

# HOUSE BILL No. 5501

## EXECUTIVE BUDGET BILL

March 20, 2012, Introduced by Rep. Moss and referred to the Committee on Appropriations.

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, 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, 203, 206, 208, 213, 219, 222, 223, 224, 225, 226, 229, 236, 236a, 241, 242, 244, 245, 251, 252, 254, 256, 258, 263, 265, 267, 269, 270, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 283, 284, 286, 289, 291 and 296 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 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, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662,

388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1701, 388.1704,  
388.1707, 388.1747, 388.1747a, 388.1752a, 388.1801, 388.1801a, 388.1803, 388.1806,  
388.1808, 388.1813, 388.1819, 388.1822, 388.1823, 388.1824, 388.1825, 388.1826,  
388.1829, 388.1836, 388.1836a, 388.1841, 388.1842, 388.1844, 388.1845, 388.1851,  
388.1852, 388.1854, 388.1856, 388.1858, 388.1863, 388.1865, 388.1867, 388.1869,  
388.1870, 388.1875, 388.1875a, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880,  
388.1881, 388.1882, 388.1883, 388.1884, 388.1886, 388.1889, 388.1891 and 388.1896),  
sections 11, 11j, 11m, 22a, 22b, 26a, 31d, 31f, 51a, 51c, 53a, 62, as amended by 2011  
PA 299, sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22d, 24, 24a, 24c, 26b, 31a, 32b,  
32d, 32j, 39, 39a, 51d, 54, 56, 61a, 74, 81, 93, 94a, 98, 99, 104, 107, 147, 152a, as  
amended and sections 22f, 147a, 201, 201a, 203, 206, 208, 213, 219, 222, 223, 224,  
225, 226, 229, 236, 236a, 241, 242, 244, 245, 251, 252, 254, 256, 258, 263, 265, 267,  
269, 270, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 283, 284, 286, 289, 291, and  
296 as added by 2011 PA 62, sections 3, 19 and 101 as amended by 2010 PA 110, section  
4 as amended by 2008 PA 268, section 18c as added by 2000 PA 297, and section 25 as  
amended by 2011 PA 322; and by adding sections 22g, 95, 202a, 206b, 231, 236b, 237b,  
265a, 294a, 298, 298a, 298b, and 298c; and to repeal acts and parts of acts.

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

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**ARTICLE I**

Sec. 3. (1) "ACHIEVEMENT AUTHORITY" MEANS THAT TERM AS DEFINED IN PART 7C OF  
THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.771 TO 380.778.

(2) "ACHIEVEMENT SCHOOL" MEANS A PUBLIC SCHOOL WITHIN THE EDUCATION ACHIEVEMENT  
SYSTEM OPERATED, MANAGED, AUTHORIZED, ESTABLISHED, OR OVERSEEN BY THE ACHIEVEMENT  
AUTHORITY. AN INSTRUCTIONAL PROGRAM OPERATED BY AN ACHIEVEMENT SCHOOL OR OTHERWISE  
OPERATED, MAINTAINED, AUTHORIZED, ESTABLISHED, OR OVERSEEN BY THE ACHIEVEMENT  
AUTHORITY IS ELIGIBLE IN THE SAME MANNER AS A DISTRICT FOR ALL APPLICABLE CATEGORICAL  
AND FEDERAL AID.

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

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

6           (5) ~~(3)~~ "Center" means the center for educational performance and information  
7 created in section 94a.

8           (6) ~~(4)~~ "Cooperative education program" means a written voluntary agreement  
9 between and among districts to provide certain educational programs for pupils in  
10 certain groups of districts. The written agreement shall be approved by all affected  
11 districts at least annually and shall specify the educational programs to be provided  
12 and the estimated number of pupils from each district who will participate in the  
13 educational programs.

14           (7) ~~(5)~~ "Department", except in section 107, means the department of education.

15           (8) ~~(6)~~ "District" means a local school district established under the revised  
16 school code or, except in sections 6(4), 6(6), 13, 20, 22a, ~~23, 29,~~ 31a, 51a~~(15)~~(14),  
17 105, 105c, and 166b, a public school academy. ~~Except in sections 6(4), 6(6), 13, 20,~~  
18 ~~22a, 29, 51a(15), 105, 105c, and 166b, district also includes a university school.~~  
19 **EXCEPT IN SECTIONS 6(4), 6(6), 6(8), 6(19), 13, 20, 22A, 31A, 105, 105C, AND 166B,**  
20 **DISTRICT ALSO INCLUDES THE EDUCATION ACHIEVEMENT SYSTEM.**

21           (9) ~~(7)~~ "District of residence", except as otherwise provided in this  
22 subsection, means the district in which a pupil's custodial parent or parents or legal  
23 guardian resides. For a pupil described in section 24b, the pupil's district of  
24 residence is the district in which the pupil enrolls under that section. For a pupil  
25 described in section 6(4)(d), the pupil's district of residence shall be considered to  
26 be the district or intermediate district in which the pupil is counted in membership  
27 under that section. For a pupil under court jurisdiction who is placed outside the

1 district in which the pupil's custodial parent or parents or legal guardian resides,  
2 the pupil's district of residence shall be considered to be the educating district or  
3 educating intermediate district.

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

7 Sec. 4. (1) "EDUCATION ACHIEVEMENT SYSTEM" MEANS THAT TERM AS DEFINED IN PART  
8 7C OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.771 TO 380.778.

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

14 (3) ~~(2)~~ "Extended school year" means an educational program conducted by a  
15 district in which pupils must be enrolled but not necessarily in attendance on the  
16 pupil membership count day in an extended year program. The mandatory clock hours  
17 shall be completed by each pupil not more than 365 calendar days after the pupil's  
18 first day of classes for the school year prescribed. The department shall prescribe  
19 pupil, personnel, and other reporting requirements for the educational program.

20 (4) ~~(3)~~ "Fiscal year" means the state fiscal year that commences October 1 and  
21 continues through September 30.

22 (5) ~~(4)~~ "General educational development testing preparation program" means a  
23 program that has high school level courses in English language arts, social studies,  
24 science, and mathematics and that prepares a person to successfully complete the  
25 general educational development (GED) test.

26 (6) ~~(5)~~ "High school pupil" means a pupil in membership in grades 7 to 12,  
27 except in a district not maintaining grades above the eighth grade.

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

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

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

24           (4) "Membership", except as otherwise provided in this article, means for a  
25 district, public school academy, ~~university school,~~ **THE EDUCATION ACHIEVEMENT SYSTEM,**  
26 or **AN** intermediate district the sum of the product of .90 times the number of full-  
27 time equated pupils in grades K to 12 actually enrolled and in regular daily

1 attendance on the pupil membership count day for the current school year, plus the  
2 product of .10 times the final audited count from the supplemental count day for the  
3 immediately preceding school year. All pupil counts used in this subsection are as  
4 determined by the department and calculated by adding the number of pupils registered  
5 for attendance plus pupils received by transfer and minus pupils lost as defined by  
6 rules promulgated by the superintendent, and as corrected by a subsequent department  
7 audit. For the purposes of this section and section 6a, for a school of excellence  
8 that is a cyber school, as defined in section 551 of the revised school code, MCL  
9 380.551, and is in compliance with section 553a of the revised school code, MCL  
10 380.553a, a pupil's participation in the cyber school's educational program **OR ONLINE**  
11 **EDUCATIONAL PROGRAM OF THE EDUCATION ACHIEVEMENT SYSTEM OR AN ACHIEVEMENT SCHOOL** is  
12 considered regular daily attendance. The amount of the foundation allowance for a  
13 pupil in membership is determined under section 20. In making the calculation of  
14 membership, all of the following, as applicable, apply to determining the membership  
15 of a district, public school academy, ~~university school,~~ **THE EDUCATION ACHIEVEMENT**  
16 **SYSTEM**, or intermediate district:

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

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

1 district.

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

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

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

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

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

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

19 (H) A PUPIL ENROLLED IN AN ACHIEVEMENT SCHOOL SHALL BE COUNTED IN MEMBERSHIP IN  
20 THE EDUCATION ACHIEVEMENT SYSTEM.

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

25 (i) If operations begin before the pupil membership count day for the fiscal  
26 year, membership is the average number of full-time equated pupils in grades K to 12  
27 actually enrolled and in regular daily attendance on the pupil membership count day

1 for the current school year and on the supplemental count day for the current school  
2 year, as determined by the department and calculated by adding the number of pupils  
3 registered for attendance on the pupil membership count day plus pupils received by  
4 transfer and minus pupils lost as defined by rules promulgated by the superintendent,  
5 and as corrected by a subsequent department audit, plus the final audited count from  
6 the supplemental count day for the current school year, and dividing that sum by 2.

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

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

19 (k) In a district, public school academy, ~~university school~~, **ACHIEVEMENT**  
20 **SCHOOL, THE EDUCATION ACHIEVEMENT SYSTEM** or intermediate district operating an  
21 extended school year program approved by the superintendent, a pupil enrolled, but not  
22 scheduled to be in regular daily attendance on a pupil membership count day, shall be  
23 counted.

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

27 (i) A special education pupil who is enrolled and receiving instruction in a

1 special education program or service approved by the department, who does not have a  
2 high school diploma, and who is less than 26 years of age as of September 1 of the  
3 current school year shall be counted in membership.

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

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

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

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

11 (m) An individual who has obtained a high school diploma shall not be counted  
12 in membership. An individual who has obtained a general educational development  
13 (G.E.D.) certificate shall not be counted in membership unless the individual is a  
14 student with a disability as defined in R 340.1702 of the Michigan administrative  
15 code. An individual participating in a job training program funded under former  
16 section 107a or a jobs program funded under former section 107b, administered by the  
17 Michigan strategic fund ~~or the workforce development agency~~, or participating in any  
18 successor of either of those 2 programs, shall not be counted in membership.

19 (n) If a pupil counted in membership in a public school academy **OR THE**  
20 **EDUCATION ACHIEVEMENT SYSTEM** is also educated by a district or intermediate district  
21 as part of a cooperative education program, the pupil shall be counted in membership  
22 only in the public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** unless a written  
23 agreement signed by all parties designates the party or parties in which the pupil  
24 shall be counted in membership, and the instructional time scheduled for the pupil in  
25 the district or intermediate district shall be included in the full-time equated  
26 membership determination under subdivision (q). However, for pupils receiving  
27 instruction in both a public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** and in

1 a district or intermediate district but not as a part of a cooperative education  
2 program, the following apply:

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

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

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

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

27 (q) The number of class hours used to calculate full-time equated memberships

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

6 (r) ~~Full time equated memberships for pupils in kindergarten shall be~~  
7 ~~determined by dividing the number of class hours scheduled and provided per year per~~  
8 ~~kindergarten pupil by a number equal to 1/2 the number used for determining full-time~~  
9 ~~equated memberships for pupils in grades 1 to 12. However, beginning~~ **BEGINNING** in  
10 2012-2013, full-time equated memberships for pupils in kindergarten shall be  
11 determined by dividing the number of class hours scheduled and provided per year per  
12 kindergarten pupil by the same number used for determining full-time equated  
13 memberships for pupils in grades 1 to 12.

14 (s) For a district, ~~university school, or~~ public school academy, **OR THE**  
15 **EDUCATION ACHIEVEMENT SYSTEM** that has pupils enrolled in a grade level that was not  
16 offered by the district, ~~university school, or~~ public school academy, **OR THE EDUCATION**  
17 **ACHIEVEMENT SYSTEM** in the immediately preceding school year, the number of pupils  
18 enrolled in that grade level to be counted in membership is the average of the number  
19 of those pupils enrolled and in regular daily attendance on the pupil membership count  
20 day and the supplemental count day of the current school year, as determined by the  
21 department. Membership shall be calculated by adding the number of pupils registered  
22 for attendance in that grade level on the pupil membership count day plus pupils  
23 received by transfer and minus pupils lost as defined by rules promulgated by the  
24 superintendent, and as corrected by subsequent department audit, plus the final  
25 audited count from the supplemental count day for the current school year, and  
26 dividing that sum by 2.

27 (t) A pupil enrolled in a cooperative education program may be counted in

1 membership in the pupil's district of residence with the written approval of all  
2 parties to the cooperative agreement.

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

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

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

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

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

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

1 (w) If a pupil was enrolled in a public school academy on the pupil membership  
2 count day, if the public school academy's contract with its authorizing body is  
3 revoked or the public school academy otherwise ceases to operate, and if the pupil  
4 enrolls in a district **OR THE EDUCATION ACHIEVEMENT SYSTEM** within 45 days after the  
5 pupil membership count day, the department shall adjust the district's **OR THE**  
6 **EDUCATION ACHIEVEMENT SYSTEM'S** pupil count for the pupil membership count day to  
7 include the pupil in the count.

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

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

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

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

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

15 (aa) Full-time equated memberships for ~~preprimary-aged~~ special education pupils  
16 who are not enrolled in kindergarten but are enrolled in a classroom program under R  
17 340.1754 of the Michigan administrative code shall be determined by dividing the  
18 number of class hours scheduled and provided per year by 450. Full-time equated  
19 memberships for ~~preprimary-aged~~ special education pupils who are not enrolled in  
20 kindergarten but are receiving early childhood special education services under R  
21 340.1755 of the Michigan administrative code shall be determined by dividing the  
22 number of hours of service scheduled and provided per year per pupil by 180.

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

27 (cc) For the first year in which a pupil is counted in membership on the pupil

1 membership count day in a middle college program, the membership is the average of the  
2 full-time equated membership on the pupil membership count day and on the supplemental  
3 count day for the current school year, as determined by the department. If a pupil was  
4 counted by the operating district on the immediately preceding supplemental count day,  
5 the pupil shall be excluded from the district's immediately preceding supplemental  
6 count for purposes of determining the district's membership.

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

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

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

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

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

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

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

26 (d) A pupil enrolled in a district other than the pupil's district of residence  
27 under an intermediate district schools of choice pilot program as described in section

1 91a or former section 91 if the intermediate district and its constituent districts  
2 have been exempted from section 105.

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

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

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

19 (ii) "Serious assault" means an act that constitutes a felony violation of  
20 chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g, or that  
21 constitutes an assault and infliction of serious or aggravated injury under section  
22 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

27 (h) A pupil enrolled in an alternative education program operated by a district

1 other than his or her district of residence who meets 1 or more of the following:

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

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

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

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

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

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

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

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

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

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

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

1 (o) A pupil who enrolls in a district other than the pupil's district of  
2 residence as a result of the pupil's school not making adequate yearly progress under  
3 the no child left behind act of 2001, Public Law 107-110. However, if a district  
4 educates pupils who reside in another district and if the primary instructional site  
5 for those pupils is established by the educating district after 2009-2010 and is  
6 located within the boundaries of that other district, the educating district must have  
7 the approval of that other district to count those pupils in membership.

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

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

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

16 (i) Fourth Wednesday in July.

17 (ii) First Wednesday in October.

18 (iii) Second Wednesday in February.

19 (iv) Fourth Wednesday in April.

20 (8) "Pupils in grades K to 12 actually enrolled and in regular daily  
21 attendance" means pupils in grades K to 12 in attendance and receiving instruction in  
22 all classes for which they are enrolled on the pupil membership count day or the  
23 supplemental count day, as applicable. Except as otherwise provided in this  
24 subsection, a pupil who is absent from any of the classes in which the pupil is  
25 enrolled on the pupil membership count day or supplemental count day and who does not  
26 attend each of those classes during the 10 consecutive school days immediately  
27 following the pupil membership count day or supplemental count day, except for a pupil

1 who has been excused by the district, shall not be counted as 1.0 full-time equated  
2 membership. A pupil who is excused from attendance on the pupil membership count day  
3 or supplemental count day and who fails to attend each of the classes in which the  
4 pupil is enrolled within 30 calendar days after the pupil membership count day or  
5 supplemental count day shall not be counted as 1.0 full-time equated membership. In  
6 addition, a pupil who was enrolled and in attendance in a district, intermediate  
7 district, ~~or~~ public school academy, **OR AN ACHIEVEMENT SCHOOL** before the pupil  
8 membership count day or supplemental count day of a particular year but was expelled  
9 or suspended on the pupil membership count day or supplemental count day shall only be  
10 counted as 1.0 full-time equated membership if the pupil resumed attendance in the  
11 district, intermediate district, ~~or~~ public school academy, **OR ACHIEVEMENT SCHOOL**  
12 within 45 days after the pupil membership count day or supplemental count day of that  
13 particular year. Pupils not counted as 1.0 full-time equated membership due to an  
14 absence from a class shall be counted as a prorated membership for the classes the  
15 pupil attended. For purposes of this subsection, "class" means a period of time in 1  
16 day when pupils and a certificated teacher or legally qualified substitute teacher are  
17 together and instruction is taking place.

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

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

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

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

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

27 (14) "Superintendent", unless the context clearly refers to a district or

1 intermediate district superintendent, means the superintendent of public instruction  
2 described in section 3 of article VIII of the state constitution of 1963.

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

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

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

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

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

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

24 ~~"University school" means an instructional program operated by a public~~  
25 ~~university under section 23 that meets the requirements of section 23.~~

26 Sec. 11. (1) Subject to subsection (3), for the fiscal year ending ~~September~~  
27 ~~30, 2011,~~ **SEPTEMBER 30, 2013**, there is appropriated for the public schools of this

1 state and certain other state purposes relating to education the sum of  
 2 ~~\$10,784,760,500.00~~ **\$10,785,973,400.00** from the state school aid fund and the sum of  
 3 ~~\$18,642,400.00~~ **\$200,000,000.00** from the general fund. ~~For the fiscal year ending~~  
 4 ~~September 30, 2011, there is also appropriated the remaining balance of the federal~~  
 5 ~~funding awarded to this state under title XIV of the American recovery and~~  
 6 ~~reinvestment act of 2009, Public Law 111 5, estimated at \$184,256,600.00, to be used~~  
 7 ~~solely for the purpose of funding the primary funding formula calculated under section~~  
 8 ~~20, in accordance with federal law. Subject to subsection (3), for the fiscal year~~  
 9 ~~ending September 30, 2012,~~ **SEPTEMBER 30, 2014**, there is **ANTICIPATED TO BE** appropriated  
 10 for the public schools of this state and certain other state purposes relating to  
 11 education the sum of ~~\$10,887,098,700.00~~ **\$10,883,951,000.00** from the state school aid  
 12 fund and the sum of ~~\$118,642,400.00~~ **\$18,642,400.00** from the general fund. In addition,  
 13 all other available federal funds, ~~except those otherwise appropriated under section~~  
 14 ~~11p,~~ are appropriated **EACH FISCAL YEAR** for the fiscal year ending ~~September 30, 2011~~  
 15 ~~and for the fiscal year ending September 30, 2012~~ **SEPTEMBER 30, 2013 AND FOR THE**  
 16 **FISCAL YEAR ENDING SEPTEMBER 30, 2014.**

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

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

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

27 (2) The state treasurer may receive money or other assets from any source for

1 deposit into the school aid stabilization fund. The state treasurer shall deposit into  
2 the school aid stabilization fund all of the following:

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

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

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

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

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

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

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

27 (7) For ~~2011-2012~~, **2012-2013**, in addition to the appropriations in section 11,

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

3           Sec. 11g. (1) From the appropriation in section 11, there is allocated for this  
4 section an amount not to exceed \$39,000,000.00 for the fiscal year ending ~~September~~  
5 ~~30, 2012~~ **SEPTEMBER 30, 2013** and for each succeeding fiscal year through the fiscal  
6 year ending September 30, 2015, after which these payments will cease. These  
7 allocations are for paying the amounts described in subsection (3) to districts and  
8 intermediate districts, other than those receiving a lump-sum payment under section  
9 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of  
10 Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March  
11 2, 1998, submitted to the state treasurer a waiver resolution described in section  
12 11f. The amounts paid under this section represent offers of settlement and compromise  
13 of any claim or claims that were or could have been asserted by these districts and  
14 intermediate districts, as described in this section.

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

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

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

26           (b) If the district or intermediate district borrows money and issues bonds  
27 under section 11i, an amount in each fiscal year calculated by the department of

1 treasury that is equal to the debt service amount in that fiscal year on the bonds  
2 issued by that district or intermediate district under section 11i and that will  
3 result in the total payments made to all districts and intermediate districts in each  
4 fiscal year under this section being no more than the amount appropriated under this  
5 section in each fiscal year.

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

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

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

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

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

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

26 Sec. 11j. From the appropriation in section 11, there is allocated an amount  
27 not to exceed ~~\$2,837,800.00 for 2010-2011 and an amount not to exceed \$93,575,300.00~~

1 \$120,390,000.00 for ~~2011-2012~~ 2012-2013 AND AN AMOUNT NOT TO EXCEED \$131,660,000.00  
2 FOR 2013-2014 for payments to the school loan bond redemption fund in the department  
3 of treasury on behalf of districts and intermediate districts. Notwithstanding section  
4 11 or any other provision of this act, funds allocated under this section are not  
5 subject to proration and shall be paid in full.

6 Sec. 11k. For ~~2011-2012~~, 2012-2013, there is appropriated from the general fund  
7 to the school loan revolving fund an amount equal to the amount of school bond loans  
8 assigned to the Michigan finance authority, not to exceed the total amount of school  
9 bond loans held in reserve as long-term assets. As used in this section, "school loan  
10 revolving fund" means that fund created in section 16c of the shared credit rating  
11 act, 1985 PA 227, MCL 141.1066c.

12 Sec. 11m. From the appropriations in section 11, there is allocated for ~~2010-~~  
13 ~~2011~~ 2012-2013 an amount not to exceed ~~\$6,847,000.00~~ \$10,000,000.00 and there is  
14 allocated for ~~2011-2012~~ 2013-2014 an amount not to exceed \$20,000,000.00 for fiscal  
15 year cash-flow borrowing costs solely related to the state school aid fund established  
16 by section 11 of article IX of the state constitution of 1963.

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

1 subsequent special education or special education transportation payments.

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

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

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

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

26 Sec. 18. (1) Except as provided in another section of this article, each  
27 district or other entity shall apply the money received by the district or entity

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

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

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

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

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

23 (A) Salaries and wages.

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

26 (C) Retirement benefit costs.

27 (D) All other personnel costs.

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

3           (A) Instruction.

4           (B) Support services.

5           (C) Business and administration.

6           (D) Operations and maintenance.

7           (c) Links to all of the following:

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

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

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

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

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

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

21           (f) The annual amount spent on lobbying or lobbying services. As used in this  
22 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL  
23 4.415.

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

27           (4) For the purpose of determining the reasonableness of expenditures and

1 whether a violation of this article has occurred, all of the following apply:

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

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

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

21 (d) The pupil and financial accounting records and reports, audits, and  
22 management letters are subject to requirements established in the auditing and  
23 accounting manuals approved and published by the department.

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

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

27 (ii) The intermediate district shall file the annual financial audit reports

1 for the intermediate district with the department.

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

5 (f) The annual financial audit reports and pupil accounting procedures reports  
6 shall be available to the public in compliance with the freedom of information act,  
7 1976 PA 442, MCL 15.231 to 15.246.

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

13 (5) By November 15 of each year, each district and intermediate district shall  
14 submit to the center, in a manner prescribed by the center, annual comprehensive  
15 financial data consistent with accounting manuals and charts of accounts approved and  
16 published by the department. For an intermediate district, the report shall also  
17 contain the website address where the department can access the report required under  
18 section 620 of the revised school code, MCL 380.620. The department shall ensure that  
19 the prescribed Michigan public school accounting manual chart of accounts includes  
20 standard conventions to distinguish expenditures by allowable fund function and  
21 object. The functions shall include at minimum categories for instruction, pupil  
22 support, instructional staff support, general administration, school administration,  
23 business administration, transportation, facilities operation and maintenance,  
24 facilities acquisition, and debt service; and shall include object classifications of  
25 salary, benefits, including categories for active employee health expenditures,  
26 purchased services, supplies, capital outlay, and other. Districts shall report the  
27 required level of detail consistent with the manual as part of the comprehensive

1 annual financial report.

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

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

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

11 (9) If a district that is a public school academy purchases property using  
12 money received under this article, the public school academy shall retain ownership of  
13 the property unless the public school academy sells the property at fair market value.

14 (10) If a district or intermediate district does not comply with subsections  
15 (4), (5), (6), and (7), the department shall withhold all state school aid due to the  
16 district or intermediate district under this article, beginning with the next payment  
17 due to the district or intermediate district, until the district or intermediate  
18 district complies with subsections (4), (5), (6), and (7). If the district or  
19 intermediate district does not comply with subsections (4), (5), (6), and (7) by the  
20 end of the fiscal year, the district or intermediate district forfeits the amount  
21 withheld.

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

1 for the payment of any contract, mortgage, loan, or other instrument of indebtedness  
2 entered into by a public school academy, **THE ACHIEVEMENT AUTHORITY, OR AN ACHIEVEMENT**  
3 **SCHOOL.**

4 Sec. 19. (1) A district or intermediate district shall comply with all  
5 applicable reporting requirements specified in state and federal law. Data provided to  
6 the center, in a form and manner prescribed by the center, shall be aggregated and  
7 disaggregated as required by state and federal law. In addition, a district or  
8 intermediate district shall cooperate with all measures taken by the center to ~~comply~~  
9 ~~with the provisions of the American recovery and reinvestment act of 2009, Public Law~~  
10 ~~111 5, requiring the establishment of a statewide~~ **ESTABLISH AND MAINTAIN A P-20**  
11 longitudinal data system.

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

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

27 (4) By June 30 of each year, a district shall furnish to the center, in a

1 manner prescribed by the center, information related to safety practices and criminal  
2 incidents as necessary for reporting required by state and federal law.

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

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

16 Sec. 20. (1) For ~~2011-2012~~, **2012-2013 AND 2013-2014**, the basic foundation  
17 allowance is \$8,019.00.

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

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

25 (a) For a district that had a foundation allowance for the immediately  
26 preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the  
27 total dollar amount of all adjustments made from 2006-2007 to the immediately

1 preceding state fiscal year in the lowest foundation allowance among all districts,  
2 but less than the basic foundation allowance for the immediately preceding state  
3 fiscal year, the district shall receive a foundation allowance in an amount equal to  
4 the sum of the district's foundation allowance for the immediately preceding state  
5 fiscal year plus the difference between twice the dollar amount of the adjustment from  
6 the immediately preceding state fiscal year to the current state fiscal year made in  
7 the basic foundation allowance and [(the dollar amount of the adjustment from the  
8 immediately preceding state fiscal year to the current state fiscal year made in the  
9 basic foundation allowance minus \$20.00) times (the difference between the district's  
10 foundation allowance for the immediately preceding state fiscal year and the sum of  
11 \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the  
12 immediately preceding state fiscal year in the lowest foundation allowance among all  
13 districts) divided by the difference between the basic foundation allowance for the  
14 current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all  
15 adjustments made from 2006-2007 to the immediately preceding state fiscal year in the  
16 lowest foundation allowance among all districts]. For ~~2011-2012~~, **2012-2013 AND 2013-**  
17 **2014**, for a district that had a foundation allowance for the immediately preceding  
18 state fiscal year that was at least equal to the sum of \$7,108.00 plus the total  
19 dollar amount of all adjustments made from 2006-2007 to the immediately preceding  
20 state fiscal year in the lowest foundation allowance among all districts, but less  
21 than the basic foundation allowance for the immediately preceding state fiscal year,  
22 the district shall receive a foundation allowance in an amount equal to the district's  
23 foundation allowance for ~~2010-2011, minus \$470.00~~ **THE IMMEDIATELY PRECEDING STATE**  
24 **FISCAL YEAR**. However, the foundation allowance for a district that had less than the  
25 basic foundation allowance for the immediately preceding state fiscal year shall not  
26 exceed the basic foundation allowance for the current state fiscal year.

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

1 immediately preceding state fiscal year had a foundation allowance in an amount at  
2 least equal to the amount of the basic foundation allowance for the immediately  
3 preceding state fiscal year, the district shall receive a foundation allowance for  
4 ~~2011-2012~~ **2012-2013 AND 2013-2014** in an amount equal to the district's foundation  
5 allowance for ~~2010-2011, minus \$470.00~~ **THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.**

6 (c) Except as otherwise provided in subdivision (d), for a district that in the  
7 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the  
8 district's foundation allowance is an amount equal to the sum of the district's  
9 foundation allowance for the immediately preceding state fiscal year plus the lesser  
10 of the increase in the basic foundation allowance for the current state fiscal year,  
11 as compared to the immediately preceding state fiscal year, or the product of the  
12 district's foundation allowance for the immediately preceding state fiscal year times  
13 the percentage increase in the United States consumer price index in the calendar year  
14 ending in the immediately preceding fiscal year as reported by the May revenue  
15 estimating conference conducted under section 367b of the management and budget act,  
16 1984 PA 431, MCL 18.1367b. Except as otherwise provided in subdivision (d), for ~~2011-~~  
17 ~~2012,~~ **2012-2013 AND 2013-2014**, for a district that in the 1994-1995 state fiscal year  
18 had a foundation allowance greater than \$6,500.00, the district's foundation allowance  
19 is an amount equal to the district's foundation allowance for the ~~2010-2011 fiscal~~  
20 ~~year minus \$470.00~~ **IMMEDIATELY PRECEDING STATE FISCAL YEAR.**

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

27 (e) For a district that has a foundation allowance that is not a whole dollar

1 amount, the district's foundation allowance shall be rounded up to the nearest whole  
2 dollar.

3 (f) For a district that received a payment under section 22c as that section  
4 was in effect for 2001-2002, the district's 2001-2002 foundation allowance shall be  
5 considered to have been an amount equal to the sum of the district's actual 2001-2002  
6 foundation allowance as otherwise calculated under this section plus the per pupil  
7 amount of the district's equity payment for 2001-2002 under section 22c as that  
8 section was in effect for 2001-2002.

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

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

1 year and the district's foundation allowance for 1998-99, minus the difference between  
2 the sum of the product of the taxable value per membership pupil of all property in  
3 the district that is nonexempt property times the district's certified mills and, for  
4 a district with certified mills exceeding 12, the product of the taxable value per  
5 membership pupil of property in the district that is commercial personal property  
6 times the certified mills minus 12 mills and the quotient of the ad valorem property  
7 tax revenue of the district captured under tax increment financing acts divided by the  
8 district's membership excluding special education pupils. For a district that has a  
9 millage reduction required under section 31 of article IX of the state constitution of  
10 1963, the state portion of the district's foundation allowance shall be calculated as  
11 if that reduction did not occur.

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

26 (6) ~~Subject to subsection (7) and except~~ **EXCEPT** as otherwise provided in this  
27 subsection, for pupils in membership, other than special education pupils, in a public

1 school academy ~~or a university school~~, the allocation calculated under this section is  
2 an amount per membership pupil other than special education pupils in the public  
3 school academy ~~or university school~~ equal to the foundation allowance of the district  
4 in which the public school academy ~~or university school~~ is located or the state  
5 maximum public school academy allocation, whichever is less. However, a public school  
6 academy ~~or university school~~ that had an allocation under this subsection before 2009-  
7 2010 that was equal to the sum of the local school operating revenue per membership  
8 pupil other than special education pupils for the district in which the public school  
9 academy ~~or university school~~ is located and the state portion of that district's  
10 foundation allowance shall not have that allocation reduced as a result of the 2010  
11 amendment to this subsection. Notwithstanding section 101, for a public school academy  
12 that begins operations after the pupil membership count day, the amount per membership  
13 pupil calculated under this subsection shall be adjusted by multiplying that amount  
14 per membership pupil by the number of hours of pupil instruction provided by the  
15 public school academy after it begins operations, as determined by the department,  
16 divided by the minimum number of hours of pupil instruction required under section  
17 101(3). The result of this calculation shall not exceed the amount per membership  
18 pupil otherwise calculated under this subsection.

19 ~~———— (7) If more than 25% of the pupils residing within a district are in membership~~  
20 ~~in 1 or more public school academies located in the district, then the amount per~~  
21 ~~membership pupil calculated under this section for a public school academy located in~~  
22 ~~the district shall be reduced by an amount equal to the difference between the sum of~~  
23 ~~the product of the taxable value per membership pupil of all property in the district~~  
24 ~~that is nonexempt property times the district's certified mills and, for a district~~  
25 ~~with certified mills exceeding 12, the product of the taxable value per membership~~  
26 ~~pupil of property in the district that is commercial personal property times the~~  
27 ~~certified mills minus 12 mills and the quotient of the ad valorem property tax revenue~~

1 ~~of the district captured under tax increment financing acts divided by the district's~~  
2 ~~membership excluding special education pupils, in the school fiscal year ending in the~~  
3 ~~current state fiscal year, calculated as if the resident pupils in membership in 1 or~~  
4 ~~more public school academies located in the district were in membership in the~~  
5 ~~district. In order to receive state school aid under this article, a district~~  
6 ~~described in this subsection shall pay to the authorizing body that is the fiscal~~  
7 ~~agent for a public school academy located in the district for forwarding to the public~~  
8 ~~school academy an amount equal to that local school operating revenue per membership~~  
9 ~~pupil for each resident pupil in membership other than special education pupils in the~~  
10 ~~public school academy, as determined by the department.~~

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

1 ACHIEVEMENT SYSTEM AND NOT IN MEMBERSHIP IN THE DISTRICT THAT OPERATED THE SCHOOL  
2 BEFORE THE TRANSFER.

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

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

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

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

22 (a) The pupil membership factor shall be computed by dividing the estimated  
23 membership in the school year ending in the current state fiscal year, excluding  
24 intermediate district membership, by the estimated membership for the school year  
25 ending in the subsequent state fiscal year, excluding intermediate district  
26 membership. If a consensus membership factor is not determined at the revenue  
27 estimating conference, the principals of the revenue estimating conference shall

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

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

18 (c) The index shall be calculated by multiplying the pupil membership factor by  
19 the revenue adjustment factor. However, for ~~2011-2012~~, **2012-2013 AND 2013-2014**, the  
20 index shall be ~~0.93575~~ **1.00**. If a consensus index is not determined at the revenue  
21 estimating conference, the principals of the revenue estimating conference shall  
22 report their estimates to the house and senate subcommittees responsible for school  
23 aid appropriations not later than 7 days after the conclusion of the revenue  
24 conference.

25 ~~———— (12) If the principals at the revenue estimating conference reach a consensus~~  
26 ~~on the index described in subsection (11)(c), the lowest foundation allowance among~~  
27 ~~all districts for the subsequent state fiscal year shall be at least the amount of~~

1 ~~that consensus index multiplied by the lowest foundation allowance among all districts~~  
2 ~~for the immediately preceding state fiscal year.~~

3 (12) ~~(13)~~ For a district in which 7.75 mills levied in 1992 for school  
4 operating purposes in the 1992-93 school year were not renewed in 1993 for school  
5 operating purposes in the 1993-94 school year, the district's combined state and local  
6 revenue per membership pupil shall be recalculated as if that millage reduction did  
7 not occur and the district's foundation allowance shall be calculated as if its 1994-  
8 95 foundation allowance had been calculated using that recalculated 1993-94 combined  
9 state and local revenue per membership pupil as a base. A district is not entitled to  
10 any retroactive payments for fiscal years before 2000-2001 due to this subsection. A  
11 district receiving an adjustment under this subsection shall not receive as a result  
12 of this adjustment an amount that exceeds 50% of the amount the district received as a  
13 result of this adjustment for 2010-2011. This adjustment shall not be made after 2011-  
14 2012.

15 (13) ~~(14)~~ For a district in which an industrial facilities exemption  
16 certificate that abated taxes on property with a state equalized valuation greater  
17 than the total state equalized valuation of the district at the time the certificate  
18 was issued or \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL  
19 207.551 to 207.572, before the calculation of the district's 1994-95 foundation  
20 allowance, the district's foundation allowance for 2002-2003 is an amount equal to the  
21 sum of the district's foundation allowance for 2002-2003, as otherwise calculated  
22 under this section, plus \$250.00. A district receiving an adjustment under this  
23 subsection shall not receive as a result of this adjustment an amount that exceeds 50%  
24 of the amount the district received as a result of this adjustment for 2010-2011. This  
25 adjustment shall not be made after 2011-2012.

26 (14) ~~(15)~~ For a district that received a grant under former section 32e for  
27 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding

1 fiscal year shall be adjusted to be an amount equal to the sum of the district's  
2 foundation allowance, as otherwise calculated under this section, plus the quotient of  
3 100% of the amount of the grant award to the district for 2001-2002 under former  
4 section 32e divided by the number of pupils in the district's membership for 2001-2002  
5 who were residents of and enrolled in the district. Except as otherwise provided in  
6 this subsection, a district qualifying for a foundation allowance adjustment under  
7 this subsection shall use the funds resulting from this adjustment for at least 1 of  
8 grades K to 3 for purposes allowable under former section 32e as in effect for 2001-  
9 2002, and may also use these funds for an early intervening program described in  
10 subsection (20). For an individual school or schools operated by a district qualifying  
11 for a foundation allowance under this subsection that have been determined by the  
12 department to meet the adequate yearly progress standards of the federal no child left  
13 behind act of 2001, Public Law 107-110, in both mathematics and English language arts  
14 at all applicable grade levels for all applicable subgroups, the district may submit  
15 to the department an application for flexibility in using the funds resulting from  
16 this adjustment that are attributable to the pupils in the school or schools. The  
17 application shall identify the affected school or schools and the affected funds and  
18 shall contain a plan for using the funds for specific purposes identified by the  
19 district that are designed to reduce class size, but that may be different from the  
20 purposes otherwise allowable under this subsection. The department shall approve the  
21 application if the department determines that the purposes identified in the plan are  
22 reasonably designed to reduce class size. If the department does not act to approve or  
23 disapprove an application within 30 days after it is submitted to the department, the  
24 application is considered to be approved. If an application for flexibility in using  
25 the funds is approved, the district may use the funds identified in the application  
26 for any purpose identified in the plan. A district receiving an adjustment under this  
27 subsection shall not receive as a result of this adjustment an amount that exceeds

1 68.5% of the amount the district received as a result of this adjustment for 2010-  
2 2011. This adjustment shall not be made after 2011-2012.

3 (15) ~~(16)~~ For a district that levied 1.9 mills in 1993 to finance an operating  
4 deficit, the district's foundation allowance shall be calculated as if those mills  
5 were included as operating mills in the calculation of the district's 1994-1995  
6 foundation allowance. A district is not entitled to any retroactive payments for  
7 fiscal years before 2006-2007 due to this subsection. A district receiving an  
8 adjustment under this subsection shall not receive more than \$800,000.00 for a fiscal  
9 year as a result of this adjustment. A district receiving an adjustment under this  
10 subsection shall not receive as a result of this adjustment an amount that exceeds 50%  
11 of the amount the district received as a result of this adjustment for 2010-2011. This  
12 adjustment shall not be made after 2011-2012.

