00, \$93,168,300.00** for
 22 operations and ~~\$6,301,600.00~~ **\$3,200,900.00** for ~~tuition restraint~~
 23 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

24 (i) State school aid fund, \$15,436,500.00.

25 (ii) State general fund/general purpose money,
 26 ~~\$77,731,800.00~~ **\$80,932,700.00**.

27 **(3) THE AMOUNT APPROPRIATED FOR MICHIGAN PUBLIC SCHOOL**

1 **EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT IS \$446,200.00,**
 2 **APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

3 (4) ~~(3)~~—The amount appropriated for state and regional
 4 programs is \$200,000.00, appropriated from general fund/general
 5 purpose money and allocated as follows:

6 (a) Higher education database modernization and conversion,
 7 \$105,000.00.

8 (b) Midwestern higher education compact, \$95,000.00.

9 (5) ~~(4)~~—The amount appropriated for the Martin Luther King,
 10 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
 11 appropriated from general fund/general purpose money and allocated
 12 as follows:

13 (a) Select student support services, \$1,956,100.00.

14 (b) Michigan college/university partnership program,
 15 \$586,800.00.

16 (c) Morris Hood, Jr. educator development program,
 17 \$148,600.00.

18 (6) ~~(5)~~—Subject to subsection ~~(6)~~, ~~(7)~~, the amount
 19 appropriated for grants and financial aid is ~~\$99,526,400.00,~~
 20 **\$100,226,400.00**, allocated as follows:

21 (a) State competitive scholarships,
 22 ~~\$19,861,700.00.~~**\$20,361,700.00.**

23 (b) Tuition grants, ~~\$31,664,700.00.~~**\$32,664,700.00.**

24 (c) Tuition incentive program, ~~\$43,800,000.00.~~**\$42,800,000.00.**

25 ~~—(d) Robert C. Byrd honors scholarship program, \$1,500,000.00.~~

26 (D) ~~(e)~~—Children of veterans and officer's survivor tuition
 27 grant programs, \$1,200,000.00.

1 **(E)** ~~(f)~~ Project GEAR-UP, ~~\$1,500,000.00.~~**\$3,200,000.00.**

2 **(7)** ~~(6)~~ The money appropriated in subsection ~~(5)~~ **(6)** for
3 grants and financial aid is appropriated from the following:

4 ~~—— (a) Federal revenues under subpart 4 of part A of title IV of~~
5 ~~the higher education act of 1965, Public Law 89-329, 79 Stat. 1232,~~
6 ~~\$1,500,000.00.~~

7 ~~—— (b) Federal revenues under subpart 6 of part A of title IV of~~
8 ~~the higher education act of 1965, Public Law 89-329, 79 Stat. 1232,~~
9 ~~\$1,500,000.00.~~

10 **(A)** ~~(e)~~ Federal revenues under the United States department of
11 education, office of elementary and secondary education, GEAR-UP
12 program, ~~\$1,500,000.00.~~**\$3,200,000.00.**

13 **(B)** ~~(d)~~ Federal revenues under the social security act,
14 temporary assistance for needy families,
15 ~~\$93,826,400.00.~~**\$95,826,400.00.**

16 **(C)** ~~(e)~~ Contributions to children of veterans tuition grant
17 program, ~~\$200,000.00.~~**\$100,000.00.**

18 **(D)** ~~(f)~~ State general fund/general purpose money,
19 ~~\$1,000,000.00.~~**\$1,100,000.00.**

20 Sec. 236a. It is the intent of the legislature to provide
21 appropriations for the fiscal year ending on September 30, ~~2013~~
22 **2014** for the items listed in section 236. The fiscal year ~~2012-2013~~
23 **2013-2014** appropriations are anticipated to be the same as those
24 for fiscal year ~~2011-2012,~~ **2012-2013**, except that the amounts will
25 be adjusted for changes in caseload and related costs, federal fund
26 match rates, economic factors, and available revenue. ~~These~~
27 ~~adjustments will be determined after the January 2012 consensus~~

1 ~~revenue estimating conference.~~ IT IS THE INTENT OF THE LEGISLATURE
2 THAT AMOUNTS DESIGNATED AS PERFORMANCE FUNDING TO PUBLIC
3 UNIVERSITIES FOR FISCAL YEAR 2012-2013 WILL BE INCLUDED IN BASE
4 OPERATIONS FUNDING TO UNIVERSITIES FOR FISCAL YEAR 2013-2014,
5 EXCLUDING ANY PERFORMANCE FUNDING AMOUNTS APPROPRIATED IN SECTION
6 236 BUT NOT PAID TO A UNIVERSITY BECAUSE IT DID NOT COMPLY WITH 1
7 OR MORE OF THE REQUIREMENTS UNDER SECTION 265A(1) AND ANY FUNDS
8 APPROPRIATED TO UNIVERSITIES UNDER SECTION 265A(2). NO OTHER
9 SPECIFIC ADJUSTMENTS ARE ANTICIPATED TO FISCAL YEAR 2012-2013
10 APPROPRIATION AMOUNTS, SUBJECT TO ADJUSTMENT AFTER THE MAY 2013
11 CONSENSUS REVENUE ESTIMATE CONFERENCE.

12 SEC. 236B. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION
13 236, THERE IS APPROPRIATED FOR GRANTS AND FINANCIAL AID IN FISCAL
14 YEAR 2012-2013 AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR FEDERAL
15 CONTINGENCY FUNDS. THESE FUNDS ARE NOT AVAILABLE FOR EXPENDITURE
16 UNTIL THEY HAVE BEEN TRANSFERRED UNDER SECTION 393(2) OF THE
17 MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1393, FOR ANOTHER
18 PURPOSE UNDER THIS ARTICLE.

19 Sec. 237. ~~The~~ ALL OF THE appropriations authorized under this
20 article are subject to the management and budget act, 1984 PA 431,
21 MCL 18.1101 to 18.1594.

22 SEC. 237B. AS USED IN THIS ARTICLE, THE TERM "WORKFORCE
23 DEVELOPMENT AGENCY" MEANS THE WORKFORCE DEVELOPMENT AGENCY OF THE
24 MICHIGAN STRATEGIC FUND.

25 Sec. 238. Unless otherwise specified, A public ~~universities~~
26 UNIVERSITY receiving appropriations in section 236 shall use the
27 Internet to fulfill the reporting requirements of this article.

1 This requirement may include transmission of reports via electronic
2 mail to the recipients identified for each reporting requirement,
3 or it may include placement of reports on an Internet or Intranet
4 site.

5 Sec. 239. ~~Funds~~ **A PUBLIC UNIVERSITY SHALL NOT USE FUNDS**
6 appropriated in section 236 ~~shall not be used~~ for the purchase of
7 foreign goods or services, or both, if competitively priced and of
8 comparable quality American goods and services, or both, are
9 available. Preference shall be given to goods or services, or both,
10 manufactured or provided by Michigan businesses if they are
11 competitively priced and of comparable value. In addition,
12 preference shall be given to goods or services, or both, that are
13 manufactured or provided by Michigan businesses owned and operated
14 by veterans if they are competitively priced and of comparable
15 quality.

16 Sec. 239a. It is the intent of the legislature that ~~the~~ **PUBLIC**
17 **UNIVERSITIES SHALL NOT USE** funds appropriated in section 236 ~~to~~
18 ~~state institutions of higher education shall not be used to enter~~
19 into a lease or to purchase a vehicle assembled or manufactured
20 outside of the United States, and that preference be given to
21 vehicles assembled or manufactured in Michigan.

22 Sec. 241. (1) ~~The~~ **SUBJECT TO SECTION 265A, THE** funds
23 appropriated in section 236 to public universities shall be paid
24 out of the state treasury and distributed by the state treasurer to
25 the respective institutions in 11 equal monthly installments on the
26 sixteenth of each month, or the next succeeding business day,
27 beginning with October 16, ~~2011.~~ **2012.** Except for Wayne State

1 University, each institution shall accrue its July and August ~~2012~~
2 2013 payments to its institutional fiscal year ending June 30,
3 ~~2012-2013~~.

4 (2) All public universities shall submit higher education
5 institutional data inventory (HEIDI) data and associated financial
6 and program information requested by and in a manner prescribed by
7 the state budget director. For public universities with fiscal
8 years ending June 30, ~~2011-2012~~, these data shall be submitted to
9 the state budget director by October 15, ~~2011-2012~~. Public
10 universities with a fiscal year ending September 30, ~~2011-2012~~
11 shall submit preliminary HEIDI data by November 15, ~~2011-2012~~ and
12 final data by December 15, ~~2011-2012~~. If a public university fails
13 to submit HEIDI data and associated financial aid program
14 information in accordance with this reporting schedule, the state
15 treasurer shall withhold the monthly installments under subsection
16 (1) to the public university until those data are submitted.

17 Sec. 242. Funds received by the state from the federal
18 government or private sources for the use of a college or
19 university are appropriated for the purposes for which they are
20 provided. ~~The acceptance and use of federal or private funds do not~~
21 ~~place an obligation upon the legislature to continue the purposes~~
22 ~~for which the funds are made available.~~

23 Sec. 243. ~~A~~ **EACH** public university that receives funds under
24 this article shall furnish all program and financial information
25 that is required by and in a manner prescribed by the state budget
26 director or the house or senate appropriations committee.

