

HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4295

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c,
99h, 101, and 147c (MCL 388.1611, 388.1611m, 388.1620g, 388.1621f,
388.1622a, 388.1622b, 388.1622g, 388.1651a, 388.1651c, 388.1699h,
388.1701, and 388.1747c), sections 11 and 22a as amended and
section 20g as added by 2013 PA 97, sections 11m, 22b, 22g, 51a,
51c, 101, and 147c as amended and section 99h as added by 2013 PA
60, and section 21f as amended by 2013 PA 130, and by adding
sections 25h, 31b, 32r, 64d, and 94.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30, 2013,~~

1 ~~there is appropriated for the public schools of this state and~~
2 ~~certain other state purposes relating to education the sum of~~
3 ~~\$10,928,614,200.00 from the state school aid fund and the sum of~~
4 ~~\$282,400,000.00 from the general fund. For the fiscal year ending~~
5 ~~September 30, 2014, there is appropriated for the public schools of~~
6 ~~this state and certain other state purposes relating to education~~
7 ~~the sum of \$11,211,382,300.00~~ **\$11,115,232,300.00** ~~from the state~~
8 ~~school aid fund, the sum of \$156,000,000.00 from the MPSERS~~
9 ~~retirement obligation reform reserve fund created under section~~
10 ~~147b, and the sum of \$234,900,000.00 from the general fund. In~~
11 ~~addition, all other available federal funds , except those~~
12 ~~otherwise appropriated under section 11p, are appropriated for the~~
13 ~~fiscal year ending September 30, 2013 and for the fiscal year~~
14 ~~ending September 30, 2014.~~

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

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

23 Sec. 11m. From the appropriations in section 11, there is
24 allocated for 2013-2014 an amount not to exceed ~~\$4,000,000.00~~
25 **\$2,500,000.00** for fiscal year cash-flow borrowing costs solely
26 related to the state school aid fund established by section 11 of
27 article IX of the state constitution of 1963.

1 Sec. 20g. (1) From the ~~general fund~~ money appropriated under
2 section 11, ~~there is allocated an~~ **THE FOLLOWING AMOUNTS ARE**
3 **ALLOCATED FOR 2013-2014:**

4 **(A) FROM THE GENERAL FUND MONEY, AN** amount not to exceed
5 \$2,200,000.00 for 2013-2014 for grants to eligible districts for
6 transition costs related to the enrollment of pupils who were
7 previously enrolled in a district that was dissolved under section
8 12 of the revised school code, MCL 380.12, **ALLOCATED AS PROVIDED**
9 **UNDER SUBSECTION (3).** It is the intent of the legislature to
10 continue this transition funding for a total of 4 fiscal years
11 following the dissolution of a district.

12 **(B) FROM THE STATE SCHOOL AID FUND MONEY, AN AMOUNT NOT TO**
13 **EXCEED \$5,000,000.00 FOR REIMBURSEMENTS TO ELIGIBLE DISTRICTS FOR**
14 **COSTS INCURRED BY THE ELIGIBLE DISTRICT ASSOCIATED WITH THE**
15 **TRANSFER OF PROPERTY FROM A DISSOLVED SCHOOL DISTRICT TO THE**
16 **ELIGIBLE DISTRICT, ALLOCATED AS PROVIDED UNDER SUBSECTION (4).**

17 (2) A receiving school district, as that term is defined in
18 section 12 of the revised school code, MCL 380.12, is an eligible
19 district under this section.

20 (3) The amount allocated to each eligible district under ~~this~~
21 ~~section~~ **SUBSECTION (1) (A)** is an amount equal to the product of the
22 number of membership pupils enrolled in the eligible district who
23 were previously enrolled in the dissolved district in the school
24 year immediately preceding the dissolution, or who reside in the
25 geographic area of the dissolved district and are entering
26 kindergarten, times 10.0% of the lesser of the foundation allowance
27 of the eligible district as calculated under section 20 or the

1 basic foundation allowance under section 20(1).

2 (4) TO ALLOCATE FUNDS UNDER SUBSECTION (1)(B), THE DEPARTMENT
3 SHALL DEVELOP A REIMBURSEMENT APPLICATION PROCESS AND A
4 REIMBURSEMENT DISTRIBUTION PROCESS. REIMBURSABLE COSTS SHALL
5 INCLUDE, BUT ARE NOT LIMITED TO, THE COSTS OF MAINTENANCE,
6 UTILITIES, SECURITY, OR INSURANCE ASSOCIATED WITH, OR THE
7 DEMOLITION OF, BUILDINGS TRANSFERRED FROM A DISSOLVED SCHOOL
8 DISTRICT TO THE ELIGIBLE DISTRICT. HOWEVER, THE REIMBURSEMENT MADE
9 TO ELIGIBLE DISTRICTS FOR ALL OF THE PROPERTY TRANSFERRED FROM A
10 SINGLE DISSOLVED SCHOOL DISTRICT SHALL NOT EXCEED THE TOTAL
11 CUMULATIVE SUM OF \$2,500,000.00 FOR ALL OF THE ELIGIBLE DISTRICTS
12 TO WHICH PROPERTY WAS TRANSFERRED FROM THAT DISSOLVED SCHOOL
13 DISTRICT.

14 (5) THE FUNDS ALLOCATED UNDER SUBSECTION (1)(B) ARE CONSIDERED
15 WORK PROJECT APPROPRIATIONS AND ANY UNEXPENDED FUNDS FOR 2013-2014
16 ARE CARRIED FORWARD INTO 2014-2015. THE PURPOSE OF THE WORK PROJECT
17 IS AS DESCRIBED IN SUBSECTION (1)(B). THE TOTAL ESTIMATED COST OF
18 THE WORK PROJECT IS \$5,000,000.00. THE TENTATIVE ESTIMATED
19 COMPLETION DATE FOR THE WORK PROJECT IS SEPTEMBER 30, 2015.

20 (6) AS USED IN THIS SECTION, "DISSOLVED SCHOOL DISTRICT" MEANS
21 A SCHOOL DISTRICT THAT HAS BEEN DECLARED DISSOLVED UNDER SECTION 12
22 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.12.

23 Sec. 21f. (1) A pupil enrolled in a district in any of grades
24 5 to 12 is eligible to enroll in an online course as provided for
25 in this section. However, this section does not apply to a pupil
26 enrolled in a school of excellence that is a cyber school, as
27 defined in section 551 of the revised school code, MCL 380.551.

1 (2) With the consent of the pupil's parent or legal guardian,
2 a district shall enroll an eligible pupil in up to 2 online courses
3 as requested by the pupil during an academic term, semester, or
4 trimester. It is the intent of the legislature to consider
5 increasing the limit on the number of online courses that a pupil
6 may enroll in beginning in 2014-2015 for pupils who have
7 demonstrated previous success with online courses. Consent of the
8 pupil's parent or legal guardian is not required if the pupil is at
9 least age 18 or is an emancipated minor.

10 (3) An eligible pupil may enroll in an online course published
11 in the pupil's educating district's catalog of online courses
12 described in subsection (7) (a) or the statewide catalog of online
13 courses maintained by the Michigan virtual university pursuant to
14 section 98.

15 (4) A district shall determine whether or not it has capacity
16 to accept applications for enrollment from nonresident applicants
17 in online courses and may use that limit as the reason for refusal
18 to enroll an applicant. If the number of nonresident applicants
19 eligible for acceptance in an online course does not exceed the
20 capacity of the district to provide the online course, the district
21 shall accept for enrollment all of the nonresident applicants
22 eligible for acceptance. If the number of nonresident applicants
23 exceeds the district's capacity to provide the online course, the
24 district shall use a random draw system, subject to the need to
25 abide by state and federal antidiscrimination laws and court
26 orders.

27 (5) A district may deny a pupil enrollment in an online course

1 if any of the following apply, as determined by the district:

2 (a) The pupil has previously gained the credits provided from
3 the completion of the online course.

4 (b) The online course is not capable of generating academic
5 credit.

6 (c) The online course is inconsistent with the remaining
7 graduation requirements or career interests of the pupil.

8 (d) The pupil does not possess the prerequisite knowledge and
9 skills to be successful in the online course or has demonstrated
10 failure in previous online coursework in the same subject.

11 (e) The online course is of insufficient quality or rigor. A
12 district that denies a pupil enrollment for this reason shall make
13 a reasonable effort to assist the pupil to find an alternative
14 course in the same or a similar subject that is of acceptable rigor
15 and quality.

16 (6) If a pupil is denied enrollment in an online course by a
17 district, the pupil may appeal the denial by submitting a letter to
18 the superintendent of the intermediate district in which the
19 pupil's educating district is located. The letter of appeal shall
20 include the reason provided by the district for not enrolling the
21 pupil and the reason why the pupil is claiming that the enrollment
22 should be approved. The intermediate district superintendent or
23 designee shall respond to the appeal within 5 days after it is
24 received. If the intermediate district superintendent or designee
25 determines that the denial of enrollment does not meet 1 or more of
26 the reasons specified in subsection (5), the district shall allow
27 the pupil to enroll in the online course.

1 (7) To offer or provide an online course, a district **OR**
2 **INTERMEDIATE DISTRICT** shall do all of the following:

3 (a) Provide the Michigan virtual university with the course
4 syllabus in a form and method prescribed by the Michigan virtual
5 university for inclusion in a statewide online course catalog. The
6 district **OR INTERMEDIATE DISTRICT** shall also provide on its
7 publicly accessible website a link to the course syllabi for all of
8 the online courses offered by the district **OR INTERMEDIATE DISTRICT**
9 and a link to the statewide catalog of online courses maintained by
10 the Michigan virtual university.

