

**STATE OF MICHIGAN**  
**96TH LEGISLATURE**  
**REGULAR SESSION OF 2012**

**Introduced by Reps. Genetski, Nesbitt, O'Brien, McMillin, Franz, Daley, Liss, Lyons, Kurtz, Bumstead, Pscholka, Opsommer, Olson, Goike, Hooker, Callton, Johnson, Wayne Schmidt, Damrow, Horn, Hughes, Haugh, Switalski, Lipton, Dillon, Meadows and Rutledge**

# **ENROLLED HOUSE BILL No. 5267**

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 11, 25, 26b, and 201 (MCL 388.1606, 388.1611, 388.1625, 388.1626b, and 388.1801), as amended by 2012 PA 201, and by adding sections 23a and 25d.

*The People of the State of Michigan enact:*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership unless the individual is a 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 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 equal to 1 times the product of the hours of instruction the public school academy or the education achievement system provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

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

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

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

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

(r) Beginning in 2012-2013, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of instructional hours scheduled and provided per year per kindergarten pupil by the same number used for determining full-time equated memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a district or public school academy that provides evidence satisfactory to the department that it used federal title I money in the 2 immediately preceding school fiscal years to fund full-time kindergarten, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. Not later than December 1, 2012, the department shall seek a clarification from the federal department of education as to whether this is an allowable use of federal title I money. The change in the counting of full-time equated memberships for pupils in kindergarten that takes effect in 2012-2013 is not a mandate. Not later than the fifth Wednesday after the pupil membership count day, each district or public school academy and the education achievement system shall report to the department and the center the number of instructional hours scheduled per kindergarten pupil for 2012-2013. If the number of instructional hours scheduled per kindergarten pupil

is not equal for all kindergarten pupils in the district, the district or public school academy and the education achievement system shall report the number of kindergarten pupils who were scheduled to receive each of the different numbers of instructional hours scheduled.

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

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

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

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

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

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

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

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

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

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

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

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

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

(z) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or the education achievement system in which a former pupil of the public school academy enrolls and is in regular daily

attendance for the next school year to ensure that the district or the education achievement system receives the same amount of membership aid for the pupil as if the pupil were counted in the district or the education achievement system on the supplemental count day of the preceding school year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Fourth Wednesday in July.

(ii) First Wednesday in October.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted

as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, “class” means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

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

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

(13) “State board” means the state board of education.

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

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

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

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

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

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

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

Sec. 11. (1) Subject to subsection (3), for the fiscal year ending September 30, 2013, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,961,245,600.00 from the state school aid fund and the sum of \$282,400,000.00 from the general fund. In addition, all other available federal funds, except those otherwise appropriated under section 11p, are appropriated for the fiscal year ending September 30, 2013.

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

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

Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the special membership counting provisions of section 6(4)(ff) and the hours and day of pupil instruction exemption under section 101(12) if the dropout recovery program meets all of the following:

(a) Enrolls only eligible pupils.

(b) Provides an advocate. An advocate may serve in that role for more than 1 pupil but no more than 50 pupils. An advocate may be employed by the district or may be provided by an education management organization that is partnering with the district. Before an individual is assigned to be an advocate for a pupil in the dropout recovery program, the district shall comply with sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

(c) Develops a written learning plan.

(d) Monitors the pupil’s progress against the written learning plan.

(e) Requires each pupil to make satisfactory monthly progress, as defined by the district under subsection (2).

(f) Reports the pupil’s progress results to the partner district at least monthly.

(g) The program may be operated on or off a district school campus, but may be operated using distance learning online only if the program provides a computer and internet access for each eligible pupil participating in the program.

(h) Is operated throughout the entire calendar year.

(i) If the district partners with an education management organization for the program, the education management organization has a dropout recovery program partnership relationship with at least 1 other district.

(2) A district operating a dropout recovery program under this section shall adopt a definition of satisfactory monthly progress that is consistent with the definition of that term under subsection (3).

(3) As used in this section:

(a) "Advocate" means an adult available to meet in person with assigned pupils, as needed, to conduct social interventions, to proctor final examinations, and to provide academic and social support to pupils enrolled in the district's dropout recovery program.

(b) "Education management organization" means a private provider that operates 1 or more other dropout recovery programs that meet the requirements of this section in partnership with 1 or more districts.

(c) "Eligible pupil" means a pupil who has been expelled from school under the mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a local policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a pupil who was previously a dropout, or a pupil who is determined by the district to be at risk of dropping out.

(d) "Satisfactory monthly progress" means an amount of progress that is measurable on a monthly basis and that, if continued for a full 12 months, would result in the same amount of academic credit being awarded to the pupil as would be awarded to a general education pupil completing a full school year. Satisfactory monthly progress may include a lesser required amount of progress for the first 2 months a pupil participates in the program.