27 Sec. 244. A public university receiving funds in section 236

1 shall cooperate with all measures taken by the state to ~~establish a~~
2 **DEVELOP, OPERATE, AND MAINTAIN THE** statewide P-20 education
3 longitudinal data system ~~to comply with the state fiscal~~
4 ~~stabilization fund provisions of the American recovery and~~
5 ~~reinvestment act of 2009, Public Law 111-5.~~ **DESCRIBED IN SECTION**
6 **94A. IF THE STATE BUDGET DIRECTOR FINDS THAT A UNIVERSITY HAS NOT**
7 **COMPLIED WITH THIS SECTION, THE STATE BUDGET DIRECTOR IS AUTHORIZED**
8 **TO WITHHOLD THE MONTHLY INSTALLMENTS PROVIDED TO THAT UNIVERSITY**
9 **UNDER SECTION 236 UNTIL HE OR SHE FINDS THE UNIVERSITY HAS COMPLIED**
10 **WITH THIS SECTION.**

11 Sec. 245. From the funds appropriated in section 236, each
12 public university shall, **BY DECEMBER 15, 2012**, develop, post, and
13 maintain, on a user-friendly and publicly accessible Internet site,
14 a comprehensive report categorizing all institutional general fund
15 expenditures made by the university within a fiscal year. The
16 report shall include institutional general fund expenditure amounts
17 categorized both by each academic unit, administrative unit, or
18 external initiative within the university and by major expenditure
19 category, including faculty and staff salaries and fringe benefits,
20 facility-related costs, supplies and equipment, contracts, and
21 transfers to and from other university funds. The report shall also
22 include a list of all employee positions funded partially or wholly
23 through institutional general fund revenue that includes the
24 position title, name, and annual salary or wage amount for each
25 position. The university shall not provide financial information on
26 its website under this section if doing so would violate a federal
27 or state law, rule, regulation, or guideline that establishes

1 privacy or security standards applicable to that financial
2 information.

3 SEC. 246. (1) THE FUNDS APPROPRIATED IN SECTION 236(3) FOR
4 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT
5 SHALL BE ALLOCATED TO EACH PARTICIPATING PUBLIC UNIVERSITY UNDER
6 THIS SECTION BASED ON EACH PARTICIPATING PUBLIC UNIVERSITY'S TOTAL
7 RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL
8 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS IN PROPORTION TO THE TOTAL
9 RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL
10 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC
11 UNIVERSITIES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.
12 PAYMENTS SHALL BE MADE IN A FORM AND MANNER DETERMINED BY THE
13 OFFICE OF RETIREMENT SERVICES. A PUBLIC UNIVERSITY THAT RECEIVES
14 MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE
15 PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS
16 OWED BY THE UNIVERSITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
17 2013.

18 (2) AS USED IN THIS SECTION, "PARTICIPATING PUBLIC UNIVERSITY"
19 MEANS A PUBLIC UNIVERSITY THAT IS A REPORTING UNIT OF THE MICHIGAN
20 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL
21 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO
22 38.1408, AND THAT PAYS RETIREE HEALTH CARE PREMIUMS TO THE MICHIGAN
23 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL
24 YEAR.

25 Sec. 251. (1) Payments of the amounts included in section 236
26 for the state competitive scholarship program shall be distributed
27 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

1 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
2 department of treasury shall determine an actual maximum state
3 competitive scholarship award per student, which shall be ~~no~~**NOT**
4 less than ~~\$600.00,~~**\$575.00**, that ensures that the aggregate
5 payments for the state competitive scholarship program do not
6 exceed the appropriation contained in section 236 for the state
7 competitive scholarship program. If the department determines that
8 insufficient funds are available to establish a maximum award
9 amount equal to at least ~~\$600.00,~~**\$575.00**, the department shall
10 immediately report to the house and senate appropriations
11 subcommittees on higher education, the house and senate fiscal
12 agencies, and the state budget director regarding the estimated
13 amount of additional funds necessary to establish a ~~\$600.00~~**\$575.00**
14 maximum award amount.

15 (3) The department of treasury shall implement a proportional
16 competitive scholarship maximum award level for recipients enrolled
17 less than full-time in a given semester or term.

18 (4) If a student who receives an award under this section has
19 his or her tuition and fees paid under the Michigan educational
20 trust program, pursuant to the Michigan education trust act, 1986
21 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
22 funds awarded under this section may be used for educational
23 expenses other than tuition and fees.

24 (5) If the department of treasury increases the maximum award
25 per eligible student from that provided in the previous fiscal
26 year, it shall not have the effect of reducing the number of
27 eligible students receiving awards in relation to the total number

1 of eligible applicants. Any increase in the maximum grant shall be
2 proportional for all eligible students receiving awards.

3 (6) Veterans administration benefits shall not be considered
4 in determining eligibility for the award of scholarships under 1964
5 PA 208, MCL 390.971 to 390.981.

6 Sec. 252. (1) The amounts appropriated in section 236 for the
7 state tuition grant program shall be distributed pursuant to 1966
8 PA 313, MCL 390.991 to 390.997a.

9 (2) Tuition grant awards shall be made to all eligible
10 Michigan residents enrolled in undergraduate degree programs who
11 apply before July 1, ~~2011~~ 2012 and who are qualified.

12 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
13 subject to subsection ~~(7)~~, (6), the department of treasury shall
14 determine an actual maximum tuition grant award per student, which
15 shall be no less than \$1,512.00, that ensures that the aggregate
16 payments for the tuition grant program do not exceed the
17 appropriation contained in section 236 for the state tuition grant
18 program. If the department determines that insufficient funds are
19 available to establish a maximum award amount equal to at least
20 \$1,512.00, the department shall immediately report to the house and
21 senate appropriations subcommittees on higher education, the house
22 and senate fiscal agencies, and the state budget director regarding
23 the estimated amount of additional funds necessary to establish a
24 \$1,512.00 maximum award amount. **IF THE DEPARTMENT DETERMINES THAT**
25 **SUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT**
26 **EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY**
27 **REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**

1 HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE
 2 STATE BUDGET DIRECTOR REGARDING THE MAXIMUM AWARD AMOUNT
 3 ESTABLISHED AND THE PROJECTED AMOUNT OF ANY PROJECTED YEAR-END
 4 APPROPRIATION BALANCE BASED ON THAT MAXIMUM AWARD AMOUNT. By
 5 December 15, ~~2011, 2012~~, and again by February ~~1, 2012, 18, 2013~~,
 6 the department shall analyze the status of award commitments, shall
 7 make any necessary adjustments, and shall confirm that those award
 8 commitments will not exceed the appropriation contained in section
 9 236 for the tuition grant program. The determination and actions
 10 shall be reported to the state budget director and the house and
 11 senate fiscal agencies no later than **FINAL DAY OF** February ~~15,~~
 12 ~~2012.~~ **OF EACH YEAR.** If award adjustments are necessary, the
 13 students shall be notified of the adjustment by ~~the third Monday in~~
 14 ~~February.~~ **MARCH 4 OF EACH YEAR.**

15 ~~—— (4) Any unexpended and unencumbered funds remaining on~~
 16 ~~September 30, 2012 from the amounts appropriated in section 236 for~~
 17 ~~the tuition grant program shall not lapse on September 30, 2012,~~
 18 ~~but shall continue to be available for expenditure for tuition~~
 19 ~~grants provided in the 2012-2013 fiscal year under a work project~~
 20 ~~account. The use of these unexpended fiscal year 2011-2012 funds~~
 21 ~~shall terminate at the end of the 2012-2013 fiscal year.~~

22 (4) ~~(5)~~ The department of treasury shall continue a
 23 proportional tuition grant maximum award level for recipients
 24 enrolled less than full-time in a given semester or term.

25 (5) ~~(6)~~ If the department of treasury increases the maximum
 26 award per eligible student from that provided in the previous
 27 fiscal year, it shall not have the effect of reducing the number of

1 eligible students receiving awards in relation to the total number
2 of eligible applicants. Any increase in the maximum grant shall be
3 proportional for all eligible students receiving awards for fiscal
4 year ~~2011-2012-2012-2013~~.

5 (6) ~~(7)~~—The department of treasury shall not award more than
6 \$3,000,000.00 in tuition grants to eligible students enrolled in
7 the same independent nonprofit college or university in this state.
8 Any decrease in the maximum grant shall be proportional for all
9 eligible students enrolled in that college or university, as
10 determined by the department.

11 (7) IT IS THE INTENT OF THE LEGISLATURE THAT INDEPENDENT
12 COLLEGES AND UNIVERSITIES AT WHICH STUDENTS WHO RECEIVE TUITION
13 GRANT AWARDS ARE ENROLLED WORK WITH THE CENTER FOR EDUCATIONAL
14 PERFORMANCE AND INFORMATION AND THE LEGISLATURE TO WORK TOWARD THE
15 ESTABLISHMENT OF A PROCESS FOR THOSE COLLEGES AND UNIVERSITIES TO
16 ANNUALLY SUBMIT STUDENT-LEVEL DATA ON DEGREE COMPLETION AND
17 TRANSFER STATUS TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND
18 INFORMATION.

19 Sec. 253. The auditor general may audit selected enrollments,
20 degrees, and awards at selected independent colleges and
21 universities receiving awards **THAT ARE** administered by the
22 department of treasury. The audits shall be based upon definitions
23 and requirements established by the department of treasury, the
24 state budget director, and the senate and house fiscal agencies.
25 The auditor general shall accept the Free Application for Federal
26 Student Aid (FAFSA) form as the standard of residency
27 documentation.

1 Sec. 254. The sums appropriated in section 236 for the state
 2 competitive scholarship, tuition incentive, **AND** tuition grant ~~and~~
 3 ~~Robert C. Byrd honors scholarship~~ programs shall be paid out of the
 4 state treasury and shall be distributed to the respective
 5 institutions under a quarterly payment system as follows: 50% shall
 6 be paid at the beginning of the state's first fiscal quarter, ~~and~~
 7 ~~50% at the beginning of the state's second fiscal quarter. 30%~~
 8 **DURING THE STATE'S SECOND FISCAL QUARTER, 10% DURING THE STATE'S**
 9 **THIRD FISCAL QUARTER, AND 10% DURING THE STATE'S FOURTH FISCAL**
 10 **QUARTER.**

11 Sec. 255. The department of treasury shall determine the needs
 12 analysis criteria for students to qualify for the state competitive
 13 scholarship program and tuition grant program. To be consistent
 14 with federal requirements, **THE DEPARTMENT OF TREASURY MAY TAKE**
 15 student wages ~~may be taken~~ into consideration when determining the
 16 amount of the award.