11 (b) Offer the online course on an open entry and exit method,
12 or aligned to a semester, trimester, or accelerated academic term
13 format.

14 (8) For a pupil enrolled in 1 or more online courses published
15 in the pupil's educating district's catalog of online courses under
16 subsection (7) or in the statewide catalog of online courses
17 maintained by the Michigan virtual university, the district shall
18 use foundation allowance or per pupil funds calculated under
19 section 20 to pay for the expenses associated with the online
20 course or courses. The district shall pay 80% of the cost of the
21 online course upon enrollment and 20% upon completion as determined
22 by the district. A district is not required to pay toward the cost
23 of an online course an amount that exceeds 1/12 of the district's
24 foundation allowance or per pupil payment as calculated under
25 section 20 per semester or an amount that exceeds 1/18 of the
26 district's foundation allowance or per pupil payment as calculated
27 under section 20 per trimester.

1 (9) An online learning pupil shall have the same rights and
2 access to technology in his or her educating district's school
3 facilities as all other pupils enrolled in the educating district.

4 (10) If a pupil successfully completes an online course, as
5 determined by the district, the pupil's district shall grant
6 appropriate academic credit for completion of the course and shall
7 count that credit toward completion of graduation and subject area
8 requirements. A pupil's school record and transcript shall identify
9 the online course title as it appears in the online course
10 syllabus.

11 (11) The enrollment of a pupil in 1 or more online courses
12 shall not result in a pupil being counted as more than 1.0 full-
13 time equivalent pupils under this act.

14 (12) As used in this section:

15 (a) "Online course" means a course of study that is capable of
16 generating a credit or a grade, that is provided in an interactive
17 internet-connected learning environment, in which pupils are
18 separated from their teachers by time or location, or both, and in
19 which a teacher who holds a valid Michigan teaching certificate is
20 responsible for determining appropriate instructional methods for
21 each pupil, diagnosing learning needs, assessing pupil learning,
22 prescribing intervention strategies, reporting outcomes, and
23 evaluating the effects of instruction and support strategies.

24 (b) "Online course syllabus" means a document that includes
25 all of the following:

26 (i) The state academic standards addressed in an online course.

27 (ii) The online course content outline.

1 (iii) The online course required assessments.

2 (iv) The online course prerequisites.

3 (v) Expectations for actual instructor contact time with the
4 online learning pupil and other pupil-to-instructor communications.

5 (vi) Academic support available to the online learning pupil.

6 (vii) The online course learning outcomes and objectives.

7 (viii) The name of the institution or organization providing the
8 online content.

9 (ix) The name of the institution or organization providing the
10 online instructor.

11 (x) The course titles assigned by the district **OR INTERMEDIATE**
12 **DISTRICT** and the course titles and course codes from the national
13 center for education statistics (NCES) school codes for the
14 exchange of data (SCED).

15 (xi) The number of eligible nonresident pupils that will be
16 accepted by the district **OR INTERMEDIATE DISTRICT** in the online
17 course.

18 (xii) The results of the online course quality review using the
19 guidelines and model review process published by the Michigan
20 virtual university.

21 (c) "Online learning pupil" means a pupil enrolled in 1 or
22 more online courses.

23 Sec. 22a. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~\$5,630,000,000.00 for 2012-2013~~
25 ~~and there is allocated an amount not to exceed \$5,536,700,000.00~~
26 **\$5,526,000,000.00** for 2013-2014 for payments to districts and
27 qualifying public school academies to guarantee each district and

1 qualifying public school academy an amount equal to its 1994-95
2 total state and local per pupil revenue for school operating
3 purposes under section 11 of article IX of the state constitution
4 of 1963. Pursuant to section 11 of article IX of the state
5 constitution of 1963, this guarantee does not apply to a district
6 in a year in which the district levies a millage rate for school
7 district operating purposes less than it levied in 1994. However,
8 subsection (2) applies to calculating the payments under this
9 section. Funds allocated under this section that are not expended
10 in the state fiscal year for which they were allocated, as
11 determined by the department, may be used to supplement the
12 allocations under sections 22b and 51c in order to fully fund those
13 calculated allocations for the same fiscal year.

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

19 (a) Except as otherwise provided in this subsection, the state
20 portion of a district's 1994-95 foundation allowance is an amount
21 equal to the district's 1994-95 foundation allowance or \$6,500.00,
22 whichever is less, minus the difference between the sum of the
23 product of the taxable value per membership pupil of all property
24 in the district that is nonexempt property times the district's
25 certified mills and, for a district with certified mills exceeding
26 12, the product of the taxable value per membership pupil of
27 property in the district that is commercial personal property times

1 the certified mills minus 12 mills and the quotient of the ad
2 valorem property tax revenue of the district captured under tax
3 increment financing acts divided by the district's membership. For
4 a district that has a millage reduction required under section 31
5 of article IX of the state constitution of 1963, the state portion
6 of the district's foundation allowance shall be calculated as if
7 that reduction did not occur. For a receiving district, if school
8 operating taxes are to be levied on behalf of a dissolved district
9 that has been attached in whole or in part to the receiving
10 district to satisfy debt obligations of the dissolved district
11 under section 12 of the revised school code, MCL 380.12, taxable
12 value per membership pupil of all property in the receiving
13 district that is nonexempt property and taxable value per
14 membership pupil of property in the receiving district that is
15 commercial personal property do not include property within the
16 geographic area of the dissolved district; ad valorem property tax
17 revenue of the receiving district captured under tax increment
18 financing acts does not include ad valorem property tax revenue
19 captured within the geographic boundaries of the dissolved district
20 under tax increment financing acts; and certified mills do not
21 include the certified mills of the dissolved district.

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

1 and the current year hold harmless school operating taxes per
2 pupil. If the result of the calculation under subdivision (a) is
3 negative, the negative amount shall be an offset against any state
4 payment calculated under this subdivision. If the result of a
5 calculation under this subdivision is negative, there shall not be
6 a state payment or a deduction under this subdivision. The taxable
7 values per membership pupil used in the calculations under this
8 subdivision are as adjusted by ad valorem property tax revenue
9 captured under tax increment financing acts divided by the
10 district's membership. For a receiving district, if school
11 operating taxes are to be levied on behalf of a dissolved district
12 that has been attached in whole or in part to the receiving
13 district to satisfy debt obligations of the dissolved district
14 under section 12 of the revised school code, MCL 380.12, ad valorem
15 property tax revenue captured under tax increment financing acts do
16 not include ad valorem property tax revenue captured within the
17 geographic boundaries of the dissolved district under tax increment
18 financing acts.

19 (3) Beginning in 2003-2004, for pupils in membership in a
20 qualifying public school academy, there is allocated under this
21 section to the authorizing body that is the fiscal agent for the
22 qualifying public school academy for forwarding to the qualifying
23 public school academy an amount equal to the 1994-95 per pupil
24 payment to the qualifying public school academy under section 20.

25 (4) A district or qualifying public school academy may use
26 funds allocated under this section in conjunction with any federal
27 funds for which the district or qualifying public school academy

1 otherwise would be eligible.

2 (5) Except as otherwise provided in this subsection, for a
3 district that is formed or reconfigured after June 1, 2000 by
4 consolidation of 2 or more districts or by annexation, the
5 resulting district's 1994-95 foundation allowance under this
6 section beginning after the effective date of the consolidation or
7 annexation shall be the average of the 1994-95 foundation
8 allowances of each of the original or affected districts,
9 calculated as provided in this section, weighted as to the
10 percentage of pupils in total membership in the resulting district
11 in the state fiscal year in which the consolidation takes place who
12 reside in the geographic area of each of the original districts. If
13 an affected district's 1994-95 foundation allowance is less than
14 the 1994-95 basic foundation allowance, the amount of that
15 district's 1994-95 foundation allowance shall be considered for the
16 purpose of calculations under this subsection to be equal to the
17 amount of the 1994-95 basic foundation allowance. This subsection
18 does not apply to a receiving district unless there is a subsequent
19 consolidation or annexation that affects the district.

20 (6) As used in this section:

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

25 (b) "Certified mills" means the lesser of 18 mills or the
26 number of mills of school operating taxes levied by the district in
27 1993-94.

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

3 (d) "Current year hold harmless school operating taxes per
4 pupil" means the per pupil revenue generated by multiplying a
5 district's 1994-95 hold harmless millage by the district's current
6 year taxable value per membership pupil. For a receiving district,
7 if school operating taxes are to be levied on behalf of a dissolved
8 district that has been attached in whole or in part to the
9 receiving district to satisfy debt obligations of the dissolved
10 district under section 12 of the revised school code, MCL 380.12,
11 taxable value per membership pupil does not include the taxable
12 value of property within the geographic area of the dissolved
13 district.

14 (e) "Dissolved district" means a district that loses its
15 organization, has its territory attached to 1 or more other
16 districts, and is dissolved as provided under section 12 of the
17 revised school code, MCL 380.12.

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

1 of treasury for the 1994 tax year. For a receiving district, if
2 school operating taxes are to be levied on behalf of a dissolved
3 district that has been attached in whole or in part to the
4 receiving district to satisfy debt obligations of the dissolved
5 district under section 12 of the revised school code, MCL 380.12,
6 school operating taxes do not include school operating taxes levied
7 within the geographic area of the dissolved district.

