

SENATE BILL No. 222

February 27, 2013, Introduced by Senator KAHN and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 18b, 19, 20, 20d, 22a, 22b, 22d, 22f, 22i, 22j, 24, 24a, 24c, 25, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51a, 51b, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 95, 98, 99, 101, 102, 104, 107, 147, 147a, 147b, 147c, and 152a (MCL 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1618b, 388.1619, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1651a, 388.1651b, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1695, 388.1698, 388.1699, 388.1701, 388.1702, 388.1704, 388.1707,

388.1747, 388.1747a, 388.1747b, 388.1747c, and 388.1752a), sections 6, 11, 25, and 26b as amended by 2012 PA 465, sections 11a, 11g 11j, 11k, 11m, 18, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32d, 39, 39a, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 102, 104, 107, 147, 147a, 147b, and 152a, as amended and sections 22i, 22j, 26c, 32p, 95, and 147c as added by 2012 PA 201, section 15 as amended by 2012 PA 286, section 18b as amended by 2008 PA 268, section 51b as added by 1996 PA 300, section 101 as amended by 2012 PA 516, and by adding sections 21f, 22c, 22k, 201, 202, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210, 213, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 229, 230, 230a, 231, 236, 236b, 237, 237b, 238, 241, 242, 243, 244, 245, 246, 251, 252, 253, 254, 255, 256a, 257, 258, 259, 263, 263a, 264, 265, 265a, 267, 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 289, 291, 293a, and 293b; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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ARTICLE I

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

1 considered center program pupils for pupil accounting purposes for the time scheduled
2 in either a center program or a noncenter program.

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

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

11 (4) "Membership", except as otherwise provided in this article, means for a
12 district, a public school academy, the education achievement system, or an
13 intermediate district the sum of the product of .90 times the number of full-time
14 equated pupils in grades K to 12 actually enrolled and in regular daily attendance on
15 the pupil membership count day for the current school year, plus the product of .10
16 times the final audited count from the supplemental count day for the immediately
17 preceding school year. A district's, public school academy's, or intermediate
18 district's membership shall be adjusted as provided under section 25 for pupils who
19 enroll in the district, public school academy, or intermediate district after the
20 pupil membership count day. All pupil counts used in this subsection are as determined
21 by the department and calculated by adding the number of pupils registered for
22 attendance plus pupils received by transfer and minus pupils lost as defined by rules
23 promulgated by the superintendent, and as corrected by a subsequent department audit.
24 For the purposes of this section and section 6a, for a school of excellence that is a
25 cyber school, as defined in section 551 of the revised school code, MCL 380.551, and
26 is in compliance with section 553a of the revised school code, MCL 380.553a, ~~or for~~
27 ~~the education achievement system~~, a pupil's participation in the cyber school's

1 educational program or, **FOR THE EDUCATION ACHIEVEMENT SYSTEM A PUPIL'S PARTICIPATION**
2 in an online educational program of the education achievement system or of an
3 achievement school, **OR FOR A DISTRICT THE PUPIL'S PARTICIPATION IN AN ONLINE COURSE AS**
4 **DEFINED IN SECTION 21F** is considered regular daily attendance. The amount of the
5 foundation allowance for a pupil in membership is determined under section 20. In
6 making the calculation of membership, all of the following, as applicable, apply to
7 determining the membership of a district, a public school academy, the education
8 achievement system, or an intermediate district:

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

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

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

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

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

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

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

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

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

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

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

1 the current school year.

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

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

13 (l) To be counted in membership, a pupil shall meet the minimum age requirement
14 to be eligible to attend school under section 1147 of the revised school code, MCL
15 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less
16 than 20 years of age on September 1 of the school year except as follows:

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

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

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

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

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

1 (m) An individual who has obtained a high school diploma shall not be counted
2 in membership. An individual who has obtained a general educational development
3 (G.E.D.) certificate shall not be counted in membership unless the individual is a
4 pupil with a disability as defined in R 340.1702 of the Michigan administrative code.
5 An individual participating in a job training program funded under former section 107a
6 or a jobs program funded under former section 107b, administered by the Michigan
7 strategic fund, or participating in any successor of either of those 2 programs, shall
8 not be counted in membership.

9 (n) If a pupil counted in membership in a public school academy or the
10 education achievement system is also educated by a district or intermediate district
11 as part of a cooperative education program, the pupil shall be counted in membership
12 only in the public school academy or the education achievement system unless a written
13 agreement signed by all parties designates the party or parties in which the pupil
14 shall be counted in membership, and the instructional time scheduled for the pupil in
15 the district or intermediate district shall be included in the full-time equated
16 membership determination under subdivision (q). However, for pupils receiving
17 instruction in both a public school academy or the education achievement system and in
18 a district or intermediate district but not as a part of a cooperative education
19 program, the following apply:

20 (i) If the public school academy or the education achievement system provides
21 instruction for at least 1/2 of the class hours specified in subdivision (q), the
22 public school academy or the education achievement system shall receive as its
23 prorated share of the full-time equated membership for each of those pupils an amount
24 equal to 1 times the product of the hours of instruction the public school academy or
25 the education achievement system provides divided by the number of hours specified in
26 subdivision (q) for full-time equivalency, and the remainder of the full-time
27 membership for each of those pupils shall be allocated to the district or intermediate

1 district providing the remainder of the hours of instruction.

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

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

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

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

23 (r) Beginning in 2012-2013, full-time equated memberships for pupils in
24 kindergarten shall be determined by dividing the number of instructional hours
25 scheduled and provided per year per kindergarten pupil by the same number used for
26 determining full-time equated memberships for pupils in grades 1 to 12. However, to
27 the extent allowable under federal law, for a district or public school academy that

1 provides evidence satisfactory to the department that it used federal title I money in
2 the 2 immediately preceding school fiscal years to fund full-time kindergarten, full-
3 time equated memberships for pupils in kindergarten shall be determined by dividing
4 the number of class hours scheduled and provided per year per kindergarten pupil by a
5 number equal to 1/2 the number used for determining full-time equated memberships for
6 pupils in grades 1 to 12. ~~Not later than December 1, 2012, the department shall seek a~~
7 ~~clarification from the federal department of education as to whether this is an~~
8 ~~allowable use of federal title I money. The change in the counting of full-time~~
9 ~~equated memberships for pupils in kindergarten that takes effect in 2012-2013 is not a~~
10 ~~mandate. Not later than the fifth Wednesday after the pupil membership count day, each~~
11 ~~district or public school academy and the education achievement system shall report to~~
12 ~~the department and the center the number of instructional hours scheduled per~~
13 ~~kindergarten pupil for 2012-2013. If the number of instructional hours scheduled per~~
14 ~~kindergarten pupil is not equal for all kindergarten pupils in the district, the~~
15 ~~district or public school academy and the education achievement system shall report~~
16 ~~the number of kindergarten pupils who were scheduled to receive each of the different~~
17 ~~numbers of instructional hours scheduled.~~

18 (s) For a district, a public school academy, or the education achievement
19 system that has pupils enrolled in a grade level that was not offered by the district,
20 the public school academy, or the education achievement system in the immediately
21 preceding school year, the number of pupils enrolled in that grade level to be counted
22 in membership is the average of the number of those pupils enrolled and in regular
23 daily attendance on the pupil membership count day and the supplemental count day of
24 the current school year, as determined by the department. Membership shall be
25 calculated by adding the number of pupils registered for attendance in that grade
26 level on the pupil membership count day plus pupils received by transfer and minus
27 pupils lost as defined by rules promulgated by the superintendent, and as corrected by

1 subsequent department audit, plus the final audited count from the supplemental count
2 day for the current school year, and dividing that sum by 2.

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

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

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

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

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

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

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

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

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

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

1 districts in determining the number of pupils per square mile for each of the
2 districts for the purposes of this subdivision. The membership figure calculated under
3 this subdivision is the greater of the following:

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

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

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

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

26 (bb) A pupil of a district that begins its school year after Labor day who is
27 enrolled in an intermediate district program that begins before Labor day shall not be

1 considered to be less than a full-time pupil solely due to instructional time
2 scheduled but not attended by the pupil before Labor day.

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

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

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

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

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

27 (ii) The pupil meets the district's definition under section 23a of

1 satisfactory monthly progress for that month or, if the pupil does not meet that
2 definition of satisfactory monthly progress for that month, the pupil did meet that
3 definition of satisfactory monthly progress in the immediately preceding month and
4 appropriate interventions are implemented within 10 school days after it is determined
5 that the pupil does not meet that definition of satisfactory monthly progress.

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

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

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

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

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

18 (d) A pupil enrolled in a district other than the pupil's district of residence
19 under an intermediate district schools of choice pilot program as described in section
20 91a or former section 91 if the intermediate district and its constituent districts
21 have been exempted from section 105.

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

24 (f) A pupil who has made an official written complaint or whose parent or legal
25 guardian has made an official written complaint to law enforcement officials and to
26 school officials of the pupil's district of residence that the pupil has been the
27 victim of a criminal sexual assault or other serious assault, if the official

1 complaint either indicates that the assault occurred at school or that the assault was
2 committed by 1 or more other pupils enrolled in the school the pupil would otherwise
3 attend in the district of residence or by an employee of the district of residence. A
4 person who intentionally makes a false report of a crime to law enforcement officials
5 for the purposes of this subdivision is subject to section 411a of the Michigan penal
6 code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct.
7 As used in this subdivision:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 **(P) AN ONLINE LEARNING PUPIL ENROLLED IN A DISTRICT OTHER THAN THE PUPIL'S**
26 **DISTRICT OF RESIDENCE AS AN ELIGIBLE PUPIL UNDER SECTION 21F.**

27 However, if a district educates pupils who reside in another district and if

1 the primary instructional site for those pupils is established by the educating
2 district after 2009-2010 and is located within the boundaries of that other district,
3 the educating district must have the approval of that other district to count those
4 pupils in membership.

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

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

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

13 (i) Fourth Wednesday in July.

14 (ii) First Wednesday in October.

15 (iii) Second Wednesday in February.

16 (iv) Fourth Wednesday in April.

17 (8) "Pupils in grades K to 12 actually enrolled and in regular daily
18 attendance" means pupils in grades K to 12 in attendance and receiving instruction in
19 all classes for which they are enrolled on the pupil membership count day or the
20 supplemental count day, as applicable. Except as otherwise provided in this
21 subsection, a pupil who is absent from any of the classes in which the pupil is
22 enrolled on the pupil membership count day or supplemental count day and who does not
23 attend each of those classes during the 10 consecutive school days immediately
24 following the pupil membership count day or supplemental count day, except for a pupil
25 who has been excused by the district, shall not be counted as 1.0 full-time equated
26 membership. A pupil who is excused from attendance on the pupil membership count day
27 or supplemental count day and who fails to attend each of the classes in which the

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

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

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

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

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

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

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

27 (15) "Supplemental count day" means the day on which the supplemental pupil

1 count is conducted under section 6a.

2 (16) "Tuition pupil" means a pupil of school age attending school in a district
 3 other than the pupil's district of residence for whom tuition may be charged **TO THE**
 4 **DISTRICT OF RESIDENCE**. Tuition pupil does not include a pupil who is a special
 5 education pupil ~~or~~, a pupil described in subsection (6)(c) to ~~(e)~~ **(P)**, **OR A PUPIL**
 6 **WHOSE PARENT OR GUARDIAN VOLUNTARILY ENROLLS THE PUPIL IN A DISTRICT THAT IS NOT THE**
 7 **PUPIL'S RESIDENT DISTRICT**. A pupil's district of residence shall not require a high
 8 school tuition pupil, as provided under section 111, to attend another school district
 9 after the pupil has been assigned to a school district.

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

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

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

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

23 Sec. 11. (1) ~~Subject to subsection (3), for~~ **FOR** the fiscal year ending
 24 September 30, ~~2013~~ **2014**, there is appropriated for the public schools of this state
 25 and certain other state purposes relating to education the sum of ~~\$10,961,245,600.00~~
 26 **\$11,090,813,500.00** from the state school aid fund, **THE SUM OF \$150,000,000.00 FROM THE**
 27 **MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED IN SECTION 147B OF THIS**

1 ARTICLE and the sum of ~~\$282,400,000.00~~ \$230,000,000.00 from the general fund. FOR THE
2 FISCAL YEAR ENDING SEPTEMBER 30, 2015, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF
3 THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF
4 \$11,393,154,500.00 FROM THE STATE SCHOOL AID FUND AND THE SUM OF \$100,000,000.00 FROM
5 THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED IN SECTION 147B AND THE
6 SUM OF \$233,000,000.00 FROM THE GENERAL FUND. In addition, all other available federal
7 funds, ~~except those otherwise appropriated under section 11p,~~ are appropriated for the
8 fiscal year ending September 30, ~~2013~~ 2014 AND THE FISCAL YEAR ENDING SEPTEMBER 30,
9 2015.

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

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

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

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

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

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

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

27 (3) Money available in the school aid stabilization fund may not be expended

1 without a specific appropriation from the school aid stabilization fund. Money in the
2 school aid stabilization fund shall be expended only for purposes for which state
3 school aid fund money may be expended.

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

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

10 (6) If the maximum amount appropriated under section 11 from the state school
11 aid fund for a fiscal year exceeds the amount available for expenditure from the state
12 school aid fund for that fiscal year, there is appropriated from the school aid
13 stabilization fund to the state school aid fund an amount equal to the projected
14 shortfall as determined by the department of treasury, but not to exceed available
15 money in the school aid stabilization fund. If the money in the school aid
16 stabilization fund is insufficient to fully fund an amount equal to the projected
17 shortfall, the state budget director shall notify the legislature as required under
18 section ~~11(3)~~ 296(2) and state payments in an amount equal to the remainder of the
19 projected shortfall shall be prorated in the manner provided under section ~~11(4)~~
20 296(3).

21 (7) For ~~2012-2013~~ 2013-2014 AND 2014-2015, in addition to the appropriations in
22 section 11, there is appropriated from the school aid stabilization fund to the state
23 school aid fund the amount necessary to fully fund the allocations under this article.

24 ~~(8) Effective February 24, 2012, in addition to any amounts otherwise deposited~~
25 ~~into the school aid stabilization fund, there is transferred from the state school aid~~
26 ~~fund to the school aid stabilization fund an amount equal to \$100,000,000.00.~~

27 Sec. 11g. (1) From the appropriation in section 11, there is allocated for this

1 section an amount not to exceed ~~\$39,000,000.00~~ \$39,500,000.00 for the fiscal year
2 ending September 30, ~~2013~~ 2014, and for ~~each succeeding fiscal year through~~ the fiscal
3 year ending September 30, 2015, after which these payments will cease. These
4 allocations are for paying the amounts described in subsection (3) to districts and
5 intermediate districts, other than those receiving a lump-sum payment under section
6 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of
7 Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March
8 2, 1998, submitted to the state treasurer a waiver resolution described in section
9 11f. The amounts paid under this section represent offers of settlement and compromise
10 of any claim or claims that were or could have been asserted by these districts and
11 intermediate districts, as described in this section.

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

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

20 (a) If the district or intermediate district does not borrow money and issue
21 bonds under section 11i, 1/30 of the total amount listed in section 11h for the
22 district or intermediate district through the fiscal year ending September 30, ~~2013~~
23 2015.

24 (b) If the district or intermediate district borrows money and issues bonds
25 under section 11i, an amount in each fiscal year calculated by the department of
26 treasury that is equal to the debt service amount in that fiscal year on the bonds
27 issued by that district or intermediate district under section 11i and that will

1 result in the total payments made to all districts and intermediate districts in each
2 fiscal year under this section being no more than the amount appropriated under this
3 section in each fiscal year.

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

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

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

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

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

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

24 Sec. 11j. From the appropriation in section 11, there is allocated **EACH FISCAL**
25 **YEAR** an amount not to exceed ~~\$120,390,000.00~~ **\$131,660,000.00** for ~~2012-2013~~ **2013-2014**
26 **AND \$139,900,000.00 FOR 2014-2015** for payments to the school loan bond redemption fund
27 in the department of treasury on behalf of districts and intermediate districts.

1 Notwithstanding section ~~296~~ 296 or any other provision of this act, funds allocated
2 under this section are not subject to proration and shall be paid in full.

3 Sec. 11k. For ~~2012-2013~~ 2013-2014 AND 2014-2015, there is appropriated from the
4 general fund to the school loan revolving fund an amount equal to the amount of school
5 bond loans assigned to the Michigan finance authority, not to exceed the total amount
6 of school bond loans held in reserve as long-term assets. As used in this section,
7 "school loan revolving fund" means that fund created in section 16c of the shared
8 credit rating act, 1985 PA 227, MCL 141.1066c.

9 Sec. 11m. From the appropriations in section 11, there is allocated for ~~2011-~~
10 ~~2012~~ 2013-2014 an amount not to exceed ~~\$2,100,000.00~~ \$6,000,000.00 and there is
11 allocated for ~~2012-2013~~ 2014-2015 an amount not to exceed ~~\$3,200,000.00~~ \$8,000,000.00
12 for fiscal year cash-flow borrowing costs solely related to the state school aid fund
13 established by section 11 of article IX of the state constitution of 1963.

14 Sec. 15. (1) If a district or intermediate district fails to receive its proper
15 apportionment, the department, upon satisfactory proof that the district or
16 intermediate district was entitled justly, shall apportion the deficiency in the next
17 apportionment. Subject to subsections (2) and (3), if a district or intermediate
18 district has received more than its proper apportionment, the department, upon
19 satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding
20 any other provision in this article, state aid overpayments to a district, other than
21 overpayments in payments for special education or special education transportation,
22 may be recovered from any payment made under this article other than a special
23 education or special education transportation payment, from the proceeds of a loan to
24 the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
25 141.942, or from the proceeds of millage levied or pledged under section 1211 of the
26 revised school code, MCL 380.1211. State aid overpayments made in special education or
27 special education transportation payments may be recovered from subsequent special

1 education or special education transportation payments, from the proceeds of a loan to
2 the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
3 141.942, or from the proceeds of millage levied or pledged under section 1211 of the
4 revised school code, MCL 380.1211.

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

16 (3) If, because of the receipt of new or updated data, the department
17 determines during a fiscal year that the amount paid to a district or intermediate
18 district under this article for a prior fiscal year was incorrect under the law in
19 effect for that year, the department may make the appropriate deduction or payment in
20 the district's or intermediate district's allocation for the fiscal year in which the
21 determination is made. The deduction or payment shall be calculated according to the
22 law in effect in the fiscal year in which the improper amount was paid. If the
23 district does not receive an allocation for the fiscal year or if the allocation is
24 not sufficient to pay the amount of any deduction, the amount of any deduction
25 otherwise applicable shall be satisfied from the proceeds of a loan to the district
26 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from
27 the proceeds of millage levied or pledged under section 1211 of the revised school

1 code, MCL 380.1211, as determined by the department.

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

5 (5) In addition to funds appropriated in section 11 for all programs and
6 services, there is appropriated for ~~2012-2013~~ **2013-2014 AND 2014-2015** for obligations
7 in excess of applicable appropriations an amount equal to the collection of
8 overpayments, but not to exceed amounts available from overpayments.

9 Sec. 18. (1) Except as provided in another section of this article, each
10 district or other entity shall apply the money received by the district or entity
11 under this article to salaries and other compensation of teachers and other employees,
12 tuition, transportation, lighting, heating, ventilation, water service, the purchase
13 of textbooks, other supplies, and any other school operating expenditures defined in
14 section 7. However, not more than 20% of the total amount received by a district or
15 intermediate district under this article may be transferred by the board to either the
16 capital projects fund or to the debt retirement fund for debt service. The money shall
17 not be applied or taken for a purpose other than as provided in this section. The
18 department shall determine the reasonableness of expenditures and may withhold from a
19 recipient of funds under this article the apportionment otherwise due upon a violation
20 by the recipient.

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

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

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

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

5 (A) Salaries and wages.

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

8 (C) Retirement benefit costs.

9 (D) All other personnel costs.

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

12 (A) Instruction.

13 (B) Support services.

14 (C) Business and administration.

15 (D) Operations and maintenance.

16 (c) Links to all of the following:

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

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

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

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

26 (d) The total salary and a description and cost of each fringe benefit included
27 in the compensation package for the superintendent of the district and for each

1 employee of the district whose salary exceeds \$100,000.00.