17 Sec. 256. (1) The funds appropriated in section 236 for the
 18 tuition incentive program shall be distributed as provided in this
 19 section and pursuant to the administrative procedures for the
 20 tuition incentive program of the department of treasury.

21 (2) As used in this section:

22 (a) "Phase I" means the first part of the tuition incentive
 23 assistance program defined as the academic period of 80 semester or
 24 120 term credits, or less, leading to an associate degree or
 25 certificate.

26 (b) "Phase II" means the second part of the tuition incentive
 27 assistance program which provides assistance in the third and

1 fourth year of 4-year degree programs.

2 (c) "Department" means the department of treasury.

3 (3) ~~A person~~**AN INDIVIDUAL** shall meet the following basic
4 criteria and financial thresholds to be eligible for tuition
5 incentive benefits:

6 (a) To be eligible for phase I, ~~a person~~**AN INDIVIDUAL** shall
7 meet all of the following criteria:

8 (i) Apply for certification to the department before graduating
9 from high school or completing the general education development
10 (GED) certificate.

11 (ii) Be less than 20 years of age at the time ~~of high school~~
12 ~~graduation or~~**HE OR SHE GRADUATES FROM HIGH SCHOOL WITH A DIPLOMA**
13 **OR CERTIFICATE OF COMPLETION OR COMPLETES HIS OR HER GED.**
14 ~~completion.~~

15 (iii) Be a United States citizen and a resident of Michigan
16 according to institutional criteria.

17 (iv) Be at least a half-time student, earning less than 80
18 semester or 120 term credits at a participating educational
19 institution within 4 years of high school graduation or GED
20 certificate completion.

21 (v) Request information on filing a FAFSA.

22 (b) To be eligible for phase II, ~~a person~~**AN INDIVIDUAL** shall
23 meet either of the following criteria in addition to the criteria
24 in subdivision (a):

25 (i) Complete at least 56 transferable semester or 84
26 transferable term credits.

27 (ii) Obtain an associate degree or certificate at a

1 participating institution.

2 (c) To be eligible for phase I or phase II, ~~a person~~ **AN**
3 **INDIVIDUAL** must not be incarcerated and must be financially
4 eligible as determined by the department. ~~A person~~ **AN INDIVIDUAL** is
5 financially eligible for the tuition incentive program if ~~that~~
6 ~~person~~ **HE OR SHE** was ~~Medicaid-eligible~~ **FOR MEDICAID FROM THE STATE**
7 **OF MICHIGAN** for 24 months within the 36 months before application.
8 **THE DEPARTMENT SHALL ACCEPT CERTIFICATION OF MEDICAID ELIGIBILITY**
9 **ONLY FROM THE DEPARTMENT OF HUMAN SERVICES FOR THE PURPOSES OF**
10 **VERIFYING IF A PERSON IS MEDICAID ELIGIBLE FOR 24 MONTHS WITHIN THE**
11 **36 MONTHS BEFORE APPLICATION.** Certification of eligibility may
12 begin in the sixth grade.

13 (4) For phase I, the department shall provide payment on
14 behalf of a person eligible under subsection (3). The department
15 shall reject billings that are excessive or outside the guidelines
16 for the type of educational institution.

17 (5) For phase I, all of the following apply:

18 (a) Payments for associate degree or certificate programs
19 shall not be made for more than 80 semester or 120 term credits for
20 any individual student at any participating institution.

21 (b) For persons enrolled at a Michigan community college, the
22 department shall pay the current in-district tuition and mandatory
23 fees. For persons residing in an area that is not included in any
24 community college district, the out-of-district tuition rate may be
25 authorized.

26 (c) For persons enrolled at a Michigan public university, the
27 department shall pay lower division resident tuition and mandatory

1 fees for the current year.

2 (d) For persons enrolled at a Michigan independent, nonprofit
3 degree-granting college or university, or a Michigan federal
4 tribally controlled community college, or Focus: HOPE, the
5 department shall pay mandatory fees for the current year and a per-
6 credit payment that does not exceed the average community college
7 in-district per-credit tuition rate as reported on August 1, for
8 the immediately preceding academic year.

9 (6) A person participating in phase II may be eligible for
10 additional funds not to exceed \$500.00 per semester or \$400.00 per
11 term up to a maximum of \$2,000.00 subject to the following
12 conditions:

13 (a) Credits are earned in a 4-year program at a Michigan
14 degree-granting 4-year college or university.

15 (b) The tuition reimbursement is for coursework completed
16 within 30 months of completion of the phase I requirements.

17 (7) The department shall work closely with participating
18 institutions to develop an application and eligibility
19 determination process that will provide the highest level of
20 participation and ensure that all requirements of the program are
21 met.

22 (8) Applications for the tuition incentive program may be
23 approved at any time after the student begins the sixth grade. If a
24 determination of financial eligibility is made, that determination
25 is valid as long as the student meets all other program
26 requirements and conditions.

27 (9) Each institution shall ensure that all known available

1 restricted grants for tuition and fees are used prior to billing
2 the tuition incentive program for any portion of a student's
3 tuition and fees.

4 (10) The department shall ensure that the tuition incentive
5 program is well publicized and that eligible Medicaid clients are
6 provided information on the program. The department shall provide
7 the necessary funding and staff to fully operate the program.

8 Sec. 257. To enable the legislature and the state budget
9 director to evaluate the appropriation needs of higher education,
10 each independent college and university shall make available to the
11 legislature or state budget director, upon request, data regarding
12 grants for the preceding, current, and ~~ensuing~~**FUTURE** fiscal years.

13 Sec. 258. By February 15 of each year, the department of
14 treasury shall submit a report to the state budget director, the
15 house and senate appropriations subcommittees on higher education,
16 and the house and senate fiscal agencies for the preceding fiscal
17 year on all student financial aid programs for which funds are
18 appropriated in section 236. For each student financial aid
19 program, the report shall include, but is not limited to, the total
20 number of awards paid in the preceding fiscal year, the total
21 dollar amount of those awards, and the number of students receiving
22 awards and the total amount of those awards at each eligible
23 postsecondary institution. To the extent information is available,
24 the report shall also include information on ~~the average exam~~
25 ~~performance,~~ household income ~~,~~ and other demographic
26 characteristics of students receiving awards under each program and
27 historical information on the number of awards and total award

1 amounts for each program.

2 **SEC. 260. IT IS THE INTENT OF THE LEGISLATURE THAT FUNDS**
3 **APPROPRIATED TO PUBLIC UNIVERSITIES IN SECTION 236 FOR OPERATIONS**
4 **BE UTILIZED BY THOSE UNIVERSITIES TO REDUCE THE COST CHARGED TO**
5 **MICHIGAN RESIDENTS TO ENROLL IN AN UNDERGRADUATE INSTRUCTIONAL**
6 **PROGRAM.**

7 Sec. 261. The University of Michigan biological station at
8 Douglas Lake in Cheboygan County is ~~regarded as~~ **CONSIDERED** a unique
9 resource and is designated as a special research reserve. It is the
10 intent of the legislature to protect and preserve the unique long-
11 term research value and capabilities of the biological station area
12 and Douglas Lake. The legislature further intends that no state
13 programs or policies be developed that would have a deleterious
14 impact on the research value of Douglas Lake.

15 Sec. 263. (1) Included in the appropriation in section 236 for
16 ~~agricultural experiment and cooperative extension~~ **MSU AGBIORESEARCH**
17 **AND MSU EXTENSION** activities is \$5,628,100.00 for project GREEN.
18 Project GREEN is intended to address critical regulatory, food
19 safety, economic, and environmental problems faced by this state's
20 plant-based agriculture, forestry, and processing industries.
21 "GREEN" is an acronym for generating research and extension to
22 meet environmental and economic needs.

23 (2) The department of agriculture and rural development and
24 Michigan State University, in consultation with agricultural
25 commodity groups and other interested parties, shall develop
26 project GREEN and its program priorities.

27 ~~— (3) By September 30, 2012, Michigan State University shall~~

~~submit a report to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding school fiscal year regarding expenditures and programmatic outcomes of the agricultural experiment station and cooperative extension service. The report shall include, but is not limited to:~~

~~—— (a) Total funds expended by the agricultural experiment station and cooperative extension service identified by state, local, private, federal, and university fund sources.~~

~~—— (b) The dollar amount of each project GREEN project and a review of each project's performance and accomplishments.~~

~~—— (c) The dollar amount of each bioeconomy research and development project and a review of each project's performance and accomplishments.~~

~~—— (d) The dollar amount and description of all other individual programs and services provided by the agricultural experiment station and cooperative extension service and a review of each project's performance and accomplishments.~~

~~—— (e) The number of businesses created or that had increased employment and the number of patents generated as a result of work conducted by the agricultural experiment station and cooperative extension service.~~

~~Sec. 263a. (1) Annually, in partnership with stakeholders of the agricultural experiment station and cooperative extension service, Michigan State University shall develop a set of research and extension priorities. As a part of this effort, Michigan State~~

~~University and the department of agriculture and rural development, in partnership with the agriculture industry, shall convene a summit to set priorities for research and extension regarding production agriculture.~~ BY JANUARY 1, 2013, THE MICHIGAN STATE UNIVERSITY COLLEGE OF NATURAL RESOURCES, MSU EXTENSION, AND MSU AGBIORESEARCH, IN PARTNERSHIP WITH THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND OTHER STAKEHOLDERS, SHALL ESTABLISH A STRATEGIC GROWTH INITIATIVE FOR THE MICHIGAN FOOD AND AGRICULTURE INDUSTRY. THIS INITIATIVE SHALL ADDRESS THE GOALS ESTABLISHED AT THE 2011 GOVERNOR'S SUMMIT FOR PRODUCTION AGRICULTURE, INCLUDING INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT, DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS, INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR, AND IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTH FOODS.

(2) Not later than September 30, ~~2012,~~ 2013, Michigan State University shall submit a report to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding school fiscal year detailing, but not limited to:

(a) Total funds expended by ~~the agricultural experiment station~~ MSU AGBIORESEARCH and by ~~the cooperative~~ MSU extension, ~~service~~ identified by state, local, private, federal, and university fund sources.

(B) IT IS THE INTENT OF THE LEGISLATURE THAT THE FOLLOWING METRIC GOALS WILL BE USED TO EVALUATE THE IMPACTS OF PROGRAMS OPERATED BY MSU EXTENSION AND MSU AGBIORESEARCH:

(i) INCREASE THE NUMBER OF AGRICULTURE AND FOOD-RELATED FIRMS

1 COLLABORATING WITH AND USING SERVICES OF RESEARCH AND EXTENSION
2 FACULTY AND STAFF BY 3% PER YEAR.

3 (ii) INCREASE THE NUMBER OF INDIVIDUALS UTILIZING MSU
4 EXTENSION'S EDUCATIONAL SERVICES BY 5% PER YEAR.

5 (iii) INCREASE EXTERNAL FUNDS GENERATED IN SUPPORT OF RESEARCH
6 AND EXTENSION, BEYOND STATE APPROPRIATIONS, BY 10% OVER 3 YEARS.

7 (C) ~~(b)~~ A review of major programs within both the
8 ~~agricultural experiment station~~ MSU AGBIORESEARCH and the
9 ~~cooperative extension service~~ MSU EXTENSION with specific reference
10 to accomplishments, and impacts, AND THE METRICS LISTED IN
11 SUBDIVISION (B) ABOVE, INCLUDING A SPECIFIC ACCOUNTING OF PROJECT
12 GREEN EXPENDITURES AND THE IMPACT OF THOSE EXPENDITURES.

13 Sec. 264. Included in the appropriation in section 236 for
14 Michigan State University is \$80,000.00 for the Michigan future
15 farmers of America association. This \$80,000.00 ~~appropriation~~
16 ALLOCATION shall not supplant any existing support that Michigan
17 State University provides to the Michigan future farmers of America
18 association.

19 Sec. 265. (1) ~~The~~ PURSUANT TO SECTION 265A, THE amounts
20 appropriated TO PUBLIC UNIVERSITIES in section 236 for ~~public~~
21 ~~university tuition restraint incentives~~ PERFORMANCE FUNDING shall
22 only be paid to a public university that certifies to the state
23 budget director, THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES
24 ON HIGHER EDUCATION, AND THE HOUSE AND SENATE FISCAL AGENCIES by
25 August 31, ~~2011~~ 2012 that its board did not adopt an increase in
26 ITS tuition and fee ~~rates~~ RATE for resident undergraduate students
27 after ~~February~~ SEPTEMBER 1, 2011 for the ~~2010-2011~~ 2011-2012

1 academic year and that its board will not adopt an increase in ITS
2 tuition and fee ~~rates~~**RATE** for resident undergraduate students for
3 the ~~2011-2012-2012-2013~~ academic year that is greater than the
4 ~~calculated average of annual statewide changes in tuition and fee~~
5 ~~rates for academic years 2006-2007 through 2010-2011, as determined~~
6 ~~by the state budget director~~**LIMIT DETERMINED UNDER SUBSECTION (2).**

7 As used in this subsection **AND SUBSECTION (2):**

8 (a) "Fee" means any board-authorized fee that will be paid by
9 more than 1/2 of all resident undergraduate students at least once
10 during their enrollment at a public university. A university
11 increasing a fee that applies to a specific subset of students or
12 courses shall provide sufficient information to prove that the
13 increase applied to that subset will not cause the increase in the
14 average amount of board-authorized total tuition and fees paid by
15 resident undergraduate students in the ~~2011-2012-2012-2013~~ academic
16 year to exceed the limit established in this subsection.

17 (b) "Tuition and fee rate" means the average of **THE FULL-TIME**
18 rates for all undergraduate classes, based on ~~the highest board-~~
19 ~~authorized rate for any semester during the academic year. AN~~
20 **AVERAGE OF THE RATES AUTHORIZED BY THE UNIVERSITY BOARD AND**
21 **ACTUALLY CHARGED TO STUDENTS, DEDUCTING ANY UNIFORMLY-REBATED OR**
22 **REFUNDED AMOUNTS, FOR THE 2 SEMESTERS WITH THE HIGHEST LEVELS OF**
23 **FULL-TIME EQUATED RESIDENT UNDERGRADUATE ENROLLMENT DURING THE**
24 **ACADEMIC YEAR.**

25 (2) **THE LIMIT FOR EACH UNIVERSITY'S INCREASE IN ITS TUITION**
26 **AND FEE RATE FOR RESIDENT UNDERGRADUATE STUDENTS FOR THE 2012-2013**
27 **ACADEMIC YEAR UNDER SUBSECTION (1) SHALL BE DETERMINED BY**

1 SUBTRACTING THE FOLLOWING AMOUNTS FROM \$1,300.00:

2 (A) THE AMOUNT OF THE UNIVERSITY'S INCREASE IN ITS TUITION AND
3 FEE RATE FOR RESIDENT UNDERGRADUATE STUDENTS FOR THE 2011-2012
4 ACADEMIC YEAR.

5 (B) THE AMOUNT OF THE UNIVERSITY'S APPROPRIATION FOR
6 PERFORMANCE FUNDING UNDER SECTION 236 DIVIDED BY THE NUMBER OF
7 TOTAL UNDERGRADUATE FISCAL YEAR EQUATED STUDENTS REPORTED BY THE
8 UNIVERSITY TO THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY FOR
9 ACADEMIC YEAR 2010-2011.

10 (3) ~~(2)~~—The state budget director shall implement uniform
11 reporting requirements to ensure that a public university receiving
12 ~~an appropriation under section 236~~ **PERFORMANCE FUNDING UNDER**
13 **SECTIONS 236 AND 265A** has satisfied the tuition restraint
14 requirements of this section. ~~The state budget director shall have~~
15 ~~the sole authority to determine if a public university has met the~~
16 ~~requirements of this section.~~ Information reported by a public
17 university to the state budget director under this subsection shall
18 also be reported to the house and senate appropriations
19 subcommittees on higher education and the house and senate fiscal
20 agencies.

21 (4) ~~(3)~~—In conjunction with the uniform reporting requirements
22 established under subsection ~~(2)~~, **(3)**, each public university shall
23 also report the following information to the house and senate
24 appropriations subcommittees on higher education, the house and
25 senate fiscal agencies, and the state budget director by August 31,
26 ~~2011-2012~~:

27 (a) Actual **OR ESTIMATED** fiscal year ~~2010-2011~~ **2011-2012** and

1 budgeted fiscal year ~~2011-2012-2012-2013~~ total general fund tuition
2 and fee revenue.

3 (b) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and
4 budgeted fiscal year ~~2011-2012-2012-2013~~total general fund
5 revenue.

6 (c) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and
7 budgeted fiscal year ~~2011-2012-2012-2013~~ general fund expenditures
8 for student financial aid.

9 (d) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and
10 budgeted fiscal year ~~2011-2012-2012-2013~~total general fund
11 expenditures.

12 (e) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and
13 budgeted fiscal year ~~2011-2012-2012-2013~~total fiscal year equated
14 student enrollment.

15 **SEC. 265A. (1) APPROPRIATIONS TO PUBLIC UNIVERSITIES IN**
16 **SECTION 236 FOR PERFORMANCE FUNDING SHALL BE PAID ONLY TO A PUBLIC**
17 **UNIVERSITY THAT COMPLIES WITH ALL OF THE FOLLOWING REQUIREMENTS:**

18 (A) THE UNIVERSITY CERTIFIES THAT IT HAS COMPLIED WITH THE
19 TUITION RESTRAINT REQUIREMENTS UNDER SECTION 265 BY THE DEADLINE
20 SPECIFIED IN THAT SECTION.

21 (B) THE UNIVERSITY SUBMITS ALL REQUIRED INFORMATION UNDER
22 SECTION 274 BY THE DEADLINE SPECIFIED IN THAT SECTION.

23 (C) THE UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR, THE
24 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
25 AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2012, THAT,
26 BY JANUARY 3, 2013, IT WILL BE PARTICIPATING IN REVERSE TRANSFER
27 AGREEMENTS DESCRIBED IN SECTION 286 WITH AT LEAST 3 MICHIGAN

1 COMMUNITY COLLEGES.

2 (D) THE UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR, THE
3 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
4 AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2012, THAT,
5 BY JANUARY 3, 2013, IT WILL NOT CONSIDER WHETHER DUAL ENROLLMENT
6 CREDITS EARNED BY AN INCOMING STUDENT WERE UTILIZED TOWARDS HIS OR
7 HER HIGH SCHOOL GRADUATION REQUIREMENTS WHEN MAKING A DETERMINATION
8 AS TO WHETHER THOSE CREDITS MAY BE USED BY THE STUDENT TOWARD
9 COMPLETION OF A UNIVERSITY DEGREE OR CERTIFICATE PROGRAM.

10 (E) THE UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR, THE
11 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
12 AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2012 THAT IT
13 DOES NOT COMPEL RESIDENT UNDERGRADUATE STUDENTS TO CARRY HEALTH
14 INSURANCE COVERAGE AS A CONDITION OF ENROLLMENT AT THE UNIVERSITY,
15 EXCEPT THAT A UNIVERSITY MAY APPLY SUCH A POLICY TO STUDENTS
16 ENROLLED IN HEALTH-RELATED PROGRAMS THAT INCLUDE CLINICAL WORK.