8 (g) "Homestead", "qualified agricultural property", "qualified
9 forest property", "supportive housing property", "industrial
10 personal property", and "commercial personal property" mean those
11 terms as defined in section 1211 of the revised school code, MCL
12 380.1211.

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

16 (i) "Nonexempt property" means property that is not a
17 principal residence, qualified agricultural property, qualified
18 forest property, supportive housing property, industrial personal
19 property, or commercial personal property.

20 (j) "Qualifying public school academy" means a public school
21 academy that was in operation in the 1994-95 school year and is in
22 operation in the current state fiscal year.

23 (k) "Receiving district" means a district to which all or part
24 of the territory of a dissolved district is attached under section
25 12 of the revised school code, MCL 380.12.

26 (l) "School operating taxes" means local ad valorem property
27 taxes levied under section 1211 of the revised school code, MCL

1 380.1211, and retained for school operating purposes as defined in
2 section 20.

3 (m) "Tax increment financing acts" means 1975 PA 197, MCL
4 125.1651 to 125.1681, the tax increment finance authority act, 1980
5 PA 450, MCL 125.1801 to 125.1830, the local development financing
6 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
7 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
8 or the corridor improvement authority act, 2005 PA 280, MCL
9 125.2871 to 125.2899.

10 (n) "Taxable value per membership pupil" means each of the
11 following divided by the district's membership:

12 (i) For the number of mills by which the exemption from the
13 levy of school operating taxes on a homestead, qualified
14 agricultural property, qualified forest property, supportive
15 housing property, industrial personal property, and commercial
16 personal property may be reduced as provided in section 1211 of the
17 revised school code, MCL 380.1211, the taxable value of homestead,
18 qualified agricultural property, qualified forest property,
19 supportive housing property, industrial personal property, and
20 commercial personal property for the calendar year ending in the
21 current state fiscal year. For a receiving district, if school
22 operating taxes are to be levied on behalf of a dissolved district
23 that has been attached in whole or in part to the receiving
24 district to satisfy debt obligations of the dissolved district
25 under section 12 of the revised school code, MCL 380.12, mills do
26 not include mills within the geographic area of the dissolved
27 district.

1 (ii) For the number of mills of school operating taxes that may
2 be levied on all property as provided in section 1211(2) of the
3 revised school code, MCL 380.1211, the taxable value of all
4 property for the calendar year ending in the current state fiscal
5 year. For a receiving district, if school operating taxes are to be
6 levied on behalf of a dissolved district that has been attached in
7 whole or in part to the receiving district to satisfy debt
8 obligations of the dissolved district under section 12 of the
9 revised school code, MCL 380.12, school operating taxes do not
10 include school operating taxes levied within the geographic area of
11 the dissolved district.

12 Sec. 22b. (1) From the appropriation in section 11, there is
13 allocated an amount not to exceed ~~\$3,215,000,000.00 for 2012-2013~~
14 ~~and there is allocated an amount not to exceed \$3,373,700,000.00~~
15 **\$3,335,000,000.00** for 2013-2014 for discretionary nonmandated
16 payments to districts under this section. Funds allocated under
17 this section that are not expended in the state fiscal year for
18 which they were allocated, as determined by the department, may be
19 used to supplement the allocations under sections 22a and 51c in
20 order to fully fund those calculated allocations for the same
21 fiscal year.

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

27 (3) In order to receive an allocation under subsection (1),

1 each district shall do all of the following:

2 (a) Comply with section 1280b of the revised school code, MCL
3 380.1280b.

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

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

9 (d) Comply with section 1230g of the revised school code, MCL
10 380.1230g.

11 (e) Comply with section 21f.

12 (4) Districts are encouraged to use funds allocated under this
13 section for the purchase and support of payroll, human resources,
14 and other business function software that is compatible with that
15 of the intermediate district in which the district is located and
16 with other districts located within that intermediate district.

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

22 (6) From the allocation in subsection (1), the department
23 shall pay up to \$1,000,000.00 in litigation costs incurred by this
24 state associated with lawsuits filed by 1 or more districts or
25 intermediate districts against this state. If the allocation under
26 this section is insufficient to fully fund all payments required
27 under this section, the payments under this subsection shall be

1 made in full before any proration of remaining payments under this
2 section.

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

18 (8) If the local claims review board or a court of competent
19 jurisdiction makes a final determination that this state is in
20 violation of section 29 of article IX of the state constitution of
21 1963 regarding state payments to districts, the state budget
22 director shall use work project funds under subsection (7) or
23 allocate from the discretionary funds for nonmandated payments
24 under this section the amount as may be necessary to satisfy the
25 amount owed to districts before making any payments to districts
26 under subsection (2).

27 (9) If a claim is made in court that challenges the

1 legislative determination of the adequacy of funding for this
2 state's constitutional obligations or alleges that there exists an
3 unfunded constitutional requirement, any interested party may seek
4 an expedited review of the claim by the local claims review board.
5 If the claim exceeds \$10,000,000.00, this state may remove the
6 action to the court of appeals, and the court of appeals shall have
7 and shall exercise jurisdiction over the claim.

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

15 (11) If a lawsuit challenging payments made to districts
16 related to costs reimbursed by federal title XIX medicaid funds is
17 filed against this state, then, for the purpose of addressing
18 potential liability under such a lawsuit, the state budget director
19 may place funds allocated under this section in escrow or allocate
20 money from the funds otherwise allocated under this section, up to
21 a maximum of 50% of the amount allocated in subsection (1). If
22 funds are placed in escrow under this subsection, those funds are a
23 work project appropriation and the funds are carried forward into
24 the following fiscal year. The purpose of the work project is to
25 provide for any payments that may be awarded to districts as a
26 result of the litigation. The work project shall be completed upon
27 resolution of the litigation. In addition, this state reserves the

1 right to terminate future federal title XIX medicaid reimbursement
2 payments to districts if the amount or allocation of reimbursed
3 funds is challenged in the lawsuit. As used in this subsection,
4 "title XIX" means title XIX of the social security act, 42 USC 1396
5 to 1396v.

6 Sec. 22g. (1) From the funds appropriated in section 11, there
7 is allocated for 2013-2014 only an amount not to exceed
8 \$5,000,000.00 for competitive assistance grants to districts and
9 intermediate districts.

10 (2) Funds received under this section may be used for
11 reimbursement of transition costs associated with **THE CONSOLIDATION**
12 **OF OPERATIONS OR SERVICES BETWEEN 2 OR MORE DISTRICTS, INTERMEDIATE**
13 **DISTRICTS, OR OTHER LOCAL UNITS OF GOVERNMENT OR** the consolidation
14 of districts or intermediate districts. Grant funding shall be
15 available for consolidations that occur on or after June 1, 2013.
16 The department shall develop an application process and method of
17 grant distribution.

18 **SEC. 25F. (1) FROM THE STATE SCHOOL AID FUND MONEY**
19 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**
20 **EXCEED \$2,000,000.00 FOR 2013-2014 FOR PAYMENTS TO STRICT**
21 **DISCIPLINE ACADEMIES ESTABLISHED UNDER SECTIONS 1311B TO 1311M OF**
22 **THE REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M, AS PROVIDED**
23 **UNDER THIS SECTION.**

24 (2) **IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, A STRICT**
25 **DISCIPLINE ACADEMY SHALL FIRST COMPLY WITH SECTION 25E AND USE THE**
26 **PUPIL TRANSFER PROCESS UNDER THAT SECTION FOR CHANGES IN ENROLLMENT**
27 **AS PRESCRIBED UNDER THAT SECTION.**

1 (3) NOT LATER THAN JUNE 30, 2014, A STRICT DISCIPLINE ACADEMY
2 SHALL REPORT TO THE CENTER AND TO THE DEPARTMENT, IN A MANNER
3 PRESCRIBED BY THE CENTER AND THE DEPARTMENT, THE FOLLOWING
4 INFORMATION FOR 2013-2014:

5 (A) THE NUMBER OF PUPILS ENROLLED AND IN ATTENDANCE AT THE
6 STRICT DISCIPLINE ACADEMY.

7 (B) THE NUMBER OF DAYS EACH PUPIL ENROLLED WAS IN ATTENDANCE
8 AT THE STRICT DISCIPLINE ACADEMY, NOT TO EXCEED 180.

9 (4) THE AMOUNT OF THE PAYMENT TO A STRICT DISCIPLINE ACADEMY
10 UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO THE DIFFERENCE
11 BETWEEN THE PRODUCT OF 1/180 OF THE PER-PUPIL PAYMENT AS CALCULATED
12 UNDER SECTION 20 FOR THE STRICT DISCIPLINE ACADEMY MULTIPLIED BY
13 THE NUMBER OF DAYS OF PUPIL ATTENDANCE REPORTED UNDER SUBSECTION
14 (3) (B) MINUS THE PRODUCT OF THE PER-PUPIL PAYMENT AS CALCULATED
15 UNDER SECTION 20 FOR THE STRICT DISCIPLINE ACADEMY MULTIPLIED BY
16 THE PUPILS IN MEMBERSHIP AT THE STRICT DISCIPLINE ACADEMY AS
17 CALCULATED UNDER SECTION 6 AND AS ADJUSTED BY SECTION 25E.

18 (5) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
19 TO FULLY FUND THE ADJUSTMENTS UNDER SUBSECTION (4), PAYMENTS TO
20 ELIGIBLE STRICT DISCIPLINE ACADEMIES SHALL BE PRORATED ON AN EQUAL
21 PER-PUPIL BASIS.