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

23 (17) ~~(18)~~ Payments to districts, ~~university schools, or public school~~  
24 academies, **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall not be made under this section.  
25 Rather, the calculations under this section shall be used to determine the amount of  
26 state payments under section 22b.

27 (18) ~~(19)~~ If an amendment to section 2 of article VIII of the state

1 constitution of 1963 allowing state aid to some or all nonpublic schools is approved  
2 by the voters of this state, each foundation allowance or per pupil payment  
3 calculation under this section may be reduced.

4 (19) ~~(20)~~ As used in this section:

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

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

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

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

15 (e) "Immediately preceding state fiscal year" means the state fiscal year  
16 immediately preceding the current state fiscal year.

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

19 (g) "Local school operating revenue per membership pupil" means a district's  
20 local school operating revenue divided by the district's membership excluding special  
21 education pupils.

22 (h) "Maximum public school academy allocation", except as otherwise provided in  
23 this subdivision, means the maximum per-pupil allocation as calculated by adding the  
24 highest per-pupil allocation among all public school academies for the immediately  
25 preceding state fiscal year plus the difference between twice the dollar amount of the  
26 adjustment from the immediately preceding state fiscal year to the current state  
27 fiscal year made in the basic foundation allowance and [(the dollar amount of the

1 adjustment from the immediately preceding state fiscal year to the current state  
2 fiscal year made in the basic foundation allowance minus \$20.00) times (the difference  
3 between the highest per-pupil allocation among all public school academies for the  
4 immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar  
5 amount of all adjustments made from 2006-2007 to the immediately preceding state  
6 fiscal year in the lowest per-pupil allocation among all public school academies)  
7 divided by the difference between the basic foundation allowance for the current state  
8 fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments  
9 made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-  
10 pupil allocation among all public school academies]. For ~~2011-2012~~, **2012-2013 AND**  
11 **2013-2014**, maximum public school academy allocation means \$7,110.00.

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

14 (j) "Nonexempt property" means property that is not a principal residence,  
15 qualified agricultural property, qualified forest property, supportive housing  
16 property, industrial personal property, or commercial personal property.

17 (k) "Principal residence", "qualified agricultural property", "qualified forest  
18 property", "supportive housing property", "industrial personal property", and  
19 "commercial personal property" mean those terms as defined in section 1211 of the  
20 revised school code, MCL 380.1211.

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

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

26 (n) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681,  
27 the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the

1 local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
2 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor  
3 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

8 Sec. 20d. In making the final determination required under former section 20a  
9 of a district's combined state and local revenue per membership pupil in 1993-94 and  
10 in making calculations under section 20 for ~~2011-2012~~, **2012-2013**, the department and  
11 the department of treasury shall comply with all of the following:

12 (a) For a district that had combined state and local revenue per membership  
13 pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal  
14 agent for a state board designated area vocational education center in the 1993-94  
15 school year, total state school aid received by or paid on behalf of the district  
16 pursuant to this act in 1993-94 shall exclude payments made under former section 146  
17 and under section 147 on behalf of the district's employees who provided direct  
18 services to the area vocational education center. Not later than June 30, 1996, the  
19 department shall make an adjustment under this subdivision to the district's combined  
20 state and local revenue per membership pupil in the 1994-95 state fiscal year and the  
21 department of treasury shall make a final certification of the number of mills that  
22 may be levied by the district under section 1211 of the revised school code, MCL  
23 380.1211, as a result of the adjustment under this subdivision.

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

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

10 Sec. 22a. (1) From the appropriation in section 11, there is allocated an  
11 amount not to exceed ~~\$5,831,273,900.00~~ \$5,707,000,000.00 for ~~2010-2011~~ 2012-2013 and  
12 an amount not to exceed ~~\$5,691,000,000.00~~ \$5,592,000,000.00 for ~~2011-2012~~ 2013-2014  
13 for payments to districts, ~~qualifying university schools,~~ and qualifying public school  
14 academies to guarantee each district, ~~qualifying university school,~~ and qualifying  
15 public school academy an amount equal to its 1994-95 total state and local per pupil  
16 revenue for school operating purposes under section 11 of article IX of the state  
17 constitution of 1963. Pursuant to section 11 of article IX of the state constitution  
18 of 1963, this guarantee does not apply to a district in a year in which the district  
19 levies a millage rate for school district operating purposes less than it levied in  
20 1994. However, subsection (2) applies to calculating the payments under this section.  
21 Funds allocated under this section that are not expended in the state fiscal year for  
22 which they were allocated, as determined by the department, may be used to supplement  
23 the allocations under sections 22b and 51c in order to fully fund those calculated  
24 allocations for the same fiscal year.

25 (2) To ensure that a district receives an amount equal to the district's 1994-  
26 95 total state and local per pupil revenue for school operating purposes, there is  
27 allocated to each district a state portion of the district's 1994-95 foundation

1 allowance in an amount calculated as follows:

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

15 (b) For a district that had a 1994-95 foundation allowance greater than  
16 \$6,500.00, the state payment under this subsection shall be the sum of the amount  
17 calculated under subdivision (a) plus the amount calculated under this subdivision.  
18 The amount calculated under this subdivision shall be equal to the difference between  
19 the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold  
20 harmless school operating taxes per pupil. If the result of the calculation under  
21 subdivision (a) is negative, the negative amount shall be an offset against any state  
22 payment calculated under this subdivision. If the result of a calculation under this  
23 subdivision is negative, there shall not be a state payment or a deduction under this  
24 subdivision. The taxable values per membership pupil used in the calculations under  
25 this subdivision are as adjusted by ad valorem property tax revenue captured under tax  
26 increment financing acts divided by the district's membership.

27 (3) Beginning in 2003-2004, for pupils in membership in a qualifying public

1 school academy ~~or qualifying university school~~, there is allocated under this section  
2 to the authorizing body that is the fiscal agent for the qualifying public school  
3 academy for forwarding to the qualifying public school academy, ~~or to the board of the~~  
4 ~~public university operating the qualifying university school~~, an amount equal to the  
5 1994-95 per pupil payment to the qualifying public school academy ~~or qualifying~~  
6 ~~university school~~ under section 20.

7 (4) A district, ~~qualifying university school~~, or qualifying public school  
8 academy may use funds allocated under this section in conjunction with any federal  
9 funds for which the district, ~~qualifying university school~~, or qualifying public  
10 school academy otherwise would be eligible.

11 (5) For a district that is formed or reconfigured after June 1, 2000 by  
12 consolidation of 2 or more districts or by annexation, the resulting district's 1994-  
13 95 foundation allowance under this section beginning after the effective date of the  
14 consolidation or annexation shall be the average of the 1994-95 foundation allowances  
15 of each of the original or affected districts, calculated as provided in this section,  
16 weighted as to the percentage of pupils in total membership in the resulting district  
17 in the state fiscal year in which the consolidation takes place who reside in the  
18 geographic area of each of the original districts. If an affected district's 1994-95  
19 foundation allowance is less than the 1994-95 basic foundation allowance, the amount  
20 of that district's 1994-95 foundation allowance shall be considered for the purpose of  
21 calculations under this subsection to be equal to the amount of the 1994-95 basic  
22 foundation allowance.

23 (6) As used in this section:

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

27 (b) "Certified mills" means the lesser of 18 mills or the number of mills of

1 school operating taxes levied by the district in 1993-94.

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

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

7 (e) "Hold harmless millage" means, for a district with a 1994-95 foundation  
8 allowance greater than \$6,500.00, the number of mills by which the exemption from the  
9 levy of school operating taxes on a homestead, qualified agricultural property,  
10 qualified forest property, supportive housing property, industrial personal property,  
11 and commercial personal property could be reduced as provided in section 1211 of the  
12 revised school code, MCL 380.1211, and the number of mills of school operating taxes  
13 that could be levied on all property as provided in section 1211(2) of the revised  
14 school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax  
15 year.

16 (f) "Homestead", "qualified agricultural property", "qualified forest  
17 property", "supportive housing property", "industrial personal property", and  
18 "commercial personal property" mean those terms as defined in section 1211 of the  
19 revised school code, MCL 380.1211.

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

22 (h) "Nonexempt property" means property that is not a principal residence,  
23 qualified agricultural property, qualified forest property, supportive housing  
24 property, industrial personal property, or commercial personal property.

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

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

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

6 (K) ~~(l)~~ "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to  
 7 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to  
 8 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,  
 9 the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or  
 10 the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

11 (L) ~~(m)~~ "Taxable value per membership pupil" means each of the following  
 12 divided by the district's membership:

13 (i) For the number of mills by which the exemption from the levy of school  
 14 operating taxes on a homestead, qualified agricultural property, qualified forest  
 15 property, supportive housing property, industrial personal property, and commercial  
 16 personal property may be reduced as provided in section 1211 of the revised school  
 17 code, MCL 380.1211, the taxable value of homestead, qualified agricultural property,  
 18 qualified forest property, supportive housing property, industrial personal property,  
 19 and commercial personal property for the calendar year ending in the current state  
 20 fiscal year.

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

25 Sec. 22b. (1) From the state funds appropriated in section 11, there is  
 26 allocated for ~~2010-2011~~ 2012-2013 an amount not to exceed ~~\$3,551,097,700.00~~  
 27 \$3,027,000,000.00 and there is allocated for ~~2011-2012~~ 2013-2014 an amount not to

1 exceed ~~\$3,032,300,000.00~~ \$3,106,000,000.00 for discretionary nonmandated payments to  
2 districts under this section. Funds allocated under this section that are not expended  
3 in the state fiscal year for which they were allocated, as determined by the  
4 department, may be used to supplement the allocations under sections 22a and 51c in  
5 order to fully fund those calculated allocations for the same fiscal year.

6 ~~—— (2) In addition to the funds allocated in subsection (1), there is allocated an~~  
7 ~~amount estimated at \$184,256,600.00 for 2010-2011 from the federal funds awarded to~~  
8 ~~this state under title XIV of the American recovery and reinvestment act of 2009,~~  
9 ~~Public Law 111-5. These funds shall be distributed in a form and manner determined by~~  
10 ~~the department based on an equal dollar amount per the number of membership pupils~~  
11 ~~used to calculate the final state aid payment of the immediately preceding fiscal year~~  
12 ~~and shall be expended in a manner prescribed by federal law.~~

13 (2) ~~(3)~~ Subject to subsection ~~(4)~~ (3) and section 11, the allocation to a  
14 district under this section shall be an amount equal to the sum of the amounts  
15 calculated under sections 20, 51a(2), 51a(3), and 51a~~(12)~~ (11), minus the sum of the  
16 allocations to the district under sections 22a and 51c.

17 (3) ~~(4)~~ In order to receive an allocation under subsection (1), each district  
18 shall do all of the following:

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

25 (b) Comply with sections 1278a and 1278b of the revised school code, MCL  
26 380.1278a and 380.1278b.

27 (c) Furnish data and other information required by state and federal law to the

1 center and the department in the form and manner specified by the center or the  
2 department, as applicable.

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

4 (4) ~~(5)~~ Districts are encouraged to use funds allocated under this section for  
5 the purchase and support of payroll, human resources, and other business function  
6 software that is compatible with that of the intermediate district in which the  
7 district is located and with other districts located within that intermediate  
8 district.

9 (5) ~~(6)~~ From the allocation in subsection (1), the department shall pay up to  
10 \$1,000,000.00 in litigation costs incurred by this state related to commercial or  
11 industrial property tax appeals, including, but not limited to, appeals of  
12 classification, that impact revenues dedicated to the state school aid fund.

13 (6) ~~(7)~~ From the allocation in subsection (1), the department shall pay up to  
14 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits  
15 filed by 1 or more districts or intermediate districts against this state. If the  
16 allocation under this section is insufficient to fully fund all payments required  
17 under this section, the payments under this subsection shall be made in full before  
18 any proration of remaining payments under this section.

19 (7) ~~(8)~~ It is the intent of the legislature that all constitutional obligations  
20 of this state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a  
21 claim is made by an entity receiving funds under this article that challenges the  
22 legislative determination of the adequacy of this funding or alleges that there exists  
23 an unfunded constitutional requirement, the state budget director may escrow or  
24 allocate from the discretionary funds for nonmandated payments under this section the  
25 amount as may be necessary to satisfy the claim before making any payments to  
26 districts under subsection (3). If funds are escrowed, the escrowed funds are a work  
27 project appropriation and the funds are carried forward into the following fiscal

1 year. The purpose of the work project is to provide for any payments that may be  
2 awarded to districts as a result of litigation. The work project shall be completed  
3 upon resolution of the litigation.

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

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

18 (10) ~~(11)~~ If payments resulting from a final determination by the local claims  
19 review board or a court of competent jurisdiction that there has been a violation of  
20 section 29 of article IX of the state constitution of 1963 exceed the amount allocated  
21 for discretionary nonmandated payments under this section, the legislature shall  
22 provide for adequate funding for this state's constitutional obligations at its next  
23 legislative session.

24 (11) ~~(12)~~ If a lawsuit challenging payments made to districts related to costs  
25 reimbursed by federal title XIX medicaid funds is filed against this state, then, for  
26 the purpose of addressing potential liability under such a lawsuit, the state budget  
27 director may place funds allocated under this section in escrow or allocate money from

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

11 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
12 \$2,025,000.00 is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-13 AND 2013-2014** for  
13 supplemental payments to rural districts under this section.

14 (2) From the allocation under subsection (1), there is allocated **EACH FISCAL**  
15 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$750,000.00 for  
16 payments under this subsection to districts that meet all of the following:

17 (a) Operates grades K to 12.

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

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

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

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

24 (3) The amount of the additional funding to each eligible district under  
25 subsection (2) shall be determined under a spending plan developed as provided in this  
26 subsection and approved by the superintendent of public instruction. The spending plan  
27 shall be developed cooperatively by the intermediate superintendents of each

1 intermediate district in which an eligible district is located. The intermediate  
2 superintendents shall review the financial situation of each eligible district,  
3 determine the minimum essential financial needs of each eligible district, and develop  
4 and agree on a spending plan that distributes the available funding under subsection  
5 (2) to the eligible districts based on those financial needs. The intermediate  
6 superintendents shall submit the spending plan to the superintendent of public  
7 instruction for approval. Upon approval by the superintendent of public instruction,  
8 the amounts specified for each eligible district under the spending plan are allocated  
9 under subsection (2) and shall be paid to the eligible districts in the same manner as  
10 payments under section 22b.

11 (4) Subject to subsection (6), from the allocation in subsection (1), there is  
12 allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to  
13 exceed \$1,275,000.00 for payments under this subsection to districts that meet all of  
14 the following:

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

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

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

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

24 Sec. 22f. (1) From the appropriation in section 11, there is allocated for  
25 ~~2011-2012 only~~ **2012-2013** an amount not to exceed ~~\$154,000,000.00~~ **\$190,000,000.00 AND**  
26 **FOR 2013-2014 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000,000.00** to provide  
27 incentive payments to districts that meet ~~financial~~ **SEPARATE STUDENT ACADEMIC**

1 PERFORMANCE FUNDING GOALS AND best practices under this section. ~~The money allocated~~  
2 OF THE FUNDS ALLOCATED FOR FISCAL YEAR 2012-2013 in this section, AN AMOUNT OF  
3 \$140,000,000.00 IS FOR ONE-TIME PAYMENTS AND represents a portion of the year-end  
4 state school aid fund balance for ~~2010-2011~~ 2011-2012. PAYMENTS RECEIVED UNDER THIS  
5 SECTION MAY BE USED FOR ANY PURPOSE FOR WHICH PAYMENTS UNDER SECTIONS 22A AND 22B ARE  
6 USED.

7 (2) The amount of the incentive payment FOR STUDENT ACADEMIC PERFORMANCE is ~~an~~  
8 ~~amount equal to~~ A MAXIMUM OF \$100.00 per pupil. PAYMENTS CALCULATED AND AWARDED TO  
9 QUALIFYING DISTRICTS UNDER SUBSECTIONS (3) TO (5) SHALL BE CALCULATED AND AWARDED  
10 SEPARATELY AND A DISTRICT MAY RECEIVE A PAYMENT UNDER ANY OR ALL OF SUBSECTIONS (3) TO  
11 (5).

12 (3) AN AMOUNT NOT TO EXCEED 30% OF THE MAXIMUM PER PUPIL AMOUNT ALLOCATED UNDER  
13 SUBSECTION (2) SHALL BE USED TO MAKE PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING  
14 DISTRICTS UNDER THIS SUBSECTION BASED ON PUPIL PERFORMANCE ON STATE ASSESSMENTS IN  
15 MATHEMATICS IN GRADES 3 TO 8. THE AMOUNT OF A PAYMENT UNDER THIS SUBSECTION IS AN  
16 AMOUNT EQUAL TO \$30.00 PER PUPIL FOR ALL PUPILS IN MEMBERSHIP IN A QUALIFYING  
17 DISTRICT. THE DEPARTMENT SHALL DETERMINE THE QUALIFYING DISTRICTS UNDER THIS  
18 SUBSECTION AS FOLLOWS:

19 (A) USING THE STATE'S GROWTH MODEL AS DETERMINED BY THE DEPARTMENT, WHICH  
20 INCORPORATES THE MOST RECENT CUT SCORES ADOPTED FOR THE MICHIGAN EDUCATIONAL  
21 ASSESSMENT PROGRAM FOR EACH PUPIL IN GRADES 3 TO 8 IN THE 2011-2012 SCHOOL YEAR, THE  
22 DEPARTMENT SHALL CALCULATE A POINT SCORE USING A METRIC THAT ASSIGNS POINTS TO EACH OF  
23 THOSE PUPILS AS FOLLOWS:

24 (i) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN  
25 MATHEMATICS AND WHO DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL,  
26 OVER THE SCHOOL YEAR, 0 POINTS.

27 (ii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN

1 MATHEMATICS AND DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER  
2 THE SCHOOL YEAR, 0 POINTS.

3 (iii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN  
4 MATHEMATICS AND WHO MAINTAINS HIS OR HER LEVEL OF PROFICIENCY, AS DEFINED BY THE  
5 STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR, 1 POINT.

6 (iv) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN  
7 MATHEMATICS AND WHO MAINTAINS HIS OR HER LEVEL OF PROFICIENCY, AS DEFINED BY THE  
8 STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR, 2 POINTS.

9 (v) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN  
10 MATHEMATICS AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL,  
11 OVER THE SCHOOL YEAR, 3 POINTS.

12 (vi) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN  
13 MATHEMATICS AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL,  
14 OVER THE SCHOOL YEAR, 2 POINTS.

15 (B) THE DEPARTMENT SHALL THEN CALCULATE A DISTRICT AVERAGE FOR THIS METRIC FOR  
16 THE 2011-2012 SCHOOL YEAR BY TOTALING THE NUMBER OF POINTS FOR ALL PUPILS IN GRADES 3  
17 TO 8 UNDER SUBDIVISION (A) AND DIVIDING THAT TOTAL BY THE NUMBER OF THOSE PUPILS.

18 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER THIS SUBSECTION  
19 IF THE DISTRICT AVERAGE FOR THE 2011-2012 SCHOOL YEAR UNDER SUBDIVISION (B) IS AT  
20 LEAST EQUAL TO A FACTOR OF 1.5, AND THE DISTRICT TESTED AT LEAST 95% OF ITS STUDENTS  
21 IN MATHEMATICS, AND THE DISTRICT HAD AT LEAST 30 FULL ACADEMIC YEAR STUDENTS IN GRADE  
22 3 TO 8 MATHEMATICS WITH A PERFORMANCE LEVEL CHANGE DESIGNATION.

23 (4) AN AMOUNT NOT TO EXCEED 30% OF THE MAXIMUM PER PUPIL AMOUNT ALLOCATED UNDER  
24 SUBSECTION (2) SHALL BE USED TO MAKE PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING  
25 DISTRICTS UNDER THIS SUBSECTION BASED ON PUPIL PERFORMANCE ON STATE ASSESSMENTS IN  
26 READING IN GRADES 3 TO 8. THE AMOUNT OF A PAYMENT UNDER THIS SUBSECTION IS AN AMOUNT  
27 EQUAL TO \$30.00 PER PUPIL FOR ALL PUPILS IN MEMBERSHIP IN THE DISTRICT. THE DEPARTMENT

1 SHALL DETERMINE THE QUALIFYING DISTRICTS UNDER THIS SUBSECTION AS FOLLOWS:

2 (A) USING THE STATE'S GROWTH MODEL AS DETERMINED BY THE DEPARTMENT, WHICH  
3 INCORPORATES THE MOST RECENT CUT SCORES ADOPTED FOR THE MICHIGAN EDUCATIONAL  
4 ASSESSMENT PROGRAM FOR EACH PUPIL IN GRADES 3 TO 8 IN THE 2011-2012 SCHOOL YEAR, THE  
5 DEPARTMENT SHALL CALCULATE A POINT SCORE USING A METRIC THAT ASSIGNS POINTS TO EACH OF  
6 THOSE PUPILS AS FOLLOWS:

7 (i) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN  
8 READING AND WHO DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER  
9 THE SCHOOL YEAR, 0 POINTS.

10 (ii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN  
11 READING AND DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE  
12 SCHOOL YEAR, 0 POINTS.

13 (iii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN  
14 READING AND WHO MAINTAINS PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER  
15 THE SCHOOL YEAR, 1 POINT.

16 (iv) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN  
17 READING AND WHO MAINTAINS PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER  
18 THE SCHOOL YEAR, 2 POINTS.

19 (v) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN  
20 READING AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER  
21 THE SCHOOL YEAR, 3 POINTS.

22 (vi) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN  
23 READING AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER  
24 THE SCHOOL YEAR, 2 POINTS.

25 (B) THE DEPARTMENT SHALL THEN CALCULATE A DISTRICT AVERAGE FOR THIS METRIC FOR  
26 THE 2011-2012 SCHOOL YEAR BY TOTALING THE NUMBER OF POINTS FOR ALL PUPILS IN GRADES 3  
27 TO 8 UNDER SUBDIVISION (A) AND DIVIDING THAT TOTAL BY THE NUMBER OF THOSE PUPILS.

1 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER THIS SUBSECTION  
2 IF THE DISTRICT AVERAGE FOR THE 2011-2012 SCHOOL YEAR UNDER SUBDIVISION (B) IS AT  
3 LEAST EQUAL TO A FACTOR OF 1.5, AND THE DISTRICT TESTED AT LEAST 95% OF ITS STUDENTS  
4 IN READING, AND THE DISTRICT HAD AT LEAST 30 FULL ACADEMIC YEAR STUDENTS IN GRADE 3 TO  
5 8 READING WITH A PERFORMANCE LEVEL CHANGE DESIGNATION.

6 (5) AN AMOUNT NOT TO EXCEED 40% OF THE MAXIMUM PER PUPIL AMOUNT ALLOCATED UNDER  
7 SUBSECTION (2) SHALL BE USED TO MAKE PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING  
8 DISTRICTS UNDER THIS SUBSECTION FOR HIGH SCHOOL IMPROVEMENT USING A METRIC BASED ON  
9 THE POSITIVE TREND OVER A 4-YEAR PERIOD IN THE PERCENTAGE OF HIGH SCHOOL PUPILS IN THE  
10 DISTRICT TESTING AS PROFICIENT IN ALL TESTED SUBJECT AREAS ON THE STATE ASSESSMENTS OF  
11 HIGH SCHOOL PUPILS. THE AMOUNT OF A PAYMENT UNDER THIS SUBSECTION IS AN AMOUNT EQUAL  
12 TO \$40.00 PER PUPIL FOR ALL PUPILS IN MEMBERSHIP IN THE DISTRICT. THE DEPARTMENT SHALL  
13 DETERMINE THE QUALIFYING DISTRICTS UNDER THIS SUBSECTION AS FOLLOWS:

14 (A) CALCULATE A LINEAR REGRESSION OF THE PERCENTAGE OF HIGH SCHOOL PUPILS IN  
15 THE DISTRICT TESTING AS PROFICIENT IN ALL TESTED SUBJECT AREAS ON STATE ASSESSMENTS OF  
16 HIGH SCHOOL PUPILS ON SCHOOL YEAR OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012  
17 SCHOOL YEAR AS ADJUSTED FOR CHANGES IN CUT SCORES MOST RECENTLY ADOPTED FOR THE  
18 MICHIGAN MERIT EXAMINATION.

19 (B) CALCULATE A STATEWIDE AVERAGE FOR ALL DISTRICTS OPERATING A HIGH SCHOOL OF  
20 THE LINEAR REGRESSION OF THE PERCENTAGE OF HIGH SCHOOL PUPILS TESTING AS PROFICIENT IN  
21 ALL TESTED SUBJECT AREAS ON STATE ASSESSMENTS OF HIGH SCHOOL PUPILS ON SCHOOL YEAR  
22 OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012 SCHOOL YEAR, AS ADJUSTED FOR CHANGES  
23 IN CUT SCORES MOST RECENTLY ADOPTED FOR THE MICHIGAN MERIT EXAMINATION AS THE BASE  
24 YEAR FOR ALL COMPARISONS.

25 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER THIS SUBSECTION  
26 IF THE DISTRICT'S LINEAR REGRESSION OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012  
27 SCHOOL YEAR UNDER SUBDIVISION (A) IS AT LEAST EQUAL TO THE STATEWIDE AVERAGE LINEAR

1 REGRESSION OVER THE 4-YEAR PERIOD ENDING WITH THE BASE YEAR UNDER SUBDIVISION (B), AND  
 2 THE DISTRICT'S LINEAR REGRESSION OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012  
 3 SCHOOL YEAR UNDER SUBDIVISION (A) IS POSITIVE, AND THE DISTRICT TESTED 95% OF HIGH  
 4 SCHOOL STUDENTS IN EACH TESTED SUBJECT ON THE MICHIGAN MERIT EXAMINATION, AND THE  
 5 DISTRICT HAD AT LEAST 20 FULL ACADEMIC YEAR STUDENTS TAKE ALL TESTED SUBJECTS ON THE  
 6 MICHIGAN MERIT EXAMINATION OVER EACH OF THE MOST RECENT FOUR YEARS.

7 (6) FUNDS ALLOCATED IN SUBSECTION (1) THAT REMAIN AFTER THE PERFORMANCE  
 8 INCENTIVE PAYMENT CALCULATIONS UNDER SUBSECTIONS (3) TO (5) SHALL BE USED FOR PER  
 9 PUPIL PAYMENTS TO DISTRICTS THAT MEET BEST PRACTICES UNDER THIS SUBSECTION. THE TOTAL  
 10 AMOUNT OF FUNDS ALLOCATED UNDER SUBSECTION (1) AVAILABLE FOR ALLOCATION UNDER THIS  
 11 SUBSECTION SHALL BE DISTRIBUTED TO ALL ELIGIBLE DISTRICTS ON AN EQUAL PER MEMBERSHIP  
 12 PUPIL BASIS AS DETERMINED BY THE DEPARTMENT. A district shall receive an incentive  
 13 payment under this ~~section~~ SUBSECTION if the district satisfies at least ~~4~~ 5 of the  
 14 following requirements not later than June 1, ~~2012~~ 2013:

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

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

27 ~~—— (c) If a district did not enter into an agreement with the department to~~

1 ~~develop a service consolidation plan to reduce school operating costs under former~~  
2 ~~section 11d as it was in effect for 2010-2011, the district enters into an agreement~~  
3 ~~with the department to develop a service consolidation plan that is in compliance with~~  
4 ~~department guidelines described in subsection (2). If a district entered into an~~  
5 ~~agreement with the department to develop a service consolidation plan under former~~  
6 ~~section 11d, the district continues to implement that plan and report to the~~  
7 ~~department not later than February 1 of each fiscal year the district's progress in~~  
8 ~~implementing that plan.~~

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

12 (B) THE DISTRICT ACCEPTS APPLICATIONS FOR ENROLLMENT BY NONRESIDENT APPLICANTS  
13 UNDER SECTION 105 OR 105C.

14 (C) THE DISTRICT MONITORS INDIVIDUAL STUDENT ACADEMIC GROWTH IN EACH SUBJECT  
15 AREA AT LEAST TWICE DURING THE SCHOOL YEAR USING COMPETENCY-BASED ONLINE ASSESSMENTS  
16 AND REPORTS THOSE RESULTS TO THE STUDENT AND THEIR PARENT OR GUARDIAN.

17 (D) THE DISTRICT SUPPORTS OPPORTUNITIES FOR STUDENTS TO RECEIVE POSTSECONDARY  
18 CREDIT WHILE ATTENDING SECONDARY SCHOOL, BY DOING AT LEAST 1 OF THE FOLLOWING:

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

22 (II) OFFERS ADVANCED PLACEMENT CLASSES.

23 (III) PARTICIPATES IN A MIDDLE COLLEGE. FOR THE PURPOSES OF THIS SUBDIVISION,  
24 "MIDDLE COLLEGE" MEANS A SERIES OF COURSES AND OTHER REQUIREMENTS AND CONDITIONS THAT  
25 ALLOW A PUPIL TO GRADUATE WITH A HIGH SCHOOL DIPLOMA AND A CERTIFICATE OR DEGREE FROM  
26 A COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY.

27 (IV) PROVIDES OTHER OPPORTUNITIES TO PUPILS THAT ALLOW THOSE PUPILS TO GRADUATE

1 WITH A HIGH SCHOOL DIPLOMA AND ALSO COMPLETE COURSEWORK THAT A POSTSECONDARY  
2 INSTITUTION NORMALLY APPLIES TOWARD SATISFACTION OF DEGREE REQUIREMENTS.

3 (V) IN ORDER TO SATISFY THE REQUIREMENT UNDER SUBDIVISION (D), DISTRICTS MUST  
4 MAKE ALL ELIGIBLE STUDENTS AND THEIR PARENTS OR GUARDIANS AWARE OF THESE  
5 OPPORTUNITIES.

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

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

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

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

26 (i) Graduation and dropout rates.

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

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

2 (iv) Elementary and middle school MEAP scores.

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

5 (vi) General fund balance.

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

7 ~~\_\_\_\_\_ (2) The department shall maintain the guidelines for the service consolidation~~  
8 ~~plans that were developed for former section 11d as it was in effect for 2010-2011.~~  
9 ~~The guidelines may identify, but are not limited to, allowable cost sharing~~  
10 ~~arrangements for the provision of noninstructional and instructional services and the~~  
11 ~~creation of joint operating agreements between and among districts, intermediate~~  
12 ~~districts, and other units of local government. The department shall create benchmarks~~  
13 ~~to measure success in implementing service consolidation plans, including, but not~~  
14 ~~limited to, demonstrated cost reductions and efficiency. In determining eligibility~~  
15 ~~for incentive payments, the department shall recognize service consolidation and~~  
16 ~~cooperation and cost reductions already in effect as well as continued progress.~~

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

22 ~~\_\_\_\_\_ (a) Employee only coverage.~~

23 ~~\_\_\_\_\_ (b) Employee and spouse coverage.~~

24 ~~\_\_\_\_\_ (c) Employee and children coverage.~~

25 ~~\_\_\_\_\_ (d) Full family coverage.~~

26 ~~\_\_\_\_\_ (4) A district that accepts funds allocated under this section acknowledges~~  
27 ~~that the incentive payment under this section is for 2011-2012 only and that funds~~

1 ~~will not be appropriated for the purposes of this section for subsequent fiscal years.~~

2 (7) ~~(5)~~ If the department determines that a district has intentionally  
3 submitted false information in order to qualify for an incentive payment under this  
4 section, the district forfeits an amount equal to the amount it received under this  
5 section from its total state school aid for ~~2012-2013~~ 2013-2014.

6 SEC. 22G. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR  
7 2012-2013 ONLY AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR COMPETITIVE ASSISTANCE  
8 GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS. MONEY ALLOCATED IN THIS SECTION  
9 REPRESENTS A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2011-2012.

10 (2) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR REIMBURSEMENT OF  
11 TRANSITION COSTS ASSOCIATED WITH THE CONSOLIDATION OF OPERATIONS OR SERVICES BETWEEN  
12 TWO OR MORE DISTRICTS OR THE CONSOLIDATION OF DISTRICTS OR INTERMEDIATE DISTRICTS.  
13 GRANT FUNDING SHALL BE AVAILABLE FOR CONSOLIDATIONS THAT OCCUR ON OR AFTER OCTOBER 1,  
14 2012. THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS AND METHOD OF GRANT  
15 DISTRIBUTION.

16 Sec. 24. (1) From the appropriation in section 11, there is allocated EACH  
17 FISCAL YEAR for ~~2011-2012~~ 2012-2013 AND 2013-2014 an amount not to exceed  
18 \$8,000,000.00 for payments to the educating district or intermediate district for  
19 educating pupils assigned by a court or the department of human services to reside in  
20 or to attend a juvenile detention facility or child caring institution licensed by the  
21 department of human services and approved by the department to provide an on-grounds  
22 education program. The amount of the payment under this section to a district or  
23 intermediate district shall be calculated as prescribed under subsection (2).

24 (2) The total amount allocated under this section shall be allocated by paying  
25 to the educating district or intermediate district an amount equal to the lesser of  
26 the district's or intermediate district's added cost or the department's approved per  
27 pupil allocation for the district or intermediate district. For the purposes of this

1 subsection:

2 (a) "Added cost" means 100% of the added cost each fiscal year for educating  
3 all pupils assigned by a court or the department of human services to reside in or to  
4 attend a juvenile detention facility or child caring institution licensed by the  
5 department of human services or the department of licensing and regulatory affairs and  
6 approved by the department to provide an on-grounds education program. Added cost  
7 shall be computed by deducting all other revenue received under this act for pupils  
8 described in this section from total costs, as approved by the department, in whole or  
9 in part, for educating those pupils in the on-grounds education program or in a  
10 program approved by the department that is located on property adjacent to a juvenile  
11 detention facility or child caring institution. Costs reimbursed by federal funds are  
12 not included.

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

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

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

27 Sec. 24a. From the appropriation in section 11, there is allocated **EACH FISCAL**

1 **YEAR** an amount not to exceed ~~\$1,197,500.00~~ **\$2,135,800.00** for ~~2011-2012~~ **2012-2013 AND**  
2 **2013-2014** for payments to intermediate districts for pupils who are placed in juvenile  
3 justice service facilities operated by the department of human services. Each  
4 intermediate district shall receive an amount equal to the state share of those costs  
5 that are clearly and directly attributable to the educational programs for pupils  
6 placed in facilities described in this section that are located within the  
7 intermediate district's boundaries. The intermediate districts receiving payments  
8 under this section shall cooperate with the department of human services to ensure  
9 that all funding allocated under this section is utilized by the intermediate district  
10 and department of human services for educational programs for pupils described in this  
11 section. Pupils described in this section are not eligible to be funded under section  
12 24. However, a program responsibility or other fiscal responsibility associated with  
13 these pupils shall not be transferred from the department of human services to a  
14 district or intermediate district unless the district or intermediate district  
15 consents to the transfer.

16 Sec. 24c. From the appropriation in section 11, there is allocated **EACH FISCAL**  
17 **YEAR** an amount not to exceed ~~\$742,300.00~~ **\$765,600.00** for ~~2011-2012~~ **2012-2013 AND 2013-**  
18 **2014** for payments to districts for pupils who are enrolled in a nationally  
19 administered community-based education and youth mentoring program, known as the youth  
20 challenge program, that is located within the district and is administered by the  
21 department of military and veterans affairs. Both of the following apply to a district  
22 receiving payments under this section:

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

27 (b) The district may retain for its administrative expenses an amount not to

1 exceed 3% of the amount of the payment the district receives under this section.

2           Sec. 25. (1) If a pupil is enrolled in an alternative education program  
3 operated by an intermediate district or district for the purpose of educating pupils  
4 who have been expelled from school or referred from the court, and if the pupil is  
5 counted in membership in another intermediate district or district, the intermediate  
6 district or district operating the alternative education program shall report the  
7 enrollment information to the department and to the district in which the pupil is  
8 counted in membership, and the intermediate district or district in which the pupil is  
9 counted in membership shall pay to the intermediate district or district operating the  
10 alternative education program an amount equal to the amount of the foundation  
11 allowance or per pupil payment as calculated under section 20 for the intermediate  
12 district or district in which the pupil is counted in membership, prorated according  
13 to the number of days of the school year ending in the fiscal year the pupil is  
14 educated in the alternative education program compared to the number of days of the  
15 school year ending in the fiscal year the pupil was actually enrolled in the  
16 intermediate district or district in which the pupil is counted in membership. The  
17 foundation allowance or per pupil payment shall be adjusted by the pupil's full-time  
18 equated status as affected by the membership definition under section 6(4). If an  
19 intermediate district or district does not make the payment required under this  
20 section within 30 days after receipt of the report, the department shall calculate the  
21 amount owed, shall deduct that amount from the remaining state school aid payments to  
22 the intermediate district or district for that fiscal year under this act, and shall  
23 pay that amount to the intermediate district or district operating the alternative  
24 education program. The intermediate district or district in which the pupil is counted  
25 in membership and the intermediate district or district operating the alternative  
26 education program shall provide to the department all information the department  
27 requires to enforce this section.

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

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

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

26           (3) The changes in calculation of state school aid required under subsection  
27 (2) shall take effect as of the date that the pupil enrolls in the strict discipline

1 academy, and the department shall base all subsequent payments under this act for the  
2 fiscal year to the affected districts or intermediate districts and for the strict  
3 discipline academy, as applicable, on this recalculation of state school aid.

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

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

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

17 Sec. 26a. From the state school aid fund appropriation in section 11, there is  
18 allocated **EACH FISCAL YEAR** an amount not to exceed \$22,932,000.00 ~~for 2010-2011 and an~~  
19 ~~amount not to exceed~~ \$26,300,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** to reimburse  
20 districts and intermediate districts pursuant to section 12 of the Michigan  
21 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2011~~ **2012 OR 2013**  
22 **AS APPLICABLE**. The allocations shall be made not later than 60 days after the  
23 department of treasury certifies to the department and to the state budget director  
24 that the department of treasury has received all necessary information to properly  
25 determine the amounts due to each eligible recipient.

26 Sec. 26b. (1) From the appropriation in section 11, there is allocated **EACH**  
27 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed

1 ~~\$2,890,000.00~~ \$1,838,000.00 for payments to districts, intermediate districts, and  
2 community college districts for the portion of the payment in lieu of taxes obligation  
3 that is attributable to districts, intermediate districts, and community college  
4 districts pursuant to section 2154 of the natural resources and environmental  
5 protection act, 1994 PA 451, MCL 324.2154.