17 (2) ANY PERFORMANCE FUNDING AMOUNTS UNDER SECTION 236 THAT ARE
18 NOT PAID TO A PUBLIC UNIVERSITY BECAUSE IT DID NOT COMPLY WITH 1 OR
19 MORE REQUIREMENTS UNDER SUBSECTION (1) ARE UNAPPROPRIATED AND
20 REAPPROPRIATED FOR THE FOLLOWING PURPOSES:

21 (A) NOT MORE THAN \$1,053,800.00 FOR MICHIGAN PUBLIC SCHOOL
22 EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT UNDER SECTION 246.

23 (B) IF ADDITIONAL FUNDS ARE AVAILABLE AFTER APPROPRIATION
24 UNDER SUBDIVISION (A), NOT MORE THAN \$1,578,400.00 FOR MSU
25 AGBIORESEARCH AND MSU EXTENSION ACTIVITIES, DESIGNATED TO HELP
26 ACHIEVE THE METRIC GOALS SPECIFIED UNDER SECTION 263A(2)(B).

27 (C) IF ADDITIONAL FUNDS ARE AVAILABLE AFTER APPROPRIATION

1 UNDER SUBDIVISIONS (A) AND (B), THE BALANCE FOR ADDITIONAL
2 PERFORMANCE FUNDING TO PUBLIC UNIVERSITIES, PROPORTIONAL TO THE
3 PERFORMANCE FUNDING AMOUNTS APPROPRIATED IN SECTION 236 EXCEPT FOR
4 AMOUNTS NOT PAID BECAUSE 1 OR MORE UNIVERSITIES DID NOT COMPLY WITH
5 1 OR MORE REQUIREMENTS UNDER SUBSECTION (1).

6 (3) THE STATE BUDGET DIRECTOR SHALL REPORT TO THE HOUSE AND
7 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION AND THE
8 HOUSE AND SENATE FISCAL AGENCIES BY SEPTEMBER 17, 2012, REGARDING
9 ANY PERFORMANCE FUNDING AMOUNTS NOT PAID TO A PUBLIC UNIVERSITY
10 BECAUSE IT DID NOT COMPLY WITH 1 OR MORE REQUIREMENTS UNDER
11 SUBSECTION (1) AND ANY REAPPROPRIATION OF FUNDS UNDER SUBSECTION
12 (2).

13 (4) A UNIVERSITY THAT HAS NOT IMPLEMENTED THE POLICIES
14 REQUIRED UNDER SUBSECTION (1) (C) AND (D) BY AUGUST 31, 2012, BUT
15 CERTIFIES THAT IT WILL IMPLEMENT THOSE POLICES BY JANUARY 3, 2013,
16 SHALL RECERTIFY TO THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE
17 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, AND THE HOUSE AND
18 SENATE FISCAL AGENCIES BY JANUARY 3, 2013, THAT THE POLICIES HAVE
19 BEEN FULLY IMPLEMENTED. FOR A UNIVERSITY THAT DOES NOT RECERTIFY
20 THAT THE POLICIES HAVE BEEN FULLY IMPLEMENTED, THE PERFORMANCE
21 FUNDING APPROPRIATED TO THAT UNIVERSITY IN SECTION 236 SHALL BE
22 RETROACTIVELY WITHHELD AND UNAPPROPRIATED AND REAPPROPRIATED UNDER
23 SUBSECTION (2).

24 (5) THE AMOUNTS APPROPRIATED TO EACH PUBLIC UNIVERSITY FOR
25 PERFORMANCE FUNDING IN SECTION 236 WERE CALCULATED AS FOLLOWS:

26 (A) THE NUMBER OF UNDERGRADUATE DEGREE AND CERTIFICATE
27 COMPLETIONS AT EACH UNIVERSITY WAS CALCULATED USING A 2-YEAR

1 AVERAGE OF ACADEMIC YEAR 2009-2010 AND 2010-2011 DATA.

2 (B) BACHELOR'S DEGREE COMPLETIONS WERE MULTIPLIED BY A WEIGHT
3 OF 1.00, ASSOCIATE DEGREE COMPLETIONS WERE MULTIPLIED BY A WEIGHT
4 OF 0.50, CERTIFICATES REQUIRING BETWEEN 1 AND 2 YEARS OF FULL-TIME
5 STUDY WERE MULTIPLIED BY A WEIGHT OF 0.375, AND CERTIFICATES
6 REQUIRING LESS THAN 1 YEAR OF FULL-TIME STUDY WERE MULTIPLIED BY A
7 WEIGHT OF 0.125.

8 (C) EACH DEGREE OR CERTIFICATE COMPLETION IN A CRITICAL SKILLS
9 AREA WAS MULTIPLIED BY AN ADDITIONAL WEIGHT OF 2.00. ALL OTHER
10 DEGREE AND CERTIFICATE COMPLETIONS WERE MULTIPLIED BY A WEIGHT OF
11 1.00.

12 (D) TOTAL WEIGHTED DEGREE AND CERTIFICATE COMPLETIONS FOR EACH
13 UNIVERSITY WERE MULTIPLIED BY \$836.13.

14 (E) AN AMOUNT EQUAL TO 1.0% OF EACH UNIVERSITY'S FISCAL YEAR
15 2011-2012 STATE APPROPRIATION WAS SUBTRACTED FROM THE RESULTING
16 DOLLAR AMOUNT.

17 (6) THE SOURCES OF DATA USED IN SUBSECTION (5) ARE THE UNITED
18 STATES DEPARTMENT OF EDUCATION INTEGRATED POSTSECONDARY EDUCATION
19 DATA SYSTEM AND THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY
20 DESCRIBED IN SECTION 241. FOR THE PURPOSES OF SUBSECTION (4) (C),
21 CRITICAL SKILLS AREAS ARE DEFINED AS THOSE DEGREES REPORTED BY EACH
22 UNIVERSITY IN THE UNITED STATES DEPARTMENT OF EDUCATION 2010
23 CLASSIFICATION OF INSTRUCTIONAL PROGRAM CODES 01, 03, 10, 11, 14,
24 15, 26, 27, 30.01, 30.08, 40, 47, 48, 49, 51, AND 52.03.

25 (7) AS PART OF A PUBLIC UNIVERSITY'S DATA SUBMISSION TO THE
26 HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY DESCRIBED IN SECTION
27 241, BEGINNING WITH DATA REPORTED FOR ACADEMIC YEAR 2011-2012

1 DEGREE COMPLETIONS, THE UNIVERSITY SHALL INDICATE FOR EACH
2 BACHELOR'S DEGREE COMPLETION REPORTED BY THE UNIVERSITY WHETHER
3 THAT COMPLETION REQUIRED THE STUDENT TO COMPLETE MORE THAN 120
4 CREDIT HOURS DUE TO UNIVERSITY DEGREE PROGRAM REQUIREMENTS, AND FOR
5 EACH ASSOCIATE'S DEGREE COMPLETION REPORTED BY THE UNIVERSITY
6 WHETHER THAT COMPLETION REQUIRED THE STUDENT TO COMPLETE MORE THAN
7 60 CREDIT HOURS DUE TO UNIVERSITY DEGREE PROGRAM REQUIREMENTS. IF A
8 DEGREE COMPLETION DID REQUIRE MORE THAN THE SPECIFIED NUMBER OF
9 CREDIT HOURS DUE TO UNIVERSITY DEGREE PROGRAM REQUIREMENTS, THE
10 UNIVERSITY SHALL REPORT THE NUMBER OF ADDITIONAL CREDIT HOURS THAT
11 WERE REQUIRED FOR THAT DEGREE COMPLETION.

12 (8) IT IS THE INTENT OF THE LEGISLATURE THAT, IN FUTURE BUDGET
13 YEARS, THE FOLLOWING PROVISIONS RELATED TO PERFORMANCE FUNDING WILL
14 BE IMPLEMENTED:

15 (A) THE NUMBER OF REVERSE TRANSFER AGREEMENTS REQUIRED UNDER
16 SUBSECTION (1)(C) WILL BE INCREASED OVER TIME, WITH AN EMPHASIS ON
17 AGREEMENTS WITH COMMUNITY COLLEGES IN MULTIPLE GEOGRAPHIC AREAS
18 ACROSS THE STATE.

19 (B) IN ORDER TO RECEIVE PERFORMANCE FUNDING, UNIVERSITIES WILL
20 BE REQUIRED TO PARTICIPATE IN THE CORE COLLEGE COURSE TRANSFER
21 PROCESS DESCRIBED IN SECTION 210A.

22 (C) THE NUMBER OF STUDENTS ENROLLED AT AND COMPLETING A DEGREE
23 OR CERTIFICATE PROGRAM AT A PUBLIC UNIVERSITY WHO ARE RECEIVING
24 BENEFITS UNDER 38 USC 3301 TO 3324, COMMONLY KNOWN AS THE POST-9/11
25 GI BILL, WILL BE USED AS A FACTOR IN ALLOCATING FUTURE PERFORMANCE
26 FUNDING.

27 Sec. 267. All public universities shall submit the amount of

1 tuition and fees actually charged to a full-time resident
2 undergraduate student for academic year ~~2011-2012~~ **2012-2013** as part
3 of their higher education institutional data inventory (HEIDI) data
4 by August 31 ~~, 2011.~~ **OF EACH YEAR.** A public university shall report
5 any revisions for any semester of the reported academic year ~~2011-~~
6 ~~2012-~~ **2012-2013** tuition and fee charges to HEIDI within 15 days of
7 being adopted.

8 Sec. 268. For the fiscal year ending September 30, ~~2012,~~ **2013,**
9 it is the intent of the legislature that funds be allocated for
10 unfunded North American Indian tuition waiver costs incurred by
11 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
12 from the general fund.

13 Sec. 269. ~~From~~ **FOR FISCAL YEAR 2012-2013, FROM** the amount
14 appropriated in section 236 to Central Michigan University for
15 operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
16 College for the costs of waiving tuition for North American Indians
17 under 1976 PA 174, MCL 390.1251 to 390.1253.