22 SEC. 31B. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
23 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR 2013-2014 FOR
24 GRANTS TO AT-RISK DISTRICTS FOR IMPLEMENTING A YEAR-ROUND
25 INSTRUCTIONAL PROGRAM FOR AT LEAST 1 OF ITS SCHOOLS.

26 (2) THE DEPARTMENT SHALL SELECT DISTRICTS FOR GRANTS UNDER
27 THIS SECTION FROM AMONG APPLICANT DISTRICTS THAT MEET BOTH OF THE

1 FOLLOWING:

2 (A) THE DISTRICT MEETS 1 OR BOTH OF THE FOLLOWING:

3 (i) IS ELIGIBLE IN 2013-2014 FOR THE COMMUNITY ELIGIBILITY
4 OPTION FOR FREE AND REDUCED PRICE LUNCH UNDER 42 USC 1759A.

5 (ii) AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT
6 MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR
7 MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED
8 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751
9 TO 1769I.

10 (B) THE BOARD OF THE DISTRICT HAS ADOPTED A RESOLUTION STATING
11 THAT THE DISTRICT WILL IMPLEMENT FOR THE FIRST TIME A YEAR-ROUND
12 INSTRUCTIONAL CALENDAR THAT WILL BEGIN IN 2014-2015 FOR AT LEAST 1
13 SCHOOL OPERATED BY THE DISTRICT AND COMMITTING TO PROVIDING THE
14 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
15 LEAST 3 SCHOOL YEARS.

16 (3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY
17 TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE
18 DEPARTMENT NOT LATER THAN MAY 1, 2014. THE DEPARTMENT SHALL SELECT
19 DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER THAN JUNE 1,
20 2014.

21 (4) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SECTION ON A
22 COMPETITIVE BASIS, BUT SHALL GIVE PRIORITY BASED SOLELY ON
23 CONSIDERATION OF THE FOLLOWING CRITERIA:

24 (A) GIVING PRIORITY TO DISTRICTS WITH LOWER GENERAL FUND
25 BALANCES AS A PERCENT OF REVENUES.

26 (B) GIVING PRIORITY TO DISTRICTS THAT OPERATE AT LEAST 1
27 SCHOOL THAT HAS BEEN IDENTIFIED BY THE DEPARTMENT AS EITHER A

1 PRIORITY SCHOOL OR A FOCUS SCHOOL.

2 (C) ENSURING THAT GRANT FUNDING INCLUDES BOTH RURAL AND URBAN
3 DISTRICTS.

4 (5) THE AMOUNT OF A GRANT UNDER THIS SECTION TO ANY 1 DISTRICT
5 SHALL NOT EXCEED \$750,000.00.

6 (6) A GRANT PAYMENT UNDER THIS SECTION TO A DISTRICT SHALL BE
7 USED FOR NECESSARY MODIFICATIONS TO INSTRUCTIONAL FACILITIES AND
8 OTHER NONRECURRING COSTS OF PREPARING FOR THE OPERATION OF A YEAR-
9 ROUND INSTRUCTIONAL PROGRAM AS APPROVED BY THE DEPARTMENT.

10 (7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION IS NOT
11 REQUIRED TO PROVIDE MORE THAN THE MINIMUM NUMBER OF DAYS AND HOURS
12 OF PUPIL INSTRUCTION PRESCRIBED UNDER SECTION 101, BUT SHALL SPREAD
13 AT LEAST THOSE MINIMUM AMOUNTS OF PUPIL INSTRUCTION OVER THE ENTIRE
14 YEAR IN EACH OF ITS SCHOOLS IN WHICH A YEAR-ROUND INSTRUCTIONAL
15 CALENDAR IS IMPLEMENTED. THE DISTRICT SHALL COMMIT TO PROVIDING THE
16 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
17 LEAST 3 SCHOOL YEARS.

18 (8) FOR A DISTRICT RECEIVING A GRANT UNDER THIS SECTION,
19 EXCESSIVE HEAT IS CONSIDERED TO BE A CONDITION NOT WITHIN THE
20 CONTROL OF SCHOOL AUTHORITIES FOR THE PURPOSE OF DAYS OR HOURS
21 BEING COUNTED AS DAYS OR HOURS OF PUPIL INSTRUCTION UNDER SECTION
22 101(4).

23 (9) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS
24 UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
25 DEPARTMENT.

26 SEC. 32R. (1) IN ADDITION TO THE FUNDS APPROPRIATED UNDER
27 SECTION 11, FOR 2013-2014 ONLY, THERE IS APPROPRIATED THE AMOUNT OF

1 THE FEDERAL FUNDING AWARDED TO THIS STATE UNDER SECTIONS 14005,
2 14006, AND 14013 OF TITLE XIV OF THE AMERICAN RECOVERY AND
3 REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, FOR THE RACE TO THE TOP
4 - EARLY LEARNING CHALLENGE GRANT, ESTIMATED AT \$51,737,500.00.

5 (2) THE DEPARTMENT SHALL USE THE FUNDS APPROPRIATED UNDER THIS
6 SECTION SOLELY FOR THE PURPOSES OF INCREASING THE NUMBER OF LOW-
7 INCOME AND DISADVANTAGED INFANTS, TODDLERS, AND PRESCHOOLERS
8 ENROLLED IN HIGH-QUALITY EARLY LEARNING PROGRAMS AND SHALL SPEND
9 THE FUNDS IN ACCORDANCE WITH THE STATE'S APPLICATION FOR THE FUNDS,
10 AS APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION IN
11 DECEMBER 2013. ACTIVITIES FUNDED UNDER THIS SECTION SHALL FOCUS ON
12 THE FOLLOWING OBJECTIVES:

13 (A) INCREASE ACCESS FOR CHILDREN WITH HIGH NEEDS TO HIGH-
14 QUALITY LEARNING PROGRAMS.

15 (B) INCREASE OPPORTUNITIES FOR LICENSED AND UNLICENSED
16 SUBSIDIZED HOME CARE PROVIDERS TO IMPROVE THE QUALITY OF THEIR
17 PROGRAMS.

18 (C) IMPROVE FAMILIES' ENGAGEMENT IN THEIR CHILDREN'S EARLY
19 LEARNING AND DEVELOPMENT.

20 (D) EXPAND ON EFFORTS TO IDENTIFY AND PROMOTE CHILDREN'S
21 PHYSICAL, SOCIAL, AND EMOTIONAL HEALTH.

22 (E) INCREASE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR EARLY
23 LEARNING CARE PROVIDERS.

24 (F) DEVELOP AN EARLY LEARNING DATA SYSTEM TO MONITOR AND
25 EVALUATE QUALITY STANDARDS OF INDIVIDUAL PROGRAMS. THE DEPARTMENT
26 SHALL ENSURE THAT DATA REPORTED UNDER THE DATA SYSTEM ARE REPORTED
27 IN THE AGGREGATE AND DO NOT IDENTIFY INDIVIDUALS. THIS DATA SYSTEM

1 SHALL BE MAINTAINED ONLY AS LONG AS THERE IS FEDERAL FUNDING
2 AVAILABLE FOR EXPENDITURE UNDER THIS SECTION.

3 (3) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE TO BE SPENT
4 OVER 4 YEARS AND SHALL BE CONSIDERED A WORK PROJECT APPROPRIATION.
5 ANY UNEXPENDED FUNDS FOR 2013-2014 ARE CARRIED FORWARD INTO 2014-
6 2015. THE PURPOSE OF THE WORK PROJECT IS AS DESCRIBED UNDER
7 SUBSECTION (2). THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT
8 IS SEPTEMBER 30, 2018.

9 Sec. 51a. (1) From the appropriation in section 11, there is
10 allocated an amount not to exceed ~~\$952,569,100.00 for 2012-2013 and~~
11 ~~there is allocated an amount not to exceed \$980,446,100.00~~
12 \$919,846,100.00 for 2013-2014 from state sources and all available
13 federal funding under sections 611 to 619 of part B of the
14 individuals with disabilities education act, 20 USC 1411 to 1419,
15 ~~estimated at \$365,000,000.00 for 2012-2013, and estimated at~~
16 \$370,000,000.00 for 2013-2014, plus any carryover federal funds
17 from previous year appropriations. The allocations under this
18 subsection are for the purpose of reimbursing districts and
19 intermediate districts for special education programs, services,
20 and special education personnel as prescribed in article 3 of the
21 revised school code, MCL 380.1701 to 380.1766; net tuition payments
22 made by intermediate districts to the Michigan schools for the deaf
23 and blind; and special education programs and services for pupils
24 who are eligible for special education programs and services
25 according to statute or rule. For meeting the costs of special
26 education programs and services not reimbursed under this article,
27 a district or intermediate district may use money in general funds

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

15 (2) From the funds allocated under subsection (1), there is
16 allocated the amount necessary, estimated at ~~\$251,000,000.00~~ for
17 ~~2012-2013, and estimated at \$257,800,000.00~~ **\$247,000,000.00** for
18 2013-2014, for payments toward reimbursing districts and
19 intermediate districts for 28.6138% of total approved costs of
20 special education, excluding costs reimbursed under section 53a,
21 and 70.4165% of total approved costs of special education
22 transportation. Allocations under this subsection shall be made as
23 follows:

24 (a) The initial amount allocated to a district under this
25 subsection toward fulfilling the specified percentages shall be
26 calculated by multiplying the district's special education pupil
27 membership, excluding pupils described in subsection (11), times

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

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

22 (3) From the funds allocated under subsection (1), there is
23 allocated ~~each fiscal year for 2012-2013 and for 2013-2014~~ an
24 amount not to exceed \$1,000,000.00 to make payments to districts
25 and intermediate districts under this subsection. If the amount
26 allocated to a district or intermediate district for a fiscal year
27 under subsection (2)(b) is less than the sum of the amounts

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

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

1 determination and payments under subsection (3) shall be adjusted
2 as necessary. However, if the amount allocated under subsection
3 (2)(a) in itself exceeds the amount necessary to fulfill the
4 specified percentages in subsection (2), there shall be no
5 deduction under this subsection.

6 (5) State funds shall be allocated on a total approved cost
7 basis. Federal funds shall be allocated under applicable federal
8 requirements, except that an amount not to exceed \$3,500,000.00 may
9 be allocated by the department ~~each fiscal year for 2012-2013 and~~
10 for 2013-2014 to districts, intermediate districts, or other
11 eligible entities on a competitive grant basis for programs,
12 equipment, and services that the department determines to be
13 designed to benefit or improve special education on a statewide
14 scale.

15 (6) From the amount allocated in subsection (1), there is
16 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~
17 ~~for 2012-2013 and~~ for 2013-2014 to reimburse 100% of the net
18 increase in necessary costs incurred by a district or intermediate
19 district in implementing the revisions in the administrative rules
20 for special education that became effective on July 1, 1987. As
21 used in this subsection, "net increase in necessary costs" means
22 the necessary additional costs incurred solely because of new or
23 revised requirements in the administrative rules minus cost savings
24 permitted in implementing the revised rules. Net increase in
25 necessary costs shall be determined in a manner specified by the
26 department.

27 (7) For purposes of sections 51a to 58, all of the following

1 apply:

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

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

1 another district or intermediate district shall report the cost of
2 those support services for special education reimbursement purposes
3 under this article. This subdivision does not prohibit the transfer
4 of special education classroom teachers and special education
5 classroom aides if the pupils counted in membership associated with
6 those special education classroom teachers and special education
7 classroom aides are transferred and counted in membership in the
8 other district or intermediate district in conjunction with the
9 transfer of those teachers and aides.

10 (c) If the department determines before bookclosing for a
11 fiscal year that the amounts allocated for that fiscal year under
12 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
13 will exceed expenditures for that fiscal year under subsections
14 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
15 district or intermediate district whose reimbursement for that
16 fiscal year would otherwise be affected by subdivision (b),
17 subdivision (b) does not apply to the calculation of the
18 reimbursement for that district or intermediate district and
19 reimbursement for that district or intermediate district shall be
20 calculated in the same manner as it was for 2003-2004. If the
21 amount of the excess allocations under subsections (2), (3), (6),
22 and (11) and sections 53a, 54, and 56 is not sufficient to fully
23 fund the calculation of reimbursement to those districts and
24 intermediate districts under this subdivision, then the
25 calculations and resulting reimbursement under this subdivision
26 shall be prorated on an equal percentage basis. This reimbursement
27 shall not be made after 2014-2015.

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

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

27 (8) A pupil who is enrolled in a full-time special education

1 program conducted or administered by an intermediate district or a
2 pupil who is enrolled in the Michigan schools for the deaf and
3 blind shall not be included in the membership count of a district,
4 but shall be counted in membership in the intermediate district of
5 residence.

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

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

17 (11) From the funds allocated in subsection (1), there is
18 allocated the amount necessary, estimated at ~~\$4,300,000.00~~ for
19 ~~2012-2013, and estimated at \$4,300,000.00~~ **\$3,500,000.00** for 2013-
20 2014, to pay the foundation allowances for pupils described in this
21 subsection. The allocation to a district under this subsection
22 shall be calculated by multiplying the number of pupils described
23 in this subsection who are counted in membership in the district
24 times the foundation allowance under section 20 of the pupil's
25 district of residence, not to exceed the basic foundation allowance
26 under section 20 for the current fiscal year, or, for a pupil
27 described in this subsection who is counted in membership in a

1 district that is a public school academy, times an amount equal to
2 the amount per membership pupil under section 20(6) or, for a pupil
3 described in this subsection who is counted in membership in the
4 education achievement system, times an amount equal to the amount
5 per membership pupil under section 20(7). The allocation to an
6 intermediate district under this subsection shall be calculated in
7 the same manner as for a district, using the foundation allowance
8 under section 20 of the pupil's district of residence, not to
9 exceed the basic foundation allowance under section 20 for the
10 current fiscal year. This subsection applies to all of the
11 following pupils:

12 (a) Pupils described in section 53a.

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

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

20 (12) If it is determined that funds allocated under subsection
21 (2) or (11) or under section 51c will not be expended, funds up to
22 the amount necessary and available may be used to supplement the
23 allocations under subsection (2) or (11) or under section 51c in
24 order to fully fund those allocations. After payments under
25 subsections (2) and (11) and section 51c, the remaining
26 expenditures from the allocation in subsection (1) shall be made in
27 the following order:

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

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

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

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

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

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

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

27 Sec. 51c. As required by the court in the consolidated cases

1 known as Durant v State of Michigan, Michigan supreme court docket
2 no. 104458-104492, from the allocation under section 51a(1), there
3 is allocated ~~each fiscal year for 2012-2013 and for 2013-2014~~ the
4 amount necessary, estimated at ~~\$642,000,000.00 for 2012-2013, and~~
5 ~~estimated at \$662,200,000.00 for 2013-2014,~~ **\$613,200,000.00**, for
6 payments to reimburse districts for 28.6138% of total approved
7 costs of special education excluding costs reimbursed under section
8 53a, and 70.4165% of total approved costs of special education
9 transportation. Funds allocated under this section that are not
10 expended in the state fiscal year for which they were allocated, as
11 determined by the department, may be used to supplement the
12 allocations under sections 22a and 22b in order to fully fund those
13 calculated allocations for the same fiscal year.

14 **SEC. 64D. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
15 **SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2013-2014 THE**
16 **AMOUNT OF \$3,900,000.00 FOR A CONTRACT WITH A SINGLE PROVIDER TO**
17 **PROVIDE INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO HIGH**
18 **SCHOOL, CAREER ACADEMY, AND COMMUNITY COLLEGE STUDENTS. THE**
19 **PROVIDER SHALL ALLOW PARTICIPATING STUDENTS AND FACULTY TO ACHIEVE**
20 **BROAD-BASED INFORMATION TECHNOLOGY CERTIFICATIONS AND COLLEGE**
21 **CREDIT. THE PROVIDER SHALL MAKE AVAILABLE THROUGH DISTRICTS,**
22 **INTERMEDIATE DISTRICTS, CAREER ACADEMIES, AND COMMUNITY COLLEGES**
23 **INSTRUCTION ON INFORMATION TECHNOLOGY SKILLS AND COMPETENCIES THAT**
24 **ARE ESSENTIAL FOR THE WORKPLACE AND THAT ARE REQUESTED BY**
25 **EMPLOYERS. THE DEPARTMENT SHALL USE A COMPETITIVE REQUEST FOR**
26 **PROPOSALS PROCESS FOR THE CONTRACT, AND THE REQUEST FOR PROPOSALS**
27 **SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL OF THE FOLLOWING**

1 REQUIREMENTS:

2 (A) A CURRICULUM BASED ON RESEARCH, INFORMATION TECHNOLOGY,
3 AND SKILL DEVELOPMENT.

4 (B) ONLINE ACCESS TO THE CURRICULUM.

5 (C) INSTRUCTIONAL SOFTWARE FOR CLASSROOM AND STUDENT USE.

6 (D) CERTIFICATION OF SKILLS AND COMPETENCIES IN A BROAD BASE
7 OF INFORMATION TECHNOLOGY-RELATED SKILL AREAS.

8 (E) PROFESSIONAL DEVELOPMENT FOR FACULTY.

9 (F) DEPLOYMENT AND PROGRAM SUPPORT, INCLUDING, BUT NOT LIMITED
10 TO, INTEGRATION WITH CURRENT CURRICULUM STANDARDS.

11 (G) METHODS FOR STUDENTS TO EARN COLLEGE CREDIT.

12 (2) THE DEPARTMENT SHALL ENSURE THAT THE REQUEST FOR PROPOSALS
13 UNDER SUBSECTION (1) IS DELIVERED TO ALL COMMUNITY COLLEGES IN THIS
14 STATE. IF A COMMUNITY COLLEGE OR GROUP OF COMMUNITY COLLEGES
15 SUBMITS A PROPOSAL, BEFORE MAKING A DECISION TO AWARD A CONTRACT
16 UNDER THIS SECTION TO ANY PROVIDER THAT IS NOT A COMMUNITY COLLEGE
17 OR GROUP OF COMMUNITY COLLEGES, THE DEPARTMENT SHALL PROVIDE TO THE
18 COMMUNITY COLLEGE OR GROUP OF COMMUNITY COLLEGES AN INTERACTIVE
19 RESPONSE TO THE PROPOSAL.

20 (3) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE TO BE SPENT
21 OVER 3 YEARS AND SHALL BE CONSIDERED A WORK PROJECT APPROPRIATION.
22 ANY UNEXPENDED FUNDS FOR 2013-2014 ARE CARRIED FORWARD INTO 2014-
23 2015. THE PURPOSE OF THE WORK PROJECT IS AS DESCRIBED UNDER
24 SUBSECTION (1). THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT
25 IS SEPTEMBER 30, 2017.

26 SEC. 94. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
27 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2013-2014 AN AMOUNT

1 NOT TO EXCEED \$250,000.00 FOR EFFORTS TO INCREASE THE NUMBER OF
2 PUPILS WHO PARTICIPATE AND SUCCEED IN ADVANCED PLACEMENT AND
3 INTERNATIONAL BACCALAUREATE PROGRAMS.

4 (2) FROM THE FUNDS ALLOCATED UNDER THIS SECTION, THE
5 DEPARTMENT SHALL AWARD FUNDS TO COVER ALL OR PART OF THE COSTS OF
6 ADVANCED PLACEMENT TEST FEES OR INTERNATIONAL BACCALAUREATE TEST
7 FEES FOR LOW-INCOME PUPILS WHO TAKE AN ADVANCED PLACEMENT OR AN
8 INTERNATIONAL BACCALAUREATE TEST. PAYMENTS SHALL NOT EXCEED \$20.00
9 PER TEST COMPLETED.

10 (3) THE DEPARTMENT SHALL ONLY AWARD FUNDS UNDER THIS SECTION
11 IF THE DEPARTMENT DETERMINES THAT ALL OF FOLLOWING CRITERIA ARE
12 MET:

13 (A) EACH PUPIL FOR WHOM PAYMENT IS MADE MEETS ELIGIBILITY
14 REQUIREMENTS OF THE FEDERAL ADVANCED PLACEMENT TEST FEE PROGRAM
15 UNDER SECTION 1701 OF THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC
16 LAW 107-110.

17 (B) THE TESTS ARE ADMINISTERED BY THE COLLEGE BOARD, THE
18 INTERNATIONAL BACCALAUREATE ORGANIZATION, OR ANOTHER TEST PROVIDER
19 APPROVED BY THE DEPARTMENT.

20 (C) THE PUPIL FOR WHOM PAYMENT IS MADE PAYS AT LEAST \$5.00
21 TOWARD THE COST OF EACH TEST FOR WHICH PAYMENT IS MADE.

22 (4) THE DEPARTMENT SHALL ESTABLISH PROCEDURES FOR AWARDING
23 FUNDS UNDER THIS SECTION.

24 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
25 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

26 Sec. 99h. (1) From the appropriation in section 11, there is
27 allocated an amount not to exceed \$3,000,000.00 for 2013-2014 for

1 competitive grants to districts that provide pupils in grades 7 to
2 12 with expanded opportunities to improve mathematics, science, and
3 technology skills by participating in events hosted by a science
4 and technology development program known as FIRST (for inspiration
5 and recognition of science and technology) robotics.

6 (2) A district applying for a FIRST tech challenge or FIRST
7 robotics competition program grant shall submit an application in a
8 form and manner determined by the department. To be eligible for a
9 grant, a district shall demonstrate in its application that the
10 district has established a partnership for the purposes of the
11 FIRST program with at least 1 sponsor, business entity, higher
12 education institution, or technical school.

13 (3) The department shall distribute the grant funding under
14 this section for the following purposes:

15 (a) Except as otherwise provided in subparagraph (iii), ~~not more~~
16 ~~than~~ **AN AMOUNT ESTIMATED AT** \$1,000,000.00 for grants to districts
17 to pay for stipends of \$1,500.00 for 1 coach per team, distributed
18 as follows:

19 (i) Not more than 500 stipends for coaches of high school
20 teams, including existing teams.

21 (ii) Not more than 100 stipends for coaches of middle school or
22 junior high teams, including existing teams.

23 (iii) If the requests for stipends exceed the numbers of
24 stipends allowed under subparagraphs (i) and (ii), and if there is
25 funding remaining unspent under subdivisions (b) and (c), the
26 department shall use that remaining unspent funding for grants to
27 districts to pay for additional stipends in a manner that expands

1 the geographical distribution of teams.

2 (b) ~~Not more than~~ **AN AMOUNT ESTIMATED AT** \$1,000,000.00 for
3 grants to districts for event registrations, materials, travel
4 costs, and other expenses associated with the preparation for and
5 attendance at FIRST tech challenge and FIRST robotics competitions.
6 Each grant recipient shall provide a local match from other private
7 or local funds for the funds received under this subdivision equal
8 to at least 50% of the costs of participating in an event. The
9 department shall set maximum grant amounts under this subdivision
10 in a manner that maximizes the number of teams that will be able to
11 receive funding.

12 (c) ~~Not more than~~ **AN AMOUNT ESTIMATED AT** \$1,000,000.00 for
13 grants to districts for awards to teams that advance to the state
14 and world championship competitions. The department shall determine
15 an equal amount per team for those teams that advance to the state
16 championship and a second equal award amount to those teams that
17 advance to the world championship.

18 **(4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT**
19 **APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2013-2014 ARE CARRIED**
20 **FORWARD INTO 2014-2015. THE PURPOSE OF THE WORK PROJECT IS TO**
21 **CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER SUBSECTION (1).**
22 **THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,**
23 **2016.**

24 Sec. 101. (1) To be eligible to receive state aid under this
25 article, not later than the fifth Wednesday after the pupil
26 membership count day and not later than the fifth Wednesday after
27 the supplemental count day, each district superintendent shall

1 submit to the center and the intermediate superintendent, in the
2 form and manner prescribed by the center, the number of pupils
3 enrolled and in regular daily attendance in the district as of the
4 pupil membership count day and as of the supplemental count day, as
5 applicable, for the current school year. In addition, a district
6 maintaining school during the entire year, as provided under
7 section 1561 of the revised school code, MCL 380.1561, shall submit
8 to the center and the intermediate superintendent, in the form and
9 manner prescribed by the center, the number of pupils enrolled and
10 in regular daily attendance in the district for the current school
11 year pursuant to rules promulgated by the superintendent. Not later
12 than the sixth Wednesday after the pupil membership count day and
13 not later than the sixth Wednesday after the supplemental count
14 day, the district shall certify the data in a form and manner
15 prescribed by the center and file the certified data with the
16 intermediate superintendent. If a district fails to submit and
17 certify the attendance data, as required under this subsection, the
18 center shall notify the department and state aid due to be
19 distributed under this article shall be withheld from the
20 defaulting district immediately, beginning with the next payment
21 after the failure and continuing with each payment until the
22 district complies with this subsection. If a district does not
23 comply with this subsection by the end of the fiscal year, the
24 district forfeits the amount withheld. A person who willfully
25 falsifies a figure or statement in the certified and sworn copy of
26 enrollment shall be punished in the manner prescribed by section
27 161.

1 (2) To be eligible to receive state aid under this article,
2 not later than the twenty-fourth Wednesday after the pupil
3 membership count day and not later than the twenty-fourth Wednesday
4 after the supplemental count day, an intermediate district shall
5 submit to the center, in a form and manner prescribed by the
6 center, the audited enrollment and attendance data for the pupils
7 of its constituent districts and of the intermediate district. If
8 an intermediate district fails to submit the audited data as
9 required under this subsection, state aid due to be distributed
10 under this article shall be withheld from the defaulting
11 intermediate district immediately, beginning with the next payment
12 after the failure and continuing with each payment until the
13 intermediate district complies with this subsection. If an
14 intermediate district does not comply with this subsection by the
15 end of the fiscal year, the intermediate district forfeits the
16 amount withheld.

17 (3) Except as otherwise provided in subsections (11) and (12),
18 all of the following apply to the provision of pupil instruction:

19 (a) Except as otherwise provided in this section, each
20 district shall provide at least 1,098 hours and, beginning in 2010-
21 2011, the required minimum number of days of pupil instruction.
22 Beginning in 2012-2013, the required minimum number of days of
23 pupil instruction is 170. Beginning in 2014-2015, the required
24 minimum number of days of pupil instruction is 175. However, **ALL OF**
25 **THE FOLLOWING APPLY TO THESE REQUIREMENTS:**

26 (i) **EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (ii)**, a
27 district shall not provide fewer days of pupil instruction than the

1 district provided for 2009-2010.

2 (ii) FOR 2013-2014 ONLY, IF A DISTRICT IS SCHEDULED TO PROVIDE
3 MORE THAN 174 DAYS OF INSTRUCTION, THE DISTRICT SHALL PROVIDE AT
4 LEAST 174 DAYS OF INSTRUCTION AND 1,098 HOURS OF PUPIL INSTRUCTION.

5 (iii) IF A COLLECTIVE BARGAINING AGREEMENT THAT PROVIDES FOR AT
6 LEAST 170 DAYS BUT LESS THAN 175 DAYS, AND AT LEAST 1,098 HOURS, OF
7 PUPIL INSTRUCTION IS IN EFFECT FOR EMPLOYEES OF A DISTRICT AS OF
8 JUNE 13, 2013, THEN UNTIL THE SCHOOL YEAR THAT BEGINS AFTER THE
9 EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT THE DISTRICT
10 SHALL PROVIDE AT LEAST THE NUMBER OF DAYS OF PUPIL INSTRUCTION
11 IDENTIFIED IN THE COLLECTIVE BARGAINING AGREEMENT, AND AT LEAST
12 1,098 HOURS OF PUPIL INSTRUCTION.

13 (iv) A district may apply for a waiver under subsection (9)
14 from the requirements of this subdivision. ~~For 2012-2013 only, if a~~
15 ~~district is unable to provide the required minimum number of days~~
16 ~~of pupil instruction because of school closures occurring before~~
17 ~~April 20, 2013 due to conditions not within the control of school~~
18 ~~authorities, such as severe storms, fires, epidemics, utility power~~
19 ~~unavailability, water or sewer failure, or health conditions as~~
20 ~~defined by the city, county, or state health authorities, but the~~
21 ~~district does provide at least the required minimum number of hours~~
22 ~~of pupil instruction, the district is not subject to the minimum~~
23 ~~number of days of pupil instruction requirement of this subsection.~~
24 ~~A district that uses the 2012-2013 exception from the minimum~~
25 ~~number of days of pupil instruction requirement shall submit to the~~
26 ~~department not later than July 1, 2013, in the form and manner~~
27 ~~prescribed by the department, a report that details the amount of~~

1 ~~instructional time that was lost due to school closures and the~~
2 ~~amount of additional instructional time that was added to~~
3 ~~compensate; when the additional instructional time was provided,~~
4 ~~the activities that were carried out and subject areas addressed~~
5 ~~during the additional instructional time; and other information~~
6 ~~specified by the department to assess whether appropriate~~
7 ~~instruction occurred during the additional instructional time. The~~
8 ~~department shall aggregate and provide these reports to the senate~~
9 ~~and house standing committees on education.~~

10 (b) Except as otherwise provided in this article, a district
11 failing to comply with the required minimum hours and days of pupil
12 instruction under this subsection shall forfeit from its total
13 state aid allocation an amount determined by applying a ratio of
14 the number of hours or days the district was in noncompliance in
15 relation to the required minimum number of hours and days under
16 this subsection. Not later than August 1, the board of each
17 district shall certify to the department the number of hours and
18 days of pupil instruction in the previous school year. If the
19 district did not provide at least the required minimum number of
20 hours and days of pupil instruction under this subsection, the
21 deduction of state aid shall be made in the following fiscal year
22 from the first payment of state school aid. A district is not
23 subject to forfeiture of funds under this subsection for a fiscal
24 year in which a forfeiture was already imposed under subsection
25 (6).

26 (c) Hours or days lost because of strikes or teachers'
27 conferences shall not be counted as hours or days of pupil

1 instruction.

2 (d) If a collective bargaining agreement that provides a
3 complete school calendar is in effect for employees of a district
4 as of October 19, 2009, and if that school calendar is not in
5 compliance with this subsection, then this subsection does not
6 apply to that district until after the expiration of that
7 collective bargaining agreement.

8 (e) Except as otherwise provided in ~~subdivision (f)~~,
9 **SUBDIVISIONS (F) AND (G)**, a district not having at least 75% of the
10 district's membership in attendance on any day of pupil instruction
11 shall receive state aid in that proportion of 1/180 that the actual
12 percent of attendance bears to the specified percentage.

13 **(F) IF A DISTRICT ADDS 1 OR MORE DAYS OF PUPIL INSTRUCTION TO**
14 **THE END OF ITS INSTRUCTIONAL CALENDAR FOR A SCHOOL YEAR TO COMPLY**
15 **WITH SUBDIVISION (A) BECAUSE THE DISTRICT OTHERWISE WOULD FAIL TO**
16 **PROVIDE THE REQUIRED MINIMUM NUMBER OF DAYS OF PUPIL INSTRUCTION**
17 **EVEN AFTER THE OPERATION OF SUBSECTION (4) DUE TO CONDITIONS NOT**
18 **WITHIN THE CONTROL OF SCHOOL AUTHORITIES, THEN SUBDIVISION (E) DOES**
19 **NOT APPLY FOR ANY DAY OF PUPIL INSTRUCTION THAT IS ADDED TO THE END**
20 **OF THE INSTRUCTIONAL CALENDAR. INSTEAD, FOR ANY OF THOSE DAYS, IF**
21 **THE DISTRICT DOES NOT HAVE AT LEAST 60% OF THE DISTRICT'S**
22 **MEMBERSHIP IN ATTENDANCE ON THAT DAY, THE DISTRICT SHALL RECEIVE**
23 **STATE AID IN THAT PROPORTION OF 1/180 THAT THE ACTUAL PERCENTAGE OF**
24 **ATTENDANCE BEARS TO THE SPECIFIED PERCENTAGE. FOR ANY DAY OF PUPIL**
25 **INSTRUCTION ADDED TO THE INSTRUCTIONAL CALENDAR AS DESCRIBED IN**
26 **THIS SUBDIVISION, THE DISTRICT SHALL REPORT TO THE DEPARTMENT THE**
27 **PERCENTAGE OF THE DISTRICT'S MEMBERSHIP THAT IS IN ATTENDANCE, IN**

1 **THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.**

2 (G) ~~(f)~~—At the request of a district that operates a
3 department-approved alternative education program and that does not
4 provide instruction for pupils in all of grades K to 12, the
5 superintendent may grant a waiver from the requirements of
6 subdivision (e). The waiver shall indicate that an eligible
7 district is subject to the proration provisions of subdivision (e)
8 only if the district does not have at least 50% of the district's
9 membership in attendance on any day of pupil instruction. In order
10 to be eligible for this waiver, a district must maintain records to
11 substantiate its compliance with the following requirements:

12 (i) The district offers the minimum hours of pupil instruction
13 as required under this section.

14 (ii) For each enrolled pupil, the district uses appropriate
15 academic assessments to develop an individual education plan that
16 leads to a high school diploma.

17 (iii) The district tests each pupil to determine academic
18 progress at regular intervals and records the results of those
19 tests in that pupil's individual education plan.

20 (H) ~~(g)~~—All of the following apply to a waiver granted under
21 subdivision ~~(f)~~ **(G)** :

22 (i) If the waiver is for a blended model of delivery, a waiver
23 that is granted for the 2011-2012 fiscal year or a subsequent
24 fiscal year remains in effect unless it is revoked by the
25 superintendent.

26 (ii) If the waiver is for a 100% online model of delivery and
27 the educational program for which the waiver is granted makes

1 educational services available to pupils for a minimum of at least
2 1,098 hours during a school year and ensures that each pupil
3 participates in the educational program for at least 1,098 hours
4 during a school year, a waiver that is granted for the 2011-2012
5 fiscal year or a subsequent fiscal year remains in effect unless it
6 is revoked by the superintendent.

7 (iii) A waiver that is not a waiver described in subparagraph
8 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
9 to remain in effect.

10 (I) ~~(h)~~—The superintendent shall promulgate rules for the
11 implementation of this subsection.

12 (4) Except as otherwise provided in this subsection, the first
13 6 days or the equivalent number of hours for which pupil
14 instruction is not provided because of conditions not within the
15 control of school authorities, such as severe storms, fires,
16 epidemics, utility power unavailability, water or sewer failure, or
17 health conditions as defined by the city, county, or state health
18 authorities, shall be counted as hours and days of pupil
19 instruction. With the approval of the superintendent of public
20 instruction, the department shall count as hours and days of pupil
21 instruction for a fiscal year not more than 6 additional days or
22 the equivalent number of additional hours for which pupil
23 instruction is not provided in a district after April 1 of the
24 applicable school year due to unusual and extenuating occurrences
25 resulting from conditions not within the control of school
26 authorities such as those conditions described in this subsection.
27 Subsequent such hours or days shall not be counted as hours or days

1 of pupil instruction.

2 (5) A district shall not forfeit part of its state aid
3 appropriation because it adopts or has in existence an alternative
4 scheduling program for pupils in kindergarten if the program
5 provides at least the number of hours required under subsection (3)
6 for a full-time equated membership for a pupil in kindergarten as
7 provided under section 6(4).

8 (6) In addition to any other penalty or forfeiture under this
9 section, if at any time the department determines that 1 or more of
10 the following have occurred in a district, the district shall
11 forfeit in the current fiscal year beginning in the next payment to
12 be calculated by the department a proportion of the funds due to
13 the district under this article that is equal to the proportion
14 below the required minimum number of hours and days of pupil
15 instruction under subsection (3), as specified in the following:

16 (a) The district fails to operate its schools for at least the
17 required minimum number of hours and days of pupil instruction
18 under subsection (3) in a school year, including hours and days
19 counted under subsection (4).

20 (b) The board of the district takes formal action not to
21 operate its schools for at least the required minimum number of
22 hours and days of pupil instruction under subsection (3) in a
23 school year, including hours and days counted under subsection (4).

24 (7) In providing the minimum number of hours and days of pupil
25 instruction required under subsection (3), a district shall use the
26 following guidelines, and a district shall maintain records to
27 substantiate its compliance with the following guidelines:

1 (a) Except as otherwise provided in this subsection, a pupil
2 must be scheduled for at least the required minimum number of hours
3 of instruction, excluding study halls, or at least the sum of 90
4 hours plus the required minimum number of hours of instruction,
5 including up to 2 study halls.

6 (b) The time a pupil is assigned to any tutorial activity in a
7 block schedule may be considered instructional time, unless that
8 time is determined in an audit to be a study hall period.

9 (c) Except as otherwise provided in this subdivision, a pupil
10 in grades 9 to 12 for whom a reduced schedule is determined to be
11 in the individual pupil's best educational interest must be
12 scheduled for a number of hours equal to at least 80% of the
13 required minimum number of hours of pupil instruction to be
14 considered a full-time equivalent pupil. A pupil in grades 9 to 12
15 who is scheduled in a 4-block schedule may receive a reduced
16 schedule under this subsection if the pupil is scheduled for a
17 number of hours equal to at least 75% of the required minimum
18 number of hours of pupil instruction to be considered a full-time
19 equivalent pupil.