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

9 Sec. 31a. (1) From the state school aid fund money appropriated in section 11,  
10 there is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ 2012-2013 **AND 2013-2014** an amount  
11 not to exceed \$317,695,500.00 for payments to eligible districts ~~and eligible~~, public  
12 school academies, **AND THE EDUCATION ACHIEVEMENT SYSTEM** under this section. Subject to  
13 subsection (14), the amount of the additional allowance under this section, other than  
14 funding under subsection (6) or (7), shall be based on the number of actual pupils in  
15 membership in the district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT**  
16 **SYSTEM** who met the income eligibility criteria for free breakfast, lunch, or milk in  
17 the immediately preceding state fiscal year, as determined under the Richard B.  
18 Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the  
19 department ~~by October 31~~ **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE FALL PUPIL**  
20 **MEMBERSHIP COUNT DAY** of the immediately preceding fiscal year and adjusted not later  
21 than December 31 of the immediately preceding fiscal year in the form and manner  
22 prescribed by the center. However, for a public school academy that began operations  
23 as a public school academy **OR FOR AN ACHIEVEMENT SCHOOL THAT BEGAN OPERATIONS AS AN**  
24 **ACHIEVEMENT SCHOOL** after the pupil membership count day of the immediately preceding  
25 school year, the basis for the additional allowance under this section shall be the  
26 number of actual pupils in membership in the public school academy **OR THE EDUCATION**  
27 **ACHIEVEMENT SYSTEM** who met the income eligibility criteria for free breakfast, lunch,

1 or milk in the current state fiscal year, as determined under the Richard B. Russell  
2 national school lunch act **AND REPORTED TO THE DEPARTMENT NOT LATER THAN THE FIFTH**  
3 **WEDNESDAY AFTER THE FALL PUPIL MEMBERSHIP COUNT DAY.**

4 (2) To be eligible to receive funding under this section, other than funding  
5 under subsection (6) or (7), a district, ~~or~~ public school academy, **OR THE EDUCATION**  
6 **ACHIEVEMENT SYSTEM** that has not been previously determined to be eligible shall apply  
7 to the department, in a form and manner prescribed by the department, and a district,  
8 ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** must meet all of the  
9 following:

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

14 (b) The district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM**  
15 agrees to use the funding only for purposes allowed under this section and to comply  
16 with the program and accountability requirements under this section.

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

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

15 (4) Except as otherwise provided in this section, a district, ~~or~~ public school  
 16 academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** receiving funding under this section  
 17 shall use that money only to provide instructional programs and direct  
 18 noninstructional services, including, but not limited to, medical or counseling  
 19 services, for at-risk pupils; for school health clinics; and for the purposes of  
 20 subsection (5), (6), or (7). In addition, a district that is a school district of the  
 21 first class or a district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT**  
 22 **SYSTEM** in which at least 50% of the pupils in membership met the income eligibility  
 23 criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal  
 24 year, as determined and reported as described in subsection (1), may use not more than  
 25 20% of the funds it receives under this section for school security. A district, ~~or~~  
 26 public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall not use any of that  
 27 money for administrative costs or to supplant another program or other funds, except

1 for funds allocated to the district, ~~or~~ public school academy, **OR THE EDUCATION**  
2 **ACHIEVEMENT SYSTEM** under this section in the immediately preceding year and already  
3 being used by the district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT**  
4 **SYSTEM** for at-risk pupils. The instruction or direct noninstructional services  
5 provided under this section may be conducted before or after regular school hours or  
6 by adding extra school days to the school year and may include, but are not limited  
7 to, tutorial services, early childhood programs to serve children age 0 to 5, and  
8 reading programs as described in former section 32f as in effect for 2001-2002. A  
9 tutorial method may be conducted with paraprofessionals working under the supervision  
10 of a certificated teacher. The ratio of pupils to paraprofessionals shall be between  
11 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using  
12 a tutorial method. As used in this subsection, "to supplant another program" means to  
13 take the place of a previously existing instructional program or direct  
14 noninstructional services funded from a funding source other than funding under this  
15 section.

16 (5) Except as otherwise provided in subsection (12), a district, ~~or~~ public  
17 school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** that receives funds under this  
18 section and that operates a school breakfast program under section 1272a of the  
19 revised school code, MCL 380.1272a, shall use from the funds received under this  
20 section an amount, not to exceed \$10.00 per pupil for whom the district, ~~or~~ public  
21 school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** receives funds under this section,  
22 necessary to pay for costs associated with the operation of the school breakfast  
23 program.

24 (6) From the funds allocated under subsection (1), there is allocated **EACH**  
25 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed  
26 \$3,557,300.00 to support child and adolescent health centers. These grants shall be  
27 awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved

1 jointly by the department and the department of community health. Each grant recipient  
2 shall remain in compliance with the terms of the grant award or shall forfeit the  
3 grant award for the duration of the 5-year period after the noncompliance. To continue  
4 to receive funding for a child and adolescent health center under this section a grant  
5 recipient shall ensure that the child and adolescent health center has an advisory  
6 committee and that at least one-third of the members of the advisory committee are  
7 parents or legal guardians of school-aged children. A child and adolescent health  
8 center program shall recognize the role of a child's parents or legal guardian in the  
9 physical and emotional well-being of the child. Funding under this subsection shall be  
10 used to support child and adolescent health center services provided to children up to  
11 age 21. If any funds allocated under this subsection are not used for the purposes of  
12 this subsection for the fiscal year in which they are allocated, those unused funds  
13 shall be used that fiscal year to avoid or minimize any proration that would otherwise  
14 be required under subsection (14) for that fiscal year.

15 (7) From the funds allocated under subsection (1), there is allocated **EACH**  
16 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed  
17 \$5,150,000.00 for the state portion of the hearing and vision screenings as described  
18 in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public  
19 health department shall pay at least 50% of the total cost of the screenings. The  
20 frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and  
21 R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded  
22 in a form and manner approved jointly by the department and the department of  
23 community health. Notwithstanding section 17b, payments to eligible entities under  
24 this subsection shall be paid on a schedule determined by the department.

25 (8) Each district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT**  
26 **SYSTEM** receiving funds under this section shall submit to the department by July 15 of  
27 each fiscal year a report, not to exceed 10 pages, on the usage by the district, ~~or~~

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

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

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

1 which the percentage of pupils described in subsection (1) is at least 60% of the  
2 district's aggregate percentage of those pupils and at least 30% of the total number  
3 of pupils enrolled in the school building. To obtain a waiver, a district must apply  
4 to the department and demonstrate to the satisfaction of the department that the class  
5 size reductions would be in the best interests of the district's at-risk pupils.

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

10 (12) For an individual school or schools operated by a district, ~~or~~ public  
11 school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** receiving funds under this section  
12 that have been determined by the department to meet the adequate yearly progress  
13 standards of the no child left behind act of 2001, Public Law 107-110, in both  
14 mathematics and English language arts at all applicable grade levels for all  
15 applicable subgroups, the district, ~~or~~ public school academy, **OR THE EDUCATION**  
16 **ACHIEVEMENT SYSTEM** may ~~submit to the department an application for flexibility in~~  
17 ~~using the funds received under this section that are attributable to the pupils in the~~  
18 ~~school or schools. The application shall identify the affected school or schools and~~  
19 ~~the affected funds and shall contain a plan for using the~~ **USE NOT MORE THAN 20% OF THE**  
20 **funds IT RECEIVES UNDER THIS SECTION** for specific purposes identified by the district  
21 that are designed to benefit at-risk pupils in the school, but that may be different  
22 from the purposes otherwise allowable under this section. ~~The department shall approve~~  
23 ~~the application if the department determines that the purposes identified in the plan~~  
24 ~~are reasonably designed to benefit at risk pupils in the school. If the department~~  
25 ~~does not act to approve or disapprove an application within 30 days after it is~~  
26 ~~submitted to the department, the application is considered to be approved. If an~~  
27 ~~application for flexibility in using the funds is approved, the district may use the~~

1 ~~funds identified in the application for any purpose identified in the plan~~ **IF FUNDS**  
2 **ARE USED FOR PURPOSES UNDER THE FLEXIBILITY PROVISIONS UNDER THIS SUBSECTION,**  
3 **DISTRICTS MUST MAINTAIN DOCUMENTATION OF THE AMOUNTS USED FOR OTHER PURPOSES AND SHALL**  
4 **MAKE THAT INFORMATION AVAILABLE TO THE DEPARTMENT UPON REQUEST.**

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

9 (a) Monitors individual pupil learning and provides specific support or  
10 learning strategies to pupils as early as possible in order to reduce the need for  
11 special education placement. The program shall include literacy and numeracy supports,  
12 sensory motor skill development, behavior supports, instructional consultation for  
13 teachers, and the development of a parent/school learning plan. Specific support or  
14 learning strategies may include support in or out of the general classroom in areas  
15 including reading, writing, math, visual memory, motor skill development, behavior, or  
16 language development. These would be provided based on an understanding of the  
17 individual child's learning needs.

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

1           (14) If necessary, and before any proration required under section 11, the  
2 department shall prorate payments under this section by reducing the amount of the per  
3 pupil payment under this section by a dollar amount calculated by determining the  
4 amount by which the amount necessary to fully fund the requirements of this section  
5 exceeds the maximum amount allocated under this section and then dividing that amount  
6 by the total statewide number of pupils who met the income eligibility criteria for  
7 free breakfast, lunch, or milk in the immediately preceding fiscal year, as described  
8 in subsection (1).

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

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

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

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

14 Sec. 31d. (1) From the appropriations in section 11, there is allocated an  
15 amount not to exceed ~~\$21,627,100.00 for 2010-2011 and an amount not to exceed~~  
16 **\$22,495,100.00 EACH FISCAL YEAR for 2011-2012 2012-2013 AND 2013-2014** for the purpose  
17 of making payments to districts and other eligible entities under this section.

18 (2) The amounts allocated from state sources under this section shall be used  
19 to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs  
20 of the state mandated portion of the school lunch programs provided by those  
21 districts. The amount due to each district under this section shall be computed by the  
22 department using the methods of calculation adopted by the Michigan supreme court in  
23 the consolidated cases known as Durant v State of Michigan, Michigan supreme court  
24 docket no. 104458-104492.

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

1 (4) The payments made under this section to districts and other eligible  
2 entities that are not required under section 1272a of the revised school code, MCL  
3 380.1272a, to provide a school lunch program shall be in an amount not to exceed  
4 \$10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each  
5 reduced price lunch provided, as determined by the department.

6 (5) From the federal funds appropriated in section 11, there is allocated **EACH**  
7 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** all available federal funding,  
8 estimated at \$400,000,000.00, for the national school lunch program and all available  
9 federal funding, estimated at \$2,506,000.00, for the emergency food assistance  
10 program.

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

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

16 Sec. 31f. (1) From the appropriations in section 11, there is allocated an  
17 amount not to exceed ~~\$3,800,000.00 for 2010-2011 and an amount not to exceed~~  
18 \$9,625,000.00 **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for the purpose  
19 of making payments to districts to reimburse for the cost of providing breakfast.

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

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

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

27 (3) The payment for a district under this section is at a per meal rate equal

1 to the lesser of the district's actual cost or 100% of the statewide average cost of a  
2 breakfast served, as determined and approved by the department, less federal  
3 reimbursement, participant payments, and other state reimbursement. The statewide  
4 average cost shall be determined by the department using costs as reported in a manner  
5 approved by the department for the preceding school year.

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

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

11 Sec. 32b. (1) From the funds appropriated under section 11, there is allocated  
12 **EACH FISCAL YEAR** an amount not to exceed \$5,900,000.00 for ~~2011-2012~~ **2012-2013 AND**  
13 **2013-2014** for competitive grants to intermediate districts for the creation and  
14 continuance of great start communities or other community purposes as identified by  
15 the early childhood investment corporation. These dollars may not be expended until  
16 both of the following conditions have been met:

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

19 (b) The executive committee of the corporation includes, in addition to the  
20 members of the executive committee provided for by the interlocal agreement creating  
21 the corporation under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL  
22 124.510 to 124.512, 4 members appointed by the governor as provided in this  
23 subdivision. Not later than 30 days after the convening of a regular legislative  
24 session in an odd-numbered year, the speaker of the house of representatives, the  
25 house minority leader, the senate majority leader, and the senate minority leader  
26 shall each submit to the governor a list of 3 or more individuals as nominees for  
27 appointment as members of the executive committee of the corporation. The corporation

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

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

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

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

26 (b) Identification of local resources and services for children with  
27 disabilities, developmental delays, or special needs and their families.

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

3 (d) Evaluation of local programs.

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

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

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

1 great start collaboratives, and the early childhood investment corporation to  
 2 establish a revised funding formula, application process, program criteria, and data  
 3 reporting requirements ~~for 2012-2013. Not later than January 1, 2012, the department~~  
 4 ~~shall report to the legislature its recommendations for the revisions required under~~  
 5 ~~this subsection.~~

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

8 Sec. 32d. (1) ~~For 2011-2012~~ **FROM THE FUNDS APPROPRIATED IN SECTION 11**, there is  
 9 allocated **EACH FISCAL YEAR FOR 2012-2013 AND 2013-2014** to eligible intermediate  
 10 districts and consortia of intermediate districts for great start readiness programs  
 11 an amount not to exceed \$104,275,000.00 from the state school aid fund money  
 12 appropriated in section 11. Funds allocated under this section shall be used to  
 13 provide part-day ~~or full day~~ , **SCHOOL-DAY, OR GSRP/HEAD START BLENDED** comprehensive  
 14 free compensatory **CLASSROOM** programs designed to ~~do 1 or both of the following:~~

15 ~~—— (a) Improve~~ **IMPROVE** the readiness and subsequent achievement of educationally  
 16 disadvantaged children as defined by the department who will be at least 4, but less  
 17 than 5 years of age, as of December 1 of the school year in which the programs are  
 18 offered, and who meet the participant eligibility and prioritization guidelines as  
 19 defined by the state board.

20 ~~—— (b) Provide preschool and parenting education programs similar to those under~~  
 21 ~~former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by~~  
 22 ~~a district for programs described in this subdivision shall not exceed the lesser of~~  
 23 ~~the amount spent by the district under this subdivision for 2006-2007 or the amount~~  
 24 ~~spent under this subdivision in any subsequent fiscal year.~~

25 (2) Funds allocated under this section shall be allocated to intermediate  
 26 districts or consortia of intermediate districts. An intermediate district or  
 27 consortium of intermediate districts receiving funding under this section shall act as

1 the fiduciary for the great start readiness programs. For ~~2011-2012~~ 2012-2013, the  
2 fiduciary intermediate districts and consortia of intermediate districts shall  
3 allocate the funding under this section as follows:

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

9 (b) An amount not to exceed \$8,875,000.00 allocated in grants to competitive  
10 great start readiness programs as directed by the department based on the grant award  
11 process in section 321. In order to be eligible to receive funds allocated under this  
12 section from an intermediate district or consortium of intermediate districts, a  
13 competitive great start readiness program shall comply with this section and section  
14 321.

15 (3) In addition to the allocation under subsection (1), from the general fund  
16 money appropriated under section 11, there is allocated an amount not to exceed  
17 \$300,000.00 **EACH FISCAL YEAR** for ~~2011-2012~~ 2012-2013 **AND** 2013-2014 for a competitive  
18 grant to continue a longitudinal evaluation of children who have participated in great  
19 start readiness programs.

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

24 (a) Participation in a collaborative recruitment and enrollment process. At a  
25 minimum, the process shall include all other funded preschool programs that may serve  
26 children in the same geographic area, to assure that each child is enrolled in the  
27 program most appropriate to his or her needs and to maximize the use of federal,

1 state, and local funds.

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

5 (c) Nutritional services for all program participants.

6 (d) Health and developmental screening services for all program participants.

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

9 (f) Active and continuous involvement of the parents or guardians of the  
10 program participants.

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

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

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

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

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

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

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

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

20 (ii) Paraprofessionals possessing proper training in early childhood  
21 development, including an associate's degree in early childhood education or child  
22 development or the equivalent, or a child development associate (CDA) credential.  
23 However, if an ~~intermediate district~~ **APPLICANT** demonstrates to the department that it  
24 is unable to fully comply with this subparagraph after making reasonable efforts to  
25 comply, the ~~intermediate district~~ **APPLICANT** may ~~employ~~ **UTILIZE** paraprofessionals who  
26 have completed at least 1 course that earns college credit in early childhood  
27 education or child development if the ~~intermediate district~~ **APPLICANT** provides to the

1 department, and the department approves, a plan for each paraprofessional to come into  
2 compliance with the standards in this subparagraph. A paraprofessional's compliance  
3 plan must be completed within 2 years of the date of employment. Progress toward  
4 completion of the compliance plan shall consist of at least 2 courses or 60 clock  
5 hours of training per calendar year.

6 (d) Include a program budget that contains only those costs that are not  
7 reimbursed or reimbursable by federal funding, that are clearly and directly  
8 attributable to the great start readiness program, and that would not be incurred if  
9 the program were not being offered. The program budget shall indicate the extent to  
10 which these funds will supplement other federal, state, local, or private funds. Funds  
11 received under this section shall not be used to supplant any federal funds by the  
12 applicant to serve children eligible for a federally funded existing preschool program  
13 that has the capacity to serve those children.

14 (6) For a grant recipient that enrolls pupils in a school-day program funded  
15 under this section, each child enrolled in the school-day program shall be counted as  
16 2 children served by the program for purposes of determining the number of children to  
17 be served and for determining the amount of the grant award. A grant award shall not  
18 be increased solely on the basis of providing a school-day program.

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

25 (8) Any public or private for-profit or nonprofit legal entity or agency may  
26 apply for a competitive grant under this section. However, a district or intermediate  
27 district may not apply for a competitive grant under this section unless the district,

1 intermediate district, or consortium of districts or intermediate districts is acting  
2 as a local grantee for the federal head start program operating under the head start  
3 act, 42 USC 9831 to 9852.

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

14 (10) As used in this section:

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

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

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

24 (11) A grant recipient receiving funds under this section is encouraged to  
25 establish a sliding scale of tuition rates based upon a child's family income for the  
26 purpose of expanding eligible programs under this section. A grant recipient may  
27 charge tuition for programs provided under this section according to that sliding

1 scale of tuition rates on a uniform basis for any child who does not meet the program  
2 eligibility requirements under this section.

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

18 Sec. 32j. (1) From the appropriations in section 11, there is allocated an  
19 amount **EACH FISCAL YEAR** not to exceed \$5,000,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-**  
20 **2014** for great parents, great start grants to intermediate districts to provide  
21 programs for parents with young children. The purpose of these programs is to  
22 encourage early mathematics and reading literacy, improve school readiness, reduce the  
23 need for special education services, and foster the maintenance of stable families by  
24 encouraging positive parenting skills.

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

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

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

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

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

12 (3) To receive a grant under this section, an intermediate district shall  
13 submit a plan to the department not later than October 15, ~~2011~~ 2012 in the form and  
14 manner prescribed by the department. The plan shall do all of the following in a  
15 manner prescribed by the department:

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

21 (b) Demonstrate an adequate collaboration of local entities involved in  
22 providing programs and services for preschool children and their parents and, where  
23 there is a great start collaborative, demonstrate that the planned services are part  
24 of the community's great start strategic plan.

25 (c) Provide a projected budget for the program to be funded. The intermediate  
26 district shall provide at least a 20% local match from local public or private  
27 resources for the funds received under this section. Not more than 1/2 of this

1 matching requirement, up to a total of 10% of the total project budget, may be  
2 satisfied through in-kind services provided by participating providers of programs or  
3 services. In addition, not more than 10% of the grant may be used for program  
4 administration.

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

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

13 (a) The superintendent shall approve or disapprove the plans and notify the  
14 intermediate district of that decision not later than November 15, ~~2011~~ 2012. The  
15 amount allocated to each intermediate district shall be at least an amount equal to  
16 100% of the intermediate district's ~~2010-2011~~ 2011-2012 payment under this section.

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

20 (6) An intermediate district receiving funds under this section shall use the  
21 funds only for the program funded under this section. An intermediate district  
22 receiving funds under this section may carry over any unexpended funds received under  
23 this section into the next fiscal year and may expend those unused funds in the next  
24 fiscal year. A recipient of a grant shall return any unexpended grant funds to the  
25 department in the manner prescribed by the department not later than September 30 of  
26 the next fiscal year after the fiscal year in which the funds are received.

27 (7) ~~Beginning with 2012-2013, it is the intent of the legislature~~ **THE**

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

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

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

26 (b) The estimated number of children in the community who meet the criteria of  
27 section 32d and are being served by other early childhood development programs

1 operating in the community, and how that calculation was made.

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

5 (d) The estimated number of children who meet the criteria of section 32d who  
6 will remain unserved after the ~~district~~ **APPLICANT** and community early childhood  
7 programs have met their funded enrollments. The ~~school-district~~ **APPLICANT** shall  
8 maintain a waiting list of identified unserved eligible children who would be served  
9 when openings are available.

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

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

25 (4) The initial allocation for each fiscal year to each eligible ~~district~~  
26 **APPLICANT** under section 32d shall be determined by multiplying the number of children  
27 determined by the formula under subsection (3) or the number of children the ~~district~~

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

15 (5) If funds allocated for eligible ~~districts~~ **APPLICANTS** in section 32d remain  
16 after the initial allocation under subsection (4), the allocation under this  
17 subsection shall be distributed to each eligible ~~district~~ **APPLICANT** under section 32d  
18 in decreasing order of concentration of eligible children as determined by the formula  
19 under subsection (3). The allocation shall be determined by multiplying the number of  
20 children each ~~eligible~~ district **WITHIN THE APPLICANT'S SERVICE AREA** served in the  
21 immediately preceding fiscal year or the number of children the ~~district~~ **APPLICANT**  
22 indicates it will be able to serve under subsection (1)(c), whichever is less, minus  
23 the number of children for which the ~~district~~ **APPLICANT** received funding in subsection  
24 (4) by \$3,400.00.

25 (6) If funds allocated for eligible ~~districts~~ **APPLICANTS** in section 32d remain  
26 after the allocations under subsections (4) and (5), remaining funds shall be  
27 distributed to each eligible ~~district~~ **APPLICANT** under section 32d in decreasing order

1 of concentration of eligible children as determined by the formula under subsection  
 2 (3). If the number of children the ~~district~~ **APPLICANT** indicates it will be able to  
 3 serve under subsection (1)(c) exceeds the number of children for which funds have been  
 4 received under subsections (4) and (5), the allocation under this subsection shall be  
 5 determined by multiplying the number of children the ~~district~~ **APPLICANT** indicates it  
 6 will be able to serve under subsection (1)(c) less the number of children for which  
 7 funds have been received under subsections (4) and (5) by \$3,400.00 until the funds  
 8 allocated for eligible ~~districts~~ **APPLICANTS** in section 32d are distributed.

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

11 (7) ~~(8) A district~~ **AN APPLICANT** that offers supplementary child care funded by  
 12 funds other than those received under ~~this~~ section 32D and therefore offers full-day  
 13 programs as part of its early childhood development program shall receive priority in  
 14 the allocation of funds under section 32d over other eligible ~~districts~~ **APPLICANTS**. As  
 15 used in this subsection, "full-day program" means a program that provides  
 16 supplementary child care that totals at least 10 hours of programming per day.

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

21 (8) ~~(10) If, taking into account the total amount to be allocated to the~~  
 22 ~~district~~ **APPLICANT** as calculated under this section, ~~a district~~ **AN APPLICANT**  
 23 determines that it is able to include additional eligible children in the great start  
 24 readiness program without additional funds under section 32d, the ~~district~~ **APPLICANT**  
 25 may include additional eligible children but shall not receive additional funding  
 26 under section 32d for those children.

27 ~~———— (11) A consortium of 2 or more districts shall be eligible for an allocation~~

1 ~~under section 32d if the districts designate a district or intermediate district to~~  
2 ~~serve as the fiscal agent for the consortium's allocation. A consortium shall submit a~~  
3 ~~single application for the total number of children to be served. The consortium may~~  
4 ~~decide, with approval of all consortium members, to serve numbers of children based on~~  
5 ~~the allocation to each district or based on the allocation to the entire consortium,~~  
6 ~~allowing children residing in any district in the consortium to be served by the~~  
7 ~~consortium at any location.~~

8           Sec. 39a. (1) From the federal funds appropriated in section 11, there is  
9 allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** to districts,  
10 intermediate districts, and other eligible entities all available federal funding,  
11 estimated at ~~\$761,973,600.00~~ **\$812,328,500.00**, for the federal programs under the no  
12 child left behind act of 2001, Public Law 107-110. These funds are allocated as  
13 follows:

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

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

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

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

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

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

3 ~~(g) An amount estimated at \$1,000.00 to help schools develop and implement~~  
4 ~~comprehensive school reform programs, funded from DED-OESE, title I and title X,~~  
5 ~~comprehensive school reform funds.~~

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

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

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

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

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

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

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

1 improvement grants.

2 (2) From the federal funds appropriated in section 11, there is allocated **EACH**  
3 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 and 2013-2014** to districts, intermediate  
4 districts, and other eligible entities all available federal funding, estimated at  
5 ~~\$32,359,700.00~~ **\$33,514,100.00**, for the following programs that are funded by federal  
6 grants:

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

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

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

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

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

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

21 (b) A mentoring program that is a research-based, validated program or a  
22 statewide 1-to-1 mentoring program and is designed to enhance the independence and  
23 life quality of pupils who are mentally impaired by providing opportunities for  
24 mentoring and integrated employment.

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

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

5 (4) All federal funds allocated under this section shall be distributed in  
 6 accordance with federal law and with flexibility provisions outlined in Public Law  
 7 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.  
 8 Notwithstanding section 17b, payments of federal funds to districts, intermediate  
 9 districts, and other eligible entities under this section shall be paid on a schedule  
 10 determined by the department.

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

15 (6) As used in this section:

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

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

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

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

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

21 Sec. 51a. (1) From the appropriation in section 11, there is allocated for  
 22 ~~2010-2011~~ 2012-2013 an amount not to exceed ~~\$909,087,100.00~~ \$990,269,100.00 and there  
 23 is allocated for ~~2011-2012~~ 2013-2014 an amount not to exceed ~~\$977,469,100.00~~  
 24 \$1,022,869,100.00 from state sources and all available federal funding under sections  
 25 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411  
 26 to 1419, estimated at ~~\$385,700,000.00 for 2010-2011, and estimated at \$363,400,000.00~~  
 27 \$365,000,000.00 EACH FISCAL YEAR for ~~2011-2012~~ 2012-2013 AND 2013-2014, plus any

1 carryover federal funds from previous year appropriations. The allocations under this  
2 subsection are for the purpose of reimbursing districts and intermediate districts for  
3 special education programs, services, and special education personnel as prescribed in  
4 article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments  
5 made by intermediate districts to the Michigan schools for the deaf and blind; and  
6 special education programs and services for pupils who are eligible for special  
7 education programs and services according to statute or rule. For meeting the costs of  
8 special education programs and services not reimbursed under this article, a district  
9 or intermediate district may use money in general funds or special education funds,  
10 not otherwise restricted, or contributions from districts to intermediate districts,  
11 tuition payments, gifts and contributions from individuals, **ENTITIES** or federal funds  
12 that may be available for this purpose, as determined by the intermediate district  
13 plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to  
14 380.1766. All federal funds allocated under this section in excess of those allocated  
15 under this section for 2002-2003 may be distributed in accordance with the flexible  
16 funding provisions of the individuals with disabilities education act, Public Law 108-  
17 446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding  
18 section 17b, payments of federal funds to districts, intermediate districts, and other  
19 eligible entities under this section shall be paid on a schedule determined by the  
20 department.

21 (2) From the funds allocated under subsection (1), there is allocated each  
22 fiscal year the amount necessary, estimated at ~~\$233,199,100.00~~ **\$257,300,000.00** for  
23 ~~2010-2011~~ **2012-2013** and estimated at ~~\$245,500,000.00~~ **\$264,800,000.00** for ~~2011-2012~~  
24 **2013-2014**, for payments toward reimbursing districts and intermediate districts for  
25 28.6138% of total approved costs of special education, excluding costs reimbursed  
26 under section 53a, and 70.4165% of total approved costs of special education  
27 transportation. Allocations under this subsection shall be made as follows:

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

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

21 (3) From the funds allocated under subsection (1), there is allocated **EACH**  
22 **FISCAL YEAR** for ~~2010-2011 only~~ **2012-2013 AND 2013-2014** the amount necessary, estimated  
23 at ~~\$1,734,000.00 for 2010-2011~~ **\$1,000,000.00 FOR EACH FISCAL YEAR**, to make payments to  
24 districts and intermediate districts under this subsection. ~~From the funds allocated~~  
25 ~~under subsection (1), there is allocated for 2011-2012 an amount not to exceed~~  
26 ~~\$1,000,000.00 to make payments to districts and intermediate districts under this~~  
27 ~~subsection.~~ If the amount allocated to a district or intermediate district for a

1 fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to  
2 the district or intermediate district for 1996-97 under sections 52 and 58, there is  
3 allocated to the district or intermediate district for the fiscal year an amount equal  
4 to that difference, adjusted by applying the same proration factor that was used in  
5 the distribution of funds under section 52 in 1996-97 as adjusted to the district's or  
6 intermediate district's necessary costs of special education used in calculations for  
7 the fiscal year. This adjustment is to reflect reductions in special education program  
8 operations or services between 1996-97 and subsequent fiscal years. Adjustments for  
9 reductions in special education program operations or services shall be made in a  
10 manner determined 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 allocated for a  
13 fiscal year to a district or intermediate district under subsection (2)(a) and (b) is  
14 not sufficient to fulfill the specified percentages in subsection (2), then the  
15 shortfall shall be paid to the district or intermediate district during the fiscal  
16 year beginning on the October 1 following the determination and payments under  
17 subsection (3) shall be adjusted as necessary. If the department determines that the  
18 sum of the amounts allocated for a fiscal year to a district or intermediate district  
19 under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the  
20 specified percentages in subsection (2), then the department shall deduct the amount  
21 of the excess from the district's or intermediate district's payments under this ~~act~~  
22 **ARTICLE** for the fiscal year beginning on the October 1 following the determination and  
23 payments under subsection (3) shall be adjusted as necessary. However, if the amount  
24 allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill  
25 the specified percentages in subsection (2), there shall be no deduction under this  
26 subsection.

27 (5) State funds shall be allocated on a total approved cost basis. Federal

1 funds shall be allocated under applicable federal requirements, except that an amount  
2 not to exceed \$3,500,000.00 may be allocated by the department each fiscal year for  
3 ~~2010-2011~~ 2012-2013 and for ~~2011-2012~~ 2013-2014 to districts, intermediate districts,  
4 or other eligible entities on a competitive grant basis for programs, equipment, and  
5 services that the department determines to be designed to benefit or improve special  
6 education on a statewide scale.

7 (6) From the amount allocated in subsection (1), there is allocated an amount  
8 not to exceed ~~\$1,700,000.00 for 2010-2011 and an amount not to exceed~~ \$2,200,000.00  
9 **EACH FISCAL YEAR** for ~~2011-2012~~ 2012-2013 **AND** 2013-2014 to reimburse 100% of the net  
10 increase in necessary costs incurred by a district or intermediate district in  
11 implementing the revisions in the administrative rules for special education that  
12 became effective on July 1, 1987. As used in this subsection, "net increase in  
13 necessary costs" means the necessary additional costs incurred solely because of new  
14 or revised requirements in the administrative rules minus cost savings permitted in  
15 implementing the revised rules. Net increase in necessary costs shall be determined in  
16 a manner specified by the department.

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

18 (a) "Total approved costs of special education" shall be determined in a manner  
19 specified by the department and may include indirect costs, but shall not exceed 115%  
20 of approved direct costs for section 52 and section 53a programs. The total approved  
21 costs include salary and other compensation for all approved special education  
22 personnel for the program, including payments for social security and medicare and  
23 public school employee retirement system contributions. The total approved costs do  
24 not include salaries or other compensation paid to administrative personnel who are  
25 not special education personnel as defined in section 6 of the revised school code,  
26 MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included  
27 in the allocation made under this article, are not included. Special education

1 approved personnel not utilized full time in the evaluation of students or in the  
2 delivery of special education programs, ancillary, and other related services shall be  
3 reimbursed under this section only for that portion of time actually spent providing  
4 these programs and services, with the exception of special education programs and  
5 services provided to youth placed in child caring institutions or juvenile detention  
6 programs approved by the department to provide an on-grounds education program.

7 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate  
8 district that employed special education support services staff to provide special  
9 education support services in 2003-2004 or in a subsequent fiscal year and that in a  
10 fiscal year after 2003-2004 receives the same type of support services from another  
11 district or intermediate district shall report the cost of those support services for  
12 special education reimbursement purposes under this article. This subdivision does not  
13 prohibit the transfer of special education classroom teachers and special education  
14 classroom aides if the pupils counted in membership associated with those special  
15 education classroom teachers and special education classroom aides are transferred and  
16 counted in membership in the other district or intermediate district in conjunction  
17 with the transfer of those teachers and aides.

18 ~~———— (c) If the department determines before bookclosing for a fiscal year that the~~  
19 ~~amounts allocated for that fiscal year under subsections (2), (3), (6), (8), and (12)~~  
20 ~~and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under~~  
21 ~~subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for a~~  
22 ~~district or intermediate district whose reimbursement for that fiscal year would~~  
23 ~~otherwise be affected by subdivision (b), subdivision (b) does not apply to the~~  
24 ~~calculation of the reimbursement for that district or intermediate district and~~  
25 ~~reimbursement for that district or intermediate district shall be calculated in the~~  
26 ~~same manner as it was for 2003-2004. If the amount of the excess allocations under~~  
27 ~~subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not~~

1 ~~sufficient to fully fund the calculation of reimbursement to those districts and~~  
2 ~~intermediate districts under this subdivision, then the calculations and resulting~~  
3 ~~reimbursement under this subdivision shall be prorated on an equal percentage basis.~~

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

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

24 ~~From the allocation in subsection (1), there is allocated for 2010-2011~~  
25 ~~only an amount not to exceed \$15,313,900.00 to intermediate districts. The payment~~  
26 ~~under this subsection to each intermediate district shall be equal to the amount of~~  
27 ~~the 1996-97 allocation to the intermediate district under subsection (6) of this~~

1 ~~section as in effect for 1996-97.~~

2 (8) ~~(9)~~ A pupil who is enrolled in a full-time special education program  
3 conducted or administered by an intermediate district or a pupil who is enrolled in  
4 the Michigan schools for the deaf and blind shall not be included in the membership  
5 count of a district, but shall be counted in membership in the intermediate district  
6 of residence.

7 (9) ~~(10)~~ Special education personnel transferred from 1 district to another to  
8 implement the revised school code shall be entitled to the rights, benefits, and  
9 tenure to which the person would otherwise be entitled had that person been employed  
10 by the receiving district originally.

11 (10) ~~(11)~~ If a district or intermediate district uses money received under this  
12 section for a purpose other than the purpose or purposes for which the money is  
13 allocated, the department may require the district or intermediate district to refund  
14 the amount of money received. Money that is refunded shall be deposited in the state  
15 treasury to the credit of the state school aid fund.

16 (11) ~~(12)~~ From the funds allocated in subsection (1), there is allocated each  
17 fiscal year the amount necessary, estimated at ~~\$5,000,000.00 for 2010-2011, and~~  
18 ~~estimated at \$6,800,000.00~~ **\$4,800,000.00 for 2011-2012 2012-2013 AND 2013-2014**, to pay  
19 the foundation allowances for pupils described in this subsection. The allocation to a  
20 district under this subsection shall be calculated by multiplying the number of pupils  
21 described in this subsection who are counted in membership in the district times the  
22 foundation allowance under section 20 of the pupil's district of residence, not to  
23 exceed the basic foundation allowance under section 20 for the current fiscal year,  
24 or, for a pupil described in this subsection who is counted in membership in a  
25 district that is a public school academy ~~or university school~~ times an amount equal to  
26 the amount per membership pupil under section 20(6) **OR, FOR A PUPIL DESCRIBED IN THIS**  
27 **SUBSECTION WHO IS COUNTED IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT SYSTEM TIMES AN**

1 AMOUNT EQUAL TO THE AMOUNT PER MEMBERSHIP PUPIL UNDER SECTION 20(7). The allocation to  
 2 an intermediate district under this subsection shall be calculated in the same manner  
 3 as for a district, using the foundation allowance under section 20 of the pupil's  
 4 district of residence, not to exceed the basic foundation allowance under section 20  
 5 for the current fiscal year. This subsection applies to all of the following pupils:

6 (a) Pupils described in section 53a.

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

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

13 (12) ~~(13)~~ If it is determined that funds allocated under subsection (2) or ~~(12)~~  
 14 (11) or under section 51c will not be expended, funds up to the amount necessary and  
 15 available may be used to supplement the allocations under subsection (2) or ~~(12)~~ (11)  
 16 or under section 51c in order to fully fund those allocations. After payments under  
 17 subsections (2) and ~~(12)~~ (11) and section 51c, the remaining expenditures from the  
 18 allocation in subsection (1) shall be made in the following order:

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

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

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

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

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

24 (E) ~~(f)~~ 100% of the payments under section 56.

25 (13) ~~(14)~~ The allocations under subsections (2), (3), and ~~(12)~~ (11) shall be  
 26 allocations to intermediate districts only and shall not be allocations to districts,  
 27 but instead shall be calculations used only to determine the state payments under

1 section 22b.

2 (14) ~~(15)~~ If a public school academy enrolls pursuant to this section a pupil  
3 who resides outside of the intermediate district in which the public school academy is  
4 located and who is eligible for special education programs and services according to  
5 statute or rule, or who is a child with disabilities, as defined under the individuals  
6 with disabilities education act, Public Law 108-446, the provision of special  
7 education programs and services and the payment of the added costs of special  
8 education programs and services for the pupil are the responsibility of the district  
9 and intermediate district in which the pupil resides unless the enrolling district or  
10 intermediate district has a written agreement with the district or intermediate  
11 district in which the pupil resides or the public school academy for the purpose of  
12 providing the pupil with a free appropriate public education and the written agreement  
13 includes at least an agreement on the responsibility for the payment of the added  
14 costs of special education programs and services for the pupil.

15 Sec. 51c. As required by the court in the consolidated cases known as Durant v  
16 State of Michigan, Michigan supreme court docket no. 104458-104492, from the  
17 allocation under section 51a(1), there is allocated each fiscal year ~~for 2010-2011 and~~  
18 ~~for 2011-2012~~ the amount necessary, estimated at ~~\$601,271,000.00~~ \$672,900,000.00 for  
19 ~~2010-2011~~ 2012-2013 and estimated at ~~\$669,900,000.00~~ \$698,000,000.00 for ~~2011-2012~~  
20 2013-2014, for payments to reimburse districts for 28.6138% of total approved costs of  
21 special education excluding costs reimbursed under section 53a, and 70.4165% of total  
22 approved costs of special education transportation. Funds allocated under this section  
23 that are not expended in the state fiscal year for which they were allocated, as  
24 determined by the department, may be used to supplement the allocations under sections  
25 22a and 22b in order to fully fund those calculated allocations for the same fiscal  
26 year.

27 Sec. 51d. (1) From the federal funds appropriated in section 11, there is

1 allocated **EACH FISCAL YEAR** for ~~2011-2012~~ 2012-2013 AND 2013-2014 all available federal  
2 funding, estimated at \$74,000,000.00, for special education programs that are funded  
3 by federal grants. All federal funds allocated under this section shall be distributed  
4 in accordance with federal law. Notwithstanding section 17b, payments of federal funds  
5 to districts, intermediate districts, and other eligible entities under this section  
6 shall be paid on a schedule determined by the department.

7 (2) From the federal funds allocated under subsection (1), the following  
8 amounts are allocated **EACH FISCAL YEAR** for ~~2011-2012~~ 2012-2013 AND 2013-2014:

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (5) Not more than ~~\$12,300,000.00 of the allocation for 2010-2011 and not more~~  
24 ~~than~~ \$13,500,000.00 of the allocation for ~~2011-2012~~ **2012-2013 AND 2013-2014** in section  
25 51a(1) shall be allocated **FOR EACH FISCAL YEAR** under this section.

26 Sec. 54. Each intermediate district shall receive an amount per pupil for each  
27 pupil in attendance at the Michigan schools for the deaf and blind. The amount shall

1 be proportionate to the total instructional cost at each school. Not more than  
2 \$1,688,000.00 of the allocation for ~~2011-2012~~ **2012-2013 AND 2013-2014** in section  
3 51a(1) shall be allocated **EACH FISCAL YEAR** under this section.

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

5 (a) "Membership" means for a particular fiscal year the total membership for  
6 the immediately preceding fiscal year of the intermediate district and the districts  
7 constituent to the intermediate district.

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

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

16 (2) From the allocation under section 51a(1), there is allocated **FOR EACH**  
17 **FISCAL YEAR** an amount not to exceed \$36,881,100.00 for ~~2011-2012~~ **2012-2013 AND 2013-**  
18 **2014** to reimburse intermediate districts levying millages for special education  
19 pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose,  
20 use, and expenditure of the reimbursement shall be limited as if the funds were  
21 generated by these millages and governed by the intermediate district plan adopted  
22 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a  
23 condition of receiving funds under this section, an intermediate district distributing  
24 any portion of special education millage funds to its constituent districts shall  
25 submit for departmental approval and implement a distribution plan.

26 (3) Reimbursement for those millages levied in ~~2010-2011~~ **2011-2012** shall be  
27 made in ~~2011-2012~~ **2012-2013** at an amount per ~~2010-2011~~ **2011-2012** membership pupil

1 computed by subtracting from ~~\$174,700.00~~ \$194,400.00 the ~~2010-2011~~ 2011-2012 taxable  
2 value behind each membership pupil and multiplying the resulting difference by the  
3 ~~2010-2011~~ 2011-2012 millage levied. REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2012-  
4 2013 SHALL BE MADE IN 2013-2014 AT AN AMOUNT PER 2012-2013 MEMBERSHIP PUPIL COMPUTED  
5 BY SUBTRACTING FROM \$195,000.00 THE 2012-2013 TAXABLE VALUE BEHIND EACH MEMBERSHIP  
6 PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2012-2013 MILLAGE LEVIED.

7       Sec. 61a. (1) From the appropriation in section 11, there is allocated FOR EACH  
8 FISCAL YEAR an amount not to exceed \$26,611,300.00 for ~~2011-2012~~ 2012-2013 AND 2013-  
9 2014 to reimburse on an added cost basis districts, except for a district that served  
10 as the fiscal agent for a vocational education consortium in the 1993-94 school year,  
11 and secondary area vocational-technical education centers for secondary-level career  
12 and technical education programs according to rules approved by the superintendent.  
13 Applications for participation in the programs shall be submitted in the form  
14 prescribed by the department. The department shall determine the added cost for each  
15 career and technical education program area. The allocation of added cost funds shall  
16 be based on the type of career and technical education programs provided, the number  
17 of pupils enrolled, and the length of the training period provided, and shall not  
18 exceed 75% of the added cost of any program. With the approval of the department, the  
19 board of a district maintaining a secondary career and technical education program may  
20 offer the program for the period from the close of the school year until September 1.  
21 The program shall use existing facilities and shall be operated as prescribed by rules  
22 promulgated by the superintendent.

23       (2) Except for a district that served as the fiscal agent for a vocational  
24 education consortium in the 1993-94 school year, districts and intermediate districts  
25 shall be reimbursed for local career and technical education administration, shared  
26 time career and technical education administration, and career education planning  
27 district career and technical education administration. The definition of what

1 constitutes administration and reimbursement shall be pursuant to guidelines adopted  
2 by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1)  
3 shall be distributed under this subsection.

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

5 (a) "Membership" means for a particular fiscal year the total membership for  
6 the immediately preceding fiscal year of the intermediate district and the districts  
7 constituent to the intermediate district or the total membership for the immediately  
8 preceding fiscal year of the area vocational-technical program.

9 (b) "Millage levied" means the millage levied for area vocational-technical  
10 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to  
11 380.690, including a levy for debt service obligations incurred as the result of  
12 borrowing for capital outlay projects and in meeting capital projects fund  
13 requirements of area vocational-technical education.

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

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

25 (ii) The district contributes an annual amount to the operation of the program  
26 that is commensurate with the revenue that would have been raised for operation of the  
27 program if millage were levied in the district for the program under sections 681 to

1 690 of the revised school code, MCL 380.681 to 380.690.

2 (2) From the appropriation in section 11, there is allocated **EACH FISCAL YEAR**  
3 an amount not to exceed ~~\$8,693,000.00 for 2010-2011 and an amount not to exceed~~  
4 \$9,000,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** to reimburse intermediate  
5 districts and area vocational-technical education programs established under section  
6 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-  
7 technical education pursuant to sections 681 to 690 of the revised school code, MCL  
8 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be  
9 limited as if the funds were generated by those millages.

10 (3) Reimbursement for the millages levied in ~~2010-2011~~ **2011-2012** shall be made  
11 in ~~2011-2012~~ **2012-2013** at an amount per ~~2010-2011~~ **2011-2012** membership pupil computed  
12 by subtracting from ~~\$190,400.00~~ **\$194,200.00** the ~~2010-2011~~ **2011-2012** taxable value  
13 behind each membership pupil and multiplying the resulting difference by the ~~2010-2011~~  
14 **2011-2012** millage levied. **REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2012-2013 SHALL BE**  
15 **MADE IN 2013-2014 AT AN AMOUNT PER 2012-2013 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING**  
16 **FROM \$193,100.00 THE 2012-2013 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND**  
17 **MULTIPLYING THE RESULTING DIFFERENCE BY THE 2012-2013 MILLAGE LEVIED.**

18 Sec. 74. (1) From the amount appropriated in section 11, there is allocated  
19 **EACH FISCAL YEAR** an amount not to exceed ~~\$2,558,800.00 for 2010-2011 and an amount not~~  
20 ~~to exceed \$3,154,600.00~~ **\$3,259,900.00** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for the  
21 purposes of this section.

22 (2) From the allocation in subsection (1), there is allocated for each fiscal  
23 year the amount necessary for payments to state supported colleges or universities and  
24 intermediate districts providing school bus driver safety instruction pursuant to  
25 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments  
26 shall be in an amount determined by the department not to exceed 75% of the actual  
27 cost of instruction and driver compensation for each public or nonpublic school bus

1 driver attending a course of instruction. For the purpose of computing compensation,  
 2 the hourly rate allowed each school bus driver shall not exceed the hourly rate  
 3 received for driving a school bus. Reimbursement compensating the driver during the  
 4 course of instruction shall be made by the department to the college or university or  
 5 intermediate district providing the course of instruction.

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

12 (4) From the funds allocated in subsection (1), there is allocated **EACH FISCAL**  
 13 **YEAR** an amount not to exceed ~~\$933,800.00 for 2010-2011 and an amount not to exceed~~  
 14 ~~\$1,529,600.00~~ **\$1,634,900.00 for 2011-2012 2012-2013 AND 2013-2014** for reimbursement to  
 15 districts and intermediate districts for costs associated with the inspection of  
 16 school buses and pupil transportation vehicles by the department of state police as  
 17 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,  
 18 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The  
 19 department of state police shall prepare a statement of costs attributable to each  
 20 district for which bus inspections are provided and submit it to the department and to  
 21 ~~each affected~~ **AN INTERMEDIATE** district **SERVING AS THE FIDUCIARY** in a time and manner  
 22 determined jointly by the department and the department of state police. ~~The~~ **UPON**  
 23 **REVIEW AND APPROVAL OF THE STATEMENT OF COST, THE** department shall ~~reimburse~~ **FORWARD**  
 24 **TO THE DESIGNATED INTERMEDIATE DISTRICT SERVING AS THE FIDUCIARY THE AMOUNT OF**  
 25 **REIMBURSEMENT ON BEHALF OF** each district and intermediate district for costs detailed  
 26 on the statement within ~~30~~ **45** days after receipt of the statement. ~~Districts for which~~  
 27 ~~services are provided~~ **THE DESIGNATED INTERMEDIATE DISTRICT** shall make payment in the

1 amount specified on the statement to the department of state police within 45 days  
2 after receipt of the statement. The total reimbursement of costs under this subsection  
3 shall not exceed the amount allocated under this subsection. Notwithstanding section  
4 17b, payments to eligible entities under this subsection shall be paid on a schedule  
5 prescribed by the department.

6       Sec. 81. (1) Except as otherwise provided in this section, from the  
7 appropriation in section 11, there is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-**  
8 **2013 AND 2013-2014** to the intermediate districts the sum necessary, but not to exceed  
9 \$62,108,000.00, to provide state aid to intermediate districts under this section.

10       (2) Except as otherwise provided in this section, there shall be allocated **EACH**  
11 **FISCAL YEAR** to each intermediate district for ~~2011-2012~~ **2012-2013 AND 2013-2014** an  
12 amount equal to 95% of the amount allocated under this subsection for ~~2010-2011~~ **2011-**  
13 **2012**. Funding provided under this section shall be used to comply with requirements of  
14 this article and the revised school code that are applicable to intermediate  
15 districts, and for which funding is not provided elsewhere in this article, and to  
16 provide technical assistance to districts as authorized by the intermediate school  
17 board.

18       (3) ~~(2)~~ Intermediate districts receiving funds under ~~this section~~ **SUBSECTION**  
19 **(2)** shall collaborate with the department to develop expanded professional development  
20 opportunities for teachers to update and expand their knowledge and skills needed to  
21 support the Michigan merit curriculum.

22       (4) ~~(3)~~ From the allocation in subsection (1), there is allocated to an  
23 intermediate district, formed by the consolidation or annexation of 2 or more  
24 intermediate districts or the attachment of a total intermediate district to another  
25 intermediate school district or the annexation of all of the constituent K-12  
26 districts of a previously existing intermediate school district which has  
27 disorganized, an additional allotment of \$3,500.00 each fiscal year for each

1 intermediate district included in the new intermediate district for 3 years following  
2 consolidation, annexation, or attachment.

3 (5) ~~(4)~~ During a fiscal year, the department shall not increase an intermediate  
4 district's allocation under subsection (1) because of an adjustment made by the  
5 department during the fiscal year in the intermediate district's taxable value for a  
6 prior year. Instead, the department shall report the adjustment and the estimated  
7 amount of the increase to the house and senate fiscal agencies and the state budget  
8 director not later than June 1 of the fiscal year, and the legislature shall  
9 appropriate money for the adjustment in the next succeeding fiscal year.

10 (6) ~~(5)~~ In order to receive funding under ~~this section~~ **SUBSECTION (2)**, an  
11 intermediate district shall do all of the following:

12 (a) Demonstrate to the satisfaction of the department that the intermediate  
13 district employs at least 1 person who is trained in pupil ~~counting~~ **ACCOUNTING AND**  
14 **AUDITING** procedures, rules, and regulations.

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

19 (c) Comply with sections 1278a and 1278b of the revised school code, MCL  
20 380.1278a and 380.1278b.

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

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

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

26 (7) **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FROM THE ALLOCATION IN**  
27 **SUBSECTION (1), THERE SHALL BE ALLOCATED EACH FISCAL YEAR TO EACH INTERMEDIATE**

1 DISTRICT FOR 2012-2013 AND 2013-2014 AN INCENTIVE PAYMENT EQUAL TO 5% OF THE AMOUNT  
2 ALLOCATED UNDER THIS SECTION FOR 2011-2012 TO INTERMEDIATE DISTRICTS THAT MEET BEST  
3 PRACTICES AS DETERMINED BY THE DEPARTMENT UNDER THIS SUBSECTION. AN INTERMEDIATE  
4 DISTRICT SHALL RECEIVE AN INCENTIVE PAYMENT UNDER THIS SUBSECTION IF THE INTERMEDIATE  
5 DISTRICT SATISFIES AT LEAST 4 OF THE FOLLOWING REQUIREMENTS NOT LATER THAN JUNE 1,  
6 2013.

7 (A) THE INTERMEDIATE DISTRICT ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT TO  
8 DO ALL OF THE FOLLOWING:

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

12 (ii) IMPLEMENT THE PLAN IN 2013-2014 AND REPORT TO THE DEPARTMENT NOT LATER  
13 THAN FEBRUARY 1, 2014 ON THE INTERMEDIATE DISTRICT'S PROGRESS IN IMPLEMENTING THE  
14 PLAN.

15 (B) THE INTERMEDIATE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON THE PROVISION OF  
16 1 OR MORE NONINSTRUCTIONAL SERVICES FOR THE INTERMEDIATE DISTRICT OR ITS CONSTITUENT  
17 DISTRICTS WITH A VALUE OF AT LEAST \$50,000.00.

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

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

27 (I) A LIST OF SERVICES OFFERED BY THE INTERMEDIATE DISTRICT THAT ARE SHARED BY

1 OTHER LOCAL OR INTERMEDIATE DISTRICTS AND A LIST OF THE DISTRICTS OR INTERMEDIATE  
2 DISTRICTS THAT PARTICIPATE.

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

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

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

10 (V) THE NUMBER AND PERCENTAGE OF INDIVIDUALIZED EDUCATION PROGRAMS DEVELOPED  
11 FOR SPECIAL EDUCATION STUDENTS THAT CONTAIN ACADEMIC GOALS.

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

17 Sec. 93. From the general fund money appropriated in section 11, there is  
18 allocated **EACH FISCAL YEAR** for ~~2011-2012~~ 2012-2013 AND 2013-2014 an amount not to  
19 exceed \$1,304,300.00 to the library of Michigan for state aid to libraries payments to  
20 help support the provision of the Michigan electronic library in public schools and  
21 public libraries. The library of Michigan shall distribute the payments to libraries  
22 under this section pursuant to the state aid to public libraries act, 1977 PA 89, MCL  
23 397.551 to 397.576.

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

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

1 from districts, intermediate districts, and postsecondary institutions.

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

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

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

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

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

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

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

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

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

25 (2) Each state department, officer, or agency that collects information from  
26 districts, intermediate districts, or postsecondary institutions as required under  
27 state or federal law shall make arrangements with the center to ensure that the state

1 department, officer, or agency is in compliance with subsection (1). This subsection  
2 does not apply to information collected by the department of treasury under the  
3 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised  
4 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
5 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or  
6 section 1351a of the revised school code, MCL 380.1351a.

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

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

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

13 (b) Supports interoperability by using standard data structures, data formats,  
14 and data definitions to ensure linkage and connectivity in a manner that facilitates  
15 the exchange of data among agencies and institutions within the state and between  
16 states.

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

20 (d) Enables the matching of individual teachers with information about their  
21 certification and the institutions that prepared and recommended those teachers for  
22 state certification.

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

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

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

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

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

8 (ii) Contains student-level enrollment, demographic, and program participation  
9 information.

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

12 (iv) Has the capacity to communicate with higher education data systems.

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

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

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

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

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

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

26 (A) Enrollment in remedial coursework.

27 (B) Completion of 1 year's worth of college credit applicable to a degree

1 within 2 years of enrollment.

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

4 (5) From the general fund appropriation in section 11, there is allocated **EACH**  
5 **FISCAL YEAR** an amount not to exceed ~~\$5,501,700.00~~ **\$9,218,400.00** for ~~2011-2012~~ **2012-**  
6 **2013 AND 2013-2014** to the department of technology, management, and budget to support  
7 the operations of the center. In addition, from the federal funds appropriated in  
8 section 11 there is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014**  
9 the amount necessary, estimated at ~~\$2,893,200.00~~ **\$193,500.00**, to support the  
10 operations of the center and to establish a **P-20** longitudinal data system as provided  
11 under this section in compliance with the assurance provided to the United States  
12 department of education in order to receive state fiscal stabilization funds. The  
13 center shall cooperate with the ~~state education agency~~ **DEPARTMENT** to ensure that this  
14 state is in compliance with federal law and is maximizing opportunities for increased  
15 federal funding to improve education in this state.

16 (6) From the ~~federal~~ funds allocated in subsection (5), there is allocated **EACH**  
17 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$850,000.00  
18 ~~funded from the competitive grants of DED OESE, title II, educational technology funds~~  
19 ~~for the purposes of this subsection. Not later than November 30 of each fiscal year,~~  
20 ~~the department shall award a single grant to an eligible partnership that includes an~~  
21 ~~intermediate district with at least 1 high need local school district and the center~~  
22 **FOR COMPETITIVE GRANTS TO SUPPORT COLLABORATIVE EFFORTS ON THE P-20 LONGITUDINAL DATA**  
23 **SYSTEM. ALL OF THE FOLLOWING APPLY TO GRANTS AWARDED UNDER THIS SUBSECTION:**

24 (I) **THE CENTER SHALL AWARD COMPETITIVE GRANTS TO ELIGIBLE INTERMEDIATE**  
25 **DISTRICTS OR A CONSORTIUM OF INTERMEDIATE DISTRICTS BASED ON CRITERIA ESTABLISHED BY**  
26 **THE CENTER.**

27 (II) **ACTIVITIES FUNDED UNDER THE GRANT SHALL SUPPORT THE P-20 LONGITUDINAL DATA**

1 SYSTEM PORTAL AND MAY INCLUDE PORTAL HOSTING, HARDWARE AND SOFTWARE ACQUISITION,  
2 MAINTENANCE, ENHANCEMENTS, USER SUPPORT AND RELATED MATERIALS, AND PROFESSIONAL  
3 LEARNING TOOLS AND ACTIVITIES AIMED AT IMPROVING THE UTILITY OF THE P-20 LONGITUDINAL  
4 DATA SYSTEM.

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

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

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

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

20 (8) ~~(10)~~ The center may bill departments as necessary in order to fulfill  
21 reporting requirements of state and federal law. The center may also enter into  
22 agreements to supply custom data, analysis, and reporting to other principal executive  
23 departments, state agencies, local units of government, and other individuals and  
24 organizations. The center may receive and expend funds in addition to those authorized  
25 in subsection (5) to cover the costs associated with salaries, benefits, supplies,  
26 materials, and equipment necessary to provide such data, analysis, and reporting  
27 services.

1 ~~———— (11) As used in this section.,~~

2 ~~———— (a) "DED OESE" means the United States department of education office of~~  
3 ~~elementary and secondary education.~~

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

7 ~~———— (c) "State education agency" means the department.~~

8 SEC. 95. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN  
9 AMOUNT NOT TO EXCEED \$1,750,000.00 FOR 2012-2013 AND AN AMOUNT NOT TO EXCEED  
10 \$500,000.00 FOR 2013-2014 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT  
11 FOR PRINCIPALS AND ASSISTANT PRINCIPALS IN A DEPARTMENT APPROVED TRAINING PROGRAM FOR  
12 IMPLEMENTING EDUCATOR EVALUATIONS AS REQUIRED UNDER SECTION 1249 OF THE REVISED SCHOOL  
13 CODE, MCL 380.1249.

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

19 (3) TO QUALIFY AS A DEPARTMENT-APPROVED TRAINING PROGRAM, A PROGRAM SHALL MEET  
20 DEPARTMENT CRITERIA. AT A MINIMUM, PROGRAMS MUST INCLUDE ALL OF THE FOLLOWING  
21 SERVICES:

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

24 (B) INCLUDE TRAINING ON EVALUATION OBSERVATION WHICH IS FOCUSED ON RELIABILITY,  
25 BIAS AWARENESS, AND INSTILLS SKILLS NEEDED FOR CONSISTENT, EVIDENCE-BASED  
26 OBSERVATIONS.

27 (C) INCORPORATE ONLINE RESOURCES AND THE USE OF VIDEOS OF ACTUAL LESSONS FOR

1 APPLYING RUBRICS AND CONSISTENT SCORING.

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

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

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

8 Sec. 98. (1) From the general fund money appropriated in section 11, there is  
9 allocated ~~FOR EACH FISCAL YEAR~~ an amount not to exceed ~~\$1,687,500.00~~ \$4,387,500.00 for  
10 2011-2012 to provide a grant to the Michigan virtual university for the development,  
11 implementation, and operation of the Michigan virtual high school; to provide  
12 professional development opportunities for educators; and to fund other 2012-2013 AND  
13 2013-2014 FOR THE purposes described in this section. In addition, from the federal  
14 funds appropriated in section 11, there is allocated for 2011-2012 an amount estimated  
15 at \$2,700,000.00.

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

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

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

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

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

25 ——— (e) Act as a broker for college level equivalent courses, as defined in section  
26 1471 of the revised school code, MCL 380.1471, and dual enrollment courses from  
27 postsecondary education institutions.

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

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

5 (A) SUPPORT AND ACCELERATE INNOVATION IN EDUCATION THROUGH THE FOLLOWING  
6 ACTIVITIES:

7 (I) TEST, EVALUATE AND RECOMMEND AS APPROPRIATE NEW TECHNOLOGY-BASED  
8 INSTRUCTIONAL TOOLS AND RESOURCES.

9 (II) RESEARCH, DESIGN AND RECOMMEND ONLINE AND BLENDED EDUCATION DELIVERY  
10 MODELS FOR USE BY STUDENTS AND TEACHERS THAT INCLUDE AGE-APPROPRIATE MULTIMEDIA  
11 INSTRUCTIONAL CONTENT.

12 (III) RESEARCH, DESIGN AND RECOMMEND COMPETENCY-BASED ONLINE ASSESSMENTS.

13 (IV) RESEARCH, DEVELOP AND RECOMMEND ANNUALLY TO THE DEPARTMENT CRITERIA BY  
14 WHICH CYBER SCHOOLS AND ONLINE COURSE PROVIDERS SHOULD BE MONITORED AND EVALUATED TO  
15 ENSURE A QUALITY EDUCATION FOR THEIR STUDENTS.

16 (V) BASED ON STUDENT COMPLETION AND PERFORMANCE DATA REPORTED TO THE DEPARTMENT  
17 OR THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION FROM CYBER SCHOOLS AND OTHER  
18 ONLINE COURSE PROVIDERS OPERATING IN MICHIGAN, THE CENTER SHALL ANALYZE THE  
19 EFFECTIVENESS OF ONLINE LEARNING DELIVERY MODELS IN PREPARING STUDENTS TO BE COLLEGE  
20 AND CAREER READY AND PUBLISH A REPORT THAT HIGHLIGHTS ENROLLMENT TOTALS, COMPLETION  
21 RATES AND THE OVERALL IMPACT ON STUDENTS. THE REPORT SHALL BE SUBMITTED TO THE HOUSE  
22 AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET  
23 DIRECTOR, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT NO LATER THAN  
24 DECEMBER 31, 2013.

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

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

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

7 (I) DEVELOP AND REPORT POLICY RECOMMENDATIONS TO THE GOVERNOR AND THE  
8 LEGISLATURE THAT ACCELERATE THE EXPANSION OF EFFECTIVE ONLINE LEARNING IN MICHIGAN'S  
9 SCHOOLS.

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

12 (III) PROMOTE AND DISTRIBUTE THE MOST CURRENT INSTRUCTIONAL DESIGN STANDARDS  
13 AND GUIDELINES FOR ONLINE TEACHING.

14 (IV) IN COLLABORATION WITH THE DEPARTMENT AND INTERESTED MICHIGAN COLLEGES AND  
15 UNIVERSITIES, RECOMMEND TO THE STATE SUPERINTENDENT GUIDELINES AND STANDARDS FOR A NEW  
16 TEACHER ENDORSEMENT CREDENTIAL RELATED TO EFFECTIVE ONLINE AND BLENDED INSTRUCTION.

17 (V) PURSUE PUBLIC/PRIVATE PARTNERSHIPS THAT INCLUDE DISTRICTS TO STUDY AND  
18 IMPLEMENT COMPETENCY-BASED TECHNOLOGY-RICH ONLINE LEARNING MODELS.

19 (VI) CONVENE FOCUS GROUPS AND CONDUCT ANNUAL SURVEYS OF TEACHERS,  
20 ADMINISTRATORS, STUDENTS, PARENTS AND OTHERS TO IDENTIFY BARRIERS AND OPPORTUNITIES  
21 RELATED TO ONLINE LEARNING.

22 (VII) PRODUCE AN ANNUAL CONSUMER AWARENESS REPORT FOR SCHOOLS AND PARENTS ABOUT  
23 EFFECTIVE ONLINE EDUCATION PROVIDERS AND EDUCATION DELIVERY MODELS, PERFORMANCE DATA,  
24 COST STRUCTURES AND RESEARCH TRENDS.

25 (3) THE GOVERNOR MAY APPOINT AN ADVISORY GROUP TO THE CENTER FOR ONLINE  
26 LEARNING RESEARCH AND INNOVATION. THE MEMBERS OF THE ADVISORY GROUP SHALL SERVE AT THE  
27 PLEASURE OF THE GOVERNOR. THE PURPOSE OF THE ADVISORY GROUP SHALL BE TO MAKE

1 RECOMMENDATIONS TO THE GOVERNOR, THE LEGISLATURE AND THE PRESIDENT AND BOARD OF THE  
2 MICHIGAN VIRTUAL UNIVERSITY THAT WILL ACCELERATE INNOVATION IN MICHIGAN'S EDUCATION  
3 SYSTEM IN A MANNER THAT WILL PREPARE ELEMENTARY AND SECONDARY STUDENTS TO BE CAREER  
4 AND COLLEGE READY AND THAT WILL PROMOTE THE GOAL OF INCREASING THE PROPORTION OF  
5 MICHIGAN CITIZENS WITH HIGH-QUALITY DEGREES AND CREDENTIALS TO AT LEAST 60% BY 2025.  
6 MEMBERS OF THE ADVISORY GROUP SHALL SERVE WITHOUT COMPENSATION.

7 (4) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, FROM THE FUNDS ALLOCATED IN  
8 SUBSECTION (1), THERE IS ALLOCATED UP TO \$500,000.00 FOR FISCAL YEAR 2012-2013 TO THE  
9 MICHIGAN VIRTUAL SCHOOL OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY TO CONDUCT AND  
10 REPORT ON A YEAR-LONG PILOT STUDY OF A NEW PERFORMANCE-BASED FUNDING MODEL FOR THE  
11 MICHIGAN VIRTUAL SCHOOL. THE PURPOSE OF THE PILOT STUDY IS TO DEMONSTRATE THE MERITS  
12 OF A PAYMENT SYSTEM FOR ONLINE INSTRUCTIONAL PROGRAMS BASED ON STUDENT PERFORMANCE  
13 RATHER THAN SOLELY ON ENROLLMENT AND ATTENDANCE FACTORS.

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

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

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

23 (II) THE ONLINE COURSE IS TAUGHT BY A MICHIGAN CERTIFICATED TEACHER CERTIFIED  
24 IN THE SUBJECT AREA IN WHICH THE COURSE IS BEING OFFERED.

25 (III) WHERE APPLICABLE, THE ONLINE COURSE IS ALIGNED WITH MICHIGAN CURRICULUM  
26 STANDARDS.

27 (IV) THE ONLINE COURSE CURRICULUM CONTAINS PERIODIC ONLINE STUDENT ASSESSMENTS.

1 (V) STUDENTS HAVE ACCESS TO THE APPROPRIATE TECHNOLOGY HARDWARE AND SOFTWARE  
2 NECESSARY TO TAKE THE ONLINE COURSE.

3 (VI) PARENTS OR GUARDIANS AND STUDENTS HAVE SECURE ONLINE ACCESS TO REVIEW  
4 PERIODIC STUDENT PROGRESS AND PERFORMANCE DATA.

5 (VII) THE ONLINE INSTRUCTOR IS AVAILABLE TO INTERACT WITH PARENTS OR GUARDIANS  
6 AND STUDENTS USING ELECTRONIC COMMUNICATIONS.

7 (C) THE DEPARTMENT SHALL PAY TO MICHIGAN VIRTUAL SCHOOL FROM THE ALLOCATION  
8 CONTAINED IN THIS SUBSECTION AN AMOUNT NOT TO EXCEED THE EQUIVALENT OF 1/12 OF THE  
9 STATE'S MINIMUM PER PUPIL FOUNDATION ALLOWANCE FOR EACH ONLINE COURSE ENROLLMENT  
10 INCLUDED IN THE PILOT STUDY THAT MEETS THE REQUIREMENTS OF SUBDIVISION (B) IN THE NEXT  
11 SCHOOL AID PAYMENT AFTER THE REPORT IS RECEIVED BY THE DEPARTMENT.

12 (5) THE ACCREDITATION STATUS OF THE MICHIGAN VIRTUAL SCHOOL FROM RECOGNIZED  
13 NATIONAL AND INTERNATIONAL ACCREDITING ENTITIES MUST BE MAINTAINED IN ORDER FOR THE  
14 MICHIGAN VIRTUAL UNIVERSITY TO RECEIVE ANY FUNDS ALLOCATED UNDER THIS SECTION.

15 (6) ~~(3)~~ The Michigan virtual high school MAY OFFER ONLINE course offerings IN  
16 ADDITION TO THOSE OFFERED IN THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING  
17 BUT ~~shall include, but are~~ not limited to, all of the following:

18 (a) Information technology courses.

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

21 (c) Courses and dual enrollment opportunities.

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

23 (e) General education development test preparation courses for adjudicated  
24 youth.

25 (f) Special interest courses.

26 (g) Professional development programs ~~that teach Michigan educators how to~~  
27 ~~develop and deliver online instructional services.~~ FOR TEACHERS, SCHOOL

1 ADMINISTRATORS, SCHOOL EMPLOYEES AND SCHOOL BOARD MEMBERS.

2 ~~(4) From the federal funds allocated in subsection (1), there is allocated for~~  
3 ~~2011-2012 an amount estimated at \$1,700,000.00 from DED-OESE, title II, improving~~  
4 ~~teacher quality funds for a grant to the Michigan virtual university for the purpose~~  
5 ~~of this subsection. With the approval of the department, the Michigan virtual~~  
6 ~~university shall coordinate the following activities related to DED-OESE, title II,~~  
7 ~~improving teacher quality funds in accordance with federal law.~~

8 ~~—— (a) Develop, and assist districts in the development and use of, proven,~~  
9 ~~innovative strategies to deliver intensive professional development programs that are~~  
10 ~~both cost effective and easily accessible, such as strategies that involve delivery~~  
11 ~~through the use of technology, peer networks, and distance learning.~~

12 ~~—— (b) Encourage and support the training of teachers and administrators to~~  
13 ~~effectively integrate technology into curricula and instruction.~~

14 ~~—— (c) Coordinate the activities of eligible partnerships that include higher~~  
15 ~~education institutions for the purposes of providing professional development~~  
16 ~~activities for teachers, paraprofessionals, and principals as defined in federal law.~~

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

19 ~~—— (e) Provide online professional development opportunities for educators to~~  
20 ~~update and expand knowledge and skills needed to support the Michigan merit curriculum~~  
21 ~~core content standards and credit requirements.~~

22 ~~—— (5) The Michigan virtual university shall offer at least 200 hours of online~~  
23 ~~professional development for classroom teachers under this section each fiscal year~~  
24 ~~beginning in 2006-2007 without charge to the teachers or to districts or intermediate~~  
25 ~~districts.~~

26 ~~—— (6) From the federal funds appropriated in subsection (1), there is allocated~~  
27 ~~for 2011-2012 an amount estimated at \$1,000,000.00 from the DED-OESE, title II,~~

1 ~~educational technology grant funds to support e learning and virtual school~~  
2 ~~initiatives consistent with the goals contained in the United States national~~  
3 ~~educational technology plan issued in January 2005. These funds shall be used to~~  
4 ~~support activities designed to build the capacity of the Michigan virtual university~~  
5 ~~and shall not be used to supplant other funding. Not later than November 30, 2010,~~  
6 ~~from the funds allocated in this subsection, the department shall award a single grant~~  
7 ~~of \$1,000,000.00 to a consortium or partnership established by the Michigan virtual~~  
8 ~~university that meets the requirements of this subsection. To be eligible for this~~  
9 ~~funding, a consortium or partnership established by the Michigan virtual university~~  
10 ~~shall include at least 1 intermediate district and at least 1 high need local~~  
11 ~~district. All of the following apply to this funding.~~

12 ~~—— (a) An eligible consortium or partnership must demonstrate the following:~~

13 ~~—— (i) Prior success in delivering online courses and instructional services to K-~~  
14 ~~12 pupils throughout this state.~~

15 ~~—— (ii) Expertise in designing, developing, and evaluating online K 12 course~~  
16 ~~content.~~

17 ~~—— (iii) Experience in maintaining a statewide help desk service for pupils,~~  
18 ~~online teachers, and other school personnel.~~

19 ~~—— (iv) Knowledge and experience in providing technical assistance and support to~~  
20 ~~K 12 schools in the area of online education.~~

21 ~~—— (v) Experience in training and supporting K 12 educators in this state to teach~~  
22 ~~online courses.~~

23 ~~—— (vi) Demonstrated technical expertise and capacity in managing complex~~  
24 ~~technology systems.~~

25 ~~—— (vii) Experience promoting twenty first century learning skills through the use~~  
26 ~~of online technologies.~~

27 ~~—— (b) The Michigan virtual university, which operates the Michigan virtual high~~

1 ~~school, shall perform the following tasks related to this funding.~~

2 ~~—— (i) Strengthen its capacity by pursuing activities, policies, and practices~~  
 3 ~~that increase the overall number of Michigan virtual high school course enrollments~~  
 4 ~~and course completions by at risk students.~~

5 ~~—— (ii) Examine the curricular and specific course content needs of middle and~~  
 6 ~~high school students in the areas of mathematics and science.~~

7 ~~—— (iii) Design, develop, and acquire online courses and related supplemental~~  
 8 ~~resources aligned to state standards to create a comprehensive and rigorous statewide~~  
 9 ~~catalog of online courses and instructional services.~~

10 ~~—— (iv) Continue to evaluate and conduct pilot programs for new and innovative~~  
 11 ~~online tools, resources, and courses.~~

12 ~~—— (v) Evaluate existing online teaching and learning practices and develop~~  
 13 ~~continuous improvement strategies to enhance student achievement.~~

14 ~~—— (vi) Develop, support, and maintain the technology infrastructure and related~~  
 15 ~~software required to deliver online courses and instructional services to students~~  
 16 ~~statewide.~~

17 (7) If a home-schooled or nonpublic school student is a resident of a district  
 18 that subscribes to services provided by the Michigan virtual ~~high~~ school, the student  
 19 may use the services provided by the Michigan virtual ~~high~~ school to the district  
 20 without charge to the student beyond what is charged to a district pupil using the  
 21 same services.

22 (8) Not later than December 1 of each fiscal year, the Michigan virtual  
 23 university shall provide a report to the house and senate appropriations subcommittees  
 24 on state school aid, the state budget director, the house and senate fiscal agencies,  
 25 and the department that includes at least all of the following information related to  
 26 the Michigan virtual ~~high~~ school for the preceding state fiscal year:

27 (a) A list of the Michigan ~~schools~~ **DISTRICTS** served by the Michigan virtual

1 high school.

2 (b) A list of online course titles available to Michigan ~~schools~~ DISTRICTS.

3 (c) The total number of online course enrollments and information on  
4 registrations and completions by course.

5 (d) The overall course completion rate percentage.

6 ~~----- (e) A summary of DED OESE, title IIA, teacher quality grant and DED OESE, title  
7 IID, education technology grant expenditures.~~

8 ~~----- (f) Identification of unmet educational needs that could be addressed by the  
9 Michigan virtual high school.~~

10 (E) THE RESULTS OF THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING, BUT  
11 NOT LIMITED TO:

12 (I) A LIST OF THE DISTRICTS THAT WERE SELECTED TO BE PART OF THE PILOT STUDY.

13 (II) THE NUMBER OF SUCCESSFUL ONLINE COURSE COMPLETIONS.

14 (III) A LIST OF THE COURSES OFFERED IN THE PILOT AND THE COMPLETION RATES FOR  
15 EACH COURSE.

16 (IV) IDENTIFICATION OF OPPORTUNITIES AND BARRIERS THAT MUST BE ADDRESSED IN  
17 ORDER TO APPLY ONLINE LEARNING PERFORMANCE FUNDING BASED ON SUCCESSFUL COMPLETIONS  
18 RATHER THAN ENROLLMENT AND ATTENDANCE FOR ONLINE LEARNING OFFERINGS STATEWIDE.

19 (9) As used in this section:

20 ~~----- (a) "DED OESE" means the United States department of education office of  
21 elementary and secondary education.~~

22 ~~----- (b) "High need local district" means a local educational agency as defined in  
23 the enhancing education through technology part of the no child left behind act of  
24 2001, Public Law 107 110.~~

25 ~~----- (c) "State education agency" means the department.~~

26 (A) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY MODEL WHERE  
27 STUDENTS ARE PROVIDED FACE-TO-FACE INSTRUCTION, IN PART AT A SUPERVISED SCHOOL

1 FACILITY AWAY FROM HOME AND PARTIALLY THROUGH COMPUTER-BASED AND INTERNET-CONNECTED  
2 LEARNING ENVIRONMENTS WITH SOME DEGREE OF STUDENT CONTROL OVER TIME, LOCATION AND PACE  
3 OF INSTRUCTION.