18 Sec. 270. ~~From~~ **FOR FISCAL YEAR 2012-2013, FROM** the amount
19 appropriated in section 236 to Lake Superior State University for
20 operations, \$100,000.00 shall be paid to Bay Mills Community
21 College for the costs of waiving tuition for North American Indians
22 under 1976 PA 174, MCL 390.1251 to 390.1253.

23 Sec. 270a. Public universities shall coordinate their
24 purchases of goods and services whenever possible. This
25 **COORDINATION OF PURCHASES** may include, but is not limited to, group
26 purchases for vehicles, utilities, supplies, electronic equipment,
27 maintenance equipment, books, and contractual services. To the

1 extent possible, the public universities shall use both the
2 "Michigan delivering extended agreements locally" (MiDEAL)
3 purchasing services of the state department of technology,
4 management, and budget that makes state contracts available to
5 local units of government, colleges, and universities and the
6 purchasing services available through the state's membership in the
7 Midwestern Higher Education Compact (MHEC). Not later than January
8 1 of each year, the presidents council, state universities of
9 Michigan shall submit to the members of the house and senate
10 appropriations subcommittees on higher education, the house and
11 senate fiscal agencies, and the state budget director a report on
12 group or pooled purchases and the savings achieved by the public
13 universities in the previous fiscal year.

14 Sec. 273. It is the intent of the legislature that each public
15 university shall submit a report to the house and senate
16 appropriations committees, the house and senate fiscal agencies,
17 and the state budget director by October 15, ~~2011~~, **2012**, on the
18 university's efforts to accommodate the sincerely held religious
19 beliefs of students enrolled in accredited counseling degree
20 programs at the university.

21 **SEC. 273A. IT IS THE INTENT OF THE LEGISLATURE THAT A PUBLIC**
22 **UNIVERSITY THAT RECEIVES FUNDS IN SECTION 236 SHALL NOT COLLABORATE**
23 **IN ANY MANNER WITH A NONPROFIT WORKER CENTER WHOSE DOCUMENTED**
24 **ACTIVITIES INCLUDE COERCION THROUGH PROTEST, DEMONSTRATION, OR**
25 **ORGANIZATION AGAINST A MICHIGAN BUSINESS.**

26 ~~Sec. 274. It is the intent of the legislature that each public~~
27 **PURSUANT TO SECTION 265A(1), THE AMOUNTS APPROPRIATED TO PUBLIC**

1 UNIVERSITIES IN SECTION 236 FOR PERFORMANCE FUNDING SHALL ONLY BE
 2 PAID TO A PUBLIC UNIVERSITY THAT REPORTS THE FOLLOWING TO THE STATE
 3 BUDGET DIRECTOR, THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES
 4 ON HIGHER EDUCATION, AND THE HOUSE AND SENATE FISCAL AGENCIES BY
 5 AUGUST 31, 2012:

6 (A) FOR A UNIVERSITY THAT HAS NOT RECEIVED A DONATION OF HUMAN
 7 EMBRYOS THAT IS SUBJECT TO SECTION 27 OF ARTICLE I OF THE STATE
 8 CONSTITUTION OF 1963, AND THAT IS NOT CONDUCTING ONGOING RESEARCH
 9 USING HUMAN EMBRYONIC STEM CELLS DERIVED FROM DONATED HUMAN EMBRYOS
 10 PURSUANT TO SECTION 27 OF ARTICLE I OF THE STATE CONSTITUTION OF
 11 1963, A STATEMENT TO THAT EFFECT.

12 (B) FOR A university that has received a donation of human
 13 embryos that is subject to section 27 of article I of the state
 14 constitution of 1963, or that is conducting ongoing research using
 15 human embryonic stem cells derived from donated human embryos
 16 pursuant to section 27 of article I of the state constitution of
 17 1963, ~~shall submit a report to the director of the department of~~
 18 ~~community health by December 1, 2011 that includes all of the~~
 19 following:

20 (i) ~~(a)~~ The number of human embryos and the number of human
 21 embryo stem cell lines received by the university during fiscal
 22 year ~~2010-2011.2011-2012.~~

23 (ii) ~~(b)~~ The number of human embryos utilized for research
 24 purposes during fiscal year ~~2010-2011.2011-2012.~~

25 (iii) ~~(c)~~ The number of human embryo stem cell lines created
 26 from the embryos received during fiscal year ~~2010-2011.2011-2012.~~

27 (iv) ~~(d)~~ The number of donated human embryos being held in

1 storage by the university as of ~~September 30, 2011~~ **JUNE 30, 2012**.

2 (v) ~~(e)~~ The number of research projects using human embryonic
3 stem cells derived from donated embryos being conducted by the
4 university.

5 Sec. 274a. (1) It is the intent of the legislature that a
6 public university ~~receiving~~ **THAT RECEIVES** funds in section 236 not
7 provide health insurance or other fringe benefits for any adult
8 coresident of an employee of the university who is not married to
9 or a dependent of that employee or for any dependent of such an
10 adult coresident.

11 (2) It is the intent of the legislature that each public
12 university receiving funds in section 236 submit a report by
13 December 1, ~~2011~~ **2012** to the house and senate appropriations
14 subcommittees on higher education, the house and senate fiscal
15 agencies, and the state budget director containing the number of
16 individuals described in subsection (1) who received health
17 insurance or other fringe benefits provided by the university in
18 fiscal year ~~2010-2011~~ **2011-2012** and the cost to the university of
19 providing those benefits.

20 Sec. 275. (1) It is the intent of the legislature that each
21 public university receiving an appropriation in section 236 do all
22 of the following:

23 (a) Meet the provisions of section 5003 of the post-911
24 veterans educational assistance act of 2008, ~~title V of Public Law~~
25 ~~110-252~~, 38 USC 3301 to 3324, including voluntary participation in
26 the yellow ribbon GI education enhancement program established in
27 that act in 38 USC 3317. ~~By October 1 of each year, each public~~

~~1 university shall report to the house and senate appropriations
2 subcommittees on higher education, the house and senate fiscal
3 agencies, and the presidents council, state universities of
4 Michigan on whether or not it has chosen to participate in the
5 yellow ribbon GI education enhancement program. If at any time
6 during the fiscal year a university participating in the yellow
7 ribbon program chooses to leave the yellow ribbon program, it shall
8 notify the house and senate appropriations subcommittees on higher
9 education, the house and senate fiscal agencies, and the presidents
10 council, state universities of Michigan.~~

11 (b) Establish an on-campus veterans' liaison to provide
12 information and assistance to all student veterans.

13 (c) Provide flexible enrollment application deadlines for all
14 veterans.

15 (d) Include in its admission application process a specific
16 question as to whether an applicant for admission is a veteran, an
17 active member of the military, a member of the national guard or
18 military reserves, or the spouse or dependent of a veteran, active
19 member of the military, or member of the national guard or military
20 reserves, in order to more quickly identify potential educational
21 assistance available to that applicant.

22 (2) As used in this section, "veteran" means an honorably
23 discharged veteran entitled to educational assistance under the
24 provisions of section 5003 of the post-911 veterans educational
25 assistance act of 2008, ~~title V of Public Law 110-252,~~ 38 USC 3301
26 to 3324.

27 Sec. 275a. Funds appropriated in section 236 shall not be used

1 to pay for the construction or maintenance of a self-liquidating
2 project. ~~A public university shall comply with the current use and~~
3 ~~finance requirements of the joint capital outlay subcommittee~~
4 ~~(JCOS) for any construction, renovation, or other capital outlay~~
5 ~~projects pursuant to JCOS policy. The appropriation in section 236~~
6 ~~for a public university that fails to comply with JCOS reporting~~
7 ~~requirements shall be reduced by 1% for each violation.~~

8 Sec. 276. (1) Included in the appropriation **FOR FISCAL YEAR**
9 **2012-2013** for each public university in section 236 is funding for
10 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future
11 faculty program that is intended to increase the pool of
12 academically or economically disadvantaged candidates pursuing
13 faculty teaching careers in postsecondary education. Preference may
14 not be given to applicants on the basis of race, color, ethnicity,
15 gender, or national origin. Institutions should encourage
16 applications from applicants who would otherwise not adequately be
17 represented in the graduate student and faculty populations. Each
18 public university shall apply the percentage change applicable to
19 every public university in the calculation of appropriations in
20 section 236 to the amount of funds allocated to the future faculty
21 program.

22 (2) The program shall be administered by each public
23 university in a manner prescribed by the workforce development
24 agency. The workforce development agency shall use a good faith
25 effort standard to evaluate whether a fellowship is in default.

26 Sec. 277. (1) Included in the appropriation **FOR FISCAL YEAR**
27 **2012-2013** for each public university in section 236 is funding for

1 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day
2 program that is intended to introduce academically or economically
3 disadvantaged schoolchildren to the potential of a college
4 education. Preference may not be given to participants on the basis
5 of race, color, ethnicity, gender, or national origin. Public
6 universities should encourage participation from those who would
7 otherwise not adequately be represented in the student population.

8 (2) Individual program plans of each public university shall
9 include a budget of equal contributions from this program, the
10 participating public university, the participating school district,
11 and the participating independent degree-granting college. College
12 day funds shall not be expended to cover indirect costs. Not more
13 than 20% of the university match shall be attributable to indirect
14 costs. Each public university shall apply the percentage change
15 applicable to every public university in the calculation of
16 appropriations in section 236 to the amount of funds allocated to
17 the college day program.

18 (3) The program described in this section shall be
19 administered by each public university in a manner prescribed by
20 the workforce development agency.

21 Sec. 278. (1) Included in section 236 **FOR FISCAL YEAR 2012-**
22 **2013** is funding for the Martin Luther King, Jr. - Cesar Chavez -
23 Rosa Parks select student support services program for developing
24 academically or economically disadvantaged student retention
25 programs for 4-year public and independent educational institutions
26 in this state. Preference may not be given to participants on the
27 basis of race, color, ethnicity, gender, or national origin.

1 Institutions should encourage participation from those who would
2 otherwise not adequately be represented in the student population.

3 (2) An award made under this program to any 1 institution
4 shall not be greater than \$150,000.00, and the amount awarded shall
5 be matched on a 70% state, 30% college or university basis.

6 (3) The program described in this section shall be
7 administered by the workforce development agency.

8 Sec. 279. (1) Included in section 236 **FOR FISCAL YEAR 2012-**
9 **2013** is funding for the Martin Luther King, Jr. - Cesar Chavez -
10 Rosa Parks college/university partnership program between 4-year
11 public and independent colleges and universities and public
12 community colleges, which is intended to increase the number of
13 academically or economically disadvantaged students who transfer
14 from community colleges into baccalaureate programs. Preference may
15 not be given to participants on the basis of race, color,
16 ethnicity, gender, or national origin. Institutions should
17 encourage participation from those who would otherwise not
18 adequately be represented in the transfer student population.

19 (2) The grants shall be made under the program described in
20 this section to Michigan public and independent colleges and
21 universities. An award to any 1 institution shall not be greater
22 than \$150,000.00, and the amount awarded shall be matched on a 70%
23 state, 30% college or university basis.

24 (3) The program described in this section shall be
25 administered by the workforce development agency.

26 Sec. 280. (1) Included in the appropriation **FOR FISCAL YEAR**
27 **2012-2013** for each public university in section 236 is funding for

1 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting
2 professors program which is intended to increase the number of
3 instructors in the classroom to provide role models for
4 academically or economically disadvantaged students. Preference may
5 not be given to participants on the basis of race, color,
6 ethnicity, gender, or national origin. Public universities should
7 encourage participation from those who would otherwise not
8 adequately be represented in the student population.

9 (2) The program described in this section shall be
10 administered by the workforce development agency.

11 Sec. 281. (1) Included in the appropriation **FOR FISCAL YEAR**
12 **2012-2013** in section 236 is funding under the Martin Luther King,
13 Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr.
14 educator development program which is intended to increase the
15 number of academically or economically disadvantaged students who
16 enroll in and complete K-12 teacher education programs at the
17 baccalaureate level. Preference may not be given to participants on
18 the basis of race, color, ethnicity, gender, or national origin.
19 Institutions should encourage participation from those who would
20 otherwise not adequately be represented in the teacher education
21 student population.

22 (2) The program described in this section shall be
23 administered by each state-approved teacher education institution
24 in a manner prescribed by the workforce development agency.

25 (3) Approved teacher education institutions may and are
26 encouraged to use student support services funding in coordination
27 with the Morris Hood, Jr. funding to achieve the goals of the

1 program described in this section.

2 Sec. 282. Each institution receiving funds under section 278,
3 279, or 281 shall notify the workforce development agency by April
4 15, ~~2012~~2013 as to whether it will expend by the end of its fiscal
5 year the funds received under section 278, 279, or 281.

6 Notwithstanding the award limitations in sections 278 and 279, the
7 amount of funding reported as not being expended will be
8 reallocated to the institutions that intend to expend all funding
9 received under section 278, 279, or 281.

10 Sec. 283. (1) From the amount appropriated in section 236, the
11 public universities shall systematically inform Michigan high
12 schools regarding the academic status of students from each high
13 school in a manner prescribed by the presidents council, state
14 universities of Michigan in cooperation with the Michigan
15 association of secondary school principals. **PUBLIC UNIVERSITIES**
16 **SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND**
17 **INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR**
18 **ACCOMPLISHING THIS TASK.**

19 (2) The Michigan high schools shall systematically inform the
20 public universities about the use of information received under
21 this section in a manner prescribed by the Michigan association of
22 secondary school principals in cooperation with the presidents
23 council, state universities of Michigan.

24 Sec. 284. From the amount appropriated in section 236, the
25 public universities shall inform Michigan community colleges
26 regarding the academic status of community college transfer
27 students in a manner prescribed by the presidents council, state

1 universities of Michigan in cooperation with the Michigan community
2 college association. **PUBLIC UNIVERSITIES SHALL ALSO WORK WITH THE**
3 **CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND**
4 **IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.**

5 Sec. 285. Public universities shall work with the state
6 community colleges to encourage the transfer of students from the
7 community colleges to the public universities and to facilitate the
8 transfer of credits from the community colleges to ~~the~~**THOSE** public
9 universities.

10 Sec. 286. It is the intent of the legislature that public
11 universities work with community colleges in the state to implement
12 statewide reverse transfer agreements to increase the number of
13 students that are awarded credentials of value upon completion of
14 the necessary credits. ~~In doing so, the institutions should work~~
15 ~~collaboratively and cooperatively to remove administrative barriers~~
16 ~~that result in understating the academic attainment of Michigan's~~
17 ~~citizens.~~ It is the intent of the legislature that ~~by August 1,~~
18 ~~2012,~~**THESE** statewide agreements are in place between community
19 colleges and public universities that **SHALL** enable students who
20 have earned a significant number of credits at a community college
21 and transfer to a baccalaureate granting institution before
22 completing a degree to transfer the credits earned at the
23 baccalaureate institution back to the community college in order to
24 be awarded a credential of value.

25 Sec. 289. (1) The auditor general shall review higher
26 education institutional data inventory (HEIDI) enrollment data
27 submitted by all public universities **UNDER SECTION 241** and may

1 perform audits of selected public universities if determined
2 necessary. The review and audits shall be based upon the
3 definitions, requirements, and uniform reporting categories
4 established by the state budget director in consultation with the
5 HEIDI advisory committee. The auditor general shall submit a report
6 of findings to the house and senate appropriations committees and
7 the state budget director no later than July 1 ~~2012~~. **OF EACH YEAR.**

8 (2) Student credit hours reports shall not include the
9 following:

10 (a) Student credit hours generated through instructional
11 activity by faculty or staff in classrooms located outside
12 Michigan, with the exception of instructional activity related to
13 study-abroad programs or field programs.

14 (b) Student credit hours generated through distance learning
15 instruction for students not eligible for the public university's
16 in-state main campus resident tuition rate. However, in instances
17 where a student is enrolled in distance education and non-distance
18 education credit hours in a given term and the student's non-
19 distance education enrollment is at a campus or site located within
20 Michigan, student credit hours per the student's eligibility for
21 in-state or out-of-state tuition rates may be reported.

22 (c) Student credit hours generated through credit by
23 examination.

24 (d) Student credit hours generated through inmate prison
25 programs regardless of teaching location.

26 (e) Student credit hours generated in new degree programs
27 after January 1, 1975, that have not been specifically authorized

1 for funding by the legislature, except spin-off programs converted
2 from existing core programs that do all of the following:

3 (i) Represent new options, fields, or concentrations within
4 existing programs.

5 (ii) Are consistent with the current institutional role and
6 mission.

7 (iii) Are accommodated within the continuing funding base of the
8 public university.

9 (iv) Do not require a new degree level beyond that which the
10 public university is currently authorized to grant within that
11 discipline or field.

12 (v) Do not require funding from the state other than that
13 provided by the student credit hours generated within the program,
14 either before program initiation or within the first 3 years of
15 program operation.

16 (3) The auditor general shall periodically audit higher
17 education institutional data inventory (HEIDI) data as submitted by
18 the public universities **UNDER SECTION 241** for compliance with the
19 definitions established by the state budget director in
20 consultation with the HEIDI advisory committee for the HEIDI
21 database.

22 (4) "Distance learning instruction" as used in subsection (2)
23 means instruction that occurs solely in other than a traditional
24 classroom setting where the student and instructor are in the same
25 physical location and for which a student receives course credits
26 and is charged tuition and fees. Examples of distance learning
27 instruction are instruction delivered solely through the Internet,

1 cable television, teleconference, or mail.

2 Sec. 290. (1) ~~Pursuant to~~ **FOR THE PURPOSES OF** section
3 289(2)(e), **THE LEGISLATURE AUTHORIZES THE** public universities may
4 **TO** establish the following **NEW** degree programs:

5 (a) Bachelor's degree programs:

6 ~~—— Central Michigan University, Athletic Training, B.S.A.T.~~

7 ~~—— Grand Valley State University, Comprehensive Science and Arts~~
8 ~~for Teaching (CSAT), B.A./B.S.~~

9 ~~—— Northern Michigan University, Fisheries and Wildlife~~
10 ~~Management, B.S.~~

11 ~~—— Northern Michigan University, German Studies, Baccalaureate~~

12 ~~—— Oakland University, Bachelor of Liberal Studies, B.A.~~

13 ~~—— University of Michigan Dearborn, Bio Engineering, B.S.E.~~

14 ~~—— University of Michigan Dearborn, Integrated Science, B.S.~~

15 ~~—— University of Michigan Flint, Economics, B.S.~~

16 ~~—— University of Michigan Flint, Energy and Sustainable Systems,~~
17 ~~B.S.~~

18 ~~—— University of Michigan Flint, English with a Specialization in~~
19 ~~Linguistics, B.A.~~