20 (d) If a pupil in grades 9 to 12 who is enrolled in a
21 cooperative education program or a special education pupil cannot
22 receive the required minimum number of hours of pupil instruction
23 solely because of travel time between instructional sites during
24 the school day, that travel time, up to a maximum of 3 hours per
25 school week, shall be considered to be pupil instruction time for
26 the purpose of determining whether the pupil is receiving the
27 required minimum number of hours of pupil instruction. However, if

1 a district demonstrates to the satisfaction of the department that
2 the travel time limitation under this subdivision would create
3 undue costs or hardship to the district, the department may
4 consider more travel time to be pupil instruction time for this
5 purpose.

6 (e) In grades 7 through 12, instructional time that is part of
7 a junior reserve officer training corps (JROTC) program shall be
8 considered to be pupil instruction time regardless of whether the
9 instructor is a certificated teacher if all of the following are
10 met:

11 (i) The instructor has met all of the requirements established
12 by the United States department of defense and the applicable
13 branch of the armed services for serving as an instructor in the
14 junior reserve officer training corps program.

15 (ii) The board of the district or intermediate district
16 employing or assigning the instructor complies with the
17 requirements of sections 1230 and 1230a of the revised school code,
18 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
20 teacher.

21 (8) Except as otherwise provided in subsections (11) and (12),
22 the department shall apply the guidelines under subsection (7) in
23 calculating the full-time equivalency of pupils.

24 (9) Upon application by the district for a particular fiscal
25 year, the superintendent may waive for a district the minimum
26 number of hours and days of pupil instruction requirement of
27 subsection (3) for a department-approved alternative education

1 program or another innovative program approved by the department,
2 including a 4-day school week. If a district applies for and
3 receives a waiver under this subsection and complies with the terms
4 of the waiver, the district is not subject to forfeiture under this
5 section for the specific program covered by the waiver. If the
6 district does not comply with the terms of the waiver, the amount
7 of the forfeiture shall be calculated based upon a comparison of
8 the number of hours and days of pupil instruction actually provided
9 to the minimum number of hours and days of pupil instruction
10 required under subsection (3). Pupils enrolled in a department-
11 approved alternative education program under this subsection shall
12 be reported to the center in a form and manner determined by the
13 center. All of the following apply to a waiver granted under this
14 subsection:

15 (a) If the waiver is for a blended model of delivery, a waiver
16 that is granted for the 2011-2012 fiscal year or a subsequent
17 fiscal year remains in effect unless it is revoked by the
18 superintendent.

19 (b) If the waiver is for a 100% online model of delivery and
20 the educational program for which the waiver is granted makes
21 educational services available to pupils for a minimum of at least
22 1,098 hours during a school year and ensures that each pupil
23 participates in the educational program for at least 1,098 hours
24 during a school year, a waiver that is granted for the 2011-2012
25 fiscal year or a subsequent fiscal year remains in effect unless it
26 is revoked by the superintendent.

27 (c) A waiver that is not a waiver described in subdivision (a)

1 or (b) is valid for 1 fiscal year and must be renewed annually to
2 remain in effect.

3 (10) Until 2014-2015, a district may count up to 38 hours of
4 qualifying professional development for teachers as hours of pupil
5 instruction. **HOWEVER, IF A COLLECTIVE BARGAINING AGREEMENT THAT**
6 **PROVIDES FOR THE COUNTING OF UP TO 38 HOURS OF QUALIFYING**
7 **PROFESSIONAL DEVELOPMENT FOR TEACHERS AS PUPIL INSTRUCTION IS IN**
8 **EFFECT FOR EMPLOYEES OF A DISTRICT AS OF JUNE 13, 2013, THEN UNTIL**
9 **THE SCHOOL YEAR THAT BEGINS AFTER THE EXPIRATION OF THAT COLLECTIVE**
10 **BARGAINING AGREEMENT A DISTRICT MAY COUNT UP TO THE CONTRACTUALLY**
11 **SPECIFIED NUMBER OF HOURS OF QUALIFYING PROFESSIONAL DEVELOPMENT**
12 **FOR TEACHERS AS HOURS OF PUPIL INSTRUCTION.** Professional
13 development provided online is allowable and encouraged, as long as
14 the instruction has been approved by the district. The department
15 shall issue a list of approved online professional development
16 providers, which shall include the Michigan virtual school. As used
17 in this subsection, "qualifying professional development" means
18 professional development that is focused on 1 or more of the
19 following:

20 (a) Achieving or improving adequate yearly progress as defined
21 under the no child left behind act of 2001, Public Law 107-110.

22 (b) Achieving accreditation or improving a school's
23 accreditation status under section 1280 of the revised school code,
24 MCL 380.1280.

25 (c) Achieving highly qualified teacher status as defined under
26 the no child left behind act of 2001, Public Law 107-110.

27 (d) Integrating technology into classroom instruction.

1 (e) Maintaining teacher certification.

2 (11) Subsections (3) and (8) do not apply to a school of
3 excellence that is a cyber school, as defined in section 551 of the
4 revised school code, MCL 380.551, and is in compliance with section
5 553a of the revised school code, MCL 380.553a.

6 (12) Subsections (3) and (8) do not apply to eligible pupils
7 enrolled in a dropout recovery program that meets the requirements
8 of section 23a. As used in this subsection, "eligible pupil" means
9 that term as defined in section 23a.

10 (13) Beginning in 2013, at least every 2 years the
11 superintendent shall review the waiver standards set forth in the
12 pupil accounting and auditing manuals to ensure that the waiver
13 standards and waiver process continue to be appropriate and
14 responsive to changing trends in online learning. The
15 superintendent shall solicit and consider input from stakeholders
16 as part of this review.

17 Sec. 147c. (1) ~~From the state school aid fund money~~
18 ~~appropriated in section 11, there is allocated for 2012-2013 an~~
19 ~~amount not to exceed \$160,000,000.00 for payments to districts and~~
20 ~~intermediate districts that are participating entities of the~~
21 ~~retirement system. From the appropriation in section 11, there is~~
22 allocated for 2013-2014 an amount not to exceed \$247,300,000.00
23 \$249,500,000.00 from the state school aid fund, and there is
24 appropriated for 2013-2014 an amount not to exceed \$156,000,000.00
25 from the MPSERS retirement obligation reform reserve fund, for
26 payments to districts and intermediate districts that are
27 participating entities of the Michigan public school employees'

1 retirement system.

2 (2) In addition to the allocation under subsection (1), from
3 the general fund money appropriated under section 11, there is
4 allocated for payments to district libraries that are participating
5 entities of the retirement system an amount not to exceed
6 ~~\$500,000.00 for 2012-2013 and an amount not to exceed \$1,300,000.00~~
7 for 2013-2014.

8 ~~(3) Payments made under this section for 2012-2013 shall be~~
9 ~~equal to the difference between the unfunded actuarial accrued~~
10 ~~liability contribution rate as calculated pursuant to section 41 of~~
11 ~~the public school employees retirement act of 1979, 1980 PA 300,~~
12 ~~MCL 38.1341, and the maximum employer rate of 20.96% included in~~
13 ~~section 41 of the public school employees retirement act of 1979,~~
14 ~~1980 PA 300, MCL 38.1341. Payments made under this section for~~
15 2013-2014 shall be equal to the difference between the unfunded
16 actuarial accrued liability contribution rate as calculated
17 pursuant to section 41 of the public school employees retirement
18 act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking
19 into account the maximum employer rate of 20.96% included in
20 section 41 of the public school employees retirement act of 1979,
21 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96%
22 included in section 41 of the public school employees retirement
23 act of 1979, 1980 PA 300, MCL 38.1341.

24 (4) The amount allocated to each participating entity under
25 this section shall be based on each participating entity's
26 proportion of the total covered payroll for the immediately
27 preceding fiscal year for the same type of participating entities.

1 A participating entity that receives funds under this section shall
2 use the funds solely for the purpose of retirement contributions as
3 specified in subsection (5).

4 (5) Each participating entity receiving funds under this
5 section shall forward an amount equal to the amount allocated under
6 subsection (4) to the retirement system in a form, manner, and time
7 frame determined by the retirement system.

8 (6) Funds allocated under this section should be considered
9 when comparing a district's growth in total state aid funding from
10 1 fiscal year to the next.

11 (7) As used in this section:

12 (a) "Participating entity" means a district, intermediate
13 district, or district library that is a reporting unit of the
14 Michigan public school employees' retirement system under the
15 public school employees retirement act of 1979, 1980 PA 300, MCL
16 38.1301 to 38.1437, and that reports employees to the Michigan
17 public school employees' retirement system for the applicable
18 fiscal year.

19 (b) "Retirement board" means the board that administers the
20 retirement system under the public school employees retirement act
21 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

22 (c) "Retirement system" means the Michigan public school
23 employees' retirement system under the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

25 Enacting section 1. In accordance with section 30 of article
26 IX of the state constitution of 1963, total state spending on
27 school aid under 2013 PA 60, 2013 PA 130, and this amendatory act

1 from state sources for fiscal year 2013-2014 is estimated at
2 \$11,506,132,300.00 and state appropriations for school aid to be
3 paid to local units of government for fiscal year 2013-2014 are
4 estimated at \$11,343,224,700.00.