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

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

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

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

11 (a) The department shall require that each district and intermediate district
12 have an audit of the district's or intermediate district's financial and pupil
13 accounting records conducted at least annually at the expense of the district or
14 intermediate district, as applicable, by a certified public accountant or by the
15 intermediate district superintendent, as may be required by the department, or in the
16 case of a district of the first class by a certified public accountant, the
17 intermediate superintendent, or the auditor general of the city.

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

27 (c) A district's or intermediate district's annual financial audit shall

1 include an analysis of the financial and pupil accounting data used as the basis for
2 distribution of state school aid.

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

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

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

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

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

14 (f) The annual financial audit reports and pupil accounting procedures reports
15 shall be available to the public in compliance with the freedom of information act,
16 1976 PA 442, MCL 15.231 to 15.246.

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

22 (5) By November 15 of each year, each district and intermediate district shall
23 submit to the center, in a manner prescribed by the center, annual comprehensive
24 financial data consistent with accounting manuals and charts of accounts approved and
25 published by the department. For an intermediate district, the report shall also
26 contain the website address where the department can access the report required under
27 section 620 of the revised school code, MCL 380.620. The department shall ensure that

1 the prescribed Michigan public school accounting manual chart of accounts includes
2 standard conventions to distinguish expenditures by allowable fund function and
3 object. The functions shall include at minimum categories for instruction, pupil
4 support, instructional staff support, general administration, school administration,
5 business administration, transportation, facilities operation and maintenance,
6 facilities acquisition, and debt service; and shall include object classifications of
7 salary, benefits, including categories for active employee health expenditures,
8 purchased services, supplies, capital outlay, and other. Districts shall report the
9 required level of detail consistent with the manual as part of the comprehensive
10 annual financial report.

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

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

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

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

23 (10) If a district or intermediate district does not comply with subsections
24 (4), (5), (6), and (7), the department shall withhold all state school aid due to the
25 district or intermediate district under this article, beginning with the next payment
26 due to the district or intermediate district, until the district or intermediate
27 district complies with subsections (4), (5), (6), and (7). If the district or

1 intermediate district does not comply with subsections (4), (5), (6), and (7) by the
2 end of the fiscal year, the district or intermediate district forfeits the amount
3 withheld.

4 ~~(11) Not later than October 1, 2012, if a district or intermediate district~~
5 ~~offers online learning, the district or intermediate district shall submit to the~~
6 ~~department a report that details the per pupil costs of operating the online learning.~~
7 ~~The report shall include, on a per pupil basis, at least all of the following costs:~~

8 ~~(a) Textbooks, instructional materials, and supplies, including electronic~~
9 ~~instructional material.~~

10 ~~(b) Computer and other electronic equipment, including internet and telephone~~
11 ~~access.~~

12 ~~(c) Salaries and benefits for the online learning employees.~~

13 ~~(d) Purchased courses and curricula.~~

14 ~~(e) Fees associated with oversight and regulation.~~

15 ~~(f) Travel costs associated with school activities and testing.~~

16 ~~(g) Facilities costs.~~

17 ~~(h) Costs associated with special education.~~

18 ~~(12) Not later than December 31, 2012, the department shall issue a report to~~
19 ~~the legislature including the following:~~

20 ~~(a) A review of the data submitted under subsection (11).~~

21 ~~(b) A comparison with costs of substantially similar programs in other states~~
22 ~~and relevant national research on the costs of online learning.~~

23 ~~(c) Any conclusions concerning factors or characteristics of online learning~~
24 ~~programs that make a difference in the costs of operating the programs.~~

25 Sec. 18b. (1) Property of a public school academy that was acquired
26 substantially with funds appropriated under this ~~act~~ **ARTICLE** shall be transferred to
27 this state by the public school academy corporation if any of the following occur:

1 (a) The public school academy has been ineligible to receive funding under this
2 ~~act~~ **ARTICLE** for 18 consecutive months.

3 (b) The public school academy's contract has been revoked or terminated for any
4 reason.

5 (c) The public school academy's contract has not been reissued by the
6 authorizing body.

7 **(2) A PUBLIC SCHOOL ACADEMY CORPORATION MUST INITIATE A DISSOLUTION PROCESS**
8 **WITHIN 30 DAYS AFTER ITS CONTRACT'S EXPIRATION.**

9 (3) ~~(2)~~ Property required to be transferred to this state under this section
10 includes title to all real and personal property, interests in real or personal
11 property, and other assets owned by the public school academy corporation that were
12 substantially acquired with funds appropriated under this ~~act~~ **ARTICLE**.

13 (4) ~~(3)~~ The state treasurer, or his or her designee, is authorized to dispose
14 of property transferred to this state under this section. Except as otherwise provided
15 in this section, the state treasurer shall deposit in the state school aid fund any
16 money included in that property and the net proceeds from the sale of the property or
17 interests in property, after payment by the state treasurer of any public school
18 academy debt secured by the property or interest in property.

19 (5) ~~(4)~~ This section does not impose any liability on this state, any agency of
20 this state, or an authorizing body for any debt incurred by a public school academy.

21 (6) ~~(5)~~ As used in this section and section 18c, "authorizing body" means an
22 authorizing body defined under section 501 or 1311b of the revised school code, MCL
23 380.501 and 380.1311b.

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

1 intermediate district shall cooperate with all measures taken by the center to
2 establish and maintain a statewide P-20 longitudinal data system.

3 (2) Each district shall furnish to the center not later than 5 weeks after the
4 pupil membership count day and by June 30 of the school fiscal year ending in the
5 fiscal year, in a manner prescribed by the center, the information necessary for the
6 preparation of the district and high school graduation report. This information shall
7 meet requirements established in the pupil auditing manual approved and published by
8 the department. The center shall calculate an annual graduation and pupil dropout rate
9 for each high school, each district, and this state, in compliance with nationally
10 recognized standards for these calculations. The center shall report all graduation
11 and dropout rates to the senate and house education committees and appropriations
12 committees, the state budget director, and the department not later than 30 days after
13 the publication of the list described in subsection (6).

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

18 (4) By June 30 of each year, a district shall furnish to the center, in a
19 manner prescribed by the center, information related to safety practices and criminal
20 incidents as necessary for reporting required by state and federal law.

21 (5) If a district or intermediate district fails to meet the requirements of
22 this section, the department shall withhold 5% of the total funds for which the
23 district or intermediate district qualifies under this article until the district or
24 intermediate district complies with all of those subsections. If the district or
25 intermediate district does not comply with all of those subsections by the end of the
26 fiscal year, the department shall place the amount withheld in an escrow account until
27 the district or intermediate district complies with all of those subsections.

1 (6) Before publishing a list of ~~schools or districts determined to have failed~~
2 ~~to make adequate yearly progress~~ **SCHOOL OR DISTRICT ACCOUNTABILITY DESIGNATIONS** as
3 required by the no child left behind act of 2001, Public Law 107-110, the department
4 shall allow a school or district to appeal that determination. The department shall
5 consider and act upon the appeal within 30 days after it is submitted and shall not
6 publish the list until after all appeals have been considered and decided.

7 ~~(7) It is the intent of the legislature to implement not later than 2014 2015~~
8 ~~statewide standard reporting requirements for education data approved by the~~
9 ~~department in conjunction with the center. The department shall work with the center,~~
10 ~~intermediate districts, districts, and other interested stakeholders to develop~~
11 ~~recommendations on the implementation of this policy change. A district or~~
12 ~~intermediate district shall implement the statewide standard reporting requirements~~
13 ~~not later than 2014 2015 or when a district or intermediate district updates its~~
14 ~~education data reporting system, whichever is later.~~

15 Sec. 20. (1) For ~~2011 2012, and for 2012 2013~~ **2013-2014 AND FOR 2014-2015**, the
16 basic foundation allowance is \$8,019.00.

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

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

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

1 but less than the basic foundation allowance for the immediately preceding state
2 fiscal year, the district shall receive a foundation allowance in an amount equal to
3 the sum of the district's foundation allowance for the immediately preceding state
4 fiscal year plus the difference between twice the dollar amount of the adjustment from
5 the immediately preceding state fiscal year to the current state fiscal year made in
6 the basic foundation allowance and [(the dollar amount of the adjustment from the
7 immediately preceding state fiscal year to the current state fiscal year made in the
8 basic foundation allowance minus \$20.00) times (the difference between the district's
9 foundation allowance for the immediately preceding state fiscal year and the sum of
10 \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the
11 immediately preceding state fiscal year in the lowest foundation allowance among all
12 districts) divided by the difference between the basic foundation allowance for the
13 current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all
14 adjustments made from 2006-2007 to the immediately preceding state fiscal year in the
15 lowest foundation allowance among all districts]. For 2011-2012, for a district that
16 had a foundation allowance for the immediately preceding state fiscal year that was at
17 least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments
18 made from 2006-2007 to the immediately preceding state fiscal year in the lowest
19 foundation allowance among all districts, but less than the basic foundation allowance
20 for the immediately preceding state fiscal year, the district shall receive a
21 foundation allowance in an amount equal to the district's foundation allowance for
22 2010-2011, minus \$470.00. Except as otherwise provided in subdivision (h), for ~~2012-~~
23 ~~2013~~ 2013-14 AND 2014-2015, for a district that had a foundation allowance for the
24 immediately preceding state fiscal year that was at least equal to the sum of
25 \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the
26 immediately preceding state fiscal year in the lowest foundation allowance among all
27 districts, but less than the basic foundation allowance for the immediately preceding

1 state fiscal year, the district shall receive a foundation allowance in an amount
2 equal to the district's foundation allowance for the immediately preceding state
3 fiscal year. However, the foundation allowance for a district that had less than the
4 basic foundation allowance for the immediately preceding state fiscal year shall not
5 exceed the basic foundation allowance for the current state fiscal year.

6 (b) Except as otherwise provided in this subsection, for a district that in the
7 immediately preceding state fiscal year had a foundation allowance in an amount at
8 least equal to the amount of the basic foundation allowance for the immediately
9 preceding state fiscal year, the district shall receive a foundation allowance for
10 2011-2012 in an amount equal to the district's foundation allowance for 2010-2011,
11 minus \$470.00. For ~~2012-2013~~ **2013-2014 AND 2014-2015**, except as otherwise provided in
12 this subsection, for a district that in the immediately preceding state fiscal year
13 had a foundation allowance in an amount at least equal to the amount of the basic
14 foundation allowance for the immediately preceding state fiscal year, the district
15 shall receive a foundation allowance for ~~2012-2013~~ **2013-2014 AND 2014-2015** in an
16 amount equal to the district's foundation allowance for the immediately preceding
17 state fiscal year.

18 (c) Except as otherwise provided in subdivision (d), for a district that in the
19 1994-1995 state fiscal year had a foundation allowance greater than \$6,500.00, the
20 district's foundation allowance is an amount equal to the sum of the district's
21 foundation allowance for the immediately preceding state fiscal year plus the lesser
22 of the increase in the basic foundation allowance for the current state fiscal year,
23 as compared to the immediately preceding state fiscal year, or the product of the
24 district's foundation allowance for the immediately preceding state fiscal year times
25 the percentage increase in the United States consumer price index in the calendar year
26 ending in the immediately preceding fiscal year as reported by the May revenue
27 estimating conference conducted under section 367b of the management and budget act,

1 1984 PA 431, MCL 18.1367b. Except as otherwise provided in subdivision (d), for 2011-
2 2012, for a district that in the 1994-1995 state fiscal year had a foundation
3 allowance greater than \$6,500.00, the district's foundation allowance is an amount
4 equal to the district's foundation allowance for the 2010-2011 fiscal year minus
5 \$470.00. For ~~2012-2013~~ **2013-2014 AND 2014-2015**, except as otherwise provided in
6 subdivision (d), for a district that in the 1994-1995 state fiscal year had a
7 foundation allowance greater than \$6,500.00, the district's foundation allowance is an
8 amount equal to the district's foundation allowance for the immediately preceding
9 state fiscal year.

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

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

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

25 (g) For a district that received a payment under section 22c as that section
26 was in effect for 2006-2007, the district's 2006-2007 foundation allowance shall be
27 considered to have been an amount equal to the sum of the district's actual 2006-2007

1 foundation allowance as otherwise calculated under this section plus the per pupil
2 amount of the district's equity payment for 2006-2007 under section 22c as that
3 section was in effect for 2006-2007.

4 (h) For 2012-2013, for a district that had a foundation allowance for the 2011-
5 2012 state fiscal year of less than \$6,966.00, the district's foundation allowance is
6 an amount equal to \$6,966.00.

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

1 millage reduction required under section 31 of article IX of the state constitution of
2 1963, the state portion of the district's foundation allowance shall be calculated as
3 if that reduction did not occur.

4 (5) The allocation calculated under this section for a pupil shall be based on
5 the foundation allowance of the pupil's district of residence. For a pupil enrolled
6 pursuant to section 105 or 105c in a district other than the pupil's district of
7 residence, the allocation calculated under this section shall be based on the lesser
8 of the foundation allowance of the pupil's district of residence or the foundation
9 allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8
10 district who is enrolled in another district in a grade not offered by the pupil's
11 district of residence, the allocation calculated under this section shall be based on
12 the foundation allowance of the educating district if the educating district's
13 foundation allowance is greater than the foundation allowance of the pupil's district
14 of residence.

15 (6) Except as otherwise provided in this subsection, for pupils in membership,
16 other than special education pupils, in a public school academy, the allocation
17 calculated under this section is an amount per membership pupil other than special
18 education pupils in the public school academy equal to the foundation allowance of the
19 district in which the public school academy is located or the state maximum public
20 school academy allocation, whichever is less. However, a public school academy that
21 had an allocation under this subsection before 2009-2010 that was equal to the sum of
22 the local school operating revenue per membership pupil other than special education
23 pupils for the district in which the public school academy is located and the state
24 portion of that district's foundation allowance shall not have that allocation reduced
25 as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for
26 a public school academy that begins operations after the pupil membership count day,
27 the amount per membership pupil calculated under this subsection shall be adjusted by

1 multiplying that amount per membership pupil by the number of hours of pupil
2 instruction provided by the public school academy after it begins operations, as
3 determined by the department, divided by the minimum number of hours of pupil
4 instruction required under section 101(3). The result of this calculation shall not
5 exceed the amount per membership pupil otherwise calculated under this subsection.

6 (7) Except as otherwise provided in this subsection, for pupils attending an
7 achievement school and in membership in the education achievement system, other than
8 special education pupils, the allocation calculated under this section is an amount
9 per membership pupil other than special education pupils equal to the foundation
10 allowance of the district in which the achievement school is located, not to exceed
11 the basic foundation allowance. Notwithstanding section 101, for an achievement school
12 that begins operation after the pupil membership count day, the amount per membership
13 pupil calculated under this subsection shall be adjusted by multiplying that amount
14 per membership pupil by the number of hours of pupil instruction provided by the
15 achievement school after it begins operations, as determined by the department,
16 divided by the minimum number of hours of pupil instruction required under section
17 101(3). The result of this calculation shall not exceed the amount per membership
18 pupil otherwise calculated under this subsection. For the purposes of this subsection,
19 if a public school is transferred from a district to the state school reform/redesign
20 district or the achievement authority under section 1280c of the revised school code,
21 that public school is considered to be an achievement school within the education
22 achievement system and not a school that is part of a district, and a pupil attending
23 that public school is considered to be in membership in the education achievement
24 system and not in membership in the district that operated the school before the
25 transfer.

26 (8) Subject to subsection (4), for a district that is formed or reconfigured
27 after June 1, 2002 by consolidation of 2 or more districts or by annexation, the

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

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

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

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

18 (a) The pupil membership factor shall be computed by dividing the estimated
19 membership in the school year ending in the current state fiscal year, excluding
20 intermediate district membership, by the estimated membership for the school year
21 ending in the subsequent state fiscal year, excluding intermediate district
22 membership. If a consensus membership factor is not determined at the revenue
23 estimating conference, the principals of the revenue estimating conference shall
24 report their estimates to the house and senate subcommittees responsible for school
25 aid appropriations not later than 7 days after the conclusion of the revenue
26 conference.

27 (b) The revenue adjustment factor shall be computed by dividing the sum of the

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

14 (c) The index shall be calculated by multiplying the pupil membership factor by
15 the revenue adjustment factor. However, for ~~2011-2012, the index shall be 0.93575 and~~
16 ~~for 2012-2013 2013-2014 AND 2014-2015~~, the index shall be 1.00. If a consensus index
17 is not determined at the revenue estimating conference, the principals of the revenue
18 estimating conference shall report their estimates to the house and senate
19 subcommittees responsible for school aid appropriations not later than 7 days after
20 the conclusion of the revenue conference.

21 ~~(12) For a district in which 7.75 mills levied in 1992 for school operating~~
22 ~~purposes in the 1992-93 school year were not renewed in 1993 for school operating~~
23 ~~purposes in the 1993-94 school year, the district's combined state and local revenue~~
24 ~~per membership pupil shall be recalculated as if that millage reduction did not occur~~
25 ~~and the district's foundation allowance shall be calculated as if its 1994-95~~
26 ~~foundation allowance had been calculated using that recalculated 1993-94 combined~~
27 ~~state and local revenue per membership pupil as a base. A district is not entitled to~~

1 ~~any retroactive payments for fiscal years before 2000-2001 due to this subsection. A~~
2 ~~district receiving an adjustment under this subsection shall not receive as a result~~
3 ~~of this adjustment an amount that exceeds 50% of the amount the district received as a~~
4 ~~result of this adjustment for 2010-2011. This adjustment shall not be made after 2011-~~
5 ~~2012.~~

6 ~~(13) For a district in which an industrial facilities exemption certificate~~
7 ~~that abated taxes on property with a state equalized valuation greater than the total~~
8 ~~state equalized valuation of the district at the time the certificate was issued or~~
9 ~~\$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to~~
10 ~~207.572, before the calculation of the district's 1994-95 foundation allowance, the~~
11 ~~district's foundation allowance for 2002-2003 is an amount equal to the sum of the~~
12 ~~district's foundation allowance for 2002-2003, as otherwise calculated under this~~
13 ~~section, plus \$250.00. A district receiving an adjustment under this subsection shall~~
14 ~~not receive as a result of this adjustment an amount that exceeds 50% of the amount~~
15 ~~the district received as a result of this adjustment for 2010-2011. This adjustment~~
16 ~~shall not be made after 2011-2012.~~

17 ~~(12) (14)~~ For a district that received a grant under former section 32e for
18 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding
19 fiscal year shall be adjusted to be an amount equal to the sum of the district's
20 foundation allowance, as otherwise calculated under this section, plus the quotient of
21 100% of the amount of the grant award to the district for 2001-2002 under former
22 section 32e divided by the number of pupils in the district's membership for 2001-2002
23 who were residents of and enrolled in the district. Except as otherwise provided in
24 this subsection, a district qualifying for a foundation allowance adjustment under
25 this subsection shall use the funds resulting from this adjustment for at least 1 of
26 grades K to 3 for purposes allowable under former section 32e as in effect for 2001-
27 2002. For an individual school or schools operated by a district qualifying for a

1 foundation allowance under this subsection that have been determined by the department
2 to meet the adequate yearly progress standards of the federal no child left behind act
3 of 2001, Public Law 107-110, in both mathematics and English language arts at all
4 applicable grade levels for all applicable subgroups, the district may submit to the
5 department an application for flexibility in using the funds resulting from this
6 adjustment that are attributable to the pupils in the school or schools. The
7 application shall identify the affected school or schools and the affected funds and
8 shall contain a plan for using the funds for specific purposes identified by the
9 district that are designed to reduce class size, but that may be different from the
10 purposes otherwise allowable under this subsection. The department shall approve the
11 application if the department determines that the purposes identified in the plan are
12 reasonably designed to reduce class size. If the department does not act to approve or
13 disapprove an application within 30 days after it is submitted to the department, the
14 application is considered to be approved. If an application for flexibility in using
15 the funds is approved, the district may use the funds identified in the application
16 for any purpose identified in the plan. A district receiving an adjustment under this
17 subsection shall not receive as a result of this adjustment an amount that exceeds
18 68.5% of the amount the district received as a result of this adjustment for 2010-
19 2011. **FOR 2013-2014, A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION THAT HAS**
20 **A FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20, THAT IS LESS THAN \$7,500.00**
21 **SHALL RECEIVE THE LESSER OF THE ADJUSTMENT CALCULATED UNDER THIS SUBSECTION OR \$100.00**
22 **PER PUPIL, AND A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION THAT HAS A**
23 **FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20, THAT IS GREATER THAN OR EQUAL TO**
24 **\$7,500.00 SHALL RECEIVE THE LESSER OF THE ADJUSTMENT CALCULATED UNDER THIS SUBSECTION**
25 **OR \$50.00 PER PUPIL.**

26 ~~(15) For a district that levied 1.9 mills in 1993 to finance an operating~~
27 ~~deficit, the district's foundation allowance shall be calculated as if those mills~~

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

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

19 ~~(13) (17)~~ Payments to districts, public school academies, or the education
20 achievement system shall not be made under this section. Rather, the calculations
21 under this section shall be used to determine the amount of state payments under
22 section 22b.

23 ~~(14) (18)~~ If an amendment to section 2 of article VIII of the state
24 constitution of 1963 allowing state aid to some or all nonpublic schools is approved
25 by the voters of this state, each foundation allowance or per pupil payment
26 calculation under this section may be reduced.

27 ~~(15) (19)~~ As used in this section:

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

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

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

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

11 (e) "Immediately preceding state fiscal year" means the state fiscal year
12 immediately preceding the current state fiscal year.

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

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

18 (h) "Maximum public school academy allocation", except as otherwise provided in
19 this subdivision, means the maximum per-pupil allocation as calculated by adding the
20 highest per-pupil allocation among all public school academies for the immediately
21 preceding state fiscal year plus the difference between twice the dollar amount of the
22 adjustment from the immediately preceding state fiscal year to the current state
23 fiscal year made in the basic foundation allowance and [(the dollar amount of the
24 adjustment from the immediately preceding state fiscal year to the current state
25 fiscal year made in the basic foundation allowance minus \$20.00) times (the difference
26 between the highest per-pupil allocation among all public school academies for the
27 immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar

1 amount of all adjustments made from 2006-2007 to the immediately preceding state
2 fiscal year in the lowest per-pupil allocation among all public school academies)
3 divided by the difference between the basic foundation allowance for the current state
4 fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments
5 made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-
6 pupil allocation among all public school academies]. For ~~2011-2012 and 2012-2013~~ **2013-**
7 **2014 AND 2014-2015**, maximum public school academy allocation means \$7,110.00.

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

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

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

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

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

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

27 (o) "Taxable value per membership pupil" means taxable value, as certified by

1 the department of treasury, for the calendar year ending in the current state fiscal
2 year divided by the district's membership excluding special education pupils for the
3 school year ending in the current state fiscal year.

4 Sec. 20d. In making the final determination required under former section 20a
5 of a district's combined state and local revenue per membership pupil in 1993-94 and
6 in making calculations under section 20 for ~~2012-2013~~ **2013-2014 AND 2014-2015**, the
7 department and the department of treasury shall comply with all of the following:

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

20 (b) If a district had an adjustment made to its 1993-1994 total state school
21 aid that excluded payments made under former section 146 and under section 147 on
22 behalf of the district's employees who provided direct services for intermediate
23 district center programs operated by the district under article 5, if nonresident
24 pupils attending the center programs were included in the district's membership for
25 purposes of calculating the combined state and local revenue per membership pupil for
26 1993-1994, and if there is a signed agreement by all constituent districts of the
27 intermediate district that an adjustment under this subdivision shall be made, the

1 foundation allowances for 1995-1996 and 1996-1997 of all districts that had pupils
2 attending the intermediate district center program operated by the district that had
3 the adjustment shall be calculated as if their combined state and local revenue per
4 membership pupil for 1993-1994 included resident pupils attending the center program
5 and excluded nonresident pupils attending the center program.

6 SEC. 21F. (1) A PUPIL ENROLLED IN A DISTRICT IN ANY OF GRADES 5 TO 12 IS
7 ELIGIBLE TO ENROLL IN ONLINE COURSES AS PROVIDED FOR IN THIS SECTION. THIS SECTION
8 DOES NOT APPLY TO A PUPIL ENROLLED IN A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL,
9 AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.

10 (2) WITH THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN, A PUBLIC SCHOOL
11 SHALL ENROLL AN ELIGIBLE PUPIL IN UP TO 2 ONLINE COURSES AS REQUESTED BY THE PUPIL
12 DURING AN ACADEMIC TERM, SEMESTER, OR TRIMESTER. HOWEVER, IF A PUPIL HAS DEMONSTRATED
13 PREVIOUS SUCCESS WITH ONLINE COURSES AND THE DISTRICT AND THE PUPIL'S PARENT OR
14 GUARDIAN DETERMINE THAT IT IS IN THE BEST INTEREST OF THE PUPIL, A PUPIL MAY BE
15 ENROLLED IN MORE THAN 2 ONLINE COURSES IN AN ACADEMIC TERM, SEMESTER, OR TRIMESTER.

16 (3) AN ELIGIBLE PUPIL AS DETERMINED IN SUBSECTION (1) MAY ENROLL IN ONLINE
17 COURSES PUBLISHED IN THE PUPIL'S EDUCATING DISTRICT CATALOG OF ONLINE COURSES
18 DESCRIBED IN SUBSECTION (6) (A), OR THE STATEWIDE CATALOG OF ONLINE COURSES MAINTAINED
19 BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO SECTION 98.

20 (4) A DISTRICT SHALL DETERMINE WHETHER OR NOT IT HAS CAPACITY TO ACCEPT
21 APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT APPLICANTS IN ONLINE COURSES AND MAY USE
22 THAT LIMIT AS THE REASON FOR REFUSAL TO ENROLL AN APPLICANT. IF THE NUMBER OF
23 NONRESIDENT APPLICANTS ELIGIBLE FOR ACCEPTANCE IN AN ONLINE COURSE DOES NOT EXCEED THE
24 CAPACITY OF THE DISTRICT TO PROVIDE THE ONLINE COURSE, THE DISTRICT SHALL ACCEPT FOR
25 ENROLLMENT ALL OF THE NONRESIDENT APPLICANTS ELIGIBLE FOR ACCEPTANCE. IF THE NUMBER OF
26 NONRESIDENT APPLICANTS EXCEEDS THE DISTRICT'S CAPACITY TO PROVIDE THE ONLINE COURSE,
27 THE DISTRICT SHALL USE A RANDOM DRAW SYSTEM, SUBJECT TO THE NEED TO ABIDE BY STATE AND

1 FEDERAL ANTIDISCRIMINATION LAWS AND COURT ORDERS.

2 (5) AN EDUCATING DISTRICT MAY PROHIBIT PUPIL ENROLLMENT IN ONLINE COURSES IF
3 ANY OF THE FOLLOWING APPLY, AS DETERMINED BY THE DISTRICT:

4 (A) THE PUPIL HAS PREVIOUSLY GAINED THE CREDITS PROVIDED FROM THE COMPLETION OF
5 THE ONLINE COURSE,

6 (B) THE ONLINE COURSE IS NOT CAPABLE OF GENERATING ACADEMIC CREDIT,

7 (C) THE ONLINE COURSE IS INCONSISTENT WITH THE REMAINING GRADUATION
8 REQUIREMENTS OR CAREER INTERESTS OF THE PUPIL, OR

9 (D) THE PUPIL DOES NOT POSSESS THE PREREQUISITE KNOWLEDGE AND SKILLS TO BE
10 SUCCESSFUL IN THE ONLINE COURSE.

11 (E) IF A PUPIL IS DENIED ENROLLMENT IN AN ONLINE COURSE BY A DISTRICT, THE
12 PUPIL MAY APPEAL THE DENIAL BY SUBMITTING A LETTER TO THE SUPERINTENDENT OF THE
13 INTERMEDIATE DISTRICT OF RESIDENCE, CITING THE REASON PROVIDED BY THE DISTRICT FOR NOT
14 ENROLLING THE PUPIL AND THE REASON WHY THE ENROLLMENT SHOULD BE APPROVED. THE
15 INTERMEDIATE DISTRICT SUPERINTENDENT OR DESIGNEE SHALL RESPOND TO THE APPEAL WITHIN
16 FIVE DAYS AFTER IT IS RECEIVED. IF THE INTERMEDIATE DISTRICT SUPERINTENDENT OR
17 DESIGNEE DETERMINES THE DENIAL OF ENROLLMENT DOES NOT MEET ONE OR MORE OF THE REASONS
18 SPECIFIED IN THIS SUBSECTION, THE PUPIL MUST BE ALLOWED TO ENROLL IN THE ONLINE
19 COURSE.

20 (6) IN ORDER TO OFFER OR PROVIDE AN ONLINE COURSE, A DISTRICT SHALL DO ALL OF
21 THE FOLLOWING:

22 (A) FOR ALL ONLINE COURSES OFFERED BY THE DISTRICT, PROVIDE THE MICHIGAN
23 VIRTUAL UNIVERSITY WITH THE COURSE SYLLABI IN A FORM AND METHOD PRESCRIBED BY THE
24 MICHIGAN VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.
25 DISTRICTS SHALL ALSO PROVIDE A LINK TO ITS COURSE SYLLABI AND A LINK TO THE STATEWIDE
26 CATALOG OF ONLINE COURSES MAINTAINED BY MICHIGAN VIRTUAL UNIVERSITY AS DESCRIBED IN
27 SECTION 98 ON ITS PUBLICALLY-ACCESSIBLE WEBSITE.

1 (B) OFFER ONLINE COURSES ON AN OPEN ENTRY AND EXIT METHOD, OR ALIGNED TO A
2 SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM FORMAT.

3 (7) FOR A PUPIL ENROLLED IN ONE OR MORE ONLINE COURSES PUBLISHED IN THE PUPIL'S
4 EDUCATING DISTRICT CATALOG OF ONLINE COURSES, OR THE STATEWIDE CATALOG OF ONLINE
5 COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY, THE DISTRICT SHALL USE
6 FOUNDATION ALLOWANCE FUNDS CALCULATED UNDER SECTION 20 TO PAY FOR THE EXPENSES
7 ASSOCIATED WITH THE ONLINE COURSE OR COURSES.

8 (8) ONLINE LEARNING PUPILS SHALL HAVE THE SAME RIGHTS AND ACCESS TO TECHNOLOGY
9 IN THEIR EDUCATING DISTRICT SCHOOL FACILITIES AS ALL OTHER PUPILS ENROLLED IN THE
10 EDUCATING DISTRICT.

11 (9) IF A PUPIL SUCCESSFULLY COMPLETES AN ONLINE COURSE, THE PUPIL'S EDUCATING
12 DISTRICT SHALL GRANT APPROPRIATE ACADEMIC CREDIT FOR COMPLETION OF THE COURSE AND
13 SHALL COUNT THAT CREDIT TOWARD COMPLETION OF GRADUATION AND SUBJECT AREA REQUIREMENTS.
14 A PUPIL'S SCHOOL RECORD AND TRANSCRIPT SHALL IDENTIFY THE ONLINE COURSE TITLE AS IT
15 APPEARS IN THE COURSE SYLLABUS DEFINED IN SUBSECTION (10).

16 (10) AS USED IN THIS SECTION:

17 (A) "ONLINE COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE OF GENERATING A
18 CREDIT OR A GRADE, THAT IS PROVIDED IN AN INTERACTIVE INTERNET-CONNECTED LEARNING
19 ENVIRONMENT, IN WHICH PUPILS ARE SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION, OR
20 BOTH, AND IN WHICH A MICHIGAN CERTIFICATED TEACHER IS RESPONSIBLE FOR DETERMINING
21 APPROPRIATE INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING
22 PUPIL LEARNING, 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 ALL OF THE
25 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 ONLINE LEARNING
4 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 ONLINE
8 CONTENT.

9 (IX) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE ONLINE
10 INSTRUCTOR.

11 (X) THE COURSE TITLES ASSIGNED BY THE DISTRICT AND THE COURSE TITLES AND COURSE
12 CODES FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES) SCHOOL CODES FOR THE
13 EXCHANGE OF DATA (SCED).

14 (XI) THE NUMBER OF ELIGIBLE NONRESIDENT PUPILS THAT WILL BE ACCEPTED BY THE
15 DISTRICT IN THE ONLINE COURSE.

16 (C) "ONLINE LEARNING PUPIL" MEANS A PUPIL ENROLLED IN ONE OR MORE ONLINE
17 COURSES.

18 Sec. 22a. (1) From the appropriation in section 11, there is allocated an
19 amount not to exceed ~~\$5,776,000,000.00~~ \$5,558,000,000.00 for ~~2011-2012~~ 2013-2014 and
20 there is allocated an amount not to exceed ~~\$5,712,000,000.00~~ \$5,464,000,000.00 for
21 ~~2012-2013~~ 2014-2015 for payments to districts and qualifying public school academies
22 to guarantee each district and qualifying public school academy an amount equal to its
23 1994-1995 total state and local per pupil revenue for school operating purposes under
24 section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of
25 article IX of the state constitution of 1963, this guarantee does not apply to a
26 district in a year in which the district levies a millage rate for school district
27 operating purposes less than it levied in 1994. However, subsection (2) applies to

1 calculating the payments under this section. Funds allocated under this section that
2 are not expended in the state fiscal year for which they were allocated, as determined
3 by the department, may be used to supplement the allocations under sections 22b and
4 51c in order to fully fund those calculated allocations for the same fiscal year.

5 (2) To ensure that a district receives an amount equal to the district's 1994-
6 1995 total state and local per pupil revenue for school operating purposes, there is
7 allocated to each district a state portion of the district's 1994-1995 foundation
8 allowance in an amount calculated as follows:

9 (a) Except as otherwise provided in this subsection, the state portion of a
10 district's 1994-95 foundation allowance is an amount equal to the district's 1994-1995
11 foundation allowance or \$6,500.00, whichever is less, minus the difference between the
12 sum of the product of the taxable value per membership pupil of all property in the
13 district that is nonexempt property times the district's certified mills and, for a
14 district with certified mills exceeding 12, the product of the taxable value per
15 membership pupil of property in the district that is commercial personal property
16 times the certified mills minus 12 mills and the quotient of the ad valorem property
17 tax revenue of the district captured under tax increment financing acts divided by the
18 district's membership. For a district that has a millage reduction required under
19 section 31 of article IX of the state constitution of 1963, the state portion of the
20 district's foundation allowance shall be calculated as if that reduction did not
21 occur.

22 (b) For a district that had a 1994-95 foundation allowance greater than
23 \$6,500.00, the state payment under this subsection shall be the sum of the amount
24 calculated under subdivision (a) plus the amount calculated under this subdivision.
25 The amount calculated under this subdivision shall be equal to the difference between
26 the district's 1994-1995 foundation allowance minus \$6,500.00 and the current year
27 hold harmless school operating taxes per pupil. If the result of the calculation under

1 subdivision (a) is negative, the negative amount shall be an offset against any state
2 payment calculated under this subdivision. If the result of a calculation under this
3 subdivision is negative, there shall not be a state payment or a deduction under this
4 subdivision. The taxable values per membership pupil used in the calculations under
5 this subdivision are as adjusted by ad valorem property tax revenue captured under tax
6 increment financing acts divided by the district's membership.

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

12 (4) A district or qualifying public school academy may use funds allocated
13 under this section in conjunction with any federal funds for which the district or
14 qualifying public school academy otherwise would be eligible.

15 (5) For a district that is formed or reconfigured after June 1, 2000 by
16 consolidation of 2 or more districts or by annexation, the resulting district's 1994-
17 1995 foundation allowance under this section beginning after the effective date of the
18 consolidation or annexation shall be the average of the 1994-1995 foundation
19 allowances of each of the original or affected districts, calculated as provided in
20 this section, weighted as to the percentage of pupils in total membership in the
21 resulting district in the state fiscal year in which the consolidation takes place who
22 reside in the geographic area of each of the original districts. If an affected
23 district's 1994-1995 foundation allowance is less than the 1994-1995 basic foundation
24 allowance, the amount of that district's 1994-95 foundation allowance shall be
25 considered for the purpose of calculations under this subsection to be equal to the
26 amount of the 1994-1995 basic foundation allowance.

27 ~~(6) Subject to conditions set forth in this subsection, from the allocation in~~

1 ~~subsection (1), there is allocated for 2011 2012 only an amount not to exceed~~
2 ~~\$6,000,000.00 for payments to districts that meet the eligibility requirements under~~
3 ~~this subsection, for the reduction in school operating revenues resulting from a~~
4 ~~settlement or other disposition of appeals described in subdivision (a). A payment may~~
5 ~~only be made under this subsection if a settlement agreement is signed by all~~
6 ~~applicable parties. Payments made under this subsection shall be in accordance with~~
7 ~~the settlement agreement. All of the following apply to payments under this~~
8 ~~subsection:~~

9 ~~(a) To be eligible for a payment under this subsection, a district shall be~~
10 ~~determined by the department and the department of treasury to meet all of the~~
11 ~~following:~~

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

14 ~~(ii) Before January 1, 2011, the owner of a natural gas powered power plant~~
15 ~~located in a renaissance zone within the district's geographic boundaries for 2009 and~~
16 ~~2010 appealed to the Michigan tax tribunal an order of the state tax commission for~~
17 ~~tax years 2009 and 2010 pursuant to section 154 of the general property tax act, 1893~~
18 ~~PA 206, MCL 211.154, and appealed to the state tax commission the 2011 classification~~
19 ~~and valuation of the power plant.~~

20 ~~(iii) The district received a reduced amount of local school operating revenue~~
21 ~~for tax years 2009, 2010, and 2011 as a result of the exemptions of industrial~~
22 ~~personal property and commercial personal property under section 1211 of the revised~~
23 ~~school code, MCL 380.1211.~~

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

27 ~~(b) A payment made under this subsection shall be in addition to renaissance~~

1 ~~zone reimbursement amounts paid in the 2009-2010 and 2010-2011 state fiscal years~~
2 ~~under section 26a to districts eligible for payment under this subsection. The 2009-~~
3 ~~2010 and 2010-2011 state fiscal year payments under section 26a to a district~~
4 ~~receiving a payment under this subsection shall not be reduced as a result of the~~
5 ~~reduction to the district's 2009 and 2010 taxable value of real property under the~~
6 ~~appeals described in subdivision (a)(ii).~~

7 (6) ~~(7)~~ As used in this section:

8 (a) "1994-1995 foundation allowance" means a district's 1994-1995 foundation
9 allowance calculated and certified by the department of treasury or the superintendent
10 under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

11 (b) "Certified mills" means the lesser of 18 mills or the number of mills of
12 school operating taxes levied by the district in 1993-1994.

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

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

18 (e) "Hold harmless millage" means, for a district with a 1994-1995 foundation
19 allowance greater than \$6,500.00, the number of mills by which the exemption from the
20 levy of school operating taxes on a homestead, qualified agricultural property,
21 qualified forest property, supportive housing property, industrial personal property,
22 and commercial personal property could be reduced as provided in section 1211 of the
23 revised school code, MCL 380.1211, and the number of mills of school operating taxes
24 that could be levied on all property as provided in section 1211(2) of the revised
25 school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax
26 year.

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

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

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

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

9 (i) "Qualifying public school academy" means a public school academy that was
10 in operation in the 1994-1995 school year and is in operation in the current state
11 fiscal year.

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

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

20 (l) "Taxable value per membership pupil" means each of the following divided by
21 the district's membership:

22 (i) For the number of mills by which the exemption from the levy of school
23 operating taxes on a homestead, qualified agricultural property, qualified forest
24 property, supportive housing property, industrial personal property, and commercial
25 personal property may be reduced as provided in section 1211 of the revised school
26 code, MCL 380.1211, the taxable value of homestead, qualified agricultural property,
27 qualified forest property, supportive housing property, industrial personal property,

1 and commercial personal property for the calendar year ending in the current state
2 fiscal year.

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

7 Sec. 22b. (1) From the ~~state funds appropriated~~ **APPROPRIATION** in section 11,
8 there is allocated for ~~2011-2012~~ **2013-2014** an amount not to exceed ~~\$3,052,000,000.00~~
9 **\$3,304,000,000.00** and there is allocated for ~~2012-2013~~ **2014-2015** an amount not to
10 exceed ~~\$3,152,300,000.00~~ **\$3,383,000,000.00** for discretionary nonmandated payments to
11 districts under this section. Funds allocated under this section that are not expended
12 in the state fiscal year for which they were allocated, as determined by the
13 department, may be used to supplement the allocations under sections 22a and 51c in
14 order to fully fund those calculated allocations for the same fiscal year.

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

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

21 (a) ~~Administer in each grade level that it operates in grades 1 to 5 a~~
22 ~~standardized assessment approved by the department of grade appropriate basic~~
23 ~~educational skills. A district may use the Michigan literacy progress profile to~~
24 ~~satisfy this requirement for grades 1 to 3. Also, if the revised school code is~~
25 ~~amended to require annual assessments at additional grade levels, in order to receive~~
26 ~~an allocation under this section each district shall comply with that requirement~~
27 **COMPLY WITH SECTION 1280B OF THE REVISED SCHOOL CODE, MCL 380.1280B.**

1 (b) Comply with sections 1278a and 1278b of the revised school code, MCL
2 380.1278a and 380.1278b.

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

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

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

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

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

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

1 districts under subsection (2). If funds are escrowed, the escrowed funds are a work
2 project appropriation and the funds are carried forward into the following fiscal
3 year. The purpose of the work project is to provide for any payments that may be
4 awarded to districts as a result of litigation. The work project shall be completed
5 upon resolution of the litigation.

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

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

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

25 (11) If a lawsuit challenging payments made to districts related to costs
26 reimbursed by federal title XIX Medicaid funds is filed against this state, then, for
27 the purpose of addressing potential liability under such a lawsuit, the state budget

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

12 ~~(12) Not later than January 1, 2013, the department shall submit a report to~~
 13 ~~the legislature identifying the amount of the savings that the department has~~
 14 ~~calculated as having been achieved due to the revised number of instructional hours~~
 15 ~~used to calculate full time equated memberships for kindergarten pupils under section~~
 16 ~~6(4)(r) as amended by 2011 PA 62.~~

17 **SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2013-**
 18 **2014 AN AMOUNT NOT TO EXCEED \$24,000,000.00 TO MAKE EQUITY PAYMENTS TO DISTRICTS THAT**
 19 **HAVE A FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR**
 20 **2013-2014 OF LESS THAN \$7,000.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN AMOUNT**
 21 **PER MEMBERSHIP PUPIL EQUAL TO THE LESSER OF \$34.00 OR THE DIFFERENCE BETWEEN \$7,000.00**
 22 **AND THE DISTRICT'S 2013-2014 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED**
 23 **UNDER SECTION 20.**

24 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed
 25 \$2,025,000.00 is allocated each fiscal year for ~~2011-2012~~ 2013-2014 and for ~~2012-2013~~
 26 2014-2015 for supplemental payments to rural districts under this section.

27 (2) From the allocation under subsection (1), there is allocated each fiscal

1 year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** an amount not to exceed
2 \$750,000.00 for payments under this subsection to districts that meet all of the
3 following:

4 (a) Operates grades K to 12.

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

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

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

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

11 (3) The amount of the additional funding to each eligible district under
12 subsection (2) shall be determined under a spending plan developed as provided in this
13 subsection and approved by the superintendent of public instruction. The spending plan
14 shall be developed cooperatively by the intermediate superintendents of each
15 intermediate district in which an eligible district is located. The intermediate
16 superintendents shall review the financial situation of each eligible district,
17 determine the minimum essential financial needs of each eligible district, and develop
18 and agree on a spending plan that distributes the available funding under subsection
19 (2) to the eligible districts based on those financial needs. The intermediate
20 superintendents shall submit the spending plan to the superintendent of public
21 instruction for approval. Upon approval by the superintendent of public instruction,
22 the amounts specified for each eligible district under the spending plan are allocated
23 under subsection (2) and shall be paid to the eligible districts in the same manner as
24 payments under section 22b.

25 (4) Subject to subsection (6), from the allocation in subsection (1), there is
26 allocated each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** an
27 amount not to exceed \$1,275,000.00 for payments under this subsection to districts

1 that meet all of the following:

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

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

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

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

11 Sec. 22f. (1) From the appropriation in section 11, there is allocated for
12 ~~2012-2013~~ 2013-2014 an amount not to exceed ~~\$80,000,000.00~~ \$25,000,000.00 to provide
13 incentive payments to districts that meet best practices under this section. Payments
14 received under this section may be used for any purpose for which payments under
15 sections 22a and 22b may be used.

16 (2) The amount of the incentive payment under this section is an amount equal
17 to ~~\$52.00~~ \$16.00 per pupil. A district shall receive an incentive payment under this
18 section if the district satisfies at least 7 of the following requirements not later
19 than June 1, ~~2013~~ 2014:

20 (a) If a district provides medical, pharmacy, dental, vision, disability, long-
21 term care, or any other type of benefit that would constitute a health care services
22 benefit, to employees and their dependents, the district is the policyholder for each
23 of its insurance policies that covers 1 or more of these benefits. A district that
24 does not directly employ its staff **OR A DISTRICT WITH A VOLUNTARY EMPLOYEE BENEFICIARY**
25 **ASSOCIATION THAT PAYS NO MORE THAN THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND**
26 **THAT CONTRIBUTES NO MORE THAN THE MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL**
27 **ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS AS DESCRIBED IN 2011 PA 152, MCL 15.563 TO**

1 15.564, is considered to have satisfied this requirement.

2 (b) The district has obtained competitive bids on the provision of pupil
3 transportation, food service, custodial, or 1 or more other noninstructional services
4 for ~~2012-2013~~ 2013-2014. **THE UNFUNDED ACCRUED LIABILITY COSTS FOR RETIREMENT AND OTHER**
5 **BENEFITS SHALL BE EXCLUDED FROM THE DISTRICT'S CURRENT COSTS FOR THE PURPOSE OF**
6 **COMPARING COMPETITIVE BIDS TO THE CURRENT COSTS OF PROVIDING SERVICES.**

7 (c) The district accepts applications for enrollment by nonresident applicants
8 under section 105 or 105c. A public school academy is considered to have met this
9 requirement.

10 (d) The district monitors individual pupil academic growth in each subject area
11 at least twice during the school year using competency-based online assessments and
12 reports those results to the pupil and his or her parent or guardian, or provides the
13 department with a plan and is able to show progress toward developing the technology
14 infrastructure necessary for the implementation of pupil academic growth assessments
15 by 2014-2015.

16 (e) The district supports opportunities for pupils to receive postsecondary
17 credit while attending secondary school, by doing at least 1 of the following, and
18 makes all eligible pupils and their parents or guardians aware of these opportunities:

19 (i) Supports attendance of district pupils under the postsecondary enrollment
20 options act, MCL 388.511 to 388.524, or under the career and technical preparation
21 act, MCL 388.1901 to 388.1913, consistent with provisions under section 21b.

22 (ii) Offers college-level equivalent courses, as defined in section 1471 of the
23 revised school code, MCL 380.1471.

24 (iii) Participates in a middle college. For the purposes of this subparagraph,
25 "middle college" means a series of courses and other requirements and conditions that
26 allow a pupil to graduate with a high school diploma and a certificate or degree from
27 a community college or state public university.

1 (iv) Provides other opportunities to pupils that allow those pupils to graduate
2 with a high school diploma and also complete coursework that a postsecondary
3 institution normally applies toward satisfaction of degree requirements.

4 (v) If a district does not offer any high school grades, the district informs
5 all pupils and parents of the opportunities that are available for postsecondary
6 options during high school.

7 (f) The district offers online ~~instructional programs~~ **COURSES** or blended
8 learning opportunities to all eligible pupils. In order to satisfy this requirement,
9 districts must make all eligible pupils and their parents or guardians aware of these
10 opportunities. **FOR EVERY ONLINE COURSE THAT A DISTRICT OFFERS, THE DISTRICT MUST**
11 **PUBLISH AN ONLINE COURSE SYLLABI AS DESCRIBED IN SECTION 21F.** For the purposes of this
12 subdivision:

13 (i) "Blended learning" means a hybrid instructional delivery model where pupils
14 are provided ~~face-to-face~~ **CONTENT, AND ASSESSMENT,** in part at a
15 supervised ~~school~~ **EDUCATIONAL** facility away from home **WHERE THE PUPIL AND A MICHIGAN-**
16 **CERTIFIED TEACHER ARE IN THE SAME PHYSICAL LOCATION** and partially through ~~computer-~~
17 ~~based and~~ internet-connected learning environments with some degree of pupil control
18 over time, location, and pace of instruction.

19 (ii) "Online ~~instructional program~~ **COURSE**" means a course of study that
20 ~~generates~~ **IS CAPABLE OF GENERATING** a credit or a grade, **THAT IS** provided in an
21 interactive ~~computer-based and~~ internet-connected learning environment, in which
22 pupils are separated from their teachers by time or location, or both, and in which a
23 Michigan certificated teacher is responsible for ~~providing direct instruction~~
24 **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR EACH PUPIL,** diagnosing learning
25 needs, assessing pupil learning, prescribing intervention strategies, reporting
26 outcomes, and evaluating the effects of instruction and support strategies.

27 (g) The district provides to parents and community members a dashboard or

1 report card demonstrating the district's efforts to manage its finances responsibly.
2 The dashboard or report card shall include **REVENUE AND EXPENDITURE PROJECTIONS FOR THE**
3 **DISTRICT FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, A LISTING OF ALL DEBT**
4 **SERVICE OBLIGATIONS, DETAILED BY PROJECT, INCLUDING ANTICIPATED FISCAL YEAR 2013-2014**
5 **PAYMENT FOR EACH PROJECT, A LISTING OF TOTAL OUTSTANDING DEBT, AND** at least all of the
6 following for the 3 most recent school years for which the data are available:

7 (i) Graduation and dropout rates.

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

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

10 (iv) Elementary and middle school MEAP scores.

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

13 (vi) General fund balance.

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

15 (h) The district provides physical education consistent with the state board's
16 policy on quality physical education adopted September 25, 2003, or provides health
17 education consistent with the state board's policy on comprehensive school health
18 education adopted June 8, 2004.

19 (3) If the department determines that a district has intentionally submitted
20 false information in order to qualify for an incentive payment under this section, the
21 district forfeits an amount equal to the amount it received under this section from
22 its total state school aid for ~~2013-2014~~ 2014-2015.

23 (4) If the department determines that funds allocated under this section will
24 remain unexpended after the initial allocation of ~~\$52.00~~ \$16.00 per pupil to eligible
25 districts under subsection (2), the remaining unexpended amount is allocated on an
26 equal per pupil basis to districts that meet the requirements of subsection (2) and
27 that have a foundation allowance, as calculated under section 20, in an amount that is

1 less than the basic foundation allowance under that section.

2 Sec. 22i. (1) From the funds appropriated in section 11, there is allocated for
3 ~~2012-2013~~ 2013-2014 an amount not to exceed ~~\$50,000,000.00~~ \$13,500,000.00 for **THE**
4 **SECOND YEAR OF THE TWO-YEAR** technology infrastructure grants **PROGRAM** ~~to~~ **FOR** districts
5 or ~~to~~ intermediate districts on behalf of their constituent districts. Funds received
6 under this section shall be used for ~~access to a computer adaptive test or for the~~
7 development or improvement of a district's technology infrastructure, **INSTRUCTIONAL**
8 **PRACTICE AND THE SHARED SERVICE CONSOLIDATION OF TECHNOLOGY, AND DATA**, including, but
9 not limited to, hardware and software, in preparation for the planned implementation
10 in 2014-2015 of online growth assessments.

11 (2) The department shall develop a ~~competitive application process and~~ method
12 of grant distribution **IN WHICH ALL ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS MAY**
13 **PARTICIPATE**. The department may consult with the department of technology, management,
14 and budget during the grant process and grant distribution. Grants to districts shall
15 not exceed \$2,000,000.00 per district. A grant to an intermediate district on behalf
16 of its constituent districts shall not exceed \$2,000,000.00 per constituent district.
17 To receive a grant under this section, an intermediate district shall demonstrate that
18 a grant awarded to the intermediate district on behalf of its constituent districts
19 would provide savings compared to providing grants to individual districts.

20 Sec. 22j. (1) From the appropriation in section 11, there is allocated **EACH**
21 **FISCAL YEAR** for ~~2012-2013~~ 2013-2014 **AND** 2014-2015 an amount not to exceed
22 \$30,000,000.00 to provide separate incentive payments to districts that meet student
23 academic performance funding goals under subsections (2) to (5). Payments received
24 under this section may be used for any purpose for which payments under sections 22a
25 and 22b may be used.

26 (2) The maximum amount of the incentive payment for student academic
27 performance is an amount equal to \$100.00 per pupil. Payments calculated and awarded

1 to qualifying districts under subsections (3) to (5) shall be calculated and awarded
2 separately, and a district may receive a payment under any or all of subsections (3)
3 to (5).

4 (3) An amount not to exceed 30% of the maximum per pupil amount allocated under
5 subsection (2) shall be used to make performance incentive payments to qualifying
6 districts under this subsection based on pupil performance on state assessments in
7 mathematics in grades 3 to 8. The amount of a payment under this subsection is an
8 amount equal to \$30.00 per pupil for all pupils in membership in a qualifying
9 district. The department shall determine the qualifying districts under this
10 subsection as follows:

11 (a) Using a model determined by the department that incorporates the most
12 recent cut scores adopted for the Michigan educational assessment program for each
13 pupil in grades 3 to 8 in the ~~2010-2011~~ 2011-2012 school year, the department shall
14 calculate a point score using a metric that assigns points to each of those pupils as
15 follows:

16 (i) For each pupil who began the school year not performing proficiently in
17 mathematics and who declines in proficiency, as determined by the department, over the
18 school year, 0 points.

19 (ii) For each pupil who began the school year performing proficiently in
20 mathematics and declines in proficiency, as determined by the department, over the
21 school year, 0 points.

22 (iii) For each pupil who began the school year not performing proficiently in
23 mathematics and who maintains his or her level of proficiency, as determined by the
24 department, over the school year, 1 point.

25 (iv) For each pupil who began the school year performing proficiently in
26 mathematics and who maintains his or her level of proficiency, as determined by the
27 department, over the school year, 2 points.

1 (v) For each pupil who began the school year not performing proficiently in
2 mathematics and who improves in proficiency, as determined by the department, over the
3 school year, 3 points.

4 (vi) For each pupil who began the school year performing proficiently in
5 mathematics and who improves in proficiency, as determined by the department, over the
6 school year, 2 points.

7 (b) The department shall then calculate a district average for this metric for
8 the ~~2010-2011~~ 2011-2012 school year by totaling the number of points for all pupils in
9 grades 3 to 8 under subdivision (a) and dividing that total by the number of those
10 pupils.

11 (c) A district is a qualifying district for the payment under this subsection
12 if the district average for the ~~2010-2011~~ 2011-2012 school year under subdivision (b)
13 is at least equal to a factor of 1.5, and the district tested at least 95% of its
14 pupils in mathematics, and the district had at least 30 full academic year pupils in
15 grades 3 to 8 with a performance level change designation in mathematics.

16 (4) An amount not to exceed 30% of the maximum per pupil amount allocated under
17 subsection (2) shall be used to make performance incentive payments to qualifying
18 districts under this subsection based on pupil performance on state assessments in
19 reading in grades 3 to 8. The amount of a payment under this subsection is an amount
20 equal to \$30.00 per pupil for all pupils in membership in the district. The department
21 shall determine the qualifying districts under this subsection as follows:

22 (a) Using a model determined by the department that incorporates the most
23 recent cut scores adopted for the Michigan educational assessment program for each
24 pupil in grades 3 to 8 in the ~~2010-2011~~ 2011-2012 school year, the department shall
25 calculate a point score using a metric that assigns points to each of those pupils as
26 follows:

27 (i) For each pupil who began the school year not performing proficiently in

1 reading and who declines in proficiency, as determined by the department, over the
2 school year, 0 points.

3 (ii) For each pupil who began the school year performing proficiently in
4 reading and declines in proficiency, as determined by the department, over the school
5 year, 0 points.

6 (iii) For each pupil who began the school year not performing proficiently in
7 reading and who maintains proficiency, as determined by the department, over the
8 school year, 1 point.

9 (iv) For each pupil who began the school year performing proficiently in
10 reading and who maintains proficiency, as determined by the department, over the
11 school year, 2 points.

12 (v) For each pupil who began the school year not performing proficiently in
13 reading and who improves in proficiency, as determined by the department, over the
14 school year, 3 points.

15 (vi) For each pupil who began the school year performing proficiently in
16 reading and who improves in proficiency, as determined by the department, over the
17 school year, 2 points.

18 (b) The department shall then calculate a district average for this metric for
19 the ~~2010-2011~~ 2011-2012 school year by totaling the number of points for all pupils in
20 grades 3 to 8 under subdivision (a) and dividing that total by the number of those
21 pupils.

22 (c) A district is a qualifying district for the payment under this subsection
23 if the district average for the ~~2010-2011~~ 2011-2012 school year under subdivision (b)
24 is at least equal to a factor of 1.5, and the district tested at least 95% of its
25 pupils in reading, and the district had at least 30 full academic year pupils in
26 grades 3 to 8 reading with a performance level change designation in reading.

27 (5) An amount not to exceed 40% of the maximum per pupil amount allocated under

1 subsection (2) shall be used to make performance incentive payments to qualifying
2 districts under this subsection for high school improvement using a metric based on
3 the positive trend over a 4-year period in the percentage of high school pupils in the
4 district testing as proficient in all tested subject areas on the state assessments of
5 high school pupils. The amount of a payment under this subsection is an amount equal
6 to \$40.00 per pupil for all pupils in membership in the district. The department shall
7 determine the qualifying districts under this subsection as follows:

8 (a) Calculate a linear regression of the percentage of high school pupils in
9 the district testing as proficient in all tested subject areas on state assessments of
10 high school pupils on school year over the 4-year period ending with the ~~2010-2011~~
11 2011-2012 school year as adjusted for changes in cut scores most recently adopted for
12 the Michigan merit examination.

13 (b) Calculate a statewide average for all districts operating a high school of
14 the linear regression of the percentage of high school pupils testing as proficient in
15 all tested subject areas on state assessments of high school pupils on school year
16 over the 4-year period ending with the ~~2010-2011~~ 2011-2012 school year, as adjusted
17 for changes in cut scores most recently adopted for the Michigan merit examination as
18 the base year for all comparisons.

19 (c) A district is a qualifying district for the payment under this subsection
20 if the district's linear regression over the 4-year period ending with the ~~2010-2011~~
21 2011-2012 school year under subdivision (a) is at least equal to the statewide average
22 linear regression over the 4-year period ending with the base year under subdivision
23 (b), and the district's linear regression over the 4-year period ending with the ~~2010-~~
24 ~~2011~~ 2011-2012 school year under subdivision (a) is positive, and the district tested
25 95% of high school pupils in each tested subject on ~~the Michigan merit examination~~
26 **STATE ASSESSMENTS**, and the district had at least 20 full academic year pupils take all
27 tested subjects on ~~the Michigan merit examination~~ **ASSESSMENTS OF HIGH SCHOOL PUPILS**

1 over each of the most recent 4 years.

2 (6) If the allocation under subsection (1) is insufficient to fully fund
3 payments as otherwise calculated under this section, the department shall prorate
4 payments under this section on an equal percentage basis.

5 SEC. 22K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR
6 2013-2014 AN AMOUNT NOT TO EXCEED \$8,000,000.00 FOR COMPETITIVE STUDENT-CENTRIC GRANTS
7 TO ELIGIBLE DISTRICTS.

8 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE GRANTS, A DISTRICT SHALL DEMONSTRATE
9 THAT THE DISTRICT DOES ALL OF THE FOLLOWING TO THE SATISFACTION OF THE DEPARTMENT:

10 (A) PROVIDES A RIGOROUS CURRICULUM ALIGNED TO STATE, NATIONAL AND INTERNATIONAL
11 STANDARDS.

12 (B) ORGANIZES INSTRUCTIONAL DELIVERY IN SUCH A WAY THAT INDIVIDUAL STUDENTS
13 ADVANCE TO THE NEXT LEVEL OF LEARNING BASED ON THEIR INDIVIDUAL MASTERY OF EACH
14 SUBJECT AREA.

15 (C) ALLOWS FOR SCHOOL SITE-BASED AUTONOMY IN DECISION MAKING.

16 (D) ENSURES THAT TEACHERS HAVE ACCESS TO:

17 (I) TIMELY AND MEANINGFUL STUDENT ACADEMIC ACHIEVEMENT DATA.

18 (II) BEST INSTRUCTIONAL PRACTICES.

19 (III) TIME TO COLLABORATE WITH OTHERS.

20 (IV) MENTORS.

21 (V) PROFESSIONAL DEVELOPMENT TIED TO STUDENT NEEDS AS DEMONSTRATED BY DATA.

22 (3) DISTRICTS SHALL SUBMIT APPLICATIONS TO THE DEPARTMENT BY OCTOBER 1, 2013 IN
23 A FORM AND MANNER DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL AWARD GRANTS ON A
24 PER PUPIL BASIS TO ELIGIBLE RECIPIENTS NO LATER THAN DECEMBER 30, 2013.

25 Sec. 24. (1) From the appropriation in section 11, there is allocated **EACH**
26 **FISCAL YEAR** for ~~2012-2013~~ 2013-2014 AND 2014-2015 an amount not to exceed
27 \$8,000,000.00 for payments to the educating district or intermediate district for

1 educating pupils assigned by a court or the department of human services to reside in
2 or to attend a juvenile detention facility or child caring institution licensed by the
3 department of human services and approved by the department to provide an on-grounds
4 education program. The amount of the payment under this section to a district or
5 intermediate district shall be calculated as prescribed under subsection (2).

6 (2) The total amount allocated under this section shall be allocated by paying
7 to the educating district or intermediate district an amount equal to the lesser of
8 the district's or intermediate district's added cost or the department's approved per
9 pupil allocation for the district or intermediate district. For the purposes of this
10 subsection:

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

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

27 (3) A district or intermediate district educating pupils described in this

1 section at a residential child caring institution may operate, and receive funding
2 under this section for, a department-approved on-grounds educational program for those
3 pupils that is longer than 181 days, but not longer than 233 days, if the child caring
4 institution was licensed as a child caring institution and offered in 1991-92 an on-
5 grounds educational program that was longer than 181 days but not longer than 233 days
6 and that was operated by a district or intermediate district.

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

9 Sec. 24a. From the appropriation in section 11, there is allocated an amount
10 not to exceed ~~\$2,135,800.00~~ \$2,167,500.00 for ~~2012-2013~~ 2013-2014 AND 2014-2015 for
11 payments to intermediate districts for pupils who are placed in juvenile justice
12 service facilities operated by the department of human services. Each intermediate
13 district shall receive an amount equal to the state share of those costs that are
14 clearly and directly attributable to the educational programs for pupils placed in
15 facilities described in this section that are located within the intermediate
16 district's boundaries. The intermediate districts receiving payments under this
17 section shall cooperate with the department of human services to ensure that all
18 funding allocated under this section is utilized by the intermediate district and
19 department of human services for educational programs for pupils described in this
20 section. Pupils described in this section are not eligible to be funded under section
21 24. However, a program responsibility or other fiscal responsibility associated with
22 these pupils shall not be transferred from the department of human services to a
23 district or intermediate district unless the district or intermediate district
24 consents to the transfer.

25 Sec. 24c. From the appropriation in section 11, there is allocated **EACH FISCAL**
26 **YEAR** an amount not to exceed \$1,500,000.00 for ~~2012-2013~~ 2013-2014 AND 2014-2015 for
27 payments to districts for pupils who are enrolled in a nationally administered

1 community-based education and youth mentoring program, known as the youth challenge
2 program, that is located within the district and is administered by the department of
3 military and veterans affairs. Both of the following apply to a district receiving
4 payments under this section:

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

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

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

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

24 (a) Adjust the membership calculation for each district or intermediate
25 district in which the pupil was previously counted in membership or that previously
26 received an adjustment in its membership calculation under this section due to the
27 pupil's enrollment and attendance, if any, so that the district's or intermediate

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

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

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

22 (4) If a pupil enrolls in an educating district or intermediate district as
23 described in subsection (2), if adjustments are made in calculations pursuant to
24 subsection (1) due to that enrollment, and if the pupil subsequently ceases to be
25 enrolled and in attendance in the educating district or intermediate district, the
26 educating district or intermediate district that received an adjustment in its
27 membership calculation under subsection (2) shall notify the department of the last

1 date of the pupil's enrollment and attendance in the educating district or
2 intermediate district and the number of days the pupil was enrolled in the educating
3 district or intermediate district.

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

10 (6) As used in this section, "educating district or intermediate district"
11 means the district or intermediate district in which a pupil enrolls after the pupil
12 membership count day or after an adjustment was made in another district's or
13 intermediate district's membership calculation under this section due to the pupil's
14 enrollment and attendance.

15 Sec. 26a. ~~(1) From the state school aid fund~~ appropriation in section 11, there
16 is allocated **EACH FISCAL YEAR** an amount not to exceed ~~\$25,137,500.00 for 2011-2012 and~~
17 ~~an amount not to exceed \$26,300,000.00 for 2012-2013~~ **FISCAL YEAR 2013-2014 AND FISCAL**
18 **YEAR 2014-2015** to reimburse districts and intermediate districts pursuant to section
19 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
20 in ~~2012 2013 OR 2014~~ **AS APPLICABLE**. The allocations shall be made not later than 60
21 days after the department of treasury certifies to the department and to the state
22 budget director that the department of treasury has received all necessary information
23 to properly determine the amounts due to each eligible recipient.

24 ~~(2) In addition to the allocation under subsection (1), from the general fund~~
25 ~~money appropriated under section 11, there is allocated an amount not to exceed~~
26 ~~\$1,500,000.00 for 2012-2013 to reimburse public libraries pursuant to section 12 of~~
27 ~~the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in~~

1 ~~2012. The allocations shall be made not later than 60 days after the department of~~
2 ~~treasury certifies to the department and to the state budget director that the~~
3 ~~department of treasury has received all necessary information to properly determine~~
4 ~~the amounts due to each eligible recipient.~~

5 Sec. 26b. (1) From the appropriation in section 11, there is allocated for
6 ~~2012-2013~~ 2013-2014 an amount not to exceed ~~\$3,328,000.00~~ **\$4,009,500.00** **AND FOR 2014-**
7 **2015 AN AMOUNT NOT TO EXCEED \$4,410,500.00** for payments to districts, intermediate
8 districts, and community college districts for the portion of the payment in lieu of
9 taxes obligation that is attributable to districts, intermediate districts, and
10 community college districts pursuant to section 2154 of the natural resources and
11 environmental protection act, 1994 PA 451, MCL 324.2154.

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

15 Sec. 26c. (1) From the appropriation in section 11, there is allocated **EACH**
16 **FISCAL YEAR** an amount not to exceed ~~\$276,800.00~~ **\$224,000.00** for ~~2011-2012~~ **2013-2014**
17 **AND 2014-2015** ~~and an amount not to exceed \$347,800.00 for 2012-2013~~ to the promise
18 zone fund created in subsection (3).

19 (2) Funds allocated to the promise zone fund under this section shall be used
20 solely for payments to eligible districts and intermediate districts that have a
21 promise zone development plan approved by the department of treasury under section 7
22 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

23 (3) The promise zone fund is created as a separate account within the state
24 school aid fund to be used solely for the purposes of the Michigan promise zone
25 authority act, 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to
26 the promise zone fund:

27 (a) The state treasurer shall direct the investment of the promise zone fund.

1 The state treasurer shall credit to the promise zone fund interest and earnings from
2 fund investments.

3 (b) Money in the promise zone fund at the close of a fiscal year shall remain
4 in the promise zone fund and shall not lapse to the general fund.

5 (4) Subject to subsection (2), the state treasurer may make payments from the
6 promise zone fund to eligible districts and intermediate districts pursuant to the
7 Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
8 for the purposes of a promise zone authority created under that act.

9 Sec. 31a. (1) From the state school aid fund money appropriated in section 11,
10 there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount
11 not to exceed \$317,695,500.00 for payments to eligible districts, eligible public
12 school academies, and the education achievement system under this section. Subject to
13 subsection (14), the amount of the additional allowance under this section, other than
14 funding under subsection (6) or (7), shall be based on the number of actual pupils in
15 membership in the district or public school academy or the education achievement
16 system who met the income eligibility criteria for free breakfast, lunch, or milk in
17 the immediately preceding state fiscal year, as determined under the Richard B.
18 Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the
19 department not later than the fifth Wednesday after the pupil membership count day of
20 the immediately preceding fiscal year and adjusted not later than December 31 of the
21 immediately preceding fiscal year in the form and manner prescribed by the center.
22 However, for a public school academy that began operations as a public school academy,
23 or for an achievement school that began operations as an achievement school, after the
24 pupil membership count day of the immediately preceding school year, the basis for the
25 additional allowance under this section shall be the number of actual pupils in
26 membership in the public school academy or the education achievement system who met
27 the income eligibility criteria for free breakfast, lunch, or milk in the current

1 state fiscal year, as determined under the Richard B. Russell national school lunch
2 act and reported to the department not later than the fifth Wednesday after the pupil
3 membership count day.

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

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

14 (b) The district or public school academy or the education achievement system
15 agrees to use the funding only for purposes allowed under this section and to comply
16 with the program and accountability requirements under this section.

17 (3) Except as otherwise provided in this subsection, an eligible district or
18 eligible public school academy or the education achievement system shall receive under
19 this section for each membership pupil in the district or public school academy or the
20 education achievement system who met the income eligibility criteria for free
21 breakfast, lunch, or milk, as determined under the Richard B. Russell national school
22 lunch act and as reported to the department not later than the fifth Wednesday after
23 the pupil membership count day of the immediately preceding fiscal year and adjusted
24 not later than December 31 of the immediately preceding fiscal year, an amount per
25 pupil equal to 11.5% of the sum of the district's foundation allowance or the public
26 school academy's or the education achievement system's per pupil amount calculated
27 under section 20, not to exceed the basic foundation allowance under section 20 for

1 the current state fiscal year, or of the public school academy's or the education
2 achievement system's per membership pupil amount calculated under section 20 for the
3 current state fiscal year. A public school academy that began operations as a public
4 school academy, or an achievement school that began operations as an achievement
5 school, after the pupil membership count day of the immediately preceding school year
6 shall receive under this section for each membership pupil in the public school
7 academy or in the education achievement system who met the income eligibility criteria
8 for free breakfast, lunch, or milk, as determined under the Richard B. Russell
9 national school lunch act and as reported to the department not later than the fifth
10 Wednesday after the pupil membership count day of the current fiscal year and adjusted
11 not later than December 31 of the current fiscal year, an amount per pupil equal to
12 11.5% of the public school academy's or the education achievement system's per
13 membership pupil amount calculated under section 20 for the current state fiscal year.

14 (4) Except as otherwise provided in this section, a district or public school
15 academy, or the education achievement system, receiving funding under this section
16 shall use that money only to provide instructional programs and direct
17 noninstructional services, including, but not limited to, medical or counseling
18 services, for at-risk pupils; for school health clinics; **FOR PRESCHOOL PROGRAMS**
19 **PURSUANT TO SECTION 32D;** and for the purposes of subsection (5), (6), or (7). In
20 addition, a district that is a school district of the first class or a district or
21 public school academy in which at least 50% of the pupils in membership met the income
22 eligibility criteria for free breakfast, lunch, or milk in the immediately preceding
23 state fiscal year, as determined and reported as described in subsection (1), or the
24 education achievement system if it meets this requirement, may use not more than 20%
25 of the funds it receives under this section for school security. A district, the
26 public school academy, or the education achievement system shall not use any of that
27 money for administrative costs or to supplant another program or other funds, except

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

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

24 (6) From the funds allocated under subsection (1), there is allocated **EACH**
25 **FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed
26 \$3,557,300.00 to support child and adolescent health centers. These grants shall be
27 awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved

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

15 (7) From the funds allocated under subsection (1), there is allocated **EACH**
16 **FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed
17 \$5,150,000.00 for the state portion of the hearing and vision screenings as described
18 in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public
19 health department shall pay at least 50% of the total cost of the screenings. The
20 frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and
21 R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded
22 in a form and manner approved jointly by the department and the department of
23 community health. Notwithstanding section 17b, payments to eligible entities under
24 this subsection shall be paid on a schedule determined by the department.

25 (8) Each district or public school academy receiving funds under this section
26 and the education achievement system shall submit to the department by July 15 of each
27 fiscal year a report, not to exceed 10 pages, on the usage by the district or public

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

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

19 (10) Subject to subsections (5), (6), (7), (12), and (13), any district may use
20 up to 100% of the funds it receives under this section to reduce the ratio of pupils
21 to teachers in grades K-12, or any combination of those grades, in school buildings in
22 which the percentage of pupils described in subsection (1) exceeds the district's
23 aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (12), and
24 (13), ~~if a district obtains a waiver from the department, the~~ **ANY** district may use up
25 to 100% of the funds it receives under this section to reduce the ratio of pupils to
26 teachers in grades K-12, or any combination of those grades, in school buildings in
27 which the percentage of pupils described in subsection (1) is at least 60% of the

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

5 (11) A district or public school academy or the education achievement system
6 may use funds received under this section for adult high school completion, general
7 educational development (G.E.D.) test preparation, adult English as a second language,
8 or adult basic education programs described in section 107.

9 (12) For an individual school or schools operated by a district or public
10 school academy receiving funds under this section or the education achievement system
11 that have been determined by the department to meet the adequate yearly progress
12 standards of the no child left behind act of 2001, Public Law 107-110, in both
13 mathematics and English language arts at all applicable grade levels for all
14 applicable subgroups, the district or public school academy or the education
15 achievement system may use not more than 20% of the funds it receives under this
16 section for specific alternative purposes identified by the district or public school
17 academy or the education achievement system that are designed to benefit at-risk
18 pupils in the school, but that may be different from the purposes otherwise allowable
19 under this section. If a district or public school academy or the education
20 achievement system uses funds for alternative purposes allowed under the flexibility
21 provisions under this subsection, the district or public school academy or the
22 education achievement system shall maintain documentation of the amounts used for
23 those alternative purposes and shall make that information available to the department
24 upon request.

25 (13) A district or public school academy that receives funds under this section
26 or the education achievement system may use funds it receives under this section to
27 implement and operate an early intervening program for pupils in grades K to 3 that

1 meets either or both of the following:

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

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

21 (14) If necessary, and before any proration required under section ~~11~~ 296, the
22 department shall prorate payments under this section by reducing the amount of the per
23 pupil payment under this section by a dollar amount calculated by determining the
24 amount by which the amount necessary to fully fund the requirements of this section
25 exceeds the maximum amount allocated under this section and then dividing that amount
26 by the total statewide number of pupils who met the income eligibility criteria for
27 free breakfast, lunch, or milk in the immediately preceding fiscal year, as described

1 in subsection (1).

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

9 (16) As used in this section, "at-risk pupil" means a pupil for whom the
10 district has documentation that the pupil meets at least 2 of the following criteria:
11 is a victim of child abuse or neglect; is below grade level in English language ~~and~~
12 ~~communication skills~~ **ARTS** or mathematics; is a pregnant teenager or teenage parent; is
13 eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or
14 attendance patterns; or has a family history of school failure, incarceration, or
15 substance abuse. **AT-RISK PUPIL ALSO INCLUDES ALL PUPILS IN A PRIORITY SCHOOL AS**
16 **DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 2001 FLEXIBILITY REQUEST**
17 **APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION.** For pupils for whom the results
18 of at least the applicable Michigan education assessment program (MEAP) test have been
19 received, at-risk pupil also includes a pupil who does not meet the other criteria
20 under this subsection but who did not achieve at least a score of level 2 on the most
21 recent MEAP English language arts, mathematics, science test, or social studies for
22 which results for the pupil have been received. For pupils for whom the results of the
23 Michigan merit examination have been received, at-risk pupil also includes a pupil who
24 does not meet the other criteria under this subsection but who did not achieve
25 proficiency on the reading, ~~component~~ **WRITING, MATHEMATICS, SCIENCE OR SOCIAL STUDIES**
26 **COMPONENTS** of the most recent Michigan merit examination for which results for the
27 pupil have been received, ~~did not achieve proficiency on the mathematics component of~~

1 ~~the most recent Michigan merit examination for which results for the pupil have been~~
2 ~~received, or did not achieve basic competency on the science component of the most~~
3 ~~recent Michigan merit examination for which results for the pupil have been received.~~

4 For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not
5 meeting the district's core academic curricular objectives in English language arts or
6 mathematics.

7 (17) A district or public school academy that receives funds under this section
8 or the education achievement system may use funds received under this section to
9 provide an anti-bullying or crisis intervention program.

10 Sec. 31d. (1) From the appropriations in section 11, there is allocated **EACH**
11 **FISCAL YEAR** an amount not to exceed \$22,495,100.00 for ~~2012-2013~~ **2013-2014 AND 2014-**
12 **2015** for the purpose of making payments to districts and other eligible entities under
13 this section.

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

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

24 (4) The payments made under this section to districts and other eligible
25 entities that are not required under section 1272a of the revised school code, MCL
26 380.1272a, to provide a school lunch program shall be in an amount not to exceed
27 \$10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each

1 reduced price lunch provided, as determined by the department.

2 (5) From the federal funds appropriated in section 11, there is allocated for
3 ~~2012-2013~~ 2013-2014 AND 2014-2015 all available federal funding, estimated at
4 ~~\$400,000,000.00~~ \$460,000,000.00, for the national school lunch program and all
5 available federal funding, estimated at ~~\$2,506,000.00~~ \$3,200,000.00, for the emergency
6 food assistance program.

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

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

12 Sec. 31f. (1) From the appropriations in section 11, there is allocated **EACH**
13 **FISCAL YEAR** an amount not to exceed ~~\$9,625,000.00~~ \$5,625,000.00 for ~~2012-2013~~ 2013-
14 2014 AND 2014-2015 for the purpose of making payments to districts to reimburse for
15 the cost of providing breakfast.

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

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

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

23 (3) The payment for a district under this section is at a per meal rate equal
24 to the lesser of the district's actual cost or 100% of the statewide average cost of a
25 breakfast served, as determined and approved by the department, less federal
26 reimbursement, participant payments, and other state reimbursement. The statewide
27 average cost shall be determined by the department using costs as reported in a manner

1 approved by the department for the preceding school year.

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

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

7 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to
8 eligible intermediate districts and consortia of intermediate districts for great
9 start readiness programs an amount not to exceed ~~\$109,275,000.00~~ **\$174,275,000.00** for
10 ~~2012-2013~~ **2013-2014 AND AN AMOUNT NOT TO EXCEED \$239,275,000.00 FOR 2014-2015**. Funds
11 allocated under this section shall be used to provide part-day, school-day, or
12 GSRP/head start blended comprehensive free compensatory classroom programs designed to
13 ~~do 1 or both of the following:~~

14 ~~(a) Improve~~ **IMPROVE** the readiness and subsequent achievement of educationally
15 disadvantaged children ~~as defined by the department who will be at least 4, but less~~
16 ~~than 5 years of age, as of December 1 of the school year in which the programs are~~
17 ~~offered, and~~ who meet the participant eligibility and prioritization guidelines as
18 defined by the ~~state board~~ **DEPARTMENT. BEGINNING IN 2013-2014, FOR A CHILD TO BE**
19 **ELIGIBLE TO PARTICIPATE IN A PROGRAM UNDER THIS SECTION, THE CHILD SHALL BE AT LEAST**
20 **4, BUT LESS THAN 5 YEARS OF AGE, AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S**
21 **ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL**
22 **380.1147.**

23 ~~(b) Provide preschool and parenting education programs similar to those under~~
24 ~~former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent for~~
25 ~~programs described in this subdivision shall not exceed the amount spent under this~~
26 ~~subdivision for the immediately preceding fiscal year. Funds spent for programs~~
27 ~~described in this subdivision shall be used for services to families with income below~~

1 ~~300% of the federal poverty level.~~

2 (2) Funds allocated under this section shall be allocated to intermediate
3 districts or consortia of intermediate districts. An intermediate district or
4 consortium of intermediate districts receiving funding under this section shall act as
5 the fiduciary for the great start readiness programs. For ~~2012-2013~~ 2013-2014, the
6 fiduciary ~~intermediate districts and consortia of intermediate districts shall~~
7 ~~allocate the funding under this section as follows:~~

8 ~~(a) An~~ **AN** amount not to exceed ~~\$100,400,000.00~~ **\$174,275,000.00 AND FOR 2014-**
9 **2015, AN AMOUNT NOT TO EXCEED \$239,275,000.00 IS** allocated to intermediate districts
10 and consortia of intermediate districts ~~as directed by the department~~ based on the
11 formula in section 39. In order to be eligible to receive funds allocated under this
12 ~~subdivision~~ **SUBSECTION** from an intermediate district or consortium of intermediate
13 districts, a district ~~or~~, consortium of districts, **OR A PUBLIC OR PRIVATE FOR-PROFIT**
14 **OR NONPROFIT LEGAL ENTITY OR AGENCY** shall comply with this section and section 39.

15 ~~(b) An amount not to exceed \$8,875,000.00 allocated in grants to competitive~~
16 ~~great start readiness programs as directed by the department based on the grant award~~
17 ~~process in section 321. In order to be eligible to receive funds allocated under this~~
18 ~~section from an intermediate district or consortium of intermediate districts, a~~
19 ~~competitive great start readiness program shall comply with this section and section~~
20 ~~321.~~

21 (3) In addition to the allocation under subsection (1), from the general fund
22 money appropriated under section 11, there is allocated **FOR EACH FISCAL YEAR** an amount
23 not to exceed \$300,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for a competitive
24 grant to continue a longitudinal evaluation of children who have participated in great
25 start readiness programs.

26 (4) To be eligible for funding under this section, a program shall prepare
27 children for success in school through comprehensive part-day, school-day, or

1 GSRP/head start blended programs that contain all of the following program components,
2 as determined by the department:

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

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

11 (c) Nutritional services for all program participants **SUPPORTED BY FEDERAL,**
12 **STATE AND LOCAL RESOURCES AS APPLICABLE.**

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

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

16 (f) Active and continuous involvement of the parents or guardians of the program
17 participants.

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

21 (h) Participation in a multidistrict, multiagency, school readiness advisory
22 committee **CONVENED AS A WORKGROUP OF THE GREAT START COLLABORATIVE** that provides for
23 the involvement of classroom teachers, parents or guardians of program participants,
24 and community, volunteer, and social service agencies and organizations, as
25 appropriate. The advisory committee annually shall review the program components
26 listed in this subsection and make recommendations for changes to the great start
27 readiness program for which it is an advisory committee.

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

3 (J) PARTICIPATING IN THE STATE'S GREAT START TO QUALITY PROCESS WITH A RATING OF
4 AT LEAST 3 STARS.

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

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

8 (b) Ensure that ~~more than 75%~~ **AT LEAST 90%** of the children participating in an
9 eligible great start readiness program **FOR WHOM THE PROVIDER IS RECEIVING FUNDS FROM**
10 **THIS SECTION** are children who live with families with a household income that is equal
11 to or less than 300% of the federal poverty level.

12 (c) Ensure that the applicant only uses qualified personnel for this program, as
13 follows:

14 (i) Teachers possessing proper training. For programs managed directly by a
15 district or intermediate district, a valid teaching certificate and an early childhood
16 (ZA or ZS) endorsement are required. This provision does not apply to ~~a district,~~
17 ~~intermediate district, or competitive program that subcontracts with~~ an eligible child
18 development program. In that situation, a teacher must have a valid Michigan teaching
19 certificate with an early childhood (ZA or ZS) endorsement, a valid Michigan
20 elementary teaching certificate with a child development associate credential, or a
21 bachelor's degree in child development with specialization in preschool teaching.
22 However, if an applicant demonstrates to the department that it is unable to fully
23 comply with this subparagraph after making reasonable efforts to comply, teachers who
24 have significant but incomplete training in early childhood education or child
25 development may be used if the applicant provides to the department, and the
26 department approves, a plan for each teacher to come into compliance with the
27 standards in this subparagraph. A teacher's compliance plan must be completed within 2

1 years of the date of employment. Progress toward completion of the compliance plan
2 shall consist of at least 2 courses per calendar year.

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

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

24 (6) For a grant recipient that enrolls pupils in a school-day program funded
25 under this section, each child enrolled in the school-day program shall be counted as
26 2 children served by the program for purposes of determining the number of children to
27 be served and for determining the amount of the grant award. A grant award shall not

1 be increased solely on the basis of providing a school-day program.

2 (7) An intermediate district or consortium of intermediate districts receiving a
 3 grant under this section may **PROVIDE SERVICES DIRECTLY OR MAY** contract with **LOCAL**
 4 **DISTRICTS, OR PUBLIC OR PRIVATE** for-profit or nonprofit ~~preschool center~~ providers
 5 that meet all requirements of subsection (4) and retain for administrative services an
 6 amount equal to not more than ~~5%~~ 7% of the grant amount. ~~AN~~ **IN ADDITION, AN**
 7 intermediate district, ~~OR~~ consortium of intermediate districts, ~~or competitive grant~~
 8 ~~program~~ may expend not more than ~~10%~~ 2% of the total grant amount for ~~administration~~
 9 **RECRUITING AND PUBLIC AWARENESS** of the program.

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

16 (8) **AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING A**
 17 **GRANT UNDER THIS SECTION MUST CONDUCT A LOCAL PROCESS TO CONTRACT WITH INTERESTED AND**
 18 **ELIGIBLE PUBLIC AND PRIVATE FOR-PROFIT AND NONPROFIT COMMUNITY-BASED PROVIDERS THAT**
 19 **MEET ALL REQUIREMENTS OF SUBSECTION (4) FOR AT LEAST 20 PERCENT OF ITS TOTAL SLOT**
 20 **ALLOCATION. IF THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS IS**
 21 **NOT ABLE TO CONTRACT FOR THAT CAPACITY, THE GRANT RECIPIENT MUST NOTIFY THE**
 22 **DEPARTMENT.**

23 (9) A recipient of funds under this section shall report to the department in a
 24 form and manner prescribed by the department the number of children participating in
 25 the program who meet the income ~~or other eligibility~~ criteria ~~prescribed by the~~
 26 ~~department~~ **UNDER SUBSECTION (5) (B)** and the total number of children participating in
 27 the program. For children participating in the program who meet the income ~~or other~~

1 eligibility criteria specified under subsection (5)(b), a recipient shall also report
2 whether or not a parent is available to provide care based on employment status. For
3 the purposes of this subsection, "employment status" shall be defined by the
4 department of human services in a manner consistent with maximizing the amount of
5 spending that may be claimed for temporary assistance for needy families maintenance
6 of effort purposes.

7 (10) As used in this section:

8 (a) "GSRP/head start blended program" means a part-day program funded under this
9 section and a head start program, which are combined for a school-day program.

10 (b) "Part-day program" means a program that operates at least 4 days per week,
11 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for
12 fewer hours of teacher-child contact time per day than a school-day program.

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

17 (11) A grant recipient receiving funds under this section ~~is encouraged to~~ **SHALL**
18 establish a sliding scale of tuition rates based upon ~~a child's family income for the~~
19 ~~purpose of expanding eligible programs under this section~~ **HOUSEHOLD INCOME FOR**
20 **CHILDREN PARTICIPATING IN AN ELIGIBLE GREAT START READINESS PROGRAM WHO LIVE WITH**
21 **FAMILIES WITH A HOUSEHOLD INCOME THAT IS MORE THAN 300% OF THE FEDERAL POVERTY LEVEL**
22 **TO BE USED BY ALL PROVIDERS, AS APPROVED BY THE DEPARTMENT.** A grant recipient ~~may~~
23 **SHALL** charge tuition ~~for programs provided under this section~~ according to that
24 sliding scale of tuition rates on a uniform basis for any child who does not meet the
25 ~~program~~ **INCOME** eligibility requirements under this section.

26 ~~(12) The department shall develop a plan for a multiyear phased-in approach to~~
27 ~~transfer funding for great start readiness programs under this section into an early~~

1 ~~childhood block grant program, along with funding for great start collaboratives under~~
 2 ~~section 32b and funding for great parents, great start programs under section 32j. The~~
 3 ~~early childhood block grant program will allocate funds to intermediate districts and~~
 4 ~~consortia of intermediate districts to act as fiduciaries and provide administration~~
 5 ~~of regional early childhood programs in conjunction with their regional great start~~
 6 ~~collaborative to improve program quality, evaluation, and efficiency for early~~
 7 ~~childhood programs. The department shall work with intermediate districts, districts,~~
 8 ~~great start collaboratives, and the early childhood investment corporation to~~
 9 ~~establish a revised funding formula, application process, program criteria, and data~~
 10 ~~reporting requirements.~~

11 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is
 12 allocated **EACH FISCAL YEAR** an amount not to exceed \$10,900,000.00 **TO INTERMEDIATE**
 13 **DISTRICTS** for ~~2012-2013~~ **2013-2014 AND 2014-2015** for the purpose of ~~providing early~~
 14 ~~childhood funding to intermediate school districts in block grants~~ **SUPPORTING THE**
 15 **ACTIVITIES REQUIRED UNDER SUBSECTION (2) AND PROVIDING EARLY CHILDHOOD PROGRAMS**
 16 **SIMILAR TO THOSE UNDER FORMER SECTION 32B AS IN EFFECT FOR 2001-2002 FOR CHILDREN FROM**
 17 **BIRTH THROUGH AGE 8.** ~~The~~ **BEGINNING IN 2013-2014, THE** funding provided to each
 18 intermediate district under this section shall be equal to ~~the sum of all funding~~
 19 ~~allocated under former sections 32b and 32j, as those sections were in effect for~~
 20 ~~2011-2012~~ **100% OF THE AMOUNT ALLOCATED TO THE INTERMEDIATE DISTRICT UNDER THIS SECTION**
 21 **FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.** In order to receive funding under this
 22 section, each intermediate district shall provide an application to the office of
 23 great start not later than ~~August~~ **SEPTEMBER 15, 2012, OF THE PRIOR STATE FISCAL YEAR**
 24 indicating the activities planned to be provided ~~and children served under the block~~
 25 ~~grant.~~

26 (2) **(A)** Each intermediate district ~~or consortium of intermediate districts~~ that
 27 receives funding under this section shall convene a local great start collaborative

1 and a parent coalition ~~to address the availability of the following 6 components of a~~
 2 ~~great start system in its communities: physical health, social-emotional health,~~
 3 ~~family supports, basic needs, economic stability and safety, and parenting education~~
 4 ~~and early education and care.~~ The goal of a local EACH great start collaborative AND
 5 PARENT COALITION ~~is~~ SHALL BE to ensure THE COORDINATION AND EXPANSION OF LOCAL EARLY
 6 CHILDHOOD INFRASTRUCTURE AND PROGRAMS that ALLOW every child in the community ~~is ready~~
 7 ~~for kindergarten~~ TO ACHIEVE THE FOLLOWING OUTCOMES:

8 (I) CHILDREN BORN HEALTHY.

9 (II) CHILDREN HEALTHY, THRIVING, AND DEVELOPMENTALLY ON TRACK FROM BIRTH TO
 10 THIRD GRADE.

11 (III) CHILDREN DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL
 12 ENTRY.

13 (IV) CHILDREN PREPARED TO SUCCEED IN FOURTH GRADE AND BEYOND BY READING
 14 PROFICIENTLY BY THE END OF THIRD GRADE.

15 (B) Each local great start collaborative AND PARENT COALITION shall CONVENE A
 16 WORKGROUP TO SERVE AS A SCHOOL READINESS ADVISORY COMMITTEE AS REQUIRED UNDER SECTION
 17 32D(4)(H) AND SHALL ensure ~~the coordination and expansion of infrastructure or~~
 18 ~~programming to support high quality early childhood and childcare programs. An~~
 19 ~~intermediate district or consortium of intermediate districts may reconstitute its~~
 20 ~~local great start collaborative if that collaborative is found to be ineffective. THAT~~
 21 ITS LOCAL GREAT START SYSTEM INCLUDES THE FOLLOWING SUPPORTS FOR CHILDREN FROM BIRTH
 22 THROUGH AGE 8:

23 (I) PHYSICAL HEALTH.

24 (II) SOCIAL-EMOTIONAL HEALTH.

25 (III) FAMILY SUPPORTS AND BASIC NEEDS.

26 (IV) PARENT EDUCATION AND CHILD ADVOCACY.

27 (V) EARLY EDUCATION AND CARE.

1 (3) Not later than December 1, ~~2013~~, **OF EACH YEAR**, each intermediate district
2 shall provide a report to the department detailing the activities actually provided
3 during ~~2012-2013~~ **THE PRIOR SCHOOL YEAR** and the **FAMILIES AND** children actually served.
4 ~~The department shall compile and summarize these reports and submit its summary to the~~
5 ~~house and senate appropriations subcommittees on school aid and to the house and~~
6 ~~senate fiscal agencies. The block grants allocated under this section implement~~
7 ~~legislative intent language for this purpose enacted in 2011 PA 62.~~

8 (4) An intermediate district ~~or consortium of intermediate districts~~ that
9 receives funding under this section may carry over any unexpended funds received under
10 this section ~~for a fiscal year~~ into the next fiscal year and may expend those unused
11 funds in the next fiscal year. A recipient of a grant shall return any unexpended
12 grant funds to the department in the manner prescribed by the department not later
13 than September 30 of the next fiscal year after the fiscal year in which the funds are
14 received.

15 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall
16 submit a preapplication, in a form and manner prescribed by the department, by a date
17 specified by the department in the immediately preceding state fiscal year. The
18 preapplication shall include a comprehensive needs assessment using aggregated data
19 from the applicant's entire service area and a community collaboration plan that is
20 endorsed by the local great start collaborative and is part of the community's great
21 start strategic plan that includes, but is not limited to, great start readiness
22 program and head start providers, and shall identify all of the following:

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

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

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

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

8 (2) An applicant receiving funds under section 32d shall also submit a final
9 application for approval, in a form and manner prescribed by the department, by a date
10 specified by the department, that details how the applicant complies with the program
11 components established by the department pursuant to section 32d.

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

22 (4) The initial allocation for each fiscal year to each eligible applicant
23 under section 32d shall be determined by multiplying the number of children determined
24 by the formula under subsection (3) or the number of children the applicant indicates
25 it will be able to serve under subsection (1)(c), whichever is less, by ~~\$3,400.00~~
26 \$3,625.00 and shall be distributed among applicants in decreasing order of
27 concentration of eligible children as determined by the formula under subsection (3).

1 If the number of children an applicant indicates it will be able to serve under
2 subsection (1)(c) includes children able to be served in a school-day program, then
3 the number able to be served in a school-day program shall be doubled for the purposes
4 of making this calculation of the lesser of the number of children determined by the
5 formula under subsection (3) and the number of children the applicant indicates it
6 will be able to serve under subsection (1)(c) and determining the amount of the
7 initial allocation to the applicant under section 32d. A district may contract with a
8 head start agency to serve children enrolled in head start with a school-day program
9 by blending head start funds with a part-day great start readiness program allocation.
10 All head start and great start readiness program policies and regulations apply to the
11 blended program.

12 (5) If funds allocated for eligible applicants in section 32d remain after the
13 initial allocation under subsection (4), the allocation under this subsection shall be
14 distributed to each eligible applicant under section 32d in decreasing order of
15 concentration of eligible children as determined by the formula under subsection (3).
16 The allocation shall be determined by multiplying the number of children each district
17 within the applicant's service area served in the immediately preceding fiscal year or
18 the number of children the applicant indicates it will be able to serve under
19 subsection (1)(c), whichever is less, minus the number of children for which the
20 applicant received funding in subsection (4) by ~~\$3,400.00~~ **\$3,625.00**.

21 (6) If funds allocated for eligible applicants in section 32d remain after the
22 allocations under subsections (4) and (5), remaining funds shall be distributed to
23 each eligible applicant under section 32d in decreasing order of concentration of
24 eligible children as determined by the formula under subsection (3). If the number of
25 children the applicant indicates it will be able to serve under subsection (1)(c)
26 exceeds the number of children for which funds have been received under subsections
27 (4) and (5), the allocation under this subsection shall be determined by multiplying

1 the number of children the applicant indicates it will be able to serve under
2 subsection (1)(c) less the number of children for which funds have been received under
3 subsections (4) and (5) by ~~\$3,400.00~~ **\$3,625.00** until the funds allocated for eligible
4 applicants in section 32d are distributed.

5 (7) An applicant that offers supplementary child care funded by funds other
6 than those received under section 32d and therefore offers full-day programs as part
7 of its early childhood development program shall receive priority in the allocation of
8 funds under section 32d over other eligible applicants. As used in this subsection,
9 "full-day program" means a program that provides supplementary child care that totals
10 at least 10 hours of programming per day.

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

16 Sec. 39a. (1) From the federal funds appropriated in section 11, there is
17 allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 and 2014-2015** to districts,
18 intermediate districts, and other eligible entities all available federal funding,
19 estimated at ~~\$812,328,500.00~~ **\$811,828,500.00**, for the federal programs under the no
20 child left behind act of 2001, Public Law 107-110. These funds are allocated as
21 follows:

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

25 ~~(b) An amount estimated at \$250,000.00 for the purpose of improving teaching~~
26 ~~and learning through a more effective use of technology, funded from DED-OESE,~~
27 ~~educational technology state grant funds.~~

1 (B) ~~(e)~~ An amount estimated at \$111,111,900.00 for the purpose of preparing,
2 training, and recruiting high-quality teachers and class size reduction, funded from
3 DED-OESE, improving teacher quality funds.

4 (C) ~~(d)~~ An amount estimated at \$12,200,000.00 for programs to teach English to
5 limited English proficient (LEP) children, funded from DED-OESE, language acquisition
6 state grant funds.

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

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

11 (F) ~~(g)~~ An amount estimated at \$591,500,000.00 to provide supplemental programs
12 to enable educationally disadvantaged children to meet challenging academic standards,
13 funded from DED-OESE, title I, disadvantaged children funds.

14 ~~(h) An amount estimated at \$250,000.00 for the purpose of providing unified
15 family literacy programs, funded from DED-OESE, title I, even start funds.~~

16 (G) ~~(i)~~ An amount estimated at \$8,878,000.00 for the purpose of identifying and
17 serving migrant children, funded from DED-OESE, title I, migrant education funds.

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

22 (I) ~~(k)~~ An amount estimated at \$24,600,000.00 to help support local school
23 improvement efforts, funded from DED-OESE, title I, local school improvement grants.

24 (2) From the federal funds appropriated in section 11, there is allocated **EACH**
25 **FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** to districts, intermediate
26 districts, and other eligible entities all available federal funding, estimated at
27 ~~\$33,514,100.00~~ **\$31,700,000.00** for the following programs that are funded by federal

1 grants:

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

4 (b) An amount estimated at ~~\$1,814,100.00~~ \$2,600,000.00 to provide services to
5 homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

6 ~~(c) An amount estimated at \$2,600,000.00 for serve America grants, funded from~~
7 ~~the corporation for national and community service funds.~~

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

10 (3) To the extent allowed under federal law, the funds allocated under
11 subsection (1) ~~(g)~~, ~~(h)~~, (F) and ~~(k)~~ (I) may be used for 1 or more reading improvement
12 programs that meet at least 1 of the following:

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

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

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

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

27 (4) All federal funds allocated under this section shall be distributed in

1 accordance with federal law and with flexibility provisions outlined in Public Law
 2 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.
 3 Notwithstanding section 17b, payments of federal funds to districts, intermediate
 4 districts, and other eligible entities under this section shall be paid on a schedule
 5 determined by the department.

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

10 (6) As used in this section:

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

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

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

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

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

16 Sec. 51a. (1) From the appropriation in section 11, there is allocated for
 17 ~~2011-2012~~ **2013-2014** an amount not to exceed ~~\$956,769,100.00~~ **\$980,569,100.00** and there
 18 is allocated an amount not to exceed ~~\$996,269,100.00~~ **\$1,004,869,100.00** for ~~2012-2013~~
 19 **2014-2015** from state sources and all available federal funding under sections 611 to
 20 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419,
 21 estimated at ~~\$363,400,000.00~~ **\$370,000,000.00 EACH YEAR** for ~~2011-2012~~ and estimated at
 22 ~~\$365,000,000.00~~ for ~~2012-2013~~ **2013-2014 AND 2014-2015**, plus any carryover federal
 23 funds from previous year appropriations. The allocations under this subsection are for
 24 the purpose of reimbursing districts and intermediate districts for special education
 25 programs, services, and special education personnel as prescribed in article 3 of the
 26 revised school code, MCL 380.1701 to 380.1766; net tuition payments made by
 27 intermediate districts to the Michigan schools for the deaf and blind; and special

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

16 (2) From the funds allocated under subsection (1), there is allocated the
17 amount necessary, estimated at ~~\$247,500,000.00~~ **\$258,300,000.00** for ~~2011-2012~~ **2013-2014**
18 and estimated at ~~\$257,400,000.00~~ **\$263,000,000.00** for ~~2012-2013~~ **2014-2015**, for payments
19 toward reimbursing districts and intermediate districts for 28.6138% of total approved
20 costs of special education, excluding costs reimbursed under section 53a, and 70.4165%
21 of total approved costs of special education transportation. Allocations under this
22 subsection shall be made as follows:

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

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

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

15 (3) From the funds allocated under subsection (1), there is allocated each
16 fiscal year for ~~2011-2012~~ 2013-2014 and for ~~2012-2013~~ 2014-2015 an amount not to
17 exceed \$1,000,000.00 to make payments to districts and intermediate districts under
18 this subsection. If the amount allocated to a district or intermediate district for a
19 fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to
20 the district or intermediate district for 1996-97 under sections 52 and 58, there is
21 allocated to the district or intermediate district for the fiscal year an amount equal
22 to that difference, adjusted by applying the same proration factor that was used in
23 the distribution of funds under section 52 in 1996-97 as adjusted to the district's or
24 intermediate district's necessary costs of special education used in calculations for
25 the fiscal year. This adjustment is to reflect reductions in special education program
26 operations or services between 1996-1997 and subsequent fiscal years. Adjustments for
27 reductions in special education program operations or services shall be made in a

1 manner determined by the department and shall include adjustments for program or
2 service shifts.

3 (4) If the department determines that the sum of the amounts allocated for a
4 fiscal year to a district or intermediate district under subsection (2)(a) and (b) is
5 not sufficient to fulfill the specified percentages in subsection (2), then the
6 shortfall shall be paid to the district or intermediate district during the fiscal
7 year beginning on the October 1 following the determination and payments under
8 subsection (3) shall be adjusted as necessary. If the department determines that the
9 sum of the amounts allocated for a fiscal year to a district or intermediate district
10 under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the
11 specified percentages in subsection (2), then the department shall deduct the amount
12 of the excess from the district's or intermediate district's payments under this
13 article for the fiscal year beginning on the October 1 following the determination and
14 payments under subsection (3) shall be adjusted as necessary. However, if the amount
15 allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill
16 the specified percentages in subsection (2), there shall be no deduction under this
17 subsection.

18 (5) State funds shall be allocated on a total approved cost basis. Federal
19 funds shall be allocated under applicable federal requirements, except that an amount
20 not to exceed \$3,500,000.00 may be allocated by the department each fiscal year for
21 ~~2011-2012~~ 2013-2014 and for ~~2012-2013~~ 2014-2015 to districts, intermediate districts,
22 or other eligible entities on a competitive grant basis for programs, equipment, and
23 services that the department determines to be designed to benefit or improve special
24 education on a statewide scale.

25 (6) From the amount allocated in subsection (1), there is allocated an amount
26 not to exceed \$2,200,000.00 each fiscal year for ~~2011-2012~~ 2013-2014 and for ~~2012-2013~~
27 2014-2015 to reimburse 100% of the net increase in necessary costs incurred by a

1 district or intermediate district in implementing the revisions in the administrative
2 rules for special education that became effective on July 1, 1987. As used in this
3 subsection, "net increase in necessary costs" means the necessary additional costs
4 incurred solely because of new or revised requirements in the administrative rules
5 minus cost savings permitted in implementing the revised rules. Net increase in
6 necessary costs shall be determined in a manner specified by the department.

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

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

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

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

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

22 (C) ~~(d)~~ Reimbursement for ancillary and other related services, as defined by R
23 340.1701c of the Michigan administrative code, shall not be provided when those
24 services are covered by and available through private group health insurance carriers
25 or federal reimbursed program sources unless the department and district or
26 intermediate district agree otherwise and that agreement is approved by the state
27 budget director. Expenses, other than the incidental expense of filing, shall not be

1 borne by the parent. In addition, the filing of claims shall not delay the education
2 of a pupil. A district or intermediate district shall be responsible for payment of a
3 deductible amount and for an advance payment required until the time a claim is paid.

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

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

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

24 (10) If a district or intermediate district uses money received under this
25 section for a purpose other than the purpose or purposes for which the money is
26 allocated, the department may require the district or intermediate district to refund
27 the amount of money received. Money that is refunded shall be deposited in the state

1 treasury to the credit of the state school aid fund.

2 (11) From the funds allocated in subsection (1), there is allocated **EACH FISCAL**
3 **YEAR** the amount necessary, estimated at ~~\$5,300,000.00~~ **\$4,500,000.00** for ~~2011-2012~~
4 ~~2013-2014~~ and estimated at ~~\$5,600,000.00~~ **\$4,600,000.00** for ~~2012-2013~~ **2014-2015**, to pay
5 the foundation allowances for pupils described in this subsection. The allocation to a
6 district under this subsection shall be calculated by multiplying the number of pupils
7 described in this subsection who are counted in membership in the district times the
8 foundation allowance under section 20 of the pupil's district of residence, not to
9 exceed the basic foundation allowance under section 20 for the current fiscal year,
10 or, for a pupil described in this subsection who is counted in membership in a
11 district that is a public school academy, times an amount equal to the amount per
12 membership pupil under section 20(6) or, for a pupil described in this subsection who
13 is counted in membership in the education achievement system, times an amount equal to
14 the amount per membership pupil under section 20(7). The allocation to an intermediate
15 district under this subsection shall be calculated in the same manner as for a
16 district, using the foundation allowance under section 20 of the pupil's district of
17 residence, not to exceed the basic foundation allowance under section 20 for the
18 current fiscal year. This subsection applies to all of the following pupils:

19 (a) Pupils described in section 53a.

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

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

26 (12) If it is determined that funds allocated under subsection (2) or (11) or
27 under section 51c will not be expended, funds up to the amount necessary and available

1 may be used to supplement the allocations under subsection (2) or (11) or under
2 section 51c in order to fully fund those allocations. After payments under subsections
3 (2) and (11) and section 51c, the remaining expenditures from the allocation in
4 subsection (1) shall be made in the following order:

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

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

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

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

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

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

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

26 Sec. 51b. A district or intermediate district shall not receive funds under
27 ~~this article~~ **SECTION 51A** unless the district or intermediate district complies with

1 rules promulgated under article 3 of the revised school code, being sections 380.1701
2 to 380.1766 of the Michigan Compiled Laws.

3 Sec. 51c. As required by the court in the consolidated cases known as Durant v
4 State of Michigan, Michigan supreme court docket no. 104458-104492, from the
5 allocation under section 51a(1), there is allocated each fiscal year for ~~2011-2012~~
6 ~~2013-2014~~ and for ~~2012-2013~~ **2014-2015** the amount necessary, estimated at
7 ~~\$648,700,000.00~~ **\$662,500,000.00** for ~~2011-2012~~ **2013-2014** and estimated at
8 ~~\$678,000,000.00~~ **\$682,000,000.00** for ~~2012-2013~~ **2014-2015**, for payments to reimburse
9 districts for 28.6138% of total approved costs of special education excluding costs
10 reimbursed under section 53a, and 70.4165% of total approved costs of special
11 education transportation. Funds allocated under this section that are not expended in
12 the state fiscal year for which they were allocated, as determined by the department,
13 may be used to supplement the allocations under sections 22a and 22b in order to fully
14 fund those calculated allocations for the same fiscal year.

15 Sec. 51d. (1) From the federal funds appropriated in section 11, there is
16 allocated for each fiscal year ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** all
17 available federal funding, estimated at \$74,000,000.00 each fiscal year, for special
18 education programs that are funded by federal grants. All federal funds allocated
19 under this section shall be distributed in accordance with federal law.
20 Notwithstanding section 17b, payments of federal funds to districts, intermediate
21 districts, and other eligible entities under this section shall be paid on a schedule
22 determined by the department.

23 (2) From the federal funds allocated under subsection (1), the following
24 amounts are allocated each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-**
25 **2015**:

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

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

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

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

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

16 (2) Reimbursement under subsection (1) is for the following special education
17 pupils:

18 (a) Pupils assigned to a district or intermediate district through the
19 community placement program of the courts or a state agency, if the pupil was a
20 resident of another intermediate district at the time the pupil came under the
21 jurisdiction of the court or a state agency.

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

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

27 (d) Pupils enrolled in a department-approved on-grounds educational program

1 longer than 180 days, but not longer than 233 days, at a residential child care
2 institution, if the child care institution offered in 1991-92 an on-grounds
3 educational program longer than 180 days but not longer than 233 days.

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

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

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

13 (5) Not more than \$13,500,000.00 of the allocation for ~~2011-2012~~ **2013-2014** and
14 for ~~2012-2013~~ **2014-2015** in section 51a(1) shall be allocated for each fiscal year
15 under this section.

16 Sec. 54. Each intermediate district shall receive an amount per pupil for each
17 pupil in attendance at the Michigan schools for the deaf and blind. The amount shall
18 be proportionate to the total instructional cost at each school. Not more than
19 \$1,688,000.00 of the allocation **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015**
20 in section 51a(1) shall be allocated under this section.

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

22 (a) "Membership" means for a particular fiscal year the total membership for
23 the immediately preceding fiscal year of the intermediate district and the districts
24 constituent to the intermediate district.

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

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

6 (2) From the allocation under section 51a(1), there is allocated **EACH FISCAL**
 7 **YEAR** an amount not to exceed \$36,881,100.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** to
 8 reimburse intermediate districts levying millages for special education pursuant to
 9 part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and
 10 expenditure of the reimbursement shall be limited as if the funds were generated by
 11 these millages and governed by the intermediate district plan adopted pursuant to
 12 article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of
 13 receiving funds under this section, an intermediate district distributing any portion
 14 of special education millage funds to its constituent districts shall submit for
 15 departmental approval and implement a distribution plan.

16 (3) Reimbursement for those millages levied in ~~2010-2011~~ **2012-2013** shall be
 17 made in ~~2011-2012~~ **2013-2014** at an amount per ~~2010-2011~~ **2012-2013** membership pupil
 18 computed by subtracting from ~~\$174,700.00~~ **\$166,000.00** the ~~2010-2011~~ **2012-2013** taxable
 19 value behind each membership pupil and multiplying the resulting difference by the
 20 ~~2010-2011~~ **2012-2013** millage levied.

21 ~~(4) For 2012-2013 only, reimbursement to each intermediate district shall be~~
 22 ~~equal to its reimbursement under this section for 2011-2012.~~

23 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2013-2014 SHALL BE MADE IN 2014-**
 24 **2015 PURSUANT TO THE DISTRIBUTION METHOD IN SUBSECTION (3), USING THE APPLICABLE DATA**
 25 **FOR THE 2014-2015 FISCAL YEAR.**

26 Sec. 61a. (1) From the appropriation in section 11, there is allocated **EACH**
 27 **FISCAL YEAR** an amount not to exceed \$26,611,300.00 for ~~2012-2013~~ **2013-2014 AND 2014-**

1 2015 to reimburse on an added cost basis districts, except for a district that served
2 as the fiscal agent for a vocational education consortium in the 1993-94 school year,
3 and secondary area vocational-technical education centers for secondary-level career
4 and technical education programs according to rules approved by the superintendent.
5 Applications for participation in the programs shall be submitted in the form
6 prescribed by the department. The department shall determine the added cost for each
7 career and technical education program area. The allocation of added cost funds shall
8 be based on the type of career and technical education programs provided, the number
9 of pupils enrolled, and the length of the training period provided, and shall not
10 exceed 75% of the added cost of any program. With the approval of the department, the
11 board of a district maintaining a secondary career and technical education program may
12 offer the program for the period from the close of the school year until September 1.
13 The program shall use existing facilities and shall be operated as prescribed by rules
14 promulgated by the superintendent.

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

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

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

1 (b) "Millage levied" means the millage levied for area vocational-technical
2 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to
3 380.690, including a levy for debt service obligations incurred as the result of
4 borrowing for capital outlay projects and in meeting capital projects fund
5 requirements of area vocational-technical education.

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

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

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

21 (2) From the appropriation in section 11, there is allocated **EACH FISCAL YEAR**
22 an amount not to exceed \$9,000,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** to
23 reimburse intermediate districts and area vocational-technical education programs
24 established under section 690(3) of the revised school code, MCL 380.690, levying
25 millages for area vocational-technical education pursuant to sections 681 to 690 of
26 the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of
27 the reimbursement shall be limited as if the funds were generated by those millages.

1 (3) Reimbursement for the millages levied in ~~2010-2011~~ 2012-2013 shall be made
2 in ~~2011-2012~~ 2013-2014 at an amount per ~~2010-2011~~ 2012-2013 membership pupil computed
3 by subtracting from ~~\$190,400.00~~ \$185,300.00 the ~~2010-2011~~ 2012-2013 taxable value
4 behind each membership pupil and multiplying the resulting difference by the ~~2010-2011~~
5 2012-2013 millage levied.

6 ~~(4) For 2012-2013 only, reimbursements to each intermediate district shall be~~
7 ~~equal to its reimbursement under this section for 2011-2012.~~

8 (4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2013-2014 SHALL BE MADE IN 2014-
9 2015 PURSUANT TO THE DISTRIBUTION METHOD IN SUBSECTION (3), USING THE APPLICABLE DATA
10 FOR THE 2014-2015 FISCAL YEAR.

11 Sec. 74. (1) From the amount appropriated in section 11, there is allocated
12 EACH FISCAL YEAR an amount not to exceed ~~\$3,259,900.00~~ \$3,299,000.00 for ~~2012-2013~~
13 2013-2014 AND 2014-2015 for the purposes of this section.

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

25 (3) From the allocation in subsection (1), there is allocated each fiscal year
26 the amount necessary to pay the reasonable costs of nonspecial education auxiliary
27 services transportation provided pursuant to section 1323 of the revised school code,

1 MCL 380.1323. Districts funded under this subsection shall not receive funding under
2 any other section of this article for nonspecial education auxiliary services
3 transportation.

4 (4) From the funds allocated in subsection (1), there is allocated **FOR EACH**
5 **FISCAL YEAR** an amount not to exceed ~~\$1,634,900.00~~ **\$1,674,000.00** for ~~2012-2013~~ **2013-**
6 **2014 AND 2014-2015** for reimbursement to districts and intermediate districts for costs
7 associated with the inspection of school buses and pupil transportation vehicles by
8 the department of state police as required under section 715a of the Michigan vehicle
9 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990
10 PA 187, MCL 257.1839. The department of state police shall prepare a statement of
11 costs attributable to each district for which bus inspections are provided and submit
12 it to the department and to an intermediate district serving as fiduciary in a time
13 and manner determined jointly by the department and the department of state police.
14 Upon review and approval of the statement of cost, the department shall forward to the
15 designated intermediate district serving as fiduciary the amount of the reimbursement
16 on behalf of each district and intermediate district for costs detailed on the
17 statement within 45 days after receipt of the statement. The designated intermediate
18 district shall make payment in the amount specified on the statement to the department
19 of state police within 45 days after receipt of the statement. The total reimbursement
20 of costs under this subsection shall not exceed the amount allocated under this
21 subsection. Notwithstanding section 17b, payments to eligible entities under this
22 subsection shall be paid on a schedule prescribed by the department.

23 Sec. 81. (1) Except as otherwise provided in this section, from the
24 appropriation in section 11, there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-**
25 **2014 AND 2014-2015** to the intermediate districts the sum necessary, but not to exceed
26 ~~\$64,108,000.00~~ **\$64,115,000.00**, to provide state aid to intermediate districts under
27 this section.

1 (2) From the allocation in subsection (1), there is allocated an amount not to
2 exceed \$62,108,000.00 for allocations to each intermediate district for ~~2012-2013~~
3 ~~2013-2014~~ **AND 2014-2015** in an amount equal to 100% of the amount allocated to the
4 intermediate district under this subsection for ~~2011-2012~~ **THE IMMEDIATELY PRECEDING**
5 **FISCAL YEAR**. Funding provided under this section shall be used to comply with
6 requirements of this article and the revised school code that are applicable to
7 intermediate districts, and for which funding is not provided elsewhere in this
8 article, and to provide technical assistance to districts as authorized by the
9 intermediate school board.

10 (3) Intermediate districts receiving funds under subsection (2) shall
11 collaborate with the department to develop expanded professional development
12 opportunities for teachers to update and expand their knowledge and skills needed to
13 support the Michigan merit curriculum.

14 (4) From the allocation in subsection (1), there is allocated to an
15 intermediate district, formed by the consolidation or annexation of 2 or more
16 intermediate districts or the attachment of a total intermediate district to another
17 intermediate school district or the annexation of all of the constituent K-12
18 districts of a previously existing intermediate school district which has
19 disorganized, an additional allotment of \$3,500.00 each fiscal year for each
20 intermediate district included in the new intermediate district for 3 years following
21 consolidation, annexation, or attachment. **FROM THE ALLOCATION IN SUBSECTION (1), THERE**
22 **IS ALLOCATED \$7,000.00 FOR PURPOSES OF THIS SUBSECTION FOR FISCAL YEAR 2013-2014 AND**
23 **FISCAL YEAR 2014-2015, AFTER WHICH TIME THE PAYMENT UNDER THIS SUBSECTION WILL CEASE.**

24 ~~(5) During a fiscal year, the department shall not increase an intermediate~~
25 ~~district's allocation under subsection (1) because of an adjustment made by the~~
26 ~~department during the fiscal year in the intermediate district's taxable value for a~~
27 ~~prior year. Instead, the department shall report the adjustment and the estimated~~

1 ~~amount of the increase to the house and senate fiscal agencies and the state budget~~
2 ~~director not later than June 1 of the fiscal year, and the legislature shall~~
3 ~~appropriate money for the adjustment in the next succeeding fiscal year.~~

4 (5) ~~(6)~~ In order to receive funding under subsection (2), an intermediate
5 district shall do all of the following:

6 (a) Demonstrate to the satisfaction of the department that the intermediate
7 district employs at least 1 person who is trained in pupil accounting and auditing
8 procedures, rules, and regulations.

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

13 (c) Comply with sections 1278a and 1278b of the revised school code, MCL
14 380.1278a and 380.1278b.

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

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

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

20 (6) ~~(7)~~ From the allocation in subsection (1), there is allocated **EACH FISCAL**
21 **YEAR** an amount not to exceed \$2,000,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for
22 an incentive payment to each intermediate district that meets best practices as
23 determined by the department under this subsection. The amount of the incentive
24 payment is an amount equal to 3.2% of the amount allocated to the intermediate
25 district under subsection (2). An intermediate district is eligible for an incentive
26 payment under this subsection if the intermediate district satisfies at least 4 5 of
27 the following requirements not later than June 1, ~~2013~~ **2014**:

1 (a) The intermediate district enters into an agreement with the department to
2 ~~do all of~~ COMPLY WITH the following:

3 (i) IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE CONSOLIDATION PLAN IN
4 2012-2013, IMPLEMENT THE SERVICE CONSOLIDATION PLAN IN 2013-2014 AND REPORT TO THE
5 DEPARTMENT NOT LATER THAN FEBRUARY 1, 2014 ON THE INTERMEDIATE DISTRICT'S PROGRESS IN
6 IMPLEMENTING THE SERVICE CONSOLIDATION PLAN.

7 (II) ~~(i)~~ IF THE INTERMEDIATE DISTRICT DID NOT DEVELOP A SERVICE CONSOLIDATION
8 PLAN IN 2012-2013, develop a service consolidation plan in ~~2012-2013~~ 2013-2014 to
9 reduce operating costs that is in compliance with guidelines that were developed by
10 the department for former section 11d as that section was in effect for 2010-2011.

11 (III) ~~(i)~~ IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE CONSOLIDATION PLAN
12 IN 2013-2014, implement the service consolidation plan in ~~2013-2014~~ 2014-2015 and
13 report to the department not later than February 1, ~~2014~~ 2015 on the intermediate
14 district's progress in implementing the service consolidation plan.

15 (IV) MAKE THE INTERMEDIATE DISTRICT'S SERVICE CONSOLIDATION PLAN PUBLICLY
16 AVAILABLE ON THE INTERMEDIATE DISTRICT'S WEBSITE.

17 (b) The intermediate district has obtained competitive bids on the provision of
18 1 or more noninstructional services for the intermediate district or its constituent
19 districts with a value of at least \$50,000.00. THE UNFUNDED ACCRUED LIABILITY COSTS
20 FOR RETIREMENT AND OTHER BENEFITS SHALL BE EXCLUDED FROM THE INTERMEDIATE DISTRICT'S
21 CURRENT COSTS FOR THE PURPOSE OF COMPARING COMPETITIVE BIDS TO THE CURRENT COSTS OF
22 PROVIDING SERVICES.

23 (c) The intermediate district develops a technology plan in accordance with
24 department policy on behalf of all constituent districts within the intermediate
25 district that integrates technology into the classroom and prepares teachers to use
26 digital technologies as part of the instructional program of each of its constituent
27 districts. AN INTERMEDIATE DISTRICT THAT DEVELOPED A TECHNOLOGY PLAN IN 2012-2013

1 SHALL BEGIN IMPLEMENTING THAT TECHNOLOGY PLAN IN 2013-2014.

2 (d) The intermediate district provides to parents and community members a
3 dashboard or report card demonstrating the intermediate district's efforts to manage
4 its finances responsibly. The dashboard or report card shall include **REVENUE AND**
5 **EXPENDITURE PROJECTIONS FOR THE INTERMEDIATE DISTRICT FOR FISCAL YEAR 2013-2014 AND**
6 **FISCAL YEAR 2014-2015, A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT,**
7 **INCLUDING ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH PROJECT, A LISTING OF**
8 **TOTAL OUTSTANDING DEBT, AND** at least all of the following for the 3 most recent school
9 years for which the data are available:

10 (i) A list of services offered by the intermediate district that are shared by
11 other local or intermediate districts and a list of the districts or intermediate
12 districts that participate.

13 (ii) The total cost savings to local or other intermediate districts that share
14 services with the intermediate district.

15 (iii) The number and percentage of teachers in the intermediate district
16 service area that are trained to integrate technology into the classroom.

17 (iv) The total funds received from levying special education and vocational
18 education millages, and the number of special education and vocational education
19 pupils served with those dollars.

20 (v) The number and percentage of individualized education programs developed
21 for special education pupils that contain academic goals.

22 (e) The intermediate district works in a consortium with 1 or more other
23 intermediate districts **AND THE CENTER** to develop **LOCAL** information management system
24 requirements and bid specifications ~~THAT can be used as statewide models~~ **RESULT IN A**
25 **RECOMMENDED MODEL INFORMATION SYSTEM THAT SUPPORTS INTEROPERABILITY TO ENSURE LINKAGE**
26 **AND CONNECTIVITY IN A MANNER THAT FACILITATES THE EFFICIENT EXCHANGE OF DATA BETWEEN**
27 **DISTRICTS, INTERMEDIATE DISTRICTS AND THE CENTER.** At a minimum, these specifications

1 shall ~~address~~ **INCLUDE** pupil management systems for both general and special education,
2 learning management tools, and business services.

3 **(F) IF AN INTERMEDIATE DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION,**
4 **DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A**
5 **HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE INTERMEDIATE**
6 **DISTRICT IS THE POLICYHOLDER FOR EACH OF ITS INSURANCE POLICIES THAT COVERS 1 OR MORE**
7 **OF THESE BENEFITS. AN INTERMEDIATE DISTRICT THAT DOES NOT DIRECTLY EMPLOY ITS STAFF OR**
8 **AN INTERMEDIATE DISTRICT WITH A VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS**
9 **NO MORE THAN THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES NO MORE**
10 **THAN THE MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL ANNUAL COSTS FOR THE**
11 **MEDICAL BENEFIT PLANS AS DESCRIBED IN 2011 PA 152, MCL 15.563 TO 15.564, IS CONSIDERED**
12 **TO HAVE SATISFIED THIS REQUIREMENT.**

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

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

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

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

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

27 (i) Data sets that link teachers to student information, allowing districts to

1 assess individual teacher impact on student performance and consider student growth
2 factors in teacher and principal evaluation systems.

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

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

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

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

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

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

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

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

27 (a) Includes data at the individual student level from preschool through

1 postsecondary education and into the workforce.

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

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

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

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

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

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

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

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

24 (ii) Contains student-level enrollment, demographic, and program participation
25 information.

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

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

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

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

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

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

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

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

15 (A) Enrollment in remedial coursework.

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

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

20 (5) From the general fund appropriation in section 11, there is allocated **FOR**
21 **EACH FISCAL YEAR** an amount not to exceed ~~\$9,218,400.00~~ **\$9,435,100.00** for ~~2012-2013~~
22 **2013-2014 AND 2014-2015** to the department of technology, management, and budget to
23 support the operations of the center. In addition, from the federal funds appropriated
24 in section 11 there is allocated **FOR EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND**
25 **2014-2015** the amount necessary, estimated at \$193,500.00 for ~~2012-2013~~ **EACH FISCAL**
26 **YEAR**, to support the operations of the center and to establish a P-20 longitudinal
27 data system as provided under this section in compliance with the assurance provided

1 to the United States department of education in order to receive state fiscal
2 stabilization funds. The center shall cooperate with the department to ensure that
3 this state is in compliance with federal law and is maximizing opportunities for
4 increased federal funding to improve education in this state.

5 (6) From the funds allocated in subsection (5), there is allocated **FOR EACH**
6 **FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$850,000.00
7 for competitive grants to support collaborative efforts on the P-20 longitudinal data
8 system. All of the following apply to grants awarded under this subsection:

9 (a) The center shall award competitive grants to eligible intermediate
10 districts or a consortium of intermediate districts based on criteria established by
11 the center.

12 (b) Activities funded under the grant shall support the P-20 longitudinal data
13 system portal and may include portal hosting, hardware and software acquisition,
14 maintenance, enhancements, user support and related materials, and professional
15 learning tools and activities aimed at improving the utility of the P-20 longitudinal
16 data system.

17 (c) An applicant that received a grant under this subsection for the
18 immediately preceding fiscal year shall receive priority for funding under this
19 section. However, after 3 fiscal years of continuous funding, an applicant is required
20 to compete openly with new applicants.

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

24 (8) The center may bill departments as necessary in order to fulfill reporting
25 requirements of state and federal law. The center may also enter into agreements to
26 supply custom data, analysis, and reporting to other principal executive departments,
27 state agencies, local units of government, and other individuals and organizations.

1 The center may receive and expend funds in addition to those authorized in subsection
2 (5) to cover the costs associated with salaries, benefits, supplies, materials, and
3 equipment necessary to provide such data, analysis, and reporting services.

4 (9) As used in this section:

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

7 (b) "State education agency" means the department.

8 Sec. 95. (1) From the funds appropriated in section 11, there is allocated **FOR**
9 **EACH FISCAL YEAR** an amount not to exceed ~~\$1,750,000.00~~ **\$500,000.00** for ~~2012-2013~~ **2013-**
10 **2014 AND 2014-2015** for grants to districts to support professional development for
11 principals and assistant principals in a department-approved training program for
12 implementing educator evaluations as required under section 1249 of the revised school
13 code, MCL 380.1249.

14 (2) ~~For 2012-2013, all districts may apply for funding under this section by a~~
15 ~~date determined by the department. Beginning in 2013-2014, in~~ **IN** a form and manner
16 determined by the department, priority will be given to districts that have new
17 building administrators who have not previously received training in programs funded
18 under this section.

19 (3) The department shall approve training programs for the purpose of this
20 section. The department shall approve all training programs recommended by the
21 ~~governor's~~ council on educator effectiveness and may approve other training programs
22 that meet department criteria. At a minimum, these other programs shall meet all of
23 the following criteria:

24 (a) Contain instructional content on methods of evaluating teachers
25 consistently across multiple grades and subjects.

26 (b) Include training on evaluation observation that is focused on reliability
27 and bias awareness and that instills skills needed for consistent, evidence-based

1 observations.

2 (c) Incorporate the use of videos of actual lessons for applying rubrics and
3 consistent scoring.

4 (d) Align with recommendations of the ~~governor's~~ council on educator
5 effectiveness.

6 (e) Provide ongoing support to maintain inter-rater reliability. As used in
7 this subdivision, "inter-rater reliability" means a consistency of measurement from
8 different evaluators independently applying the same evaluation criteria to the same
9 classroom observation.

10 (4) The department shall award grants to eligible districts in an amount
11 determined by the department, but not to exceed \$350.00 per participant.

12 (5) A district receiving funds under this section shall use the funds only for
13 department-approved training programs under this section.

14 Sec. 98. (1) From the general fund money appropriated in section 11, there is
15 allocated **FOR EACH FISCAL YEAR** an amount not to exceed ~~\$4,387,500.00~~ **\$14,387,500.00**
16 for ~~2012-2013~~ **2013-2014** **AND \$9,387,500.00** ~~2014-2015~~ for the purposes described in this
17 section.

18 (2) The Michigan virtual university shall ~~establish~~ **OPERATE** the ~~center for~~
19 ~~online learning research and innovation~~ **MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE.**
20 The ~~center for online learning research and innovation~~ **MICHIGAN VIRTUAL LEARNING**
21 **RESEARCH INSTITUTE** shall do all of the following:

22 (a) Support and accelerate innovation in education through the following
23 activities:

24 (i) Test, evaluate, and recommend as appropriate new technology-based
25 instructional tools and resources.

26 (ii) Research, design, and recommend ~~online and blended~~ **DIGITAL** education
27 delivery models for use by pupils and teachers that include age-appropriate multimedia

1 instructional content.

2 (iii) Research, design, and recommend competency-based online assessments.

3 (iv) Research, develop, and recommend annually to the department criteria by
4 which cyber schools and online course providers should be monitored and evaluated to
5 ensure a quality education for their pupils.

6 (v) Based on pupil completion and performance data reported to the department
7 or the center for educational performance and information from cyber schools and other
8 online course providers operating in this state, analyze the effectiveness of online
9 learning delivery models in preparing pupils to be college- and career-ready and
10 publish a report that highlights enrollment totals, completion rates, and the overall
11 impact on pupils. The report shall be submitted to the house and senate appropriations
12 subcommittees on state school aid, the state budget director, the house and senate
13 fiscal agencies, and the department not later than ~~December 31, 2013~~ **DECEMBER 1, 2014**.

14 (vi) ~~Design professional development services for~~ **THE INSTITUTE SHALL PROVIDE**
15 **AN EXTENSIVE PROFESSIONAL DEVELOPMENT PROGRAM TO A MINIMUM OF 1,000 EDUCATION**
16 **PERSONNEL, INCLUDING** teachers, school administrators, and school board members ~~to~~
17 ~~learn how to effectively integrate new technologies and online learning into curricula~~
18 ~~and instruction~~ **PRIOR TO AUGUST 31, 2014 THAT FOCUSES ON THE EFFECTIVE INTEGRATION OF**
19 **DIGITAL LEARNING INTO CURRICULA AND INSTRUCTION. THE INSTITUTE SHALL REPORT TO THE**
20 **HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET**
21 **DIRECTOR, THE HOUSE AND SENATE FISCAL AGENCIES AND THE DEPARTMENT ON THE NUMBER AND**
22 **PERCENTAGE OF TEACHERS, SCHOOL ADMINISTRATORS AND SCHOOL BOARD MEMBERS WHO HAVE**
23 **RECEIVED PROFESSIONAL DEVELOPMENT SERVICES FROM THE MICHIGAN VIRTUAL UNIVERSITY NO**
24 **LATER THAN DECEMBER 1, 2014. THE REPORT SHALL ALSO IDENTIFY BARRIERS AND OTHER**
25 **OPPORTUNITIES TO ENCOURAGE THE ADOPTION OF DIGITAL LEARNING IN THE PUBLIC EDUCATION**
26 **SYSTEM.**

27 (vii) Identify and share best practices for **PLANNING**, implementing **AND**

1 **EVALUATING** online and blended education delivery models with intermediate districts,
2 districts, and public school academies to accelerate the adoption of innovative
3 education delivery models statewide. **BEGINNING IN 2013-2014, THE MICHIGAN VIRTUAL**
4 **UNIVERSITY SHALL AWARD UP TO \$2,200,000.00 IN COMPETITIVE GRANTS TO INTERMEDIATE**
5 **DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS TO SUPPORT AND ACCELERATE STATEWIDE**
6 **EFFORTS TO EXPAND THE INTEGRATION OF ONLINE AND BLENDED LEARNING. GRANT FUNDS MAY NOT**
7 **BE USED TO SUPPLANT PERSONNEL COSTS AT AN INTERMEDIATE DISTRICT. THE MICHIGAN VIRTUAL**
8 **UNIVERSITY SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE**
9 **SCHOOL AID, THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE FISCAL AGENCIES AND THE**
10 **DEPARTMENT ON BARRIERS AND OTHER OPPORTUNITIES TO ENCOURAGE THE ACCEPTANCE OF DIGITAL**
11 **LEARNING IN THE PUBLIC EDUCATION SYSTEM NO LATER THAN DECEMBER 1, 2014.**

12 (b) Provide leadership for this state's system of ~~online and blended~~ **DIGITAL**
13 learning education by doing the following activities:

14 (i) Develop and report policy recommendations to the governor and the
15 legislature that accelerate the expansion of effective online learning in this state's
16 schools.

17 (ii) Provide a clearinghouse for research reports, academic studies,
18 evaluations, and other information related to online learning.

19 (iii) Promote and distribute the most current instructional design standards
20 and guidelines for online teaching.

21 (iv) In collaboration with the department and interested colleges and
22 universities in this state, recommend to the superintendent guidelines and standards
23 for a new teacher endorsement credential related to effective ~~online and blended~~
24 **DIGITAL LEARNING** instruction. **THE INSTITUTE SHALL REPORT ITS RECOMMENDATIONS FOR A NEW**
25 **DIGITAL LEARNING TEACHER ENDORSEMENT CREDENTIAL NO LATER THAN SEPTEMBER 30, 2013.**
26 **BEGINNING IN 2013-2014, THE MICHIGAN VIRTUAL UNIVERSITY SHALL CONVENE AND SUPPORT A**
27 **STATEWIDE COHORT OF HIGHER EDUCATION FACULTY MEMBERS TO IMPLEMENT THE NEW TEACHER**

1 ENDORSEMENT CREDENTIAL WITHIN THEIR HIGHER EDUCATION INSTITUTIONS' TEACHER PREPARATION
2 PROGRAMS. THE MICHIGAN VIRTUAL UNIVERSITY MAY SUPPORT A PORTION OF THE PERSONNEL COSTS
3 ASSOCIATED WITH THIS INITIATIVE. HIGHER EDUCATION FACULTY MEMBERS PARTICIPATING IN
4 THIS INITIATIVE WILL BE REQUIRED TO CONDUCT RESEARCH WORK THAT CONTRIBUTES TO THE
5 GOALS OF THE INSTITUTE.

6 (v) Pursue public/private partnerships that include districts to study and
7 implement competency-based technology-rich online learning models.

8 (vi) Convene focus groups and conduct annual surveys of teachers,
9 administrators, pupils, parents, and others to identify barriers and opportunities
10 related to online learning.

11 (vii) Produce an annual consumer awareness report for schools and parents about
12 effective online education providers and education delivery models, performance data,
13 cost structures, and research trends.

14 (VIII) RESEARCH AND ESTABLISH AN INTERNET-BASED PLATFORM THAT EDUCATORS CAN USE
15 TO CREATE STUDENT-CENTRIC LEARNING TOOLS AND RESOURCES AND FACILITATE A USER NETWORK
16 THAT ASSISTS EDUCATORS IN USING THE PLATFORM. AS PART OF THIS INITIATIVE, WORK
17 COLLABORATIVELY WITH LOCAL AND INTERMEDIATE DISTRICTS TO ESTABLISH A PLAN TO MAKE
18 AVAILABLE ONLINE RESOURCES THAT ALIGN TO MICHIGAN'S K-12 CURRICULUM STANDARDS FOR USE
19 BY STUDENTS, EDUCATORS AND PARENTS.

20 (IX) CREATE AND MAINTAIN A PUBLIC STATEWIDE CATALOG OF ONLINE LEARNING COURSES
21 BEING OFFERED BY ALL PUBLIC SCHOOLS IN THE STATE. THE INSTITUTE SHALL DETERMINE A LIST
22 OF NATIONALLY-RECOGNIZED BEST PRACTICES FOR ONLINE LEARNING AND USE THIS LIST TO
23 PROVIDE REVIEWS OF ONLINE COURSE VENDORS, COURSES, AND INSTRUCTIONAL PRACTICES. THE
24 RESULTS FROM THESE REVIEWS WILL ALSO BE MADE AVAILABLE TO THE PUBLIC THROUGH THE
25 STATEWIDE CATALOG. THE STATEWIDE CATALOG SHALL BE AVAILABLE TO THE PUBLIC ON THE
26 MICHIGAN VIRTUAL UNIVERSITY WEBSITE AND LINKED TO EACH DISTRICT'S WEBSITE AS PROVIDED
27 FOR IN SECTION 21F OF THIS ARTICLE. BEGINNING IN 2014-2015, THE STATEWIDE CATALOG

1 SHALL ALSO CONTAIN:

2 (A) THE NUMBER OF PUPILS ENROLLED IN EACH ONLINE COURSE IN THE 2012-2013 SCHOOL
3 YEAR.

4 (B) THE NUMBER OF PUPILS WHO SUCCESSFULLY COMPLETED EACH ONLINE COURSE IN THE
5 2012-2013 SCHOOL YEAR.

6 (C) THE COMPLETION RATE FOR EACH ONLINE COURSE.

7 ~~(3) Subject to the provisions of this subsection, from the funds allocated in~~
8 ~~subsection (1), there is allocated an amount not to exceed \$500,000.00 for 2012 to the~~
9 ~~Michigan virtual school operated by the Michigan virtual university to conduct and~~
10 ~~report on a year long pilot study of a new performance based funding model for the~~
11 ~~Michigan virtual school. The purpose of the pilot study is to determine the merits of~~
12 ~~a payment system for online instructional programs based on pupil performance rather~~
13 ~~than solely on enrollment and attendance factors. All of the following apply to the~~
14 ~~pilot study and the funding under this subsection:~~

15 ~~(a) The Michigan virtual school shall randomly select a minimum of 1,000 of its~~
16 ~~qualifying online course enrollments for inclusion in the pilot study. The Michigan~~
17 ~~virtual school shall issue a refund or credit to districts for all online course~~
18 ~~enrollments included in the pilot study.~~

19 ~~(b) The Michigan virtual school shall report to the department the number of~~
20 ~~online course enrollments in the pilot study that meet the following conditions:~~

21 ~~(i) The pupil successfully completed the online course as measured by~~
22 ~~assessments aligned to the course content and earned a grade or credit from the~~
23 ~~district or public school academy in which the pupil is enrolled.~~

24 ~~(ii) The online course is taught by a Michigan certificated teacher certified~~
25 ~~in the subject area in which the course is being offered.~~

26 ~~(iii) Where applicable, the online course is aligned with Michigan curriculum~~
27 ~~standards.~~

1 ~~(iv) The online course curriculum contains periodic online pupil assessments.~~

2 ~~(v) Pupils have access to the appropriate technology hardware and software~~
3 ~~necessary to take the online course.~~

4 ~~(vi) Parents or guardians and pupils have secure online access to review~~
5 ~~periodic pupil progress and performance data.~~

6 ~~(vii) The online instructor is available to interact with parents or guardians~~
7 ~~and pupils using electronic communications.~~

8 ~~(c) The department shall pay to Michigan virtual school from the funding under~~
9 ~~this subsection an amount not to exceed the equivalent of 1/12 of the state's minimum~~
10 ~~per pupil foundation allowance for each online course enrollment included in the pilot~~
11 ~~study that meets the conditions of subdivision (b