4 (B) "CYBER SCHOOL" MEANS A FULL-TIME ONLINE INSTRUCTIONAL PROGRAM FOR STUDENTS  
5 THAT MAY OR MAY NOT REQUIRE ATTENDANCE AT A PHYSICAL SCHOOL LOCATION.

6 (C) "ONLINE INSTRUCTIONAL PROGRAM" MEANS A COURSE OF STUDY THAT GENERATES A  
7 CREDIT OR A GRADE, PROVIDED IN AN INTERACTIVE COMPUTER-BASED AND INTERNET-CONNECTED  
8 LEARNING ENVIRONMENT, IN WHICH STUDENTS ARE SEPARATED FROM THEIR TEACHERS BY TIME OR  
9 LOCATION, OR BOTH, AND IN WHICH A MICHIGAN CERTIFICATED TEACHER IS RESPONSIBLE FOR  
10 PROVIDING DIRECT INSTRUCTION, DIAGNOSING LEARNING NEEDS, ASSESSING STUDENT LEARNING,  
11 PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES AND EVALUATING THE EFFECTS OF  
12 INSTRUCTION AND SUPPORT STRATEGIES.

13 Sec. 99. (1) From the ~~state school aid fund money~~ FUNDS appropriated in section  
14 11, there is allocated an amount not to exceed ~~\$2,515,000.00~~ \$2,625,000.00 EACH FISCAL  
15 YEAR for ~~2011-2012~~ and from the general fund appropriation in section 11, there is  
16 allocated an amount not to exceed ~~\$110,000.00~~ for ~~2011-2012~~ 2012-2013 AND 2013-2014 to  
17 support the activities and programs of mathematics and science centers and for other  
18 purposes as described in this section. In addition, from the federal funds  
19 appropriated in section 11, there is allocated EACH FISCAL YEAR for ~~2011-2012~~ 2012-  
20 2013 AND 2013-2014 an amount estimated at \$5,249,300.00 from DED-OESE, title II,  
21 mathematics and science partnership grants.

22 (2) Within a service area designated locally, approved by the department, and  
23 consistent with the comprehensive master plan for mathematics and science centers  
24 developed by the department and approved by the state board, an established  
25 mathematics and science center shall provide 2 or more of the following 6 basic  
26 services, as described in the master plan, to constituent districts and communities:  
27 leadership, pupil services, curriculum support, community involvement, professional

1 development, and resource clearinghouse services.

2 (3) The department shall not award a state grant under this section to more  
3 than 1 mathematics and science center located in a designated region as prescribed in  
4 the 2007 master plan unless each of the grants serves a distinct target population or  
5 provides a service that does not duplicate another program in the designated region.

6 (4) As part of the technical assistance process, the department shall provide  
7 minimum standard guidelines that may be used by the mathematics and science center for  
8 providing fair access for qualified pupils and professional staff as prescribed in  
9 this section.

10 (5) Allocations under this section to support the activities and programs of  
11 mathematics and science centers shall be continuing support grants to all 33  
12 established mathematics and science centers. Each established mathematics and science  
13 center that was funded in the immediately preceding fiscal year shall receive state  
14 funding in an amount equal to 100% of the amount it was allocated under this  
15 subsection for the immediately preceding fiscal year. If a center declines state  
16 funding or a center closes, the remaining money available under this section shall be  
17 distributed to the remaining centers, as determined by the department.

18 (6) From the funds allocated in subsection (1), there is allocated **EACH FISCAL**  
19 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$750,000.00 in a  
20 form and manner determined by the department to those centers able to provide  
21 curriculum and professional development support to assist districts in implementing  
22 the Michigan merit curriculum components for mathematics and science. Funding under  
23 this subsection is in addition to funding allocated under subsection (5).

24 (7) In order to receive state or federal funds under this section, a grant  
25 recipient shall allow access for the department or the department's designee to audit  
26 all records related to the program for which it receives such funds. The grant  
27 recipient shall reimburse the state for all disallowances found in the audit.

1 (8) Not later than September 30, 2013, the department shall reevaluate and  
2 update the comprehensive master plan described in subsection (1).

3 (9) The department shall give preference in awarding the federal grants  
4 allocated in subsection (1) to eligible existing mathematics and science centers.

5 (10) In order to receive state funds under this section, a grant recipient  
6 shall provide at least a 10% local match from local public or private resources for  
7 the funds received under this section.

8 (11) Not later than July 1 of each year, a mathematics and science center that  
9 receives funds under this section shall report to the department in a form and manner  
10 prescribed by the department on the following performance measures:

11 (a) Statistical change in pre- and post-assessment scores for students who  
12 enrolled in mathematics and science activities provided to districts by the  
13 mathematics and science center.

14 (b) Statistical change in pre- and post-assessment scores for teachers who  
15 enrolled in professional development activities provided by the mathematics and  
16 science center.

17 (12) 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 secondary education.

20 Sec. 101. (1) To be eligible to receive state aid under this act, not later  
21 than the fifth Wednesday after the pupil membership count day and not later than the  
22 fifth Wednesday after the supplemental count day, each district superintendent shall  
23 submit to the center and the intermediate superintendent, in the form and manner  
24 prescribed by the center, the number of pupils enrolled and in regular daily  
25 attendance in the district as of the pupil membership count day and as of the  
26 supplemental count day, as applicable, for the current school year. In addition, a  
27 district maintaining school during the entire year, as provided under section 1561 of

1 the revised school code, MCL 380.1561, shall submit to the center and the intermediate  
2 superintendent, in the form and manner prescribed by the center, the number of pupils  
3 enrolled and in regular daily attendance in the district for the current school year  
4 pursuant to rules promulgated by the superintendent. Not later than the ~~seventh~~ **SIXTH**  
5 Wednesday after the pupil membership count day and not later than the seventh  
6 Wednesday after the supplemental count day, the district shall certify the data in a  
7 form and manner prescribed by the center and file the certified data with the  
8 intermediate superintendent. If a district fails to submit and certify the attendance  
9 data, as required under this subsection, the center shall notify the department and  
10 state aid due to be distributed under this ~~act~~ **ARTICLE** shall be withheld from the  
11 defaulting district immediately, beginning with the next payment after the failure and  
12 continuing with each payment until the district complies with this subsection. If a  
13 district does not comply with this subsection by the end of the fiscal year, the  
14 district forfeits the amount withheld. A person who willfully falsifies a figure or  
15 statement in the certified and sworn copy of enrollment shall be punished in the  
16 manner prescribed by section 161.

17 (2) To be eligible to receive state aid under this ~~act~~ **ARTICLE**, not later than  
18 the twenty-fourth Wednesday after the pupil membership count day and not later than  
19 the twenty-fourth Wednesday after the supplemental count day, an intermediate district  
20 shall submit to the center, in a form and manner prescribed by the center, the audited  
21 enrollment and attendance data for the pupils of its constituent districts and of the  
22 intermediate district. If an intermediate district fails to submit the audited data as  
23 required under this subsection, state aid due to be distributed under this ~~act~~ **ARTICLE**  
24 shall be withheld from the defaulting intermediate district immediately, beginning  
25 with the next payment after the failure and continuing with each payment until the  
26 intermediate district complies with this subsection. If an intermediate district does  
27 not comply with this subsection by the end of the fiscal year, the intermediate

1 district forfeits the amount withheld.

2 (3) Except as otherwise provided in subsection (11), all of the following apply  
3 to the provision of pupil instruction:

4 (a) Except as otherwise provided in this section, each district shall provide  
5 at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days  
6 of pupil instruction. For 2010-2011 and for 2011-2012, the required minimum number of  
7 days of pupil instruction is 165. Beginning in 2012-2013, the required minimum number  
8 of days of pupil instruction is 170. However, beginning in 2010-2011, a district shall  
9 not provide fewer days of pupil instruction than the district provided for 2009-2010.  
10 A district may apply for a waiver under subsection (9) from the requirements of this  
11 subdivision.

12 (b) Except as otherwise provided in this ~~act~~ **ARTICLE**, a district failing to  
13 comply with the required minimum hours and days of pupil instruction under this  
14 subsection shall forfeit from its total state aid allocation an amount determined by  
15 applying a ratio of the number of hours or days the district was in noncompliance in  
16 relation to the required minimum number of hours and days under this subsection. Not  
17 later than August 1, the board of each district shall certify to the department the  
18 number of hours and, beginning in 2010-2011, days of pupil instruction in the previous  
19 school year. If the district did not provide at least the required minimum number of  
20 hours and days of pupil instruction under this subsection, the deduction of state aid  
21 shall be made in the following fiscal year from the first payment of state school aid.  
22 A district is not subject to forfeiture of funds under this subsection for a fiscal  
23 year in which a forfeiture was already imposed under subsection (6).

24 (c) Hours or days lost because of strikes or teachers' conferences shall not be  
25 counted as hours or days of pupil instruction.

26 (d) If a collective bargaining agreement that provides a complete school  
27 calendar is in effect for employees of a district as of October 19, 2009, and if that

1 school calendar is not in compliance with this subsection, then this subsection does  
2 not apply to that district until after the expiration of that collective bargaining  
3 agreement.

4 (e) Except as otherwise provided in subdivision (f), a district not having at  
5 least 75% of the district's membership in attendance on any day of pupil instruction  
6 shall receive state aid in that proportion of 1/180 that the actual percent of  
7 attendance bears to the specified percentage.

8 (f) At the request of a district that operates a department-approved  
9 alternative education program and that does not provide instruction for pupils in all  
10 of grades K to 12, the superintendent may grant a waiver from the requirements of  
11 subdivision (e) in order to conduct a pilot study. The waiver shall indicate that an  
12 eligible district is subject to the proration provisions of subdivision (e) only if  
13 the district does not have at least 50% of the district's membership in attendance on  
14 any day of pupil instruction. In order to be eligible for this waiver, a district must  
15 maintain records to substantiate its compliance with the following requirements during  
16 the pilot study:

17 (i) The district offers the minimum hours of pupil instruction as required  
18 under this section.

19 (ii) For each enrolled pupil, the district uses appropriate academic  
20 assessments to develop an individual education plan that leads to a high school  
21 diploma.

22 (iii) The district tests each pupil to determine academic progress at regular  
23 intervals and records the results of those tests in that pupil's individual education  
24 plan.

25 (g) The superintendent shall promulgate rules for the implementation of this  
26 subsection.

27 (4) Except as otherwise provided in this subsection, the first 6 days or the

1 equivalent number of hours for which pupil instruction is not provided because of  
2 conditions not within the control of school authorities, such as severe storms, fires,  
3 epidemics, utility power unavailability, water or sewer failure, or health conditions  
4 as defined by the city, county, or state health authorities, shall be counted as hours  
5 and days of pupil instruction. With the approval of the superintendent of public  
6 instruction, the department shall count as hours and days of pupil instruction for a  
7 fiscal year not more than 6 additional days or the equivalent number of additional  
8 hours for which pupil instruction is not provided in a district after April 1 of the  
9 applicable school year due to unusual and extenuating occurrences resulting from  
10 conditions not within the control of school authorities such as those conditions  
11 described in this subsection. Subsequent such hours or days shall not be counted as  
12 hours or days of pupil instruction.

13 (5) A district shall not forfeit part of its state aid appropriation because it  
14 adopts or has in existence an alternative scheduling program for pupils in  
15 kindergarten if the program provides at least the number of hours required under  
16 subsection (3) for a full-time equated membership for a pupil in kindergarten as  
17 provided under section 6(4).

18 (6) Not later than April 15 of each fiscal year, the board of each district  
19 shall certify to the department the planned number of hours and days of pupil  
20 instruction in the district for the school year ending in the fiscal year. In addition  
21 to any other penalty or forfeiture under this section, if at any time the department  
22 determines that 1 or more of the following has occurred in a district, the district  
23 shall forfeit in the current fiscal year beginning in the next payment to be  
24 calculated by the department a proportion of the funds due to the district under this  
25 ~~act~~ **ARTICLE** that is equal to the proportion below the required minimum number of hours  
26 and days of pupil instruction under subsection (3), as specified in the following:

27 (a) The district fails to operate its schools for at least the required minimum

1 number of hours and days of pupil instruction under subsection (3) in a school year,  
2 including hours and days counted under subsection (4).

3 (b) The board of the district takes formal action not to operate its schools  
4 for at least the required minimum number of hours and days of pupil instruction under  
5 subsection (3) in a school year, including hours and days counted under subsection  
6 (4).

7 (7) In providing the minimum number of hours and days of pupil instruction  
8 required under subsection (3), a district shall use the following guidelines, and a  
9 district shall maintain records to substantiate its compliance with the following  
10 guidelines:

11 (a) Except as otherwise provided in this subsection, a pupil must be scheduled  
12 for at least the required minimum number of hours of instruction, excluding study  
13 halls, or at least the sum of 90 hours plus the required minimum number of hours of  
14 instruction, including up to 2 study halls.

15 (b) The time a pupil is assigned to any tutorial activity in a block schedule  
16 may be considered instructional time, unless that time is determined in an audit to be  
17 a study hall period.

18 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12  
19 for whom a reduced schedule is determined to be in the individual pupil's best  
20 educational interest must be scheduled for a number of hours equal to at least 80% of  
21 the required minimum number of hours of pupil instruction to be considered a full-time  
22 equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may  
23 receive a reduced schedule under this subsection if the pupil is scheduled for a  
24 number of hours equal to at least 75% of the required minimum number of hours of pupil  
25 instruction to be considered a full-time equivalent pupil.

26 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education  
27 program or a special education pupil cannot receive the required minimum number of

1 hours of pupil instruction solely because of travel time between instructional sites  
2 during the school day, that travel time, up to a maximum of 3 hours per school week,  
3 shall be considered to be pupil instruction time for the purpose of determining  
4 whether the pupil is receiving the required minimum number of hours of pupil  
5 instruction. However, if a district demonstrates to the satisfaction of the department  
6 that the travel time limitation under this subdivision would create undue costs or  
7 hardship to the district, the department may consider more travel time to be pupil  
8 instruction time for this purpose.

9 (e) In grades 7 through 12, instructional time that is part of a junior reserve  
10 officer training corps (JROTC) program shall be considered to be pupil instruction  
11 time regardless of whether the instructor is a certificated teacher if all of the  
12 following are met:

13 (i) The instructor has met all of the requirements established by the United  
14 States department of defense and the applicable branch of the armed services for  
15 serving as an instructor in the junior reserve officer training corps program.

16 (ii) The board of the district or intermediate district employing or assigning  
17 the instructor complies with the requirements of sections 1230 and 1230a of the  
18 revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the  
19 same extent as if employing the instructor as a regular classroom teacher.

20 (8) Except as otherwise provided in subsection (11), the department shall apply  
21 the guidelines under subsection (7) in calculating the full-time equivalency of  
22 pupils.

23 (9) Upon application by the district for a particular fiscal year, the  
24 superintendent may waive for a district the minimum number of hours and days of pupil  
25 instruction requirement of subsection (3) for a department-approved alternative  
26 education program or another innovative program approved by the department, including  
27 a 4-day school week. If a district applies for and receives a waiver under this

1 subsection and complies with the terms of the waiver, for the fiscal year covered by  
2 the waiver the district is not subject to forfeiture under this section for the  
3 specific program covered by the waiver. If the district does not comply with the terms  
4 of the waiver, the amount of the forfeiture shall be calculated based upon a  
5 comparison of the number of hours and days of pupil instruction actually provided to  
6 the minimum number of hours and days of pupil instruction required under subsection  
7 (3). Pupils enrolled in a department-approved alternative education program under this  
8 subsection shall be reported to the center in a form and manner determined by the  
9 center.

10 (10) A district may count up to 38 hours of qualifying professional development  
11 for teachers as hours of pupil instruction. Professional development provided online  
12 is allowable and encouraged, as long as the instruction has been approved by the  
13 district. The department shall issue a list of approved online professional  
14 development providers, which shall include the Michigan virtual ~~university~~ **SCHOOL**.  
15 ~~However, if a collective bargaining agreement that provides more than 38 but not more~~  
16 ~~than 51 hours of professional development for teachers is in effect for employees of a~~  
17 ~~district as of October 1, 2006, then until the fiscal year that begins after the~~  
18 ~~expiration of that collective bargaining agreement a district may count up to 51 hours~~  
19 ~~of qualifying professional development for teachers as hours of pupil instruction. A~~  
20 ~~district that elects to use this exception shall notify the department of its~~  
21 ~~election.~~ As used in this subsection, "qualifying professional development" means  
22 professional development that is focused on 1 or more of the following:

23 (a) Achieving or improving adequate yearly progress as defined under the no  
24 child left behind act of 2001, Public Law 107-110.

25 (b) Achieving accreditation or improving a school's accreditation status under  
26 section 1280 of the revised school code, MCL 380.1280.

27 (c) Achieving highly qualified teacher status as defined under the no child

1 left behind act of 2001, Public Law 107-110.

2 (d) Integrating technology into classroom instruction.

3 (e) Maintaining teacher certification.

4 (11) Subsections (3) and (8) do not apply to a school of excellence that is a  
5 cyber school, as defined in section 551 of the revised school code, MCL 380.551, and  
6 is in compliance with section 553a of the revised school code, MCL 380.553a.

7 ~~———— (12) The department shall study the actual costs of providing distance learning  
8 or other alternative instructional delivery that is being used in this state and shall  
9 report on its findings to the house and senate fiscal agencies and the office of the  
10 state budget not later than September 10, 2012. Upon request by the department, a  
11 school of excellence described in subsection (11), the Michigan virtual university, or  
12 a school that receives a seat time waiver from the department under this section shall  
13 submit to the department any data requested by the department for the purposes of this  
14 study.~~

15 Sec. 104. (1) In order to receive state aid under this article, a district  
16 shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised  
17 school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b,  
18 and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state  
19 school aid fund money appropriated in section 11, there is allocated **EACH FISCAL YEAR**  
20 for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed ~~\$35,194,400.00~~  
21 **\$26,694,400.00** for payments on behalf of districts for costs associated with complying  
22 with those provisions of law. In addition, from the federal funds appropriated in  
23 section 11, there is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014**  
24 an amount estimated at \$8,250,000.00, funded from **DED-OESE, TITLE VI, STATE**  
25 **ASSESSMENTS FUNDS AND DED-OSERS**, section 504 of part B of the individuals with  
26 disabilities education act, Public Law 94-142, plus any carryover federal funds from  
27 previous year appropriations, for the purposes of complying with the federal no child

1 left behind act of 2001, Public Law 107-110.

2 (2) The results of each test administered as part of the Michigan educational  
3 assessment program, including tests administered to high school students, shall  
4 include an item analysis that lists all items that are counted for individual pupil  
5 scores and the percentage of pupils choosing each possible response.

6 (3) All federal funds allocated under this section shall be distributed in  
7 accordance with federal law and with flexibility provisions outlined in Public Law  
8 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

9 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate  
10 districts, and other eligible entities under this section shall be paid on a schedule  
11 determined by the department.

12 (5) As used in this section:

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

14 (b) "DED-OSERS" means the DED office of special education and rehabilitative  
15 services.

16 (c) "DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.

17 Sec. 107. (1) From the appropriation in section 11, there is allocated **EACH**  
18 **FISCAL YEAR** an amount not to exceed \$22,000,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-**  
19 **2014** for adult education programs authorized under this section. Funds allocated under  
20 this section are restricted for adult education programs as authorized under this  
21 section only. A recipient of funds under this section shall not use those funds for  
22 any other purpose.

23 (2) To be eligible for funding under this section, a program shall employ  
24 certificated teachers and qualified administrative staff and shall offer continuing  
25 education opportunities for teachers to allow them to maintain certification.

26 (3) To be eligible to be a participant funded under this section, a person  
27 shall be enrolled in an adult basic education program, an adult English as a second

1 language program, a general educational development (G.E.D.) test preparation program,  
 2 a job or employment related program, or a high school completion program, that meets  
 3 the requirements of this section, and shall meet either of the following, as  
 4 applicable:

5 (a) If the individual has obtained a high school diploma or a general  
 6 educational development (G.E.D.) certificate, the individual meets 1 of the following:

7 (i) Is less than 20 years of age on September 1 of the school year and is  
 8 enrolled in the Michigan career and technical institute.

9 (ii) Is less than 20 years of age on September 1 of the school year, is not  
 10 attending an institution of higher education, and is enrolled in a job or employment-  
 11 related program through a referral by an employer.

12 (iii) Is enrolled in an English as a second language program.

13 (iv) Is enrolled in a high school completion program.

14 (b) If the individual has not obtained a high school diploma or G.E.D.  
 15 certificate, the individual meets 1 of the following:

16 (i) Is at least 20 years of age on September 1 of the school year.

17 (ii) Is at least 16 years of age on September 1 of the school year, has been  
 18 permanently expelled from school under section 1311(2) or 1311a of the revised school  
 19 code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program  
 20 available through his or her district of residence.

21 (4) Except as otherwise provided in subsection (5), the money allocated under  
 22 this section shall be distributed as follows:

23 (a) For districts and consortia that received payments for ~~2010-2011~~ **THE**  
 24 **IMMEDIATELY PRECEDING FISCAL YEAR** under this section, the amount allocated to each for  
 25 ~~2011-2012~~ **THE CURRENT FISCAL YEAR** shall be based on the number of participants served  
 26 by the district or consortium for ~~2011-2012~~ **THE CURRENT FISCAL YEAR**, using the amount  
 27 allocated per full-time equated participant under subsection (7), up to a maximum

1 total allocation under this subsection in an amount equal to ~~100.9%~~ of the amount the  
2 district or consortium received for ~~2010-2011~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**  
3 under this section before any reallocations made for ~~2010-2011~~ **THE IMMEDIATELY**  
4 **PRECEDING FISCAL YEAR** under subsection (5).

5 (b) A district or consortium that received funding in ~~2010-2011~~ **THE IMMEDIATELY**  
6 **PRECEDING FISCAL YEAR** under this section may operate independently of a consortium or  
7 join or form a consortium for ~~2011-2012~~ **THE CURRENT FISCAL YEAR**. The allocation for  
8 ~~2011-2012~~ **THE CURRENT FISCAL YEAR** to the district or the newly formed consortium under  
9 this subsection shall be determined by the department and shall be based on the  
10 proportion of the amounts that are attributable to the district or consortium that  
11 received funding in ~~2010-2011~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**. A district or  
12 consortium described in this subdivision shall notify the department of its intention  
13 with regard to ~~2011-2012~~ **THE CURRENT FISCAL YEAR** by October 1, ~~2011~~ **OF THE CURRENT**  
14 **FISCAL YEAR**.

15 ~~———— (c) If a district had a declaration of financial emergency in place under the~~  
16 ~~local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and~~  
17 ~~that declaration was revoked during 2005, the district may operate a program under~~  
18 ~~this section independently of a consortium or may join or form a consortium to operate~~  
19 ~~a program under this section. The allocation for 2011-2012 to the district or the~~  
20 ~~newly formed consortium under this subsection shall be determined by the department~~  
21 ~~and shall be based on the proportion of the amounts that are attributable to the~~  
22 ~~district or consortium that received funding in 2010-2011 or, for a district for which~~  
23 ~~a declaration of financial emergency was revoked during 2005, based on the amount the~~  
24 ~~district received under this section using a 3 year average of the 3 most recent~~  
25 ~~fiscal years the district received funding under this section. A district or~~  
26 ~~consortium described in this subdivision shall notify the department of its intention~~  
27 ~~with regard to 2011-2012 by October 1, 2011.~~

1           (5) A district that operated an adult education program in ~~2010-2011~~ **THE**  
2 **IMMEDIATELY PRECEDING FISCAL YEAR** and does not intend to operate a program in ~~2011-~~  
3 ~~2012~~ **THE CURRENT FISCAL YEAR** shall notify the department by October 1, ~~2011~~ **OF THE**  
4 **CURRENT FISCAL YEAR** of its intention. The money intended to be allocated under this  
5 section to a district that does not operate a program in ~~2011-2012~~ **THE CURRENT FISCAL**  
6 **YEAR** and the unspent money originally allocated under this section to a district or  
7 consortium that subsequently operates a program at less than the level of funding  
8 allocated under subsection (4) and any other unallocated money under this section  
9 shall instead be proportionately reallocated to the other districts described in  
10 subsection (4) (a) that are operating an adult education program in ~~2011-2012~~ **THE**  
11 **CURRENT FISCAL YEAR** under this section.

12           (6) The amount allocated under this section per full-time equated participant  
13 is \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a  
14 program offering less than 450 hours of instruction.

15           (7) An adult basic education program or an adult English as a second language  
16 program operated on a year-round or school year basis may be funded under this  
17 section, subject to all of the following:

18           (a) The program enrolls adults who are determined by a department-approved  
19 assessment, in a form and manner prescribed by the department, to be below ninth grade  
20 level in reading or mathematics, or both, or to lack basic English proficiency.

21           (b) The program tests individuals for eligibility under subdivision (a) before  
22 enrollment and upon completion of the program in compliance with the state-approved  
23 assessment policy.

24           (c) A participant in an adult basic education program is eligible for  
25 reimbursement until 1 of the following occurs:

26           (i) The participant's reading and mathematics proficiency are assessed at or  
27 above the ninth grade level.

1           (ii) The participant fails to show progress on 2 successive assessments after  
2 having completed at least 450 hours of instruction.

3           (d) A funding recipient enrolling a participant in an English as a second  
4 language program is eligible for funding according to subsection (11) until the  
5 participant meets 1 of the following:

6           (i) The participant is assessed as having attained basic English proficiency as  
7 determined by a department-approved assessment.

8           (ii) The participant fails to show progress on 2 successive department-approved  
9 assessments after having completed at least 450 hours of instruction. The department  
10 shall provide information to a funding recipient regarding appropriate assessment  
11 instruments for this program.

12           (8) A general educational development (G.E.D.) test preparation program  
13 operated on a year-round or school year basis may be funded under this section,  
14 subject to all of the following:

15           (a) The program enrolls adults who do not have a high school diploma.

16           (b) The program shall administer a G.E.D. pre-test approved by the department  
17 before enrolling an individual to determine the individual's potential for success on  
18 the G.E.D. test, and shall administer a post-test upon completion of the program in  
19 compliance with the state-approved assessment policy.

20           (c) A funding recipient shall receive funding according to subsection (11) for  
21 a participant, and a participant may be enrolled in the program until 1 of the  
22 following occurs:

23           (i) The participant passes the G.E.D. test.

24           (ii) The participant fails to show progress on 2 successive department-approved  
25 assessments used to determine readiness to take the G.E.D. test after having completed  
26 at least 450 hours of instruction.

27           (9) A high school completion program operated on a year-round or school year

1 basis may be funded under this section, subject to all of the following:

2 (a) The program enrolls adults who do not have a high school diploma.

3 (b) The program tests participants described in subdivision (a) before  
4 enrollment and upon completion of the program in compliance with the state-approved  
5 assessment policy.

6 (c) A funding recipient shall receive funding according to subsection (11) for  
7 a participant in a course offered under this subsection until 1 of the following  
8 occurs:

9 (i) The participant passes the course and earns a high school diploma.

10 (ii) The participant fails to earn credit in 2 successive semesters or terms in  
11 which the participant is enrolled after having completed at least 900 hours of  
12 instruction.

13 (10) A job or employment-related adult education program operated on a year-  
14 round or school year basis may be funded under this section, subject to all of the  
15 following:

16 (a) The program enrolls adults referred by their employer who are less than 20  
17 years of age, have a high school diploma, are determined to be in need of remedial  
18 mathematics or communication arts skills and are not attending an institution of  
19 higher education.

20 **(B) THE PROGRAM TESTS PARTICIPANTS DESCRIBED IN SUBDIVISION (A) BEFORE**  
21 **ENROLLMENT AND UPON COMPLETION OF THE PROGRAM IN COMPLIANCE WITH THE DEPARTMENT-**  
22 **APPROVED ASSESSMENT POLICY.**

23 **(C) ~~(b)~~** An individual may be enrolled in this program and the grant recipient  
24 shall receive funding according to subsection (11) until 1 of the following occurs:

25 (i) The individual achieves the requisite skills as determined by department-  
26 approved assessment instruments ~~administered at least after every 90 hours of~~  
27 ~~attendance.~~

1           (ii) The individual fails to show progress on 2 successive assessments after  
2 having completed at least 450 hours of instruction. ~~The department shall provide~~  
3 ~~information to a funding recipient regarding appropriate assessment instruments for~~  
4 ~~this program.~~

5           (11) A funding recipient shall receive payments under this section in  
6 accordance with the following:

7           (a) Ninety percent for enrollment of eligible participants.

8           (b) Ten percent for completion of the adult basic education objectives by  
9 achieving an increase of at least 1 grade level of proficiency in reading or  
10 mathematics; for achieving basic English proficiency, as defined by the department in  
11 the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more  
12 individual G.E.D. tests; for attainment of a high school diploma or passage of a  
13 course required for a participant to attain a high school diploma; or for completion  
14 of the course and demonstrated proficiency in the academic skills to be learned in the  
15 course, as applicable.

16           (12) As used in this section, "participant" means the sum of the number of  
17 full-time equated individuals enrolled in and attending a department-approved adult  
18 education program under this section, using quarterly participant count days on the  
19 schedule described in section 6(7)(b).

20           (13) A person who is not eligible to be a participant funded under this section  
21 may receive adult education services upon the payment of tuition. In addition, a  
22 person who is not eligible to be served in a program under this section due to the  
23 program limitations specified in subsection (7), (8), (9), or (10) may continue to  
24 receive adult education services in that program upon the payment of tuition. The  
25 tuition level shall be determined by the local or intermediate district conducting the  
26 program.

27           (14) An individual who is an inmate in a state correctional facility shall not

1 be counted as a participant under this section.

2 (15) A district shall not commingle money received under this section or from  
3 another source for adult education purposes with any other funds of the district. A  
4 district receiving adult education funds shall establish a separate ledger account for  
5 those funds. This subsection does not prohibit a district from using general funds of  
6 the district to support an adult education or community education program.

7 (16) A district or intermediate district receiving funds under this section may  
8 establish a sliding scale of tuition rates based upon a participant's family income. A  
9 district or intermediate district may charge a participant tuition to receive adult  
10 education services under this section from that sliding scale of tuition rates on a  
11 uniform basis. The amount of tuition charged per participant shall not exceed the  
12 actual operating cost per participant minus any funds received under this section per  
13 participant. A district or intermediate district may not charge a participant tuition  
14 under this section if the participant's income is at or below 200% of the federal  
15 poverty guidelines published by the United States department of health and human  
16 services.

17 (17) In order to receive funds under this section, a district shall furnish to  
18 the department, in a form and manner determined by the department, all information  
19 needed to administer this program and meet federal reporting requirements; shall allow  
20 the department or the department's designee to review all records related to the  
21 program for which it receives funds; and shall reimburse the state for all  
22 disallowances found in the review, as determined by the department.

23 (18) All intermediate district participant audits of adult education programs  
24 shall be performed pursuant to the adult education participant auditing and accounting  
25 manuals published by the department.

26 (19) As used in this section, "department" means the ~~workforce development~~  
27 ~~agency~~ **MICHIGAN STRATEGIC FUND.**

1           Sec. 147. The allocation for ~~2010-2011~~ **2012-2013** for the public school  
2 employees' retirement system pursuant to the public school employees retirement act of  
3 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal  
4 cost actuarial method and risk assumptions adopted by the public school employees  
5 retirement board and the department of technology, management, and budget. For public  
6 school employees who first worked for a public school reporting unit before July 1,  
7 2010, the annual level percentage of payroll contribution rate is estimated at ~~15.96%~~  
8 **18.62%** for pension and at ~~8.50%~~ **8.75%** for retiree health care for the ~~2011-2012~~ **2012-**  
9 **2013** fiscal year. For public school employees who first worked for a public school  
10 reporting unit on or after July 1, 2010, the annual level percentage of payroll  
11 contribution rate is estimated at ~~14.73%~~ **17.39%** for pension and ~~8.50%~~ **8.75%** for  
12 retiree health care for the ~~2011-2012~~ **2012-2013** fiscal year. For public school  
13 employees who first worked for a public school reporting unit before July 1, 2010, the  
14 annual level percentage of payroll contribution rate is estimated at ~~18.62%~~ **22.46%** for  
15 pension and ~~8.75%~~ **8.75%** for retiree health care for the ~~2012-2013~~ **2013-2014** fiscal  
16 year. For public school employees who first worked for a public school reporting unit  
17 on or after July 1, 2010, the annual level percentage of payroll contribution rate is  
18 estimated at ~~17.39%~~ **21.19%** for pension and ~~8.75%~~ **8.75%** for retiree health care for the  
19 ~~2012-2013~~ **2013-2014** fiscal year. The portion of the contribution rate assigned to  
20 districts and intermediate districts for each fiscal year is all of the total  
21 percentage points. This contribution rate reflects an amortization period of 26 years  
22 for ~~2011-2012~~ **2012-2013**. The public school employees' retirement system board shall  
23 notify each district and intermediate district by February 28 of each fiscal year of  
24 the estimated contribution rate for the next fiscal year.

25           Sec. 147a. From the appropriation in section 11, there is allocated **EACH FISCAL**  
26 **YEAR** for ~~2011-2012 only~~ **2012-2013 AND 2013-2014** an amount not to exceed  
27 ~~\$155,000,000.00~~ **\$179,000,000.00** for ~~1-time~~ payments to participating districts. ~~The~~

1 ~~money allocated in this section represents a portion of the year end state school aid~~  
2 ~~fund balance for 2010-2011.~~ A district that receives money under this section shall  
3 use that money solely for the purpose of offsetting a portion of the retirement  
4 contributions owed by the district for **EACH OF** the fiscal ~~year~~ **YEARS** ending September  
5 30, ~~2012~~ **2013 AND SEPTEMBER 30, 2014**. The amount allocated to each participating  
6 district under this section shall be based on each participating district's percentage  
7 of the total statewide payroll for all participating districts for the **IMMEDIATELY**  
8 **PRECEDING** state fiscal year ~~ending September 30, 2011~~. As used in this section,  
9 "participating district" means a district that is a reporting unit of the Michigan  
10 public school employees' retirement system under the public school employees  
11 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports  
12 employees to the Michigan public school employees' retirement system for ~~September~~  
13 ~~2011~~ **THE APPLICABLE FISCAL YEAR**.

14           Sec. 152a. (1) As required by the court in the consolidated cases known as  
15 Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from  
16 the state school aid fund money appropriated in section 11 there is allocated **EACH**  
17 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed  
18 ~~\$34,064,500.00~~ **\$38,000,500.00** to be used solely for the purpose of paying necessary  
19 costs related to the state-mandated collection, maintenance, and reporting of data to  
20 this state.

21           (2) From the allocation in subsection (1), the department shall make payments  
22 to districts and intermediate districts in an equal amount per pupil based on the  
23 total number of pupils in membership in each district and intermediate district. The  
24 department shall not make any adjustment to these payments after the final installment  
25 payment under section 17b is made.

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## ARTICLE II

## STATE AID TO COMMUNITY COLLEGES

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsection (2)~~ **THIS SECTION** 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 (2)~~ **THIS SECTION**:

(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~~ **AMOUNTS** appropriated for community college operations is ~~\$283,880,500.00~~, allocated **ARE** as follows:

(a) Alpena Community College, ~~\$4,984,300.00~~ **\$5,152,700.00, INCLUDING \$168,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

(b) Bay de Noc Community College, ~~\$5,040,200.00~~ **\$5,180,100.00, INCLUDING \$139,900.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

(c) Delta College, ~~\$13,336,200.00~~ **\$13,919,300.00, INCLUDING \$583,100.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

- 1 (d) Glen Oaks Community College, ~~\$2,320,900.00~~ \$2,393,700.00, INCLUDING  
2 \$72,800.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 3 (e) Gogebic Community College, ~~\$4,140,500.00~~ \$4,243,900.00, INCLUDING  
4 \$103,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 5 (f) Grand Rapids Community College, ~~\$16,649,700.00~~ \$16,983,100.00, INCLUDING  
6 \$333,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 7 (g) Henry Ford Community College, ~~\$20,145,000.00~~ \$20,575,200.00, INCLUDING  
8 \$430,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 9 (h) Jackson Community College, ~~\$11,219,700.00~~ \$11,551,300.00, INCLUDING  
10 \$331,600.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 11 (i) Kalamazoo Valley Community College, ~~\$11,522,700.00~~ \$11,922,000.00, INCLUDING  
12 \$399,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 13 (j) Kellogg Community College, ~~\$9,047,900.00~~ \$9,327,100.00, INCLUDING  
14 \$279,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 15 (k) Kirtland Community College, ~~\$2,872,900.00~~ \$3,028,300.00, INCLUDING  
16 \$155,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 17 (l) Lake Michigan College, ~~\$4,937,700.00~~ \$5,037,900.00, INCLUDING \$100,200.00  
18 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 19 (m) Lansing Community College, ~~\$28,651,900.00~~ \$29,571,700.00, INCLUDING  
20 \$919,800.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 21 (n) Macomb Community College, ~~\$30,490,300.00~~ \$31,184,100.00, INCLUDING  
22 \$693,800.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 23 (o) Mid Michigan Community College, ~~\$4,266,800.00~~ \$4,456,600.00, INCLUDING  
24 \$189,800.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 25 (p) Monroe County Community College, ~~\$4,094,000.00~~ \$4,212,500.00, INCLUDING  
26 \$118,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.
- 27 (q) Montcalm Community College, ~~\$2,946,800.00~~ \$3,050,000.00, INCLUDING

1 \$103,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

2 (r) C.S. Mott Community College, ~~\$14,526,400.00~~ \$14,942,700.00, INCLUDING  
3 \$416,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

4 (s) Muskegon Community College, ~~\$8,256,700.00~~ \$8,411,900.00, INCLUDING  
5 \$155,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

6 (t) North Central Michigan College, ~~\$2,886,500.00~~ \$2,963,100.00, INCLUDING  
7 \$76,600.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

8 (u) Northwestern Michigan College, ~~\$8,430,300.00~~ \$8,542,400.00, INCLUDING  
9 \$112,100.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

10 (v) Oakland Community College, ~~\$19,455,900.00~~ \$19,934,800.00, INCLUDING  
11 \$478,900.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

12 (w) St. Clair County Community College, ~~\$6,534,100.00~~ \$6,726,300.00, INCLUDING  
13 \$192,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

14 (x) Schoolcraft College, ~~\$11,477,300.00~~ \$12,036,800.00, INCLUDING \$559,500.00  
15 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

16 (y) Southwestern Michigan College, ~~\$6,143,700.00~~ \$6,234,100.00, INCLUDING  
17 \$90,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

18 (z) Washtenaw Community College, ~~\$11,827,300.00~~ \$12,818,200.00, INCLUDING  
19 \$990,900.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

20 (aa) Wayne County Community College, ~~\$15,425,900.00~~ \$15,703,300.00, INCLUDING  
21 \$277,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

22 (bb) West Shore Community College, ~~\$2,248,900.00~~ \$2,293,800.00, INCLUDING  
23 \$44,900.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

24 (3) The ~~amount~~ AMOUNTS appropriated in subsection (2) for community college  
25 ~~operations is~~ COLLEGES ARE appropriated from the following:

26 (a) School aid fund, \$195,880,500.00.

27 (b) State general fund/general purpose money, ~~\$88,000,000.00~~ \$96,516,400.

1           (4) THERE IS APPROPRIATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED  
2 \$1,733,600.00 FOR PAYMENTS TO COMMUNITY COLLEGES, FROM THE STATE SCHOOL AID FUND. A  
3 COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY  
4 FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE  
5 COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE AMOUNT ALLOCATED TO EACH  
6 PARTICIPATING COMMUNITY COLLEGE UNDER THIS SUBSECTION SHALL BE BASED ON EACH  
7 PARTICIPATING COLLEGE'S TOTAL PAYROLL COVERED BY THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'  
8 RETIREMENT SYSTEM IN PROPORTION TO THE TOTAL MICHIGAN PUBLIC SCHOOL EMPLOYEES'  
9 RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR THE IMMEDIATELY  
10 PRECEDING STATE FISCAL YEAR. AS USED IN THIS SECTION, "PARTICIPATING COLLEGE" MEANS A  
11 COMMUNITY COLLEGE THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'  
12 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA  
13 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL  
14 EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

15           ~~Sec. 201a. It is the intent of the legislature to provide appropriations for the~~  
16 ~~fiscal year ending on September 30, 2013 for the items listed in section 201. The~~  
17 ~~fiscal year 2012-2013 appropriations are anticipated to be the same as those for~~  
18 ~~fiscal year 2011-2012, except that the amounts will be adjusted for changes in~~  
19 ~~caseload and related costs, federal fund match rates, economic factors, and available~~  
20 ~~revenue. These adjustments will be determined after the January 2012 consensus revenue~~  
21 ~~estimating conference.~~ (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE  
22 AMOUNTS LISTED IN THIS SECTION ARE ANTICIPATED TO BE APPROPRIATED FOR COMMUNITY  
23 COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, FROM THE FUNDS INDICATED IN  
24 THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE ANTICIPATED APPROPRIATIONS IN THIS  
25 SECTION:

26           (A) THE GROSS APPROPRIATION IS \$294,130,500.00. AFTER DEDUCTING TOTAL  
27 INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE

1 ADJUSTED GROSS APPROPRIATION IS \$294,130,500.00.

2 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A)  
3 ARE AS FOLLOWS:

4 (i) TOTAL FEDERAL REVENUES, \$0.00.

5 (ii) TOTAL LOCAL REVENUES, \$0.00.

6 (iii) TOTAL PRIVATE REVENUES, \$0.00.

7 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$197,614,100.00.

8 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$96,516,400.00.

9 (2) SUBJECT TO SUBSECTION (3), THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR  
10 COMMUNITY COLLEGE OPERATIONS IS \$283,880,500.00, ALLOCATED AS FOLLOWS:

11 (A) ALPENA COMMUNITY COLLEGE, \$4,984,300.00.

12 (B) BAY DE NOC COMMUNITY COLLEGE, \$5,040,200.00.

13 (C) DELTA COLLEGE, \$13,336,200.00.

14 (D) GLEN OAKS COMMUNITY COLLEGE, \$2,320,900.00.

15 (E) GOGEBIC COMMUNITY COLLEGE, \$4,140,500.00.

16 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$16,649,700.00.

17 (G) HENRY FORD COMMUNITY COLLEGE, \$20,145,000.00.

18 (H) JACKSON COMMUNITY COLLEGE, \$11,219,700.00.

19 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$11,522,700.00.

20 (J) KELLOGG COMMUNITY COLLEGE, \$9,047,900.00.

21 (K) KIRTLAND COMMUNITY COLLEGE, \$2,872,900.00.

22 (L) LAKE MICHIGAN COLLEGE, \$4,937,700.00.

23 (M) LANSING COMMUNITY COLLEGE, \$28,651,900.00.

24 (N) MACOMB COMMUNITY COLLEGE, \$30,490,300.00.

25 (O) MID MICHIGAN COMMUNITY COLLEGE, \$4,266,800.00.

26 (P) MONROE COUNTY COMMUNITY COLLEGE, \$4,094,000.00.

27 (Q) MONTCALM COMMUNITY COLLEGE, \$2,946,800.00.

1 (R) C.S. MOTT COMMUNITY COLLEGE, \$14,526,400.00.

2 (S) MUSKEGON COMMUNITY COLLEGE, \$8,256,700.00.

3 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$2,886,500.00.

4 (U) NORTHWESTERN MICHIGAN COLLEGE, \$8,430,300.00.

5 (V) OAKLAND COMMUNITY COLLEGE, \$19,455,900.00.

6 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$6,534,100.00.

7 (X) SCHOOLCRAFT COLLEGE, \$11,477,300.00.

8 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$6,143,700.00.

9 (Z) WASHTENAW COMMUNITY COLLEGE, \$11,827,300.00.

10 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$15,425,900.00.

11 (BB) WEST SHORE COMMUNITY COLLEGE, \$2,248,900.00.

12 (3) THE AMOUNT ANTICIPATED TO BE APPROPRIATED IN SUBSECTION (2) FOR COMMUNITY  
13 COLLEGE OPERATIONS IS APPROPRIATED FROM THE FOLLOWING:

14 (A) SCHOOL AID FUND, \$195,880,500.00.

15 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$88,000,000.00.

16 (4) THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR PERFORMANCE BASED FUNDING IS  
17 \$8,516,400.00, APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY, PURSUANT TO  
18 SECTION 206B.

19 (5) THERE IS ANTICIPATED TO BE APPROPRIATED FOR FISCAL YEAR 2013-2014 AN AMOUNT  
20 NOT TO EXCEED \$1,733,600.00 FOR PAYMENTS TO COMMUNITY COLLEGES, FROM THE STATE SCHOOL  
21 AID FUND. A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT  
22 MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS  
23 OWED BY THE COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014. THE AMOUNT  
24 ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER THIS SUBSECTION SHALL BE BASED  
25 ON EACH PARTICIPATING COLLEGE'S TOTAL PAYROLL COVERED BY THE MICHIGAN PUBLIC SCHOOL  
26 EMPLOYEES' RETIREMENT SYSTEM IN PROPORTION TO THE TOTAL COVERED PAYROLL FOR ALL  
27 PARTICIPATING COLLEGES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. AS USED IN

1 THIS SECTION, "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS A REPORTING  
2 UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC  
3 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT  
4 REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE  
5 STATE FISCAL YEAR.

6 SEC. 202A. AS USED IN ARTICLE II OF THIS ACT, THE TERM "WORKFORCE DEVELOPMENT  
7 AGENCY" SHALL REFER TO THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC  
8 FUND.

9 Sec. 203. Unless otherwise specified, a community college receiving  
10 appropriations in section 201 ~~and the workforce development agency~~ shall use the  
11 Internet to fulfill the reporting requirements of this article. This requirement may  
12 include transmission of reports via electronic mail to the recipients identified for  
13 each reporting requirement or it may include placement of reports on an Internet or  
14 Intranet site.

15 Sec. 206. The funds appropriated in section 201 are appropriated for community  
16 colleges with fiscal years ending June 30, ~~2012~~ 2013 and shall be paid out of the  
17 state treasury and distributed by the state treasurer to the respective community  
18 colleges in 11 monthly installments on the sixteenth of each month, or the next  
19 succeeding business day, beginning with October 16, ~~2011-~~ 2012. Each community college  
20 shall accrue its July and August ~~2012~~ 2013 payments to its institutional fiscal year  
21 ending June 30, ~~2012-~~ 2013. However, if a community college fails to submit all  
22 verified Michigan community colleges activities classification structure data for  
23 school year ~~2010-2011~~ 2011-2012 to the workforce development agency by November 1,  
24 ~~2011~~ 2012, OR FAILS TO SUBMIT BY JUNE 30, 2012 THE ANNUAL P-20 LONGITUDINAL DATA  
25 SYSTEM DATA SETS TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION AS  
26 DESCRIBED IN SECTION 219, the monthly installments shall be withheld from that  
27 community college until those data are submitted. THE STATE BUDGET DIRECTOR SHALL HAVE

1 THE AUTHORITY TO DETERMINE IF A COMMUNITY COLLEGE IS IN COMPLIANCE WITH THE PROVISIONS  
2 OF THIS SECTION.

3 SEC. 206B. (1) THE AMOUNTS APPROPRIATED TO EACH COMMUNITY COLLEGE IN SECTION 201  
4 FOR PERFORMANCE FUNDING WERE DERIVED FROM THE FOLLOWING CALCULATIONS:

5 (A) FOR EACH COMMUNITY COLLEGE, THE AVERAGE NUMBER OF COMPLETIONS OF ASSOCIATE  
6 DEGREES AND CERTIFICATES BELOW THE BACCALAUREATE IN CRITICAL SKILLS AREAS WERE SUMMED  
7 FOR ACADEMIC YEARS 2008-2009, 2009-2010, AND 2010-2011, AND DIVIDED BY 3.

8 (B) A PER DEGREE ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT  
9 AVAILABLE FOR PERFORMANCE FUNDING BY THE SUM OF THE AVERAGE COMPLETIONS CALCULATED IN  
10 SUBDIVISION (A).

11 (C) EACH COMMUNITY COLLEGE'S NUMBER OF AVERAGE COMPLETIONS CALCULATED IN  
12 SUBDIVISION (A) WAS MULTIPLIED BY THE PER DEGREE ADJUSTMENT CALCULATED IN SUBDIVISION  
13 (B).

14 (2) THE SOURCE OF DATA USED IN THIS SECTION IS THE UNITED STATES DEPARTMENT OF  
15 EDUCATION INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM. FOR THE PURPOSES OF THIS  
16 SUBSECTION, CRITICAL SKILLS AREAS ARE DEFINED AS THOSE DEGREES AND CERTIFICATES  
17 REPORTED BY EACH COMMUNITY COLLEGE IN THE UNITED STATES DEPARTMENT OF EDUCATION 2010  
18 CLASSIFICATION OF INSTRUCTIONAL PROGRAM CODES 01, 03, 04, 10, 11, 14, 15, 26, 27, 29,  
19 40, 41, 46, 47, 48, 49 AND 51.

20 (3) BEGINNING IN FISCAL YEAR 2012-2013, COMMUNITY COLLEGES SHALL REPORT TO THE  
21 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION BY AUGUST 31 OF EACH YEAR THE  
22 STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT TRANSFERRED TO A 4-YEAR  
23 COLLEGE OR UNIVERSITY. BEGINNING IN FISCAL YEAR 2013-2014, THESE DATA WILL BE USED IN  
24 THE CALCULATIONS OF COMMUNITY COLLEGE PERFORMANCE FUNDING.

25 Sec. 208. Money appropriated in section 201 shall not be used to pay for the  
26 construction or maintenance of a self-liquidating project. ~~A community college shall~~  
27 ~~comply with the current use and finance requirements of the joint capital outlay~~

1 ~~subcommittee (JCOS) for any construction, renovation, or other capital outlay projects~~  
2 ~~pursuant to JCOS policy. The appropriation in section 201 for a community college that~~  
3 ~~fails to comply with JCOS requirements shall be reduced by 1% for each violation.~~

4       Sec. 213. ~~It is the intent of the legislature that community~~ **COMMUNITY** colleges  
5 **ARE ENCOURAGED TO** work with public universities in the state to implement statewide  
6 reverse transfer agreements to increase the number of students that are awarded  
7 credentials of value upon completion of the necessary credits. ~~In doing so, the~~  
8 ~~institutions should work collaboratively and cooperatively to remove administrative~~  
9 ~~barriers that result in understating the academic attainment of Michigan's citizens.~~

10 ~~It is the intent of the legislature that by August 1, 2012, THESE~~ statewide agreements  
11 ~~be in place between community colleges and public universities that~~ **SHALL** enable  
12 students who have earned a significant number of credits at a community college and  
13 ~~transfer~~ **TRANSFERRED** to a baccalaureate-granting institution before completing a  
14 degree to transfer the credits earned at the baccalaureate institution back to the  
15 community college in order to be awarded a credential of value.

16       Sec. 219. A community college receiving funds in section 201 shall ~~cooperate~~  
17 **COMPLY** with the state's efforts to establish **AND MAINTAIN** a ~~statewide~~ P-20 ~~education~~  
18 longitudinal data system to ~~comply with the state fiscal stabilization fund provisions~~  
19 ~~of the American recovery and reinvestment act of 2009, Public Law 111-5. INFORM THE~~  
20 **SCHOOL DISTRICTS AND CITIZENS OF THIS STATE ABOUT THE OVERALL PERFORMANCE OF THEIR**  
21 **INVESTMENT IN PUBLIC EDUCATION.**

22       Sec. 222. Each community college shall have an annual audit of all income and  
23 expenditures performed by an independent auditor and shall furnish the independent  
24 auditor's management letter and an annual audited accounting of all general and  
25 current funds income and expenditures including audits of college foundations to the  
26 members of the senate and house appropriations subcommittees on community colleges,  
27 the senate and house fiscal agencies, the auditor general, the workforce development

1 agency, and the state budget director before November 15, ~~2011~~. **OF EACH YEAR.** If a  
2 community college fails to furnish the audit materials, the monthly state aid  
3 installments shall be withheld from that college until the information is submitted.  
4 All reporting shall conform to the requirements set forth in the "2001 Manual for  
5 Uniform Financial Reporting, Michigan Public Community Colleges". It is ~~the intent of~~  
6 ~~the legislature~~ **EXPECTED** that a community college shall make the information the  
7 community college is required to provide under this section available to the public on  
8 its Internet website.

9       Sec. 223. Each community college shall report the following to the workforce  
10 development agency no later than November 1, ~~2011~~ **OF EACH YEAR:**

11       (a) The number of North American Indian students enrolled each term for the  
12 previous fiscal year, using guidelines and procedures developed by the workforce  
13 development agency and the Michigan ~~commission on Indian affairs~~ **DEPARTMENT OF CIVIL**  
14 **RIGHTS.**

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

17       Sec. 224. Upon request, a community college shall inform interested Michigan  
18 high schools of the aggregate academic status of its students for the prior academic  
19 year, in a manner prescribed by the Michigan community college association and in  
20 cooperation with the Michigan association of secondary school principals. **THE**  
21 **COMMUNITY COLLEGES SHALL COOPERATE WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND**  
22 **INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS WORK.**

23       Sec. 225. Each community college shall report to the house and senate fiscal  
24 agencies, the state budget director, and the workforce development agency by August  
25 31, ~~2011~~, **2012**, the tuition and mandatory fees paid by a full-time in-district student  
26 and a full-time out-of-district student as established by the college governing board  
27 for the ~~2010-2011~~ **2011-2012** academic year. This report should also include the annual

1 cost of attendance based on a full-time course load of 30 credits. Each community  
2 college shall also report any revisions to the reported ~~2010-2011~~ 2011-2012 academic  
3 year tuition and mandatory fees adopted by the college governing board to the house  
4 and senate fiscal agencies, the state budget director, and the workforce development  
5 agency within 15 days of being adopted.

6 Sec. 226. Each community college shall report to the workforce development  
7 agency the numbers and type of associate degrees and other certificates awarded during  
8 the previous fiscal year. The report shall be made not later than November 15, ~~2011~~.

9 **OF EACH YEAR.**

10 Sec. 229. It is ~~the intent of the legislature~~ **EXPECTED** that each community  
11 college receiving an appropriation in section 201 include in its admission application  
12 process a specific question as to whether an applicant for admission is a veteran, an  
13 active member of the military, a member of the national guard or military reserves, or  
14 the spouse or dependent of a veteran, active member of the military, or member of the  
15 national guard or military reserves, in order to more quickly identify potential  
16 educational assistance available to that applicant. As used in this section, "veteran"  
17 means an honorably discharged veteran entitled to educational assistance under the  
18 provisions of section 5003 of the post-911 veterans educational assistance act of  
19 2008, title V of Public Law 110-252, 38 USC 3301 to 3324.

20 **SEC. 231. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL YEAR 2012-2013 IN**  
21 **SECTION 201 OF THIS ARTICLE, APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY,**  
22 **MANAGEMENT AND BUDGET FOR STATE BUILDING AUTHORITY RENT PROVIDE FUNDING FOR THE STATE**  
23 **SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL PROJECTS FOR COMMUNITY COLLEGES.**  
24 **THESE STATE BUILDING AUTHORITY RENT APPROPRIATIONS REPRESENT ADDITIONAL STATE GENERAL**  
25 **FUND SUPPORT PROVIDED TO COMMUNITY COLLEGES ACCORDING TO THE FOLLOWING ESTIMATED**  
26 **SCHEDULE:**

27 (1) ALPENA COMMUNITY COLLEGE, \$428,100.00

1 (2) BAY DE NOC COMMUNITY COLLEGE, \$618,000.00  
2 (3) DELTA COLLEGE, \$2,610,000.00  
3 (4) GLEN OAKS COMMUNITY COLLEGE, \$123,000.00  
4 (5) GOGEBIC COMMUNITY COLLEGE, \$60,000.00  
5 (6) GRAND RAPIDS COMMUNITY COLLEGE, \$1,675,000.00  
6 (7) HENRY FORD COMMUNITY COLLEGE, \$1,110,000.00  
7 (8) JACKSON COMMUNITY COLLEGE, \$1,563,000.00  
8 (9) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,467,000.00  
9 (10) KELLOGG COMMUNITY COLLEGE, \$520,000.00  
10 (11) KIRTLAND COMMUNITY COLLEGE, \$363,300.00  
11 (12) LAKE MICHIGAN COLLEGE, \$340,000.00  
12 (13) LANSING COMMUNITY COLLEGE, \$384,000.00  
13 (14) MACOMB COMMUNITY COLLEGE, \$1,313,100.00  
14 (15) MID MICHIGAN COMMUNITY COLLEGE, \$915,000.00  
15 (16) MONROE COUNTY COMMUNITY COLLEGE, \$1,355,000.00  
16 (17) MONTCALM COMMUNITY COLLEGE, \$756,000.00  
17 (18) C.S. MOTT COMMUNITY COLLEGE, \$1,803,000.00  
18 (19) MUSKEGON COMMUNITY COLLEGE, \$198,000.00  
19 (20) NORTHWESTERN MICHIGAN COLLEGE, \$1,305,000.00  
20 (21) OAKLAND COMMUNITY COLLEGE, \$465,000.00  
21 (22) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$356,100.00  
22 (23) SCHOOLCRAFT COLLEGE, \$1,546,100.00  
23 (24) SOUTHWESTERN MICHIGAN COLLEGE, \$530,600.00  
24 (25) WASHTENAW COMMUNITY COLLEGE, \$1,993,000.00  
25 (26) WAYNE COUNTY COMMUNITY COLLEGE, \$1,890,000.00  
26 (27) WEST SHORE COMMUNITY COLLEGE, \$577,000.00

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ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsections (2) to (5)~~ **THIS SECTION** 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)~~ **THIS SECTION**:

(a) The gross appropriation is ~~\$1,362,278,400.00~~ **\$1,399,981,500.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,362,278,400.00~~ **\$1,399,981,500.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

- (i) Total federal revenues, ~~\$98,326,400.00~~ **\$97,026,400.00**.
- (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~~ **\$1,102,389,400.00**.

(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 for operations, and \$6,677,800.00 for tuition restraint incentive~~ **IS \$70,680,700.00, INCLUDING \$2,571,800.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A**, appropriated from the following:

- (i) State school aid fund, \$11,284,600.00.
- (ii) State general fund/general purpose money, ~~\$56,824,300.00~~ **\$59,396,100.00**.

1 (b) The appropriation for Eastern Michigan University ~~is \$64,619,100.00,~~  
2 ~~\$61,319,900.00~~ for operations, ~~and \$3,299,200.00 for tuition restraint incentive IS~~  
3 ~~\$66,118,400.00, INCLUDING \$1,499,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION~~  
4 ~~265A, appropriated from the following:~~

5 (i) State school aid fund, \$10,706,400.00.

6 (ii) State general fund/general purpose money, ~~\$53,912,700.00~~ \$55,412,000.00.

7 (c) The appropriation for Ferris State University ~~is \$41,324,300.00,~~  
8 ~~\$37,971,600.00~~ for operations, ~~and \$3,352,700.00 for tuition restraint incentive IS~~  
9 ~~\$43,906,600.00, INCLUDING \$2,582,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION~~  
10 ~~265A, appropriated from the following:~~

11 (i) State school aid fund, \$6,846,800.00.

12 (ii) State general fund/general purpose money, ~~\$34,477,500.00~~ \$37,059,800.00.

13 (d) The appropriation for Grand Valley State University ~~is \$52,677,400.00,~~  
14 ~~\$48,431,500.00~~ for operations, ~~and \$4,245,900.00 for tuition restraint incentive IS~~  
15 ~~\$56,673,500.00, INCLUDING \$3,996,100.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION~~  
16 ~~265A, appropriated from the following:~~

17 (i) State school aid fund, \$8,727,800.00.

18 (ii) State general fund/general purpose money, ~~\$43,949,600.00~~ \$47,945,700.00.

19 (e) The appropriation for Lake Superior State University ~~is \$10,789,500.00,~~  
20 ~~\$10,055,100.00~~ for operations, ~~and \$734,400.00 for tuition restraint incentive IS~~  
21 ~~\$11,036,700.00, INCLUDING \$247,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION~~  
22 ~~265A, appropriated from the following:~~

23 (i) State school aid fund, \$1,787,600.00.

24 (ii) State general fund/general purpose money, ~~\$9,001,900.00~~ \$9,249,100.00.

25 (f) The appropriation for Michigan State University is ~~\$293,746,600.00,~~  
26 ~~\$299,384,300.00, ALLOCATED AS FOLLOWS: \$222,796,200.00~~ \$244,418,600.00 for operations,  
27 ~~\$18,324,600.00 for tuition restraint incentive, INCLUDING \$3,297,800.00 FROM~~

1 **PERFORMANCE FUNDING PURSUANT TO SECTION 265A; \$2,339,900.00 FOR THE FACILITY FOR RARE**  
 2 **ISOTOPE BEAMS;** and \$52,625,800.00 for agricultural experiment and cooperative  
 3 extension activities, appropriated from the following:

4 (i) State school aid fund, \$39,949,900.00.

5 (ii) State general fund/general purpose money, ~~\$253,796,700.00~~ **\$259,434,400.00.**

6 (g) The appropriation for Michigan Technological University is ~~\$40,733,600.00,~~  
 7 ~~\$37,409,700.00~~ for operations, ~~and \$3,323,900.00 for tuition restraint incentive IS~~  
 8 **\$41,536,100.00, INCLUDING \$802,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION**  
 9 **265A,** appropriated from the following:

10 (i) State school aid fund, \$6,748,900.00.

11 (ii) State general fund/general purpose money, ~~\$33,984,700.00~~ **\$34,787,200.00.**

12 (h) The appropriation for Northern Michigan University is ~~\$38,367,400.00,~~  
 13 ~~\$36,225,200.00~~ for operations, ~~and \$2,142,200.00 for tuition restraint incentive IS~~  
 14 **\$39,659,700.00, INCLUDING \$1,292,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION**  
 15 **265A,** appropriated from the following:

16 (i) State school aid fund, \$6,356,900.00.

17 (ii) State general fund/general purpose money, ~~\$32,010,500.00~~ **\$33,302,800.00.**

18 (i) The appropriation for Oakland University is ~~\$43,145,000.00, \$39,313,500.00~~  
 19 ~~for operations, and \$3,831,500.00 for tuition restraint incentive IS~~ **\$44,744,600.00,**  
 20 **INCLUDING \$1,599,600.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**

21 appropriated from the following:

22 (i) State school aid fund, \$7,148,400.00.

23 (ii) State general fund/general purpose money, ~~\$35,996,600.00~~ **\$37,596,200.00.**

24 (j) The appropriation for Saginaw Valley State University is ~~\$23,561,500.00,~~  
 25 ~~\$21,969,300.00~~ for operations, ~~and \$1,592,200.00 for tuition restraint incentive IS~~  
 26 **\$24,682,500.00, INCLUDING \$1,121,000.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION**  
 27 **265A,** appropriated from the following:

1 (i) State school aid fund, \$3,903,800.00.

2 (ii) State general fund/general purpose money, ~~\$19,657,700.00~~ \$20,778,700.00.

3 (k) The appropriation for University of Michigan - Ann Arbor is

4 ~~\$268,803,300.00, \$254,931,800.00 for operations, and \$13,871,500.00 for tuition~~

5 ~~restraint incentive~~ IS \$272,695,500.00, INCLUDING \$3,892,200.00 FROM PERFORMANCE

6 FUNDING PURSUANT TO SECTION 265A, appropriated from the following:

7 (i) State school aid fund, \$44,536,300.00.

8 (ii) State general fund/general purpose money, ~~\$224,267,000.00~~ \$228,159,200.00.

9 (l) The appropriation for University of Michigan - Dearborn is ~~\$21,016,300.00,~~

10 ~~\$19,627,400.00 for operations, and \$1,388,900.00 for tuition restraint incentive~~ IS

11 \$21,587,800.00, INCLUDING \$571,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION

12 265A, appropriated from the following:

13 (i) State school aid fund, \$3,482,100.00.

14 (ii) State general fund/general purpose money, ~~\$17,534,200.00~~ \$18,105,700.00.

15 (m) The appropriation for University of Michigan - Flint is ~~\$17,762,400.00,~~

16 ~~\$16,679,400.00 for operations, and \$1,083,000.00 for tuition restraint incentive~~ IS

17 \$18,330,900.00, INCLUDING \$568,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION

18 265A, appropriated from the following:

19 (i) State school aid fund, \$2,942,900.00.

20 (ii) State general fund/general purpose money, ~~\$14,819,500.00~~ \$15,388,000.00.

21 (n) The appropriation for Wayne State University is ~~\$182,036,900.00,~~

22 ~~\$169,209,400.00 for operations, and \$12,827,500.00 for tuition restraint incentive~~ IS

23 \$183,719,300.00, INCLUDING \$1,682,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION

24 265A, appropriated from the following:

25 (i) State school aid fund, \$30,160,600.00.

26 (ii) State general fund/general purpose money, ~~\$151,876,300.00~~ \$153,558,700.00.

27 (o) The appropriation for Western Michigan University is ~~\$93,168,300.00,~~

1 ~~\$86,866,700.00~~ for operations, ~~and \$6,301,600.00 for tuition restraint incentive IS~~  
2 \$94,606,500.00, INCLUDING \$1,438,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION  
3 265A, appropriated from the following:

4 (i) State school aid fund, \$15,436,500.00.

5 (ii) State general fund/general purpose money, ~~\$77,731,800.00~~ \$79,170,000.00.

6 (3) THE AMOUNT APPROPRIATED FOR TUITION RESTRAINT INCENTIVE FUNDING IS  
7 \$9,054,300.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY, AND ALLOCATED TO  
8 EACH UNIVERSITY PURSUANT TO SECTION 265.

9 (4) THERE IS APPROPRIATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED  
10 \$446,200.00 FOR PAYMENTS TO PUBLIC UNIVERSITIES, FROM THE STATE SCHOOL AID FUND. A  
11 PUBLIC UNIVERSITY THAT RECEIVES MONEY UNDER THIS SUBDIVISION SHALL USE THAT MONEY  
12 SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY  
13 THE UNIVERSITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE AMOUNT ALLOCATED TO  
14 EACH PARTICIPATING PUBLIC UNIVERSITY UNDER THIS SUBDIVISION SHALL BE BASED ON EACH  
15 PARTICIPATING PUBLIC UNIVERSITY'S TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN  
16 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIRANTS IN PROPORTION TO THE TOTAL  
17 RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT  
18 SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC UNIVERSITIES FOR THE IMMEDIATELY  
19 PRECEDING STATE FISCAL YEAR. PAYMENTS SHALL BE MADE IN A FORM AND MANNER DETERMINED BY  
20 THE OFFICE OF RETIREMENT SERVICES. AS USED IN THIS SECTION, "PARTICIPATING PUBLIC  
21 UNIVERSITY" MEANS A PUBLIC UNIVERSITY THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC  
22 SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT  
23 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT PAYS RETIREE HEALTH CARE  
24 PREMIUMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE  
25 FISCAL YEAR.

26 (5) ~~(3)~~ The amount appropriated for state and regional programs is \$200,000.00,  
27 appropriated from general fund/general purpose money and allocated as follows:

- 1 (a) Higher education database modernization and conversion, \$105,000.00.
- 2 (b) Midwestern higher education compact, \$95,000.00.
- 3 (6) ~~(4)~~ The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez
- 4 - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose
- 5 money and allocated as follows:
- 6 (a) Select student support services, \$1,956,100.00.
- 7 (b) Michigan college/university partnership program, \$586,800.00.
- 8 (c) Morris Hood, Jr. educator development program, \$148,600.00.
- 9 (7) ~~(5)~~ Subject to subsection ~~(6)~~ (8), the amount appropriated for grants and
- 10 financial aid is ~~\$99,526,400.00~~ \$98,226,400.00, allocated as follows:
- 11 (a) State competitive scholarships, ~~\$19,861,700.00~~ \$20,361,700.00.
- 12 (b) Tuition grants, ~~\$31,664,700.00~~ \$30,664,700.00.
- 13 (c) Tuition incentive program, ~~\$43,800,000.00~~ \$42,800,000.00.
- 14 ~~(d) Robert C. Byrd honors scholarship program, \$1,500,000.00.~~
- 15 (D) ~~(e)~~ Children of veterans and officer's survivor tuition grant programs,
- 16 \$1,200,000.00.
- 17 (E) ~~(f)~~ Project GEAR-UP, ~~\$1,500,000.00~~ \$3,200,000.00.
- 18 (8) ~~(6)~~ The money appropriated in subsection ~~(5)~~ (7) for grants and financial
- 19 aid is appropriated from the following:
- 20 ~~(a) Federal revenues under subpart 4 of part A of title IV of the higher~~
- 21 ~~education act of 1965, Public Law 89-329, 79 Stat. 1232, \$1,500,000.00.~~
- 22 ~~(b) Federal revenues under subpart 6 of part A of title IV of the higher~~
- 23 ~~education act of 1965, Public Law 89-329, 79 Stat. 1232, \$1,500,000.00.~~
- 24 (A) ~~(e)~~ Federal revenues under the United States department of education,
- 25 office of elementary and secondary education, GEAR-UP program, ~~\$1,500,000.00~~
- 26 \$3,200,000.00.
- 27 (B) ~~(d)~~ Federal revenues under the social security act, temporary assistance

1 for needy families, \$93,826,400.00.

2 (C) ~~(e)~~ Contributions to children of veterans tuition grant program,

3 ~~\$200,000.00~~

4 \$100,000.00.

5 (D) ~~(f)~~ State general fund/general purpose money, ~~\$1,000,000.00~~ \$1,100,000.00.

6 Sec. 236a. ~~It is the intent of the legislature to provide appropriations for the~~

7 ~~fiscal year ending on September 30, 2013 for the items listed in section 236. The~~

8 ~~fiscal year 2012-2013 appropriations are anticipated to be the same as those for~~

9 ~~fiscal year 2011-2012, except that the amounts will be adjusted for changes in~~

10 ~~caseload and related costs, federal fund match rates, economic factors, and available~~

11 ~~revenue. These adjustments will be determined after the January 2012 consensus revenue~~

12 ~~estimating conference.~~ (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE

13 AMOUNTS LISTED IN THIS SECTION ARE ANTICIPATED TO BE APPROPRIATED FOR HIGHER EDUCATION

14 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, FROM THE FUNDS INDICATED IN THIS

15 SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN THIS SECTION:

16 (A) THE GROSS APPROPRIATION IS \$1,402,689,300.00. AFTER DEDUCTING TOTAL

17 INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE

18 ADJUSTED GROSS APPROPRIATION IS \$1,402,689,300.00.

19 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A)

20 ARE AS FOLLOWS:

21 (i) TOTAL FEDERAL REVENUES, \$97,026,400.00.

22 (ii) TOTAL LOCAL REVENUES, \$0.00.

23 (iii) TOTAL PRIVATE REVENUES, \$0.00.

24 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$200,565,700.00.

25 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,105,097,200.00.

26 (2) AMOUNTS ANTICIPATED TO BE APPROPRIATED FOR PUBLIC UNIVERSITIES ARE AS

27 FOLLOWS:

1 (A) THE APPROPRIATION FOR CENTRAL MICHIGAN UNIVERSITY IS \$68,108,900.00,  
2 APPROPRIATED FROM THE FOLLOWING:

3 (i) STATE SCHOOL AID FUND, \$11,284,600.00.

4 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,824,300.00.

5 (B) THE APPROPRIATION FOR EASTERN MICHIGAN UNIVERSITY IS \$64,619,100.00,  
6 APPROPRIATED FROM THE FOLLOWING:

7 (i) STATE SCHOOL AID FUND, \$10,706,400.00.

8 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$53,912,700.00.

9 (C) THE APPROPRIATION FOR FERRIS STATE UNIVERSITY IS \$41,324,300.00,  
10 APPROPRIATED FROM THE FOLLOWING:

11 (i) STATE SCHOOL AID FUND, \$6,846,800.00.

12 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$34,477,500.00.

13 (D) THE APPROPRIATION FOR GRAND VALLEY STATE UNIVERSITY IS \$52,677,400.00,  
14 APPROPRIATED FROM THE FOLLOWING:

15 (i) STATE SCHOOL AID FUND, \$8,727,800.00.

16 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$43,949,600.00.

17 (E) THE APPROPRIATION FOR LAKE SUPERIOR STATE UNIVERSITY IS \$10,789,500.00,  
18 APPROPRIATED FROM THE FOLLOWING:

19 (i) STATE SCHOOL AID FUND, \$1,787,600.00.

20 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,001,900.00.

21 (F) THE APPROPRIATION FOR MICHIGAN STATE UNIVERSITY IS \$298,794,300.00,

22 ALLOCATED AS FOLLOWS: \$241,120,800.00 FOR OPERATIONS; \$5,047,700.00 FOR THE FACILITY  
23 FOR RARE ISOTOPE BEAMS; AND \$52,625,800.00 FOR AGRICULTURAL EXPERIMENT AND COOPERATIVE  
24 EXTENSION ACTIVITIES, APPROPRIATED FROM THE FOLLOWING:

25 (i) STATE SCHOOL AID FUND, \$39,949,900.00.

26 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$258,844,400.00.

27 (G) THE APPROPRIATION FOR MICHIGAN TECHNOLOGICAL UNIVERSITY IS \$40,733,600.00,

1 APPROPRIATED FROM THE FOLLOWING:

2 (i) STATE SCHOOL AID FUND, \$6,748,900.00.

3 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$33,984,700.00.

4 (H) THE APPROPRIATION FOR NORTHERN MICHIGAN UNIVERSITY IS \$38,367,400.00,

5 APPROPRIATED FROM THE FOLLOWING:

6 (i) STATE SCHOOL AID FUND, \$6,356,900.00.

7 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$32,010,500.00.

8 (I) THE APPROPRIATION FOR OAKLAND UNIVERSITY IS \$43,145,000.00, APPROPRIATED

9 FROM THE FOLLOWING:

10 (i) STATE SCHOOL AID FUND, \$7,148,400.00.

11 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$35,996,600.00.

12 (J) THE APPROPRIATION FOR SAGINAW VALLEY STATE UNIVERSITY IS \$23,561,500.00,

13 APPROPRIATED FROM THE FOLLOWING:

14 (i) STATE SCHOOL AID FUND, \$3,903,800.00.

15 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$19,657,700.00.

16 (K) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - ANN ARBOR IS \$268,803,300.00,

17 APPROPRIATED FROM THE FOLLOWING:

18 (i) STATE SCHOOL AID FUND, \$44,536,300.00.

19 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$224,267,000.00.

20 (L) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - DEARBORN IS \$21,016,300.00,

21 APPROPRIATED FROM THE FOLLOWING:

22 (i) STATE SCHOOL AID FUND, \$3,482,100.00.

23 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$17,534,200.00.

24 (M) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - FLINT IS \$17,762,400.00,

25 APPROPRIATED FROM THE FOLLOWING:

26 (i) STATE SCHOOL AID FUND, \$2,942,900.00.

27 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$14,819,500.00.

1 (N) THE APPROPRIATION FOR WAYNE STATE UNIVERSITY IS \$182,036,900.00,  
2 APPROPRIATED FROM THE FOLLOWING:

3 (i) STATE SCHOOL AID FUND, \$30,160,600.00.

4 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$151,876,300.00.

5 (O) THE APPROPRIATION FOR WESTERN MICHIGAN UNIVERSITY IS \$93,168,300.00,  
6 APPROPRIATED FROM THE FOLLOWING:

7 (i) STATE SCHOOL AID FUND, \$15,436,500.00.

8 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$77,731,800.00.

9 (3) THE AMOUNT APPROPRIATED FOR PERFORMANCE BASED FUNDING IS \$36,217,000.00,  
10 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY, PURSUANT TO SECTIONS 265 AND  
11 265A.

12 (4) THERE IS ANTICIPATED TO BE APPROPRIATED FOR FISCAL YEAR 2013-2014 AN AMOUNT  
13 NOT TO EXCEED \$446,200.00 FOR PAYMENTS TO PUBLIC UNIVERSITIES, FROM THE STATE SCHOOL  
14 AID FUND. A PUBLIC UNIVERSITY THAT RECEIVES MONEY UNDER THIS SUBDIVISION SHALL USE  
15 THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT  
16 CONTRIBUTIONS OWED BY THE UNIVERSITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014.  
17 THE AMOUNT ALLOCATED TO EACH PARTICIPATING PUBLIC UNIVERSITY UNDER THIS SUBDIVISION  
18 SHALL BE BASED ON EACH PARTICIPATING PUBLIC UNIVERSITY'S TOTAL RETIREE HEALTH CARE  
19 PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIRANTS IN  
20 PROPORTION TO THE TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL  
21 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC UNIVERSITIES FOR  
22 THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. PAYMENTS SHALL BE MADE IN A FORM AND  
23 MANNER DETERMINED BY THE OFFICE OF RETIREMENT SERVICES. AS USED IN THIS SECTION,  
24 "PARTICIPATING PUBLIC UNIVERSITY" MEANS A PUBLIC UNIVERSITY THAT IS A REPORTING UNIT  
25 OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL  
26 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT PAYS  
27 RETIREE HEALTH CARE PREMIUMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT

1 SYSTEM FOR THE STATE FISCAL YEAR.

2 (5) THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR STATE AND REGIONAL PROGRAMS IS  
3 \$200,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS  
4 FOLLOWS:

5 (A) HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION, \$105,000.00.

6 (B) MIDWESTERN HIGHER EDUCATION COMPACT, \$95,000.00.

7 (6) THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR THE MARTIN LUTHER KING, JR. -  
8 CESAR CHAVEZ - ROSA PARKS PROGRAM IS \$2,691,500.00, APPROPRIATED FROM GENERAL  
9 FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:

10 (A) SELECT STUDENT SUPPORT SERVICES, \$1,956,100.00.

11 (B) MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM, \$586,800.00.

12 (C) MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM, \$148,600.00.

13 (7) SUBJECT TO SUBSECTION (8), THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR  
14 GRANTS AND FINANCIAL AID IS \$98,226,400.00, ALLOCATED AS FOLLOWS:

15 (A) STATE COMPETITIVE SCHOLARSHIPS, \$20,361,700.00.

16 (B) TUITION GRANTS, \$30,664,700.00.

17 (C) TUITION INCENTIVE PROGRAM, \$42,800,000.00.

18 (D) CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS,  
19 \$1,200,000.00.

20 (E) PROJECT GEAR-UP, \$3,200,000.00.

21 (8) THE MONEY ANTICIPATED TO BE APPROPRIATED IN SUBSECTION (7) FOR GRANTS AND  
22 FINANCIAL AID IS APPROPRIATED FROM THE FOLLOWING:

23 (A) FEDERAL REVENUES UNDER THE UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF  
24 ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM, \$3,200,000.00.

25 (B) FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR  
26 NEEDY FAMILIES, \$93,826,400.00.

27 (C) CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT PROGRAM, \$100,000.00.

1 (D) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,100,000.00.

2 SEC. 236B. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION 236, THERE IS  
3 APPROPRIATED FOR GRANTS AND FINANCIAL AID IN FISCAL YEAR 2012-2013 AN AMOUNT NOT TO  
4 EXCEED \$6,000,000.00 FOR FEDERAL CONTINGENCY FUNDS. THESE FUNDS ARE NOT AVAILABLE FOR  
5 EXPENDITURE UNTIL THEY HAVE BEEN TRANSFERRED TO ANOTHER LINE ITEM IN THIS ACT UNDER  
6 SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1393.

7 SEC. 237B. AS USED IN ARTICLE III OF THIS ACT, THE TERM "WORKFORCE DEVELOPMENT  
8 AGENCY" SHALL REFER TO THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC  
9 FUND.

10 Sec. 241. (1) The funds appropriated in section 236 to public universities shall  
11 be paid out of the state treasury and distributed by the state treasurer to the  
12 respective institutions in 11 equal monthly installments on the sixteenth of each  
13 month, or the next succeeding business day, beginning with October 16, ~~2011~~-2012.  
14 Except for Wayne State University, each institution shall accrue its July and August  
15 ~~2012~~ 2013 payments to its institutional fiscal year ending June 30, ~~2012~~- 2013.

16 (2) All public universities shall submit higher education institutional data  
17 inventory (HEIDI) data and associated financial and program information requested by  
18 and in a manner prescribed by the state budget director. For public universities with  
19 fiscal years ending June 30, ~~2011~~ 2012, these data shall be submitted to the state  
20 budget director by October 15, ~~2011~~ 2012. Public universities with a fiscal year  
21 ending September 30, ~~2011~~ 2012 shall submit preliminary HEIDI data by November 15,  
22 ~~2011~~ 2012 and final data by December 15, ~~2011~~ 2012. If a public university fails to  
23 submit HEIDI data and associated financial aid program information in accordance with  
24 this reporting schedule, the state treasurer ~~shall~~ **MAY** withhold the monthly  
25 installments under subsection (1) to the public university until those data are  
26 submitted.

27 Sec. 242. Funds received by the state from the federal government or private

1 sources for the use of a college or university are appropriated for the purposes for  
2 which they are provided. ~~The acceptance and use of federal or private funds do not~~  
3 ~~place an obligation upon the legislature to continue the purposes for which the funds~~  
4 ~~are made available.~~

5       Sec. 244. A public university receiving funds in section 236 shall cooperate  
6 with all measures taken by the state to ~~establish a statewide~~ **DEVELOP, OPERATE, AND**  
7 **MAINTAIN A P-20** ~~education~~ longitudinal data system ~~to comply with the state fiscal~~  
8 ~~stabilization fund provisions of the American recovery and reinvestment act of 2009,~~  
9 ~~Public Law 111-5.~~ **IF A UNIVERSITY IS FOUND TO BE IN NONCOMPLIANCE OF THIS SECTION BY**  
10 **THE STATE BUDGET DIRECTOR, THE STATE BUDGET DIRECTOR IS AUTHORIZED TO WITHHOLD THE**  
11 **MONTHLY INSTALLMENTS PROVIDED TO THAT UNIVERSITY UNDER SECTION 236 UNTIL THAT**  
12 **UNIVERSITY IS FOUND TO BE IN COMPLIANCE WITH THIS SECTION.**

13       Sec. 245. From the funds appropriated in section 236, each public university  
14 shall develop, post, and maintain, on a user-friendly and publicly accessible Internet  
15 site, a comprehensive report categorizing all institutional general fund expenditures  
16 made by the university within a fiscal year. The report shall include institutional  
17 general fund expenditure amounts categorized both by each academic unit,  
18 administrative unit, or external initiative within the university and by major  
19 expenditure category, including faculty and staff salaries and fringe benefits,  
20 facility-related costs, supplies and equipment, contracts, and transfers to and from  
21 other university funds. ~~The report shall also include a list of all employee positions~~  
22 ~~funded partially or wholly through institutional general fund revenue that includes~~  
23 ~~the position title, name, and annual salary or wage amount for each position.~~ The  
24 university shall not provide financial information on its website under this section  
25 if doing so would violate a federal or state law, rule, regulation, or guideline that  
26 establishes privacy or security standards applicable to that financial information.

27       Sec. 251. (1) Payments of the amounts included in section 236 for the state

1 competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL  
2 390.971 to 390.981.

3 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of  
4 treasury shall determine an actual maximum state competitive scholarship award per  
5 student, which shall be no less than ~~\$600.00~~ **\$575.00**, that ensures that the aggregate  
6 payments for the state competitive scholarship program do not exceed the appropriation  
7 contained in section 236 for the state competitive scholarship program. If the  
8 department determines that insufficient funds are available to establish a maximum  
9 award amount equal to at least ~~\$600.00~~ **\$575.00**, the department shall immediately  
10 report to the house and senate appropriations subcommittees on higher education, the  
11 house and senate fiscal agencies, and the state budget director regarding the  
12 estimated amount of additional funds necessary to establish a ~~\$600.00~~ **\$575.00** maximum  
13 award amount.

14 (3) The department of treasury shall implement a proportional competitive  
15 scholarship maximum award level for recipients enrolled less than full-time in a given  
16 semester or term.

17 (4) If a student who receives an award under this section has his or her tuition  
18 and fees paid under the Michigan educational trust program, pursuant to the Michigan  
19 education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial  
20 need, the funds awarded under this section may be used for educational expenses other  
21 than tuition and fees.

22 (5) If the department of treasury increases the maximum award per eligible  
23 student from that provided in the previous fiscal year, it shall not have the effect  
24 of reducing the number of eligible students receiving awards in relation to the total  
25 number of eligible applicants. Any increase in the maximum grant shall be proportional  
26 for all eligible students receiving awards.

27 (6) Veterans administration benefits shall not be considered in determining

1 eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

2           Sec. 252. (1) The amounts appropriated in section 236 for the state tuition  
3 grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

4           (2) ~~Tuition~~ **TUITION** grant awards shall be made to all  
5 eligible Michigan residents enrolled in undergraduate degree programs ~~who apply before~~  
6 ~~July 1, 2011~~ **WHOSE APPLICATIONS ARE RECEIVED BEFORE JULY 1, 2012 FOR THE 2012-2013**  
7 **FISCAL YEAR AND BY MARCH 1 OF EACH YEAR FOR ALL SUBSEQUENT FISCAL YEARS** and who are  
8 qualified.

9           (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsection  
10 ~~(7)~~ (6), the department of treasury shall determine an actual maximum tuition grant  
11 award per student, which shall be no less than \$1,512.00, that ensures that the  
12 aggregate payments for the tuition grant program do not exceed the appropriation  
13 contained in section 236 for the state tuition grant program. If the department  
14 determines that insufficient funds are available to establish a maximum award amount  
15 equal to at least \$1,512.00, the department shall immediately report to the house and  
16 senate appropriations subcommittees on higher education, the house and senate fiscal  
17 agencies, and the state budget director regarding the estimated amount of additional  
18 funds necessary to establish a \$1,512.00 maximum award amount. By December 15, ~~2011,~~  
19 ~~2012,~~ and again by February ~~1, 2012,~~ **18, 2013,** the department shall analyze the status  
20 of award commitments, shall make any necessary adjustments, and shall confirm that  
21 those award commitments will not exceed the appropriation contained in section 236 for  
22 the tuition grant program. The determination and actions shall be reported to the  
23 state budget director and the house and senate fiscal agencies no later than **THE FINAL**  
24 **DAY OF** February ~~15, 2012.~~ **OF EACH YEAR.** If award adjustments are necessary, the  
25 students shall be notified of the adjustment by ~~the third Monday in February.~~ **MARCH 4**  
26 **OF EACH YEAR.**

27 ~~———— (4) Any unexpended and unencumbered funds remaining on September 30, 2012 from~~

1 ~~the amounts appropriated in section 236 for the tuition grant program shall not lapse~~  
2 ~~on September 30, 2012, but shall continue to be available for expenditure for tuition~~  
3 ~~grants provided in the 2012-2013 fiscal year under a work project account. The use of~~  
4 ~~these unexpended fiscal year 2011-2012 funds shall terminate at the end of the 2012-~~  
5 ~~2013 fiscal year.~~

6 (4) ~~(5)~~ The department of treasury shall continue a proportional tuition grant  
7 maximum award level for recipients enrolled less than full-time in a given semester or  
8 term.

9 (5) ~~(6)~~ If the department of treasury increases the maximum award per eligible  
10 student from that provided in the previous fiscal year, it shall not have the effect  
11 of reducing the number of eligible students receiving awards in relation to the total  
12 number of eligible applicants. Any increase in the maximum grant shall be proportional  
13 for all eligible students receiving awards for fiscal year ~~2011-2012~~ 2012-2013.

14 (6) ~~(7)~~ The department of treasury shall not award more than \$3,000,000.00 in  
15 tuition grants to eligible students enrolled in the same independent nonprofit college  
16 or university in this state. Any decrease in the maximum grant shall be proportional  
17 for all eligible students enrolled in that college or university, as determined by the  
18 department.

19 (7) **THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO ELIGIBLE**  
20 **STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT MEET THE**  
21 **FOLLOWING REQUIREMENTS IN A MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY:**

22 (A) **THE INDEPENDENT COLLEGE OR UNIVERSITY MUST SUBMIT AS DIRECTED BY THE**  
23 **DEPARTMENT OF TREASURY BY JUNE 30 OF EACH YEAR THE ANNUAL P-20 LONGITUDINAL DATA**  
24 **SYSTEM DATA SETS TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION, AS**  
25 **VERIFIED BY THE CENTER.**

26 (B) **THE INDEPENDENT COLLEGE OR UNIVERSITY MUST REPORT IN A FORM AND MANNER AS**  
27 **DIRECTED BY THE DEPARTMENT OF TREASURY BY AUGUST 31 OF EACH YEAR THE FOLLOWING:**

1 (i) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT  
2 RECEIVED STATE TUITION GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

3 (II) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT  
4 RECEIVED STATE TUITION GRANTS AND TOOK REMEDIAL EDUCATION CLASSES.

5 (III) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT  
6 RECEIVED PELL GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

7 Sec. 254. The sums appropriated in section 236 for the state competitive  
8 scholarship, tuition incentive, **AND** tuition grant, ~~and Robert C. Byrd honors~~  
9 ~~scholarship~~ programs shall be paid out of the state treasury and shall be distributed  
10 to the respective institutions under a quarterly payment system as follows: 50% shall  
11 be paid at the beginning of the state's first fiscal quarter, ~~and 50% at the beginning~~  
12 ~~of the state's second fiscal quarter.~~ **30% DURING THE STATE'S SECOND FISCAL QUARTER,**  
13 **10% DURING THE STATE'S THIRD FISCAL QUARTER, AND 10% DURING THE STATE'S FOURTH FISCAL**  
14 **QUARTER.**

15 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive  
16 program shall be distributed as provided in this section and pursuant to the  
17 administrative procedures for the tuition incentive program of the department of  
18 treasury.

19 (2) As used in this section:

20 (a) "Phase I" means the first part of the tuition incentive assistance program  
21 defined as the academic period of 80 semester or 120 term credits, or less, leading to  
22 an associate degree or certificate.

23 (b) "Phase II" means the second part of the tuition incentive assistance program  
24 which provides assistance in the third and fourth year of 4-year degree programs.

25 (c) "Department" means the department of treasury.

26 (3) A person shall meet the following basic criteria and financial thresholds to  
27 be eligible for tuition incentive benefits:

1 (a) To be eligible for phase I, a person shall meet all of the following  
2 criteria:

3 (i) Apply for certification to the department before graduating from high school  
4 or completing the general education development (GED) certificate.

5 (ii) Be less than 20 years of age at the time of high school graduation **WITH**  
6 **DIPLOMA OR CERTIFICATE OF COMPLETION** or GED completion.

7 (iii) Be a United States citizen and a resident of Michigan according to  
8 institutional criteria.

9 (iv) Be at least a half-time student, earning less than 80 semester or 120 term  
10 credits at a participating educational institution within 4 years of high school  
11 graduation or GED certificate completion.

12 (v) Request information on filing a FAFSA.

13 (b) To be eligible for phase II, a person shall meet either of the following  
14 criteria in addition to the criteria in subdivision (a):

15 (i) Complete at least 56 transferable semester or 84 transferable term credits.

16 (ii) Obtain an associate degree or certificate at a participating institution.

17 (c) To be eligible for phase I or phase II, a person must not be incarcerated  
18 and must be financially eligible as determined by the department. A person is

19 financially eligible for the tuition incentive program if that person was ~~Medicaid~~  
20 eligible **FOR MEDICAID FROM THE STATE OF MICHIGAN** for 24 months within the 36 months

21 before application. **THE DEPARTMENT SHALL ACCEPT CERTIFICATION OF MEDICAID ELIGIBILITY**

22 **ONLY FROM THE MICHIGAN DEPARTMENT OF HUMAN SERVICES FOR THE PURPOSES OF VERIFYING IF A**

23 **PERSON IS MEDICAID ELIGIBLE FOR 24 MONTHS WITHIN THE 36 MONTHS BEFORE APPLICATION.**

24 Certification of eligibility may begin in the sixth grade.

25 (4) For phase I, the department shall provide payment on behalf of a person  
26 eligible under subsection (3). The department shall reject billings that are excessive  
27 or outside the guidelines for the type of educational institution.

1 (5) For phase I, all of the following apply:

2 (a) Payments for associate degree or certificate programs shall not be made for  
3 more than 80 semester or 120 term credits for any individual student at any  
4 participating institution.

5 (b) For persons enrolled at a Michigan community college, the department shall  
6 pay the current in-district tuition and mandatory fees. For persons residing in an  
7 area that is not included in any community college district, the out-of-district  
8 tuition rate may be authorized.

9 (c) For persons enrolled at a Michigan public university, the department shall  
10 pay lower division resident tuition and mandatory fees for the current year.

11 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting  
12 college or university, or a Michigan federal tribally controlled community college, or  
13 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-  
14 credit payment that does not exceed the average community college in-district per-  
15 credit tuition rate as reported on August 1, for the immediately preceding academic  
16 year.

17 (6) A person participating in phase II may be eligible for additional funds not  
18 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00  
19 subject to the following conditions:

20 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year  
21 college or university.

22 (b) The tuition reimbursement is for coursework completed within 30 months of  
23 completion of the phase I requirements.

24 (7) The department shall work closely with participating institutions to develop  
25 an application and eligibility determination process that will provide the highest  
26 level of participation and ensure that all requirements of the program are met.

27 (8) Applications for the tuition incentive program may be approved at any time

1 after the student begins the sixth grade. If a determination of financial eligibility  
2 is made, that determination is valid as long as the student meets all other program  
3 requirements and conditions.

4 (9) Each institution shall ensure that all known available restricted grants for  
5 tuition and fees are used prior to billing the tuition incentive program for any  
6 portion of a student's tuition and fees.

7 (10) The department shall ensure that the tuition incentive program is well  
8 publicized and that eligible Medicaid clients are provided information on the program.  
9 The department shall provide the necessary funding and staff to fully operate the  
10 program.

11 Sec. 258. By February 15 of each year, the department of treasury shall ~~submit~~  
12 ~~POST~~ a report ~~to the state budget director, the house and senate appropriations~~  
13 ~~subcommittees on higher education, and the house and senate fiscal agencies~~ **TO ITS**  
14 **PUBLICLY ACCESSIBLE WEBSITE** for the preceding fiscal year on all student financial aid  
15 programs for which funds are appropriated in section 236. For each student financial  
16 aid program, the report shall include, but is not limited to, the total number of  
17 awards paid in the preceding fiscal year, the total dollar amount of those awards, and  
18 the number of students receiving awards and the total amount of those awards at each  
19 eligible postsecondary institution. To the extent information is available, the report  
20 shall also include information on ~~the average exam performance,~~ household income, and  
21 other demographic characteristics of students receiving awards under each program and  
22 historical information on the number of awards and total award amounts for each  
23 program.

24 Sec. 263. (1) Included in the appropriation in section 236 for agricultural  
25 experiment and cooperative extension activities is \$5,628,100.00 for project GREEN.  
26 Project GREEN is intended to address critical regulatory, food safety, economic, and  
27 environmental problems faced by this state's plant-based agriculture, forestry, and

1 processing industries. "GREEN" is an acronym for generating research and extension to  
2 meet environmental and economic needs.

3 (2) The department of agriculture and rural development and Michigan State  
4 University, in consultation with agricultural commodity groups and other interested  
5 parties, shall develop project GREEN and its program priorities.

6 (3) By September 30, ~~2012~~ 2013, Michigan State University shall submit a report  
7 to the house and senate appropriations subcommittees on agriculture and on higher  
8 education, the house and senate standing committees on agriculture, the house and  
9 senate fiscal agencies, and the state budget director for the preceding school fiscal  
10 year regarding expenditures and programmatic outcomes of the agricultural experiment  
11 station and cooperative extension service. The report shall include, but is not  
12 limited to:

13 (a) Total funds expended by the agricultural experiment station and cooperative  
14 extension service identified by state, local, private, federal, and university fund  
15 sources.

16 (b) The dollar amount of each project GREEN project and a review of each  
17 project's performance and accomplishments.

18 (c) The dollar amount of each bioeconomy research and development project and a  
19 review of each project's performance and accomplishments.

20 (d) The dollar amount and description of all other individual programs and  
21 services provided by the agricultural experiment station and cooperative extension  
22 service and a review of each project's performance and accomplishments.

23 (e) The number of businesses created or that had increased employment and the  
24 number of patents generated as a result of work conducted by the agricultural  
25 experiment station and cooperative extension service.

26 Sec. 265. (1) ~~The amount~~ **PAYMENTS FROM THE AMOUNT** appropriated in section 236  
27 for public university tuition restraint incentives shall only be ~~paid~~ **MADE** to a public

1 university that certifies to the state budget director by August 31, ~~2011~~ 2012 that  
2 its board did not adopt an increase in tuition and fee rates for resident  
3 undergraduate students after February 1, ~~2011~~ 2012 for the ~~2010-2011~~ 2011-2012  
4 academic year and that its board will not adopt an increase in tuition and fee rates  
5 for resident undergraduate students for the ~~2011-2012~~ 2012-2013 academic year that is  
6 greater than ~~the calculated average of annual statewide changes in tuition and fee~~  
7 ~~rates for academic years 2006-2007 through 2010-2011, as determined by the state~~  
8 ~~budget director~~ 4.0%. As used in this subsection:

9 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of  
10 all resident undergraduate students at least once during their enrollment at a public  
11 university. A university increasing a fee that applies to a specific subset of  
12 students or courses shall provide sufficient information to prove that the increase  
13 applied to that subset will not cause the increase in the average amount of board-  
14 authorized total tuition and fees paid by resident undergraduate students in the ~~2011-~~  
15 ~~2012~~ 2012-2013 academic year to exceed the limit established in this subsection.

16 (b) "Tuition and fee rate" means the average of **FULL-TIME** rates for all  
17 undergraduate classes, based on ~~the highest board-authorized rate for any semester~~  
18 ~~during the academic year.~~ **AN AVERAGE OF THE RATES AUTHORIZED BY THE UNIVERSITY BOARD**  
19 **AND ACTUALLY CHARGED TO STUDENTS, NET OF ANY UNIFORMLY-REBATED OR REFUNDED AMOUNTS,**  
20 **FOR THE TWO SEMESTERS WITH THE HIGHEST LEVELS OF FULL-TIME EQUATED RESIDENT**  
21 **UNDERGRADUATE ENROLLMENT DURING THE ACADEMIC YEAR.**

22 (2) **EACH UNIVERSITY'S ALLOCATION FOR TUITION RESTRAINT INCENTIVE SHALL BE**  
23 **CALCULATED AS FOLLOWS:**

24 (A) **CALCULATE AN ADJUSTMENT FOR EACH UNIVERSITY BY SUBTRACTING EACH UNIVERSITY'S**  
25 **REPORTED PERCENT CHANGE IN TUITION AND FEE RATES FOR ACADEMIC YEAR 2012-2013 FROM**  
26 **4.1%. IF THE RESULT OF THE CALCULATION IN THIS SUBDIVISION IS LESS THAN 0.1%, THE**  
27 **UNIVERSITY IS NOT QUALIFIED TO RECEIVE AN ALLOCATION UNDER THIS SECTION. ALL**

1 CALCULATIONS UNDER THIS SUBDIVISION SHALL BE ROUNDED TO THE FIRST DECIMAL PLACE.

2 (B) FOR EACH QUALIFIED UNIVERSITY, DIVIDE THE UNIVERSITY'S ADJUSTMENT AS  
3 CALCULATED UNDER SUBDIVISION (A) BY THE SUM OF ALL ADJUSTMENTS FOR QUALIFYING  
4 UNIVERSITIES UNDER SUBDIVISION (A) AND THEN MULTIPLY THE RESULTING CALCULATION FOR  
5 EACH UNIVERSITY BY THE TOTAL AMOUNT AVAILABLE FOR TUITION RESTRAINT INCENTIVE FUNDING,  
6 ROUNDED TO THE NEAREST HUNDRED DOLLARS.

7 (3) ~~(2)~~ The state budget director shall implement uniform reporting requirements  
8 to ensure that a public university receiving an appropriation under section 236 has  
9 satisfied the tuition restraint requirements of this section. The state budget  
10 director shall have the sole authority to determine if a public university has met the  
11 requirements of this section. Information reported by a public university to the state  
12 budget director under this subsection shall also be reported to the house and senate  
13 appropriations subcommittees on higher education and the house and senate fiscal  
14 agencies.

15 ~~———— (3) In conjunction with the uniform reporting requirements established under~~  
16 ~~subsection (2), each public university shall also report the following information to~~  
17 ~~the house and senate appropriations subcommittees on higher education, the house and~~  
18 ~~senate fiscal agencies, and the state budget director by August 31, 2011:~~

19 ~~———— (a) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total~~  
20 ~~general fund tuition and fee revenue.~~

21 ~~———— (b) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total~~  
22 ~~general fund revenue.~~

23 ~~———— (c) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 general fund~~  
24 ~~expenditures for student financial aid.~~

25 ~~———— (d) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total~~  
26 ~~general fund expenditures.~~

27 ~~———— (e) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total fiscal~~

1 ~~year equated student enrollment.~~

2 SEC. 265A. (1) A PUBLIC UNIVERSITY IS ELIGIBLE FOR THE FUNDS APPROPRIATED IN  
3 SECTION 236 AND ANTICIPATED TO BE APPROPRIATED IN SECTION 236A FOR PERFORMANCE FUNDING  
4 ONLY IF THE PUBLIC UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 31,  
5 2012 THAT THE UNIVERSITY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK AS PART OF THE  
6 MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS TRANSFER  
7 AGREEMENT. IF A PUBLIC UNIVERSITY DOES NOT PARTICIPATE IN THE MICHIGAN TRANSFER  
8 NETWORK, THE FUNDS APPROPRIATED IN SECTION 236 FROM PERFORMANCE FUNDING FOR THAT  
9 UNIVERSITY SHALL LAPSE TO THE GENERAL FUND.

10 (2) THE AMOUNTS ALLOCATED TO EACH PUBLIC UNIVERSITY FOR PERFORMANCE FUNDING IN  
11 SECTION 236 ARE DERIVED FROM THE SUM OF THE FOLLOWING CALCULATIONS:

12 (A) THE CALCULATION FOR EACH UNIVERSITY'S ADJUSTMENT UNDER THIS SUBDIVISION IS  
13 AS FOLLOWS:

14 (I) THE DIFFERENCE IN THE NUMBER OF UNDERGRADUATE DEGREE COMPLETIONS BETWEEN  
15 ACADEMIC YEAR 2007-2008 AND ACADEMIC YEAR 2010-2011 WAS CALCULATED, AND DIVIDED BY 3.  
16 IF THIS CALCULATION RESULTS IN A NEGATIVE ADJUSTMENT, THERE IS NO PAYMENT FOR A PUBLIC  
17 UNIVERSITY UNDER THIS SUBDIVISION.

18 (II) A PER DEGREE ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT  
19 AVAILABLE FOR PERFORMANCE FUNDING UNDER THIS SUBDIVISION BY THE SUM OF ALL AVERAGE  
20 DIFFERENCES CALCULATED IN SUBDIVISION (A) (I), OMITTING ANY NEGATIVE VALUES.

21 (III) EACH UNIVERSITY WITH A POSITIVE AVERAGE DIFFERENCE CALCULATED UNDER  
22 SUBDIVISION (A) (I) RECEIVES AN ALLOCATION EQUAL TO THAT UNIVERSITY'S AVERAGE  
23 DIFFERENCE CALCULATED UNDER SUBDIVISION (A) (I) MULTIPLIED BY THE PER DEGREE ADJUSTMENT  
24 CALCULATED UNDER SUBDIVISION (A) (II).

25 (B) THE CALCULATION FOR EACH UNIVERSITY'S ADJUSTMENT UNDER THIS SUBDIVISION IS  
26 AS FOLLOWS:

27 (I) THE SUM OF THE NUMBER OF UNDERGRADUATE DEGREE COMPLETIONS IN CRITICAL SKILLS

1 AREAS, WITH THE NUMBER OF ASSOCIATE DEGREES MULTIPLIED BY 0.5, FOR ACADEMIC YEARS  
2 2008-2009, 2009-2010, AND 2010-2011 WAS CALCULATED, AND DIVIDED BY 3.

3 (II) A PER DEGREE ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT  
4 AVAILABLE FOR PERFORMANCE FUNDING UNDER THIS SUBDIVISION BY THE SUM OF ALL COMPLETIONS  
5 CALCULATED IN SUBDIVISION (B) (I).

6 (III) EACH UNIVERSITY'S NUMBER OF AVERAGE COMPLETIONS CALCULATED IN SUBDIVISION  
7 (B) (I) WAS MULTIPLIED BY THE PER DEGREE ADJUSTMENT CALCULATED IN SUBDIVISION (B) (II).

8 (C) THE CALCULATION FOR EACH UNIVERSITY'S ADJUSTMENT UNDER THIS SUBDIVISION IS  
9 AS FOLLOWS:

10 (I) THE SUM OF THE NUMBER OF UNDERGRADUATE STUDENTS RECEIVING PELL GRANTS IN  
11 ACADEMIC YEARS 2007-2008, 2008-2009 AND 2009-2010 WAS CALCULATED, AND DIVIDED BY 3.

12 (II) A PER STUDENT ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT  
13 AVAILABLE FOR PERFORMANCE FUNDING UNDER THIS SUBDIVISION BY THE SUM OF ALL AVERAGED  
14 STUDENTS CALCULATED IN SUBDIVISION (C) (I).

15 (III) EACH UNIVERSITY'S NUMBER OF AVERAGE STUDENTS CALCULATED IN SUBDIVISION  
16 (C) (I) WAS MULTIPLIED BY THE PER STUDENT ADJUSTMENT CALCULATED IN SUBDIVISION (C) (II).

17 (3) THE SOURCES OF DATA USED IN THIS SECTION ARE THE UNITED STATES DEPARTMENT OF  
18 EDUCATION INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM AND THE STATE OF MICHIGAN  
19 HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY. FOR THE PURPOSES OF SUBSECTION 2(B),  
20 CRITICAL SKILLS AREAS ARE DEFINED AS THOSE DEGREES REPORTED BY EACH UNIVERSITY IN THE  
21 UNITED STATES DEPARTMENT OF EDUCATION 2010 CLASSIFICATION OF INSTRUCTIONAL PROGRAM  
22 CODES 01, 03, 04, 10, 11, 14, 15, 26, 27, 29, 40, 41, 46, 47, 48, 49 AND 51. BEGINNING  
23 WITH FISCAL YEAR 2013-2014, DATA FROM THE CENTER FOR EDUCATIONAL PERFORMANCE AND  
24 INFORMATION P-20 LONGITUDINAL DATA SYSTEM WILL BE USED WHERE APPLICABLE.

25 (4) BEGINNING IN FISCAL YEAR 2012-2013, UNIVERSITIES SHALL REPORT TO THE CENTER  
26 FOR EDUCATIONAL PERFORMANCE AND INFORMATION THE TOTAL NUMBER OF STUDENTS RECEIVING  
27 PELL GRANTS DURING THEIR ENROLLMENT AT THAT PUBLIC UNIVERSITY AND THE NUMBER OF THOSE

1 STUDENTS THAT GRADUATE FROM THAT UNIVERSITY. BEGINNING IN FISCAL YEAR 2013-2014, THESE  
2 DATA WILL BE USED IN THE CALCULATIONS OF HIGHER EDUCATION PERFORMANCE FUNDING IN PLACE  
3 OF THE DATA USED IN SUBSECTION 2(C) OF THIS SECTION.

4 Sec. 267. All public universities shall submit the amount of tuition and fees  
5 actually charged to a full-time resident undergraduate student for academic year ~~2011-~~  
6 ~~2012~~ 2012-2013 as part of their higher education institutional data inventory (HEIDI)  
7 data by August 31, ~~2011~~ OF EACH YEAR. A public university shall report any revisions  
8 for any semester of the reported academic year ~~2011-2012~~ 2012-2013 tuition and fee  
9 charges to HEIDI within 15 days of being adopted.

10 Sec. 269. ~~From~~ FOR FISCAL YEAR 2012-2013, FROM the amount appropriated in  
11 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to  
12 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American  
13 Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

14 Sec. 270. ~~From~~ FOR FISCAL YEAR 2012-2013, FROM the amount appropriated in  
15 section 236 to Lake Superior State University for operations, \$100,000.00 shall be  
16 paid to Bay Mills Community College for the costs of waiving tuition for North  
17 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

18 Sec. 275. (1) ~~It is the intent of the legislature that each~~ EACH public  
19 university receiving an appropriation in section 236 IS ENCOURAGED TO do all of the  
20 following:

21 (a) Meet the provisions of section 5003 of the post-911 veterans educational  
22 assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324, including  
23 voluntary participation in the yellow ribbon GI education enhancement program  
24 established in that act in 38 USC 3317. ~~By October 1 of each year, each public~~  
25 ~~university shall report to the house and senate appropriations subcommittees on higher~~  
26 ~~education, the house and senate fiscal agencies, and the presidents council, state~~  
27 ~~universities of Michigan on whether or not it has chosen to participate in the yellow~~

1 ~~ribbon GI education enhancement program. If at any time during the fiscal year a~~  
2 ~~university participating in the yellow ribbon program chooses to leave the yellow~~  
3 ~~ribbon program, it shall notify the house and senate appropriations subcommittees on~~  
4 ~~higher education, the house and senate fiscal agencies, and the presidents council,~~  
5 ~~state universities of Michigan.~~

6 (b) Establish an on-campus veterans' liaison to provide information and  
7 assistance to all student veterans.

8 (c) Provide flexible enrollment application deadlines for all veterans.

9 (d) Include in its admission application process a specific question as to  
10 whether an applicant for admission is a veteran, an active member of the military, a  
11 member of the national guard or military reserves, or the spouse or dependent of a  
12 veteran, active member of the military, or member of the national guard or military  
13 reserves, in order to more quickly identify potential educational assistance available  
14 to that applicant.

15 (2) As used in this section, "veteran" means an honorably discharged veteran  
16 entitled to educational assistance under the provisions of section 5003 of the post-  
17 911 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC  
18 3301 to 3324.

19 Sec. 275a. Funds appropriated in section 236 shall not be used to pay for the  
20 construction or maintenance of a self-liquidating project. ~~A public university shall~~  
21 ~~comply with the current use and finance requirements of the joint capital outlay~~  
22 ~~subcommittee (JCOS) for any construction, renovation, or other capital outlay projects~~  
23 ~~pursuant to JCOS policy. The appropriation in section 236 for a public university that~~  
24 ~~fails to comply with JCOS reporting requirements shall be reduced by 1% for each~~  
25 ~~violation.~~

26 Sec. 276. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** for each  
27 public university in section 236 is funding for the Martin Luther King, Jr. - Cesar

1 Chavez - Rosa Parks future faculty program that is intended to increase the pool of  
2 academically or economically disadvantaged candidates pursuing faculty teaching  
3 careers in postsecondary education. Preference may not be given to applicants on the  
4 basis of race, color, ethnicity, gender, or national origin. Institutions should  
5 encourage applications from applicants who would otherwise not adequately be  
6 represented in the graduate student and faculty populations. Each public university  
7 shall apply the percentage change applicable to every public university in the  
8 calculation of appropriations in section 236 to the amount of funds allocated to the  
9 future faculty program.

10 (2) The program shall be administered by each public university in a manner  
11 prescribed by the workforce development agency. The workforce development agency shall  
12 use a good faith effort standard to evaluate whether a fellowship is in default.

13 Sec. 277. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** for each  
14 public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
15 Chavez - Rosa Parks college day program that is intended to introduce academically or  
16 economically disadvantaged schoolchildren to the potential of a college education.  
17 Preference may not be given to participants on the basis of race, color, ethnicity,  
18 gender, or national origin. Public universities should encourage participation from  
19 those who would otherwise not adequately be represented in the student population.

20 (2) Individual program plans of each public university shall include a budget of  
21 equal contributions from this program, the participating public university, the  
22 participating school district, and the participating independent degree-granting  
23 college. College day funds shall not be expended to cover indirect costs. Not more  
24 than 20% of the university match shall be attributable to indirect costs. Each public  
25 university shall apply the percentage change applicable to every public university in  
26 the calculation of appropriations in section 236 to the amount of funds allocated to  
27 the college day program.

1 (3) The program described in this section shall be administered by each public  
2 university in a manner prescribed by the workforce development agency.

3 Sec. 278. (1) Included in section 236 **FOR FISCAL YEAR 2012-2013** is funding for  
4 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support  
5 services program for developing academically or economically disadvantaged student  
6 retention programs for 4-year public and independent educational institutions in this  
7 state. Preference may not be given to participants on the basis of race, color,  
8 ethnicity, gender, or national origin. Institutions should encourage participation  
9 from those who would otherwise not adequately be represented in the student  
10 population.

11 (2) An award made under this program to any 1 institution shall not be greater  
12 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college  
13 or university basis.

14 (3) The program described in this section shall be administered by the workforce  
15 development agency.

16 Sec. 279. (1) Included in section 236 **FOR FISCAL YEAR 2012-2013** is funding for  
17 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership  
18 program between 4-year public and independent colleges and universities and public  
19 community colleges, which is intended to increase the number of academically or  
20 economically disadvantaged students who transfer from community colleges into  
21 baccalaureate programs. Preference may not be given to participants on the basis of  
22 race, color, ethnicity, gender, or national origin. Institutions should encourage  
23 participation from those who would otherwise not adequately be represented in the  
24 transfer student population.

25 (2) The grants shall be made under the program described in this section to  
26 Michigan public and independent colleges and universities. An award to any 1  
27 institution shall not be greater than \$150,000.00, and the amount awarded shall be

1 matched on a 70% state, 30% college or university basis.

2 (3) The program described in this section shall be administered by the workforce  
3 development agency.

4 Sec. 280. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** for each  
5 public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
6 Chavez - Rosa Parks visiting professors program which is intended to increase the  
7 number of instructors in the classroom to provide role models for academically or  
8 economically disadvantaged students. Preference may not be given to participants on  
9 the basis of race, color, ethnicity, gender, or national origin. Public universities  
10 should encourage participation from those who would otherwise not adequately be  
11 represented in the student population.

12 (2) The program described in this section shall be administered by the workforce  
13 development agency.

14 Sec. 281. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** in section  
15 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
16 initiative for the Morris Hood, Jr. educator development program which is intended to  
17 increase the number of academically or economically disadvantaged students who enroll  
18 in and complete K-12 teacher education programs at the baccalaureate level. Preference  
19 may not be given to participants on the basis of race, color, ethnicity, gender, or  
20 national origin. Institutions should encourage participation from those who would  
21 otherwise not adequately be represented in the teacher education student population.

22 (2) The program described in this section shall be administered by each state-  
23 approved teacher education institution in a manner prescribed by the workforce  
24 development agency.

25 (3) Approved teacher education institutions may and are encouraged to use  
26 student support services funding in coordination with the Morris Hood, Jr. funding to  
27 achieve the goals of the program described in this section.

1           Sec. 282. Each institution receiving funds under section 278, 279, or 281 shall  
2 notify the workforce development agency by April 15, ~~2012~~ 2013 as to whether it will  
3 expend by the end of its fiscal year the funds received under section 278, 279, or  
4 281. Notwithstanding the award limitations in sections 278 and 279, the amount of  
5 funding reported as not being expended will be reallocated to the institutions that  
6 intend to expend all funding received under section 278, 279, or 281.

7           Sec. 283. (1) From the amount appropriated in section 236, the public  
8 universities shall systematically inform Michigan high schools regarding the academic  
9 status of students from each high school in a manner prescribed by the presidents  
10 council, state universities of Michigan in cooperation with the Michigan association  
11 of secondary school principals. **PUBLIC UNIVERSITIES SHALL ALSO WORK WITH THE CENTER**  
12 **FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC**  
13 **APPROACH FOR ACCOMPLISHING THIS TASK.**

14           (2) The Michigan high schools shall systematically inform the public  
15 universities about the use of information received under this section in a manner  
16 prescribed by the Michigan association of secondary school principals in cooperation  
17 with the presidents council, state universities of Michigan.

18           Sec. 284. From the amount appropriated in section 236, the public universities  
19 shall inform Michigan community colleges regarding the academic status of community  
20 college transfer students in a manner prescribed by the presidents council, state  
21 universities of Michigan in cooperation with the Michigan community college  
22 association. **PUBLIC UNIVERSITIES SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL**  
23 **PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR**  
24 **ACCOMPLISHING THIS TASK.**

25           Sec. 286. ~~It is the intent of the legislature that public~~ **PUBLIC** universities  
26 **ARE ENCOURAGED TO** work with community colleges in the state to implement statewide  
27 reverse transfer agreements to increase the number of students that are awarded

1 credentials of value upon completion of the necessary credits. ~~In doing so, the~~  
2 ~~institutions should work collaboratively and cooperatively to remove administrative~~  
3 ~~barriers that result in understating the academic attainment of Michigan's citizens.~~  
4 ~~It is the intent of the legislature that by August 1, 2012, THESE~~ statewide agreements  
5 ~~are in place between community colleges and public universities that SHALL~~ enable  
6 students who have earned a significant number of credits at a community college and  
7 transfer to a baccalaureate granting institution before completing a degree to  
8 transfer the credits earned at the baccalaureate institution back to the community  
9 college in order to be awarded a credential of value.

10           Sec. 289. (1) The auditor general shall review higher education institutional  
11 data inventory (HEIDI) enrollment data submitted by all public universities and may  
12 perform audits of selected public universities if determined necessary. The review and  
13 audits shall be based upon the definitions, requirements, and uniform reporting  
14 categories established by the state budget director in consultation with the HEIDI  
15 advisory committee. The auditor general shall submit a report of findings to the house  
16 and senate appropriations committees and the state budget director no later than July  
17 ~~1, 2012~~ OF EACH YEAR.

18           (2) Student credit hours reports shall not include the following:

19           (a) Student credit hours generated through instructional activity by faculty or  
20 staff in classrooms located outside Michigan, with the exception of instructional  
21 activity related to study-abroad programs or field programs.

22           (b) Student credit hours generated through distance learning instruction for  
23 students not eligible for the public university's in-state main campus resident  
24 tuition rate. However, in instances where a student is enrolled in distance education  
25 and non-distance education credit hours in a given term and the student's non-distance  
26 education enrollment is at a campus or site located within Michigan, student credit  
27 hours per the student's eligibility for in-state or out-of-state tuition rates may be

1 reported.

2 (c) Student credit hours generated through credit by examination.

3 (d) Student credit hours generated through inmate prison programs regardless of  
4 teaching location.

5 (e) Student credit hours generated in new degree programs after January 1, 1975,  
6 that have not been specifically authorized for funding by the legislature, except  
7 spin-off programs converted from existing core programs that do all of the following:

8 (i) Represent new options, fields, or concentrations within existing programs.

9 (ii) Are consistent with the current institutional role and mission.

10 (iii) Are accommodated within the continuing funding base of the public  
11 university.

12 (iv) Do not require a new degree level beyond that which the public university  
13 is currently authorized to grant within that discipline or field.

14 (v) Do not require funding from the state other than that provided by the  
15 student credit hours generated within the program, either before program initiation or  
16 within the first 3 years of program operation.

17 (3) The auditor general shall periodically audit higher education institutional  
18 data inventory (HEIDI) data as submitted by the public universities for compliance  
19 with the definitions established by the state budget director in consultation with the  
20 HEIDI advisory committee for the HEIDI database.

21 (4) "Distance learning instruction" as used in subsection (2) means instruction  
22 that occurs solely in other than a traditional classroom setting where the student and  
23 instructor are in the same physical location and for which a student receives course  
24 credits and is charged tuition and fees. Examples of distance learning instruction are  
25 instruction delivered solely through the Internet, cable television, teleconference,  
26 or mail.

27 Sec. 291. The auditor general may conduct performance audits of public

1 universities receiving funds in section 236 ~~during the fiscal year ending September~~  
2 ~~30, 2012~~ as the auditor general considers necessary.

3           SEC. 294A. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL YEAR 2012-2013 IN  
4 SECTION 236 OF THIS ARTICLE, APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY,  
5 MANAGEMENT AND BUDGET FOR STATE BUILDING AUTHORITY RENT PROVIDE FUNDING FOR THE STATE  
6 SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL PROJECTS FOR STATE UNIVERSITIES.  
7 THESE STATE BUILDING AUTHORITY RENT APPROPRIATIONS REPRESENT ADDITIONAL STATE GENERAL  
8 FUND SUPPORT PROVIDED TO STATE UNIVERSITIES ACCORDING TO THE FOLLOWING ESTIMATED  
9 SCHEDULE:

- 10           (1) CENTRAL MICHIGAN UNIVERSITY, \$9,100,100.00.
- 11           (2) EASTERN MICHIGAN UNIVERSITY, \$5,203,100.00.
- 12           (3) FERRIS STATE UNIVERSITY, \$6,322,100.00.
- 13           (4) GRAND VALLEY STATE UNIVERSITY, \$4,251,000.00.
- 14           (5) LAKE SUPERIOR STATE UNIVERSITY, \$910,000.00.
- 15           (6) MICHIGAN STATE UNIVERSITY, \$16,096,000.00.
- 16           (7) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,645,600.00.
- 17           (8) NORTHERN MICHIGAN UNIVERSITY, \$7,450,000.00.
- 18           (9) OAKLAND UNIVERSITY, \$10,726,000.00.
- 19           (10) SAGINAW VALLEY STATE UNIVERSITY, \$9,774,000.00.
- 20           (11) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,156,100.00.
- 21           (12) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,294,000.00.
- 22           (13) UNIVERSITY OF MICHIGAN - FLINT, \$2,854,100.00.
- 23           (14) WAYNE STATE UNIVERSITY, \$13,000,100.00.
- 24           (15) WESTERN MICHIGAN UNIVERSITY, \$15,264,000.00.

1

## ARTICLE IV

2

## GENERAL PROVISIONS

3

Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

9

(2) If the total maximum amount appropriated under all articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a-~~(12)~~ (11), 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (3). If proration is necessary, state payments under each of the other sections of article I from all state funding sources, and state appropriations to community colleges and public universities under articles II and III from the state school aid fund, shall be prorated in the manner prescribed in subsection (3) as necessary to reflect the amount

1 available for expenditure from the state school aid fund for the affected fiscal year.  
2 However, if the department of treasury determines that proration will be required  
3 under this subsection, or if the department of treasury determines that further  
4 proration is required under this subsection after an initial proration has already  
5 been made for a fiscal year, the department of treasury shall notify the state budget  
6 director, and the state budget director shall notify the legislature at least 30  
7 calendar days or 6 legislative session days, whichever is more, before the department  
8 reduces any payments under this act because of the proration. During the 30-calendar-  
9 day or 6-legislative-session-day period after that notification by the state budget  
10 director, the department shall not reduce any payments under this act because of  
11 proration under this subsection. The legislature may prevent proration from occurring  
12 by, within the 30-calendar-day or 6-legislative-session-day period after that  
13 notification by the state budget director, enacting legislation appropriating  
14 additional funds from the general fund, countercyclical budget and economic  
15 stabilization fund, state school aid fund balance, or another source to fund the  
16 amount of the projected shortfall.

17 (3) If proration is necessary under subsection (2), the department shall  
18 calculate the proration in district and intermediate district payments under article I  
19 that is required under subsection (2), and the department of treasury shall calculate  
20 the proration in community college and public university payments under articles II  
21 and III that is required under subsection (2), as follows:

22 (a) The department and the department of treasury shall calculate the percentage  
23 of total state school aid fund money that is appropriated and allocated under this act  
24 for the affected fiscal year for each of the following:

25 (i) Districts.

26 (ii) Intermediate districts.

27 (iii) Entities receiving funding from the state school aid fund under article I

1 other than districts or intermediate districts.

2 (iv) Community colleges and public universities that receive funding from the  
3 state school aid fund.

4 (b) The department shall recover a percentage of the proration amount required  
5 under subsection (2) that is equal to the percentage calculated under subdivision

6 (a)(i) for districts by reducing payments to districts. This reduction shall be made  
7 by calculating an equal dollar amount per pupil as necessary to recover this  
8 percentage of the proration amount and reducing each district's total state school aid  
9 from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b,  
10 31d, 31f, 51a(2), 51a~~(12)~~ (11), 51c, 53a, and 152a, by that amount.

11 (c) The department shall recover a percentage of the proration amount required  
12 under subsection (2) that is equal to the percentage calculated under subdivision

13 (a)(ii) for intermediate districts by reducing payments to intermediate districts.  
14 This reduction shall be made by reducing the payments to each intermediate district,  
15 other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a~~(12)~~ (11), 53a, 56,  
16 and 152a, on an equal percentage basis.

17 (d) The department shall recover a percentage of the proration amount required  
18 under subsection (2) that is equal to the percentage calculated under subdivision

19 (a)(iii) for entities receiving funding from the state school aid fund under article I  
20 other than districts and intermediate districts by reducing payments to these  
21 entities. This reduction shall be made by reducing the payments to each of these  
22 entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage  
23 basis.

24 (e) The department of treasury shall recover a percentage of the proration  
25 amount required under subsection (2) that is equal to the percentage calculated under  
26 subdivision (a)(iv) for community colleges and public universities that receive  
27 funding from the state school aid fund by reducing that portion of the payments under

1 articles II and III to these community colleges and public universities that is from  
 2 the state school aid fund on an equal percentage basis.

3 SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS  
 4 LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS,  
 5 COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE  
 6 PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT  
 7 FOR FISCAL YEAR ENDING SEPTEMBER 30, 2013, AND ANTICIPATED APPROPRIATIONS FOR THE  
 8 FISCAL YEAR ENDING SEPTEMBER 30, 2014, FROM THE FUNDS INDICATED IN THIS ACT:

9 (2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

10	GROSS APPROPRIATION .....	\$ 14,381,126,800	\$ 14,300,454,600
11	TOTAL INTERDEPARTMENTAL GRANTS AND		
12	INTRADPARTMENTAL TRANSFERS .....	0	0
13	ADJUSTED GROSS APPROPRIATION .....	\$ 14,381,126,800	\$14,300,454,600
14	TOTAL FEDERAL REVENUES .....	1,798,067,800	1,798,067,800
15	TOTAL LOCAL REVENUES .....	0	0
16	TOTAL PRIVATE REVENUES .....	0	0
17	TOTAL OTHER STATE RESTRICTED REVENUES .....	11,184,153,200	11,282,130,800
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,398,905,800	\$ 1,220,256,000

19 SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)  
 20 APPROPRIATION SUMMARY

21	GROSS APPROPRIATION .....	\$ 12,687,014,800	\$ 12,603,634,800
22	TOTAL INTERDEPARTMENTAL GRANTS AND		
23	INTRADPARTMENTAL TRANSFERS .....	0	0
24	ADJUSTED GROSS APPROPRIATION .....	\$ 12,687,014,800	\$12,603,634,800
25	TOTAL FEDERAL REVENUES .....	1,701,041,400	1,701,041,400
26	TOTAL LOCAL REVENUES .....	0	0
27	TOTAL PRIVATE REVENUES .....	0	0

1	TOTAL OTHER STATE RESTRICTED REVENUES .....	10,785,973,400	10,883,951,000
2	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 200,000,000	\$ 18,642,400
3	(2) BASIC OPERATIONS		
4	BASIC OPERATIONS .....	\$ <u>9,177,133,000</u>	\$ <u>9,041,133,000</u>
5	GROSS APPROPRIATION .....	\$ 9,177,133,000	\$ 9,041,133,000
6	APPROPRIATED FROM:		
7	STATE RESTRICTED REVENUES .....	8,992,343,200	9,037,700,800
8	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 184,789,800	\$ 3,432,200
9	SCHEDULE OF PROGRAMS:		
10	PROPOSAL A OBLIGATION PAYMENT .....	5,707,000,000	5,592,000,000
11	DISCRETIONARY PAYMENT .....	3,027,000,000	3,106,000,000
12	ISD GENERAL OPERATIONS .....	62,108,000	62,108,000
13	PERFORMANCE BASED FUNDING .....	190,000,000	100,000,000
14	CONSOLIDATION INNOVATION GRANTS .....	10,000,000	0
15	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM .	179,000,000	179,000,000
16	ISOLATED DISTRICT FUNDING .....	2,025,000	2,025,000
17	(3) SPECIAL EDUCATION		
18	SPECIAL EDUCATION .....	\$ <u>1,429,269,100</u>	\$ <u>1,461,869,100</u>
19	GROSS APPROPRIATION .....	\$ 1,429,269,100	\$ 1,461,869,100
20	APPROPRIATED FROM:		
21	FEDERAL REVENUES .....	439,000,000	439,000,000
22	STATE RESTRICTED REVENUES .....	990,269,100	1,022,869,100
23	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
24	SCHEDULE OF PROGRAMS:		
25	SPECIAL EDUCATION HEADLEE OBLIGATION .....	672,900,000	698,000,000
26	SPECIAL EDUCATION FOUNDATIONS .....	257,300,000	264,800,000
27	SPECIAL EDUCATION HOLD HARMLESS PAYMENT .....	1,000,000	1,000,000

1	SPECIAL EDUCATION NON-SEC. 52 PAYMENT .....	4,800,000	4,800,000
2	SPECIAL EDUCATION RULE CHANGE .....	2,200,000	2,200,000
3	SPECIAL EDUCATION COURT PLACED FTES .....	13,500,000	13,500,000
4	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND .....	1,688,000	1,688,000
5	SPECIAL EDUCATION MILLAGE EQUALIZATION .....	36,881,100	36,881,100
6	SPECIAL EDUCATION FEDERAL PROGRAMS .....	439,000,000	439,000,000
7	(4) SUPPORT SERVICES		
8	SUPPORT SERVICES .....	\$ <u>1,188,005,600</u>	\$ <u>1,188,005,600</u>
9	GROSS APPROPRIATION .....	\$ 1,188,005,600	\$ 1,188,005,600
10	APPROPRIATED FROM:		
11	FEDERAL REVENUES .....	851,091,900	851,091,900
12	STATE RESTRICTED REVENUES .....	331,221,900	331,221,900
13	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 5,691,800	\$ 5,691,800
14	SCHEDULE OF PROGRAMS:		
15	COURT-PLACED CHILDREN .....	8,000,000	8,000,000
16	JUVENILE DETENTION FACILITIES .....	2,135,800	2,135,800
17	YOUTH CHALLENGE PROGRAM .....	765,600	765,600
18	AT-RISK PROGRAM .....	308,988,200	308,988,200
19	CHILD AND ADOLESCENT HEALTH CENTERS .....	3,557,300	3,557,300
20	HEARING AND VISION SCREENING .....	5,150,000	5,150,000
21	MICHIGAN VIRTUAL HIGH SCHOOL .....	4,387,500	4,387,500
22	MATH AND SCIENCE CENTERS .....	7,874,300	7,874,300
23	STATE AID TO LIBRARIES .....	1,304,300	1,304,300
24	FEDERAL PROGRAMS .....	845,842,600	845,842,600
25	(5) SCHOOL MEAL PROGRAMS		
26	SCHOOL MEAL PROGRAMS .....	\$ <u>434,626,100</u>	\$ <u>434,626,100</u>
27	GROSS APPROPRIATION .....	\$ 434,626,100	\$ 434,626,100

1	APPROPRIATED FROM:		
2	FEDERAL REVENUES .....	402,506,000	402,506,000
3	STATE RESTRICTED REVENUES .....	32,120,100	32,120,100
4	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
5	SCHEDULE OF PROGRAMS:		
6	SCHOOL LUNCH .....	425,001,100	425,001,100
7	SCHOOL BREAKFAST .....	9,625,000	9,625,000
8	(6) EARLY CHILDHOOD EDUCATION		
9	EARLY CHILDHOOD EDUCATION .....	\$ <u>115,475,000</u>	\$ <u>115,475,000</u>
10	GROSS APPROPRIATION .....	\$ 115,475,000	\$ 115,475,000
11	APPROPRIATED FROM:		
12	STATE RESTRICTED REVENUES .....	115,175,000	115,175,000
13	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 300,000	\$ 300,000
14	SCHEDULE OF PROGRAMS:		
15	GREAT START LOCAL COLLABORATIVE GRANTS .....	5,900,000	5,900,000
16	GREAT START READINESS PROGRAM: SCHOOL-BASED .....	95,700,000	95,700,000
17	GREAT START READINESS PROGRAM: COMPETITIVE .....	8,875,000	8,875,000
18	GREAT PARENTS, GREAT START ISD PROGRAM .....	5,000,000	5,000,000
19	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
20	STUDENT ASSESSMENT AND ACCOUNTABILITY .....	\$ <u>84,106,800</u>	\$ <u>82,856,800</u>
21	GROSS APPROPRIATION .....	\$ 84,106,800	\$ 82,856,800
22	APPROPRIATED FROM:		
23	FEDERAL REVENUES .....	8,443,500	8,443,500
24	STATE RESTRICTED REVENUES .....	66,444,900	65,194,900
25	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 9,218,400	\$ 9,218,400
26	SCHEDULE OF PROGRAMS:		
27	PRINCIPAL EDUCATOR EVALUATION TRAINING .....	1,750,000	500,000

1	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION .	9,411,900	9,411,900
2	STUDENT ASSESSMENTS .....	34,944,400	34,944,400
3	DATA COLLECTION AND REPORTING COSTS .....	38,000,500	38,000,500
4	(8) CAREER PREPARATION AND VOCATIONAL EDUCATION		
5	CAREER PREPARATION AND VOCATIONAL EDUCATION .....	\$ <u>35,611,300</u>	\$ <u>35,611,300</u>
6	GROSS APPROPRIATION .....	\$ 35,611,300	\$ 35,611,300
7	APPROPRIATED FROM:		
8	STATE RESTRICTED REVENUES .....	35,611,300	35,611,300
9	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
10	SCHEDULE OF PROGRAMS:		
11	VOCATIONAL EDUCATION .....	26,611,300	26,611,300
12	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT .....	9,000,000	9,000,000
13	(9) ADULT EDUCATION		
14	ADULT EDUCATION .....	\$ <u>22,000,000</u>	\$ <u>22,000,000</u>
15	GROSS APPROPRIATION .....	\$ 22,000,000	\$ 22,000,000
16	APPROPRIATED FROM:		
17	STATE RESTRICTED REVENUES .....	22,000,000	22,000,000
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
19	SCHEDULE OF PROGRAMS:		
20	ADULT EDUCATION .....	22,000,000	22,000,000
21	(10) TRANSPORTATION SAFETY		
22	TRANSPORTATION SAFETY .....	\$ <u>3,259,900</u>	\$ <u>3,259,900</u>
23	GROSS APPROPRIATION .....	\$ 3,259,900	\$ 3,259,900
24	APPROPRIATED FROM:		
25	STATE RESTRICTED REVENUES .....	3,259,900	3,259,900
26	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
27	SCHEDULE OF PROGRAMS:		

1	BUS DRIVER SAFETY .....	1,625,000	1,625,000
2	SCHOOL BUS INSPECTIONS .....	1,634,900	1,634,900
3	(11) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
4	DEBT SERVICE AND OTHER REQUIRED PAYMENTS .....	\$ 197,528,000	\$ 218,798,000
5	GROSS APPROPRIATION .....	\$ 197,528,000	\$ 218,798,000
6	APPROPRIATED FROM:		
7	STATE RESTRICTED REVENUES .....	197,528,000	218,798,000
8	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
9	SCHEDULE OF PROGRAMS:		
10	DEBT SERVICE ON NON-DURANT DISTRICT BONDS .....	39,000,000	39,000,000
11	SCHOOL BOND LOAN REDEMPTION FUND .....	120,390,000	131,660,000
12	SCHOOL AID FUND BORROWING COSTS .....	10,000,000	20,000,000
13	RENAISSANCE ZONE REIMBURSEMENT .....	26,300,000	26,300,000
14	PAYMENT IN LIEU OF TAXES REIMBURSEMENT .....	1,838,000	1,838,000
15	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
16	APPROPRIATION SUMMARY		
17	GROSS APPROPRIATION .....	\$ 294,130,500	\$ 294,130,500
18	TOTAL INTERDEPARTMENTAL GRANTS AND		
19	INTRADPARTMENTAL TRANSFERS .....	0	0
20	ADJUSTED GROSS APPROPRIATION .....	\$ 294,130,500	\$ 294,130,500
21	TOTAL FEDERAL REVENUES .....	0	0
22	TOTAL LOCAL REVENUES .....	0	0
23	TOTAL PRIVATE REVENUES .....	0	0
24	TOTAL OTHER STATE RESTRICTED REVENUES .....	197,614,100	197,614,100
25	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 96,516,400	\$ 96,516,400
26	(2) OPERATIONS, INCLUDING PERFORMANCE FUNDING		
27	ALPENA COMMUNITY COLLEGE .....	\$ 5,152,700	\$ 4,984,300

1	BAY DE NOC COMMUNITY COLLEGE .....	5,180,100	5,040,200
2	DELTA COLLEGE .....	13,919,300	13,336,200
3	GLEN OAKS COMMUNITY COLLEGE .....	2,393,700	2,320,900
4	GOGEBIC COMMUNITY COLLEGE .....	4,243,900	4,140,500
5	GRAND RAPIDS COMMUNITY COLLEGE .....	16,983,100	16,649,700
6	HENRY FORD COMMUNITY COLLEGE .....	20,575,200	20,145,000
7	JACKSON COMMUNITY COLLEGE .....	11,551,300	11,219,700
8	KALAMAZOO VALLEY COMMUNITY COLLEGE .....	11,922,000	11,522,700
9	KELLOGG COMMUNITY COLLEGE .....	9,327,100	9,047,900
10	KIRTLAND COMMUNITY COLLEGE .....	3,028,300	2,872,900
11	LAKE MICHIGAN COLLEGE .....	5,037,900	4,937,700
12	LANSING COMMUNITY COLLEGE .....	29,571,700	28,651,900
13	MACOMB COMMUNITY COLLEGE .....	31,184,100	30,490,300
14	MID MICHIGAN COMMUNITY COLLEGE .....	4,456,600	4,266,800
15	MONROE COUNTY COMMUNITY COLLEGE .....	4,212,500	4,094,000
16	MONTCALM COMMUNITY COLLEGE .....	3,050,000	2,946,800
17	C.S. MOTT COMMUNITY COLLEGE .....	14,942,700	14,526,400
18	MUSKEGON COMMUNITY COLLEGE .....	8,411,900	8,256,700
19	NORTH CENTRAL MICHIGAN COLLEGE .....	2,963,100	2,886,500
20	NORTHWESTERN MICHIGAN COLLEGE .....	8,542,400	8,430,300
21	OAKLAND COMMUNITY COLLEGE .....	19,934,800	19,455,900
22	ST. CLAIR COUNTY COMMUNITY COLLEGE .....	6,726,300	6,534,100
23	SCHOOLCRAFT COLLEGE .....	12,036,800	11,477,300
24	SOUTHWESTERN MICHIGAN COLLEGE .....	6,234,100	6,143,700
25	WASHTENAW COMMUNITY COLLEGE .....	12,818,200	11,827,300
26	WAYNE COUNTY COMMUNITY COLLEGE .....	15,703,300	15,425,900
27	WEST SHORE COMMUNITY COLLEGE .....	<u>2,293,800</u>	<u>2,248,900</u>

1	GROSS APPROPRIATION .....	\$	292,396,900	\$	283,880,500
2	APPROPRIATED FROM:				
3	STATE RESTRICTED REVENUES .....		195,880,500		195,880,500
4	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	96,516,400	\$	88,000,000
5	(3) PERFORMANCE FUNDING				
6	PERFORMANCE BASED FUNDING .....	\$	<u>0</u>	\$	<u>8,516,400</u>
7	GROSS APPROPRIATION .....	\$	0	\$	8,516,400
8	APPROPRIATED FROM:				
9	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	8,516,400
10	(4) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS)				
11	CONTRIBUTIONS TO MPSERS RETIREE HEALTH CARE .....	\$	<u>1,733,600</u>	\$	<u>1,733,600</u>
12	GROSS APPROPRIATION .....	\$	1,733,600	\$	1,733,600
13	APPROPRIATED FROM:				
14	STATE RESTRICTED REVENUES .....		1,733,600		1,733,600
15	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0
16	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR HIGHER EDUCATION (ARTICLE III)				
17	APPROPRIATION SUMMARY				
18	GROSS APPROPRIATION .....	\$	1,399,981,500	\$	1,402,689,300
19	TOTAL INTERDEPARTMENTAL GRANTS AND				
20	INTRADEPARTMENTAL TRANSFERS .....		0		0
21	ADJUSTED GROSS APPROPRIATION .....	\$	1,399,981,500	\$	1,402,689,300
22	TOTAL FEDERAL REVENUES .....		97,026,400		97,026,400
23	TOTAL LOCAL REVENUES .....		0		0
24	TOTAL PRIVATE REVENUES .....		0		0
25	TOTAL OTHER STATE RESTRICTED REVENUES .....		200,565,700		200,565,700
26	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	1,102,389,400	\$	1,105,097,200
27	(2) OPERATIONS FUNDING, INCLUDING PERFORMANCE FUNDING				

1	(A) CENTRAL MICHIGAN UNIVERSITY		
2	OPERATIONS .....	\$ <u>70,680,700</u>	\$ <u>68,108,900</u>
3	GROSS APPROPRIATION .....	\$ 70,680,700	\$ 68,108,900
4	APPROPRIATED FROM:		
5	STATE RESTRICTED REVENUES .....	11,284,600	11,284,600
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 59,396,100	\$ 56,824,300
7	(B) EASTERN MICHIGAN UNIVERSITY		
8	OPERATIONS .....	\$ <u>66,118,400</u>	\$ <u>64,619,100</u>
9	GROSS APPROPRIATION .....	\$ 66,118,400	\$ 64,619,100
10	APPROPRIATED FROM:		
11	STATE RESTRICTED REVENUES .....	10,706,400	10,706,400
12	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 55,412,000	\$ 53,912,700
13	(C) FERRIS STATE UNIVERSITY		
14	OPERATIONS .....	\$ <u>43,906,600</u>	\$ <u>41,324,300</u>
15	GROSS APPROPRIATION .....	\$ 43,906,600	\$ 41,324,300
16	APPROPRIATED FROM:		
17	STATE RESTRICTED REVENUES .....	6,846,800	6,846,800
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 37,059,800	\$ 34,477,500
19	(D) GRAND VALLEY STATE UNIVERSITY		
20	OPERATIONS .....	\$ <u>56,673,500</u>	\$ <u>52,677,400</u>
21	GROSS APPROPRIATION .....	\$ 56,673,500	\$ 52,677,400
22	APPROPRIATED FROM:		
23	STATE RESTRICTED REVENUES .....	8,727,800	8,727,800
24	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 47,945,700	\$ 43,949,600
25	(E) LAKE SUPERIOR STATE UNIVERSITY		
26	OPERATIONS .....	\$ <u>11,036,700</u>	\$ <u>10,789,500</u>
27	GROSS APPROPRIATION .....	\$ 11,036,700	\$ 10,789,500

1	APPROPRIATED FROM:		
2	STATE RESTRICTED REVENUES .....	1,787,600	1,787,600
3	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 9,249,100	\$ 9,001,900
4	(F) MICHIGAN STATE UNIVERSITY		
5	OPERATIONS .....	\$ 244,418,600	\$ 241,120,800
6	FACILITY FOR RARE ISOTOPE BEAMS .....	2,339,900	5,047,700
7	AGRICULTURAL EXPERIMENT AND COOPERATIVE		
8	EXTENSION ACTIVITIES .....	<u>52,625,800</u>	<u>52,625,800</u>
9	GROSS APPROPRIATION .....	\$ 299,384,300	\$ 298,794,300
10	APPROPRIATED FROM:		
11	STATE RESTRICTED REVENUES .....	39,949,900	39,949,900
12	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 259,434,400	\$ 258,844,400
13	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
14	OPERATIONS .....	\$ <u>41,536,100</u>	\$ <u>40,733,600</u>
15	GROSS APPROPRIATION .....	\$ 41,536,100	\$ 40,733,600
16	APPROPRIATED FROM:		
17	STATE RESTRICTED REVENUES .....	\$ 6,748,900	\$ 6,748,900
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 34,787,200	\$ 33,984,700
19	(H) NORTHERN MICHIGAN UNIVERSITY		
20	OPERATIONS .....	\$ <u>39,659,700</u>	\$ <u>38,367,400</u>
21	GROSS APPROPRIATION .....	\$ 39,659,700	\$ 38,367,400
22	APPROPRIATED FROM:		
23	STATE RESTRICTED REVENUES .....	6,356,900	6,356,900
24	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 33,302,800	\$ 32,010,500
25	(I) OAKLAND UNIVERSITY		
26	OPERATIONS .....	\$ <u>44,744,600</u>	\$ <u>43,145,000</u>
27	GROSS APPROPRIATION .....	\$ 44,744,600	\$ 43,145,000

1	APPROPRIATED FROM:		
2	STATE RESTRICTED REVENUES .....	7,148,400	7,148,400
3	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 37,596,200	\$ 35,996,600
4	(J) SAGINAW VALLEY STATE UNIVERSITY		
5	OPERATIONS .....	\$ <u>24,682,500</u>	\$ <u>23,561,500</u>
6	GROSS APPROPRIATION .....	\$ 24,682,500	\$ 23,561,500
7	APPROPRIATED FROM:		
8	STATE RESTRICTED REVENUES .....	3,903,800	3,903,800
9	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 20,778,700	\$ 19,657,700
10	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
11	OPERATIONS .....	\$ <u>272,695,500</u>	\$ <u>268,803,300</u>
12	GROSS APPROPRIATION .....	\$ 272,695,500	\$ 268,803,300
13	APPROPRIATED FROM:		
14	STATE RESTRICTED REVENUES .....	44,536,300	44,536,300
15	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 228,159,200	\$ 224,267,000
16	(L) UNIVERSITY OF MICHIGAN - DEARBORN		
17	OPERATIONS .....	\$ <u>21,587,800</u>	\$ <u>21,016,300</u>
18	GROSS APPROPRIATION .....	\$ 21,587,800	\$ 21,016,300
19	APPROPRIATED FROM:		
20	STATE RESTRICTED REVENUES .....	3,482,100	3,482,100
21	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 18,105,700	\$ 17,534,200
22	(M) UNIVERSITY OF MICHIGAN - FLINT		
23	OPERATIONS .....	\$ <u>18,330,900</u>	\$ <u>17,762,400</u>
24	GROSS APPROPRIATION .....	\$ 18,330,900	\$ 17,762,400
25	APPROPRIATED FROM:		
26	STATE RESTRICTED REVENUES .....	2,942,900	2,942,900
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 15,388,000	\$ 14,819,500

1	(N) WAYNE STATE UNIVERSITY		
2	OPERATIONS .....	\$ <u>183,719,300</u>	\$ <u>182,036,900</u>
3	GROSS APPROPRIATION .....	\$ 183,719,300	\$ 182,036,900
4	APPROPRIATED FROM:		
5	STATE RESTRICTED REVENUES .....	30,160,600	30,160,600
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 153,558,700	\$ 151,876,300
7	(O) WESTERN MICHIGAN UNIVERSITY		
8	OPERATIONS .....	\$ <u>94,606,500</u>	\$ <u>93,168,300</u>
9	GROSS APPROPRIATION .....	\$ 94,606,500	\$ 93,168,300
10	APPROPRIATED FROM:		
11	STATE RESTRICTED REVENUES .....	15,436,500	15,436,500
12	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 79,170,000	\$ 77,731,800
13	(3) PERFORMANCE FUNDING, INCLUDING TUITION RESTRAINT		
14	PERFORMANCE BASED FUNDING .....	\$ <u>9,054,300</u>	\$ <u>36,217,000</u>
15	GROSS APPROPRIATION .....	\$ 9,054,300	\$ 36,217,000
16	APPROPRIATED FROM:		
17	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 9,054,300	\$ 36,217,000
18	(4) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS)		
19	CONTRIBUTIONS TO MPSERS RETIREE HEALTH CARE .....	\$ <u>446,200</u>	\$ <u>446,200</u>
20	GROSS APPROPRIATION .....	\$ 446,200	\$ 446,200
21	APPROPRIATED FROM:		
22	STATE RESTRICTED REVENUES .....	446,200	446,200
23	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
24	(5) STATE AND REGIONAL PROGRAMS		
25	STATE AND REGIONAL PROGRAMS .....	\$ <u>200,000</u>	\$ <u>200,000</u>
26	GROSS APPROPRIATION .....	\$ 200,000	\$ 200,000
27	APPROPRIATED FROM:		

1	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	200,000	\$	200,000
2	SCHEDULE OF PROGRAMS:				
3	HIGHER EDUCATION DATABASE MODERNIZATION AND				
4	CONVERSION .....		105,000		105,000
5	MIDWESTERN HIGHER EDUCATION COMPACT .....		95,000		95,000
6	(6) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM				
7	MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS				
8	PROGRAM .....	\$	<u>2,691,500</u>	\$	<u>2,691,500</u>
9	GROSS APPROPRIATION .....	\$	2,691,500	\$	2,691,500
10	APPROPRIATED FROM:				
11	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	2,691,500	\$	2,691,500
12	SCHEDULE OF PROGRAMS:				
13	SELECT STUDENT SUPPORT SERVICES .....		1,956,100		1,956,100
14	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM ....		586,800		586,800
15	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM .....		148,600		148,600
16	(7) GRANTS AND FINANCIAL AID				
17	STUDENT FINANCIAL AID .....	\$	<u>98,226,400</u>	\$	<u>98,226,400</u>
18	GROSS APPROPRIATION .....	\$	98,226,400	\$	98,226,400
19	APPROPRIATED FROM:				
20	FEDERAL REVENUES .....		97,026,400		97,026,400
21	STATE RESTRICTED REVENUES .....		100,000		100,000
22	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	1,100,000	\$	1,100,000
23	SCHEDULE OF PROGRAMS:				
24	STATE COMPETITIVE SCHOLARSHIPS .....		20,361,700		20,361,700
25	TUITION GRANTS .....		30,664,700		30,664,700
26	TUITION INCENTIVE PROGRAM .....		42,800,000		42,800,000
27	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR				

<b>1</b>	<b>TUITION PROGRAM .....</b>	<b>1,200,000</b>	<b>1,200,000</b>
<b>2</b>	<b>PROJECT GEAR-UP .....</b>	<b>3,200,000</b>	<b>3,200,000</b>

**3** Enacting section 1. (1) In accordance with section 30 of article I of the state  
**4** constitution of 1963, total state spending on school aid under article I as amended by  
**5** this amendatory act from state sources for fiscal year 2012-2013 is estimated at  
**6** \$10,985,973,400.00 and state appropriations for school aid to be paid to local units  
**7** of government for fiscal year 2012-2013 are estimated at \$10,841,677,500.00; and total  
**8** state spending on school aid under article I as amended by this amendatory act from  
**9** state sources for fiscal year 2013-2014 is estimated at \$10,902,593,400.00 and state  
**10** appropriations for school aid to be paid to local units of government for fiscal year  
**11** 2013-2014 are estimated at \$10,737,027,500.00.

**12** (2) In accordance with section 30 of article IX of the state constitution of  
**13** 1963, total state spending from state sources for community colleges for fiscal year  
**14** 2012-2013 under article II as amended by this amendatory act is estimated at  
**15** \$294,130,500.00 and the amount of that state spending from state sources to be paid to  
**16** local units of government for fiscal year 2012-2013 is estimated at \$294,130,500.00;  
**17** and total state spending from state sources for community colleges for fiscal year  
**18** 2013-2014 under article II as amended by this amendatory act is estimated at  
**19** \$294,130,500.00 and the amount of that state spending from state sources to be paid to  
**20** local units of government for fiscal year 2013-2014 is estimated at \$294,130,500.00.

**21** (3) In accordance with section 30 of article IX of the state constitution of  
**22** 1963, total state spending from state sources for higher education for fiscal year  
**23** 2012-2013 under article III as amended by this amendatory act is estimated at  
**24** \$1,302,955,100.00 and the amount of that state spending from state sources to be paid  
**25** to local units of government for fiscal year 2012-2013 is estimated at \$0; and total  
**26** state spending from state sources for higher education for fiscal year 2013-2014 under  
**27** article III as amended by this amendatory act is estimated at \$1,305,662,900.00 and

1 the amount of that state spending from state sources to be paid to local units of  
2 government for fiscal year 2013-2014 is estimated at \$0.

3 Enacting Section 2. Sections 12, 22e, 23, 40, 147b, 164c, 204, 205, 209, 210,  
4 210a, 211, 212, 214, 216, 227, 228, 230, 237a, 239, 239a, 240, 261, 262, 263a, 266,  
5 268, 270a, 271, 272, 273, 274, 274a, 290, 292, 293, and 294 of the state school aid  
6 act of 1979, 1979 PA 94, MCL 388.1612, 388.1622e, 388.1623, 388.1640, 388.1747b,  
7 388.1764c, 388.1804, 388.1805, 388.1809, 388.1810, 388.1810a, 388.1811, 388.1812,  
8 388.1814, 388.1816, 388.1827, 388.1828, 388.1830, 388.1837a, 388.1839, 388.1839a,  
9 388.1840, 388.1861, 388.1862, 388.1863a, 388.1866, 388.1868, 388.1870a, 388.1871,  
10 388.1872, 388.1873, 388.1874, 388.1874a, 388.1890, 388.1892, 388.1893, and 388.1894  
11 are repealed effective October 1, 2012.