(e) "Written learning plan" means a written plan developed in conjunction with the advocate that includes the plan start and end dates, courses to be taken, credit to be earned for each course, teacher of record for each course, and advocate name and contact information.

Sec. 25. (1) Unless another method of pupil accounting is enacted, this section applies beginning in 2013-2014.

(2) If a pupil enrolls in a district or intermediate district after the pupil membership count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating district or intermediate district, the educating district or intermediate district shall report the enrollment and attendance information to the department. If the pupil transfers from another district or intermediate district, the educating district or intermediate district also shall report the enrollment and attendance information to that other district or intermediate district. Upon receipt of enrollment information under this subsection indicating that a pupil has enrolled and is in attendance in an educating district or intermediate district as described in this subsection, the department shall do both of the following:

(a) Adjust the membership calculation for each district or intermediate district in which the pupil was previously counted in membership or that previously received an adjustment in its membership calculation under this section due to the pupil's enrollment and attendance, if any, so that the district's or intermediate district's membership is prorated to allow the district or intermediate district to receive for each school day in which the pupil was enrolled and in attendance in the district an amount equal to 1/180 of the foundation allowance or per pupil payment as calculated under section 20 for the district or intermediate district. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(b) Include in the membership calculation for the educating district or intermediate district for each school day in which the pupil is enrolled and is in attendance in the educating district or intermediate district, not to exceed a number of school days equal to the difference between 180 and the number of school days in which the pupil was reported under this section as previously enrolled in 1 or more other districts or intermediate districts, an amount equal to 1/180 of the foundation allowance or per pupil payment as calculated under section 20 for the educating district or intermediate district. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(3) The changes in calculation of state school aid required under subsection (2) shall take effect as of the date that the pupil becomes enrolled and in attendance in the educating district or intermediate district, and the department shall base all subsequent payments under this act for the fiscal year to the affected districts or intermediate districts on this recalculation of state school aid.

(4) If a pupil enrolls in an educating district or intermediate district as described in subsection (2), if adjustments are made in calculations pursuant to subsection (1) due to that enrollment, and if the pupil subsequently ceases to be enrolled and in attendance in the educating district or intermediate district, the educating district or intermediate district that received an adjustment in its membership calculation under subsection (2) shall notify the department of the last date of the pupil's enrollment and attendance in the educating district or intermediate district and the number of days the pupil was enrolled in the educating district or intermediate district.



(5) If a pupil enrolls in an educating district or intermediate district as described in subsection (2), the district or intermediate district in which the pupil is counted in membership or another educating district or intermediate district that received an adjustment in its membership calculation under subsection (2), if any, and the educating district or intermediate district shall provide to the department all information the department requires to comply with this section.

(6) As used in this section, “educating district or intermediate district” means the district or intermediate district in which a pupil enrolls after the pupil membership count day or after an adjustment was made in another district’s or intermediate district’s membership calculation under this section due to the pupil’s enrollment and attendance.

Sec. 25d. (1) This section applies for 2012-2013 only.

(2) If a pupil is enrolled in an alternative education program operated by an intermediate district or district for the purpose of educating pupils who have been expelled from school or referred from the court, and if the pupil is counted in membership in another intermediate district or district, the intermediate district or district operating the alternative education program shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the intermediate district or district in which the pupil is counted in membership shall pay to the intermediate district or district operating the alternative education program an amount equal to the amount of the foundation allowance or per-pupil payment as calculated under section 20 for the intermediate district or district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the alternative education program compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the intermediate district or district in which the pupil is counted in membership. The foundation allowance or per-pupil payment shall be adjusted by the pupil’s full-time equated status as affected by the membership definition under section 6(4). If an intermediate district or district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the intermediate district or district for that fiscal year under this act, and shall pay that amount to the intermediate district or district operating the alternative education program. The intermediate district or district in which the pupil is counted in membership and the intermediate district or district operating the alternative education program shall provide to the department all information the department requires to enforce this section.

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

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

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

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

(5) If a pupil enrolls in a strict discipline academy as described in subsection (3), if adjustments are made in calculations pursuant to subsection (3) due to that enrollment, and if the pupil subsequently ceases to be enrolled in the strict discipline academy, the strict discipline academy shall notify the department of the last date of the pupil’s enrollment in the strict discipline academy and the number of days the pupil was enrolled in the strict discipline academy.

(6) If a pupil enrolls in a strict discipline academy as described in subsection (3), the district or intermediate district in which the pupil is counted in membership and the strict discipline academy shall provide to the department all information the department requires to comply with this section.

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

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

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in subsections (2) and (4) are appropriated for community colleges for the fiscal year ending September 30, 2013, from the funds indicated in this section. The following is a summary of the appropriations in subsections (2) and (4):

(a) The gross appropriation is \$294,130,500.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is \$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, \$197,614,100.00.

(v) State general fund/general purpose money, \$96,516,400.00.