20 ~~—— Wayne State University, Astronomy, B.A.~~

21 ~~—— Wayne State University, Biomedical Engineering, B.S.~~

22 **CENTRAL MICHIGAN UNIVERSITY, COMPUTER ENGINEERING, B.S.**

23 **EASTERN MICHIGAN UNIVERSITY, INTERDISCIPLINARY ENVIRONMENTAL**
24 **SCIENCE AND SOCIETY PROGRAM, B.S.**

25 **FERRIS STATE UNIVERSITY, GRAPHIC MEDIA MANAGEMENT, B.S.**

26 **FERRIS STATE UNIVERSITY, HEALTH CARE MARKETING, B.S.**

27 **FERRIS STATE UNIVERSITY, INSURANCE AND RISK MANAGEMENT, B.S.**

1 GRAND VALLEY STATE UNIVERSITY, RELIGIOUS STUDIES, B.A./B.S.

2 MICHIGAN TECHNOLOGICAL UNIVERSITY, ENGINEERING MANAGEMENT,

3 B.S.

4 OAKLAND UNIVERSITY, BIOMEDICAL SCIENCES, B.S.

5 OAKLAND UNIVERSITY, LIBERAL ARTS MAJOR IN CREATIVE WRITING,

6 B.A.

7 UNIVERSITY OF MICHIGAN - ANN ARBOR, ENVIRONMENTAL ENGINEERING,

8 B.S.E

9 UNIVERSITY OF MICHIGAN - DEARBORN, DIGITAL FORENSICS, B.S.

10 UNIVERSITY OF MICHIGAN - DEARBORN, READING - ELEMENTARY

11 CERTIFICATION, B.A.

12 WAYNE STATE UNIVERSITY, INSTRUCTIONAL TECHNOLOGY, B.A./B.S.

13 WESTERN MICHIGAN UNIVERSITY, JAPANESE, B.A.

14 WESTERN MICHIGAN UNIVERSITY, E-BUSINESS MARKETING, B.B.A.

15 WESTERN MICHIGAN UNIVERSITY, HEALTH INFORMATICS AND

16 INFORMATION MANAGEMENT, B.S./B.B.A.

17 (b) Master's degree programs:

18 ~~Eastern Michigan University, Teaching Secondary Mathematics,~~

19 ~~M.A.~~

20 ~~Michigan State University, Education for the Health~~

21 ~~Professions, M.A.~~

22 ~~Michigan State University, Marketing Research, M.S.~~

23 ~~Oakland University, Clinical Nurse Leadership, M.S.N.~~

24 ~~Oakland University, Master of Arts Communication, M.A.C.~~

25 ~~Oakland University, Mechatronics, M.S.~~

26 ~~University of Michigan Ann Arbor, Oral and Maxillofacial~~

27 ~~Pathology Program, M.S.~~

~~University of Michigan Flint, Master of Public Health, M.P.H.~~

~~Wayne State University, Electric Drive Vehicle Engineering,
M.S.~~

~~Western Michigan University, Engineering (Chemical), M.S.~~

FERRIS STATE UNIVERSITY, INFORMATION SECURITY AND
INTELLIGENCE, M.S.

MICHIGAN TECHNOLOGICAL UNIVERSITY, INTEGRATED GEOSPATIAL
TECHNOLOGY, M.S.

MICHIGAN TECHNOLOGICAL UNIVERSITY, MEDICAL INFORMATICS, M.S.

OAKLAND UNIVERSITY, PSYCHOLOGY, M.S.

UNIVERSITY OF MICHIGAN - ANN ARBOR, ENTREPRENEURSHIP, MASTER'S

UNIVERSITY OF MICHIGAN - ANN ARBOR, JOINT MASTER'S DEGREE AND
GRADUATE CERTIFICATE PROGRAM IN HEALTH INFORMATICS, MASTER'S

UNIVERSITY OF MICHIGAN - ANN ARBOR, MASTER'S OF ENGINEERING IN
APPLIED CLIMATE, MASTER'S

UNIVERSITY OF MICHIGAN - ANN ARBOR, MASTER'S OF MEDICAL
SCIENCE, M.M.S.

UNIVERSITY OF MICHIGAN - DEARBORN, BUSINESS ANALYTICS WITH A
MAJOR IN BUSINESS ANALYTICS, M.S.

UNIVERSITY OF MICHIGAN - DEARBORN, SUPPLY CHAIN MANAGEMENT
WITH MINOR IN SUPPLY CHAIN MANAGEMENT, M.S.

UNIVERSITY OF MICHIGAN - FLINT, ACCOUNTING, M.S.

UNIVERSITY OF MICHIGAN - FLINT, MASTER OF ARTS WITH
CERTIFICATION PROGRAM, M.A.

UNIVERSITY OF MICHIGAN - FLINT, MATHEMATICS, M.A.

(c) Doctoral degree programs:

~~Central Michigan University, Doctor of Medicine, M.D.~~

~~Michigan Technological University, Environmental and Energy
Policy, Ph.D.~~

~~Michigan Technological University, Geophysics, Ph.D.~~

~~Oakland University, Doctor of Medicine, M.D.~~

~~University of Michigan Ann Arbor, Doctor of Nursing Practice,
D.N.P.~~

~~University of Michigan Ann Arbor, Doctoral Degree Granting
Program in Cancer Biology, Doctoral~~

~~University of Michigan Dearborn, Education Specialist, Ed.S.~~

~~University of Michigan Flint, Doctor of Anesthesia Practice,
Dr.A.P.~~

~~University of Michigan Flint, Doctor of Occupational Therapy,
Dr.O.T.~~

~~Western Michigan University, Engineering and Applied Sciences,
Ph.D.~~

MICHIGAN STATE UNIVERSITY, DOCTOR OF NURSING PRACTICE, D.N.P.

MICHIGAN STATE UNIVERSITY, EDUCATIONAL LEADERSHIP, ED.D.

MICHIGAN TECHNOLOGICAL UNIVERSITY, BIOCHEMISTRY AND MOLECULAR
BIOLOGY, PH.D.

NORTHERN MICHIGAN UNIVERSITY, DOCTOR OF NURSING PRACTICE,
D.N.P.

OAKLAND UNIVERSITY, EARLY EDUCATION AND INTERVENTION, ED.S.

OAKLAND UNIVERSITY, PSYCHOLOGY, PH.D.

SAGINAW VALLEY STATE UNIVERSITY, DOCTOR OF NURSING PRACTICE,
D.N.P.

UNIVERSITY OF MICHIGAN - ANN ARBOR, NUTRITIONAL SCIENCES,
PH.D.

1 (2) The listing of degree programs in subsection (1) does not
2 constitute legislative intent to provide additional dollars for
3 those programs.

4 (3) When submitting the listing of new degree programs for
5 purposes of section 289(2)(e), the presidents council of state
6 universities shall also provide a listing of degree programs that
7 institutions of higher education will no longer offer in subsequent
8 academic years.

9 Sec. 291. The auditor general may conduct performance audits
10 of public universities receiving funds in section 236 ~~during the~~
11 ~~fiscal year ending September 30, 2012~~ as the auditor general
12 considers necessary.

13 **SEC. 293A. IT IS THE INTENT OF THE LEGISLATURE THAT FISCAL**
14 **YEAR 2012-2013 APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY,**
15 **MANAGEMENT, AND BUDGET FOR STATE BUILDING AUTHORITY RENT BE**
16 **PROVIDED FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED**
17 **CAPITAL PROJECTS FOR PUBLIC UNIVERSITIES. THESE APPROPRIATIONS FOR**
18 **STATE BUILDING AUTHORITY RENT REPRESENT ADDITIONAL STATE GENERAL**
19 **FUND SUPPORT PROVIDED TO PUBLIC UNIVERSITIES, AND THE FOLLOWING IS**
20 **AN ESTIMATE OF THE AMOUNT OF THAT SUPPORT TO EACH UNIVERSITY:**

21 (A) CENTRAL MICHIGAN UNIVERSITY, \$9,100,100.00.

22 (B) EASTERN MICHIGAN UNIVERSITY, \$5,203,100.00.

23 (C) FERRIS STATE UNIVERSITY, \$6,322,100.00.

24 (D) GRAND VALLEY STATE UNIVERSITY, \$4,251,000.00.

25 (E) LAKE SUPERIOR STATE UNIVERSITY, \$910,000.00.

26 (F) MICHIGAN STATE UNIVERSITY, \$16,096,000.00.

27 (G) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,645,600.00.

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(H) NORTHERN MICHIGAN UNIVERSITY, \$7,450,000.00.

(I) OAKLAND UNIVERSITY, \$10,726,000.00.

(J) SAGINAW VALLEY STATE UNIVERSITY, \$9,774,000.00.

(K) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,156,100.00.

(L) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,294,000.00.

(M) UNIVERSITY OF MICHIGAN - FLINT, \$2,854,100.00.

(N) WAYNE STATE UNIVERSITY, \$13,000,100.00.

(O) WESTERN MICHIGAN UNIVERSITY, \$15,264,000.00.

Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act from state sources for fiscal year 2012-2013 is estimated at [\$11,115,707,800.00] and state appropriations for school aid to be paid to local units of government for fiscal year 2012-2013 are estimated at [\$10,971,411,900.00].

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2012-2013 under article II of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act, is estimated at \$294,130,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at \$294,130,500.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2012-2013 under article III of the

1 state school aid act of 1979, 1979 PA 94, as amended by this
2 amendatory act, is estimated at \$1,300,615,200.00 and the amount of
3 that state spending from state sources to be paid to local units of
4 government for fiscal year 2011-2012 is estimated at \$0.

5 Enacting section 2. Sections 22e, 23, 40, 205, 210, 214, 230,
6 237a, 240, 262, 266, 271, 272, 292, 293, and 294 of the state
7 school aid act of 1979, 1979 PA 94, MCL 388.1622e, 388.1623,
8 388.1640, 388.1805, 388.1810, 388.1814, 388.1830, 388.1837a,
9 388.1840, 388.1862, 388.1866, 388.1871, 388.1872, 388.1892,
10 388.1893, and 388.1894, are repealed effective October 1, 2012.

11 Enacting section 3. (1) Except as otherwise provided in
12 subsection (2), this amendatory act takes effect October 1, 2012.

13 (2) Sections 225, 252, 265, 265a, 267, and 274 of the state
14 school aid act of 1979, 1979 PA 94, MCL 388.1825, 388.1852,
15 388.1865, 388.1865a, 388.1867, and 388.1874, as amended by this
16 amendatory act, take effect upon enactment of this amendatory act.