(2) Subject to subsection (3), the amount appropriated for community college operations is \$292,396,900.00, allocated as follows:

(a) Alpena Community College, \$5,111,200.00.

(b) Bay de Noc Community College, \$5,161,300.00.

(c) Delta College, \$13,712,700.00.

(d) Glen Oaks Community College, \$2,383,000.00.

(e) Gogebic Community College, \$4,233,100.00.

(f) Grand Rapids Community College, \$17,054,300.00.

(g) Henry Ford Community College, \$20,596,700.00.

(h) Jackson Community College, \$11,491,500.00.

(i) Kalamazoo Valley Community College, \$11,828,300.00.

(j) Kellogg Community College, \$9,289,300.00.

(k) Kirtland Community College, \$2,968,300.00.

(l) Lake Michigan College, \$5,059,300.00.

(m) Lansing Community College, \$29,335,000.00.

(n) Macomb Community College, \$31,206,500.00.

(o) Mid Michigan Community College, \$4,393,400.00.

(p) Monroe County Community College, \$4,223,500.00.

(q) Montcalm Community College, \$3,038,500.00.

(r) C.S. Mott Community College, \$14,890,400.00.

(s) Muskegon Community College, \$8,456,100.00.

(t) North Central Michigan College, \$2,979,900.00.

(u) Northwestern Michigan College, \$8,624,100.00.

(v) Oakland Community College, \$19,977,500.00.

(w) St. Clair County Community College, \$6,697,300.00.

(x) Schoolcraft College, \$11,800,500.00.

(y) Southwestern Michigan College, \$6,269,000.00.

(z) Washtenaw Community College, \$12,242,000.00.

(aa) Wayne County Community College, \$15,798,500.00.

(bb) West Shore Community College, \$2,298,200.00.

(cc) Local strategic value, \$1,277,500.00.

(3) The amount appropriated in subsection (2) for community college operations is appropriated from the following:

- (a) State school aid fund, \$195,880,500.00.
- (b) State general fund/general purpose money, \$96,516,400.00.

(4) From the appropriations described in subsection (1), there is appropriated for fiscal year 2012-2013 an amount not to exceed \$1,733,600.00 for payments to community colleges from the state 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, \$30,400.00.
- (b) Bay de Noc Community College, \$30,800.00.
- (c) Delta College, \$81,400.00.
- (d) Glen Oaks Community College, \$14,200.00.
- (e) Gogebic Community College, \$25,300.00.
- (f) Grand Rapids Community College, \$101,700.00.
- (g) Henry Ford Community College, \$123,000.00.
- (h) Jackson Community College, \$68,500.00.
- (i) Kalamazoo Valley Community College, \$70,400.00.
- (j) Kellogg Community College, \$55,300.00.
- (k) Kirtland Community College, \$17,500.00.
- (l) Lake Michigan College, \$30,200.00.
- (m) Lansing Community College, \$175,000.00.
- (n) Macomb Community College, \$186,200.00.
- (o) Mid Michigan Community College, \$26,100.00.
- (p) Monroe County Community College, \$25,000.00.
- (q) Montcalm Community College, \$18,000.00.
- (r) C.S. Mott Community College, \$88,700.00.
- (s) Muskegon Community College, \$50,400.00.
- (t) North Central Michigan College, \$17,600.00.
- (u) Northwestern Michigan College, \$51,500.00.
- (v) Oakland Community College, \$118,800.00.
- (w) St. Clair County Community College, \$39,900.00.
- (x) Schoolcraft College, \$70,100.00.
- (y) Southwestern Michigan College, \$37,500.00.
- (z) Washtenaw Community College, \$72,200.00.
- (aa) Wayne County Community College, \$94,200.00.
- (bb) West Shore Community College, \$13,700.00.

(5) Notwithstanding subsections (1) and (3) of this section as in effect for the fiscal year ending September 30, 2012, the amounts appropriated for community colleges under subsection (2) of this section for the fiscal year ending September 30, 2012 are appropriated from the following funds:

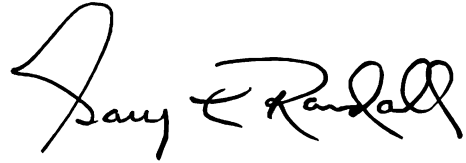
- (a) State school aid fund, \$259,629,400.00.
- (b) State general fund/general purpose money, \$24,251,100.00.

Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, as amended by this amendatory act and by 2012 PA 201, total state spending on school aid from state sources for fiscal year 2012-2013 is estimated at \$11,243,645,600.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,935,149,700.00.

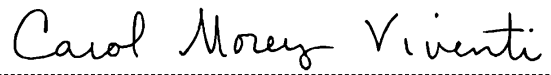
Enacting section 2. This amendatory act takes effect October 1, 2012.

Enacting section 3. This amendatory act does not take effect unless Senate Bill No. 969 of the 96th Legislature is enacted into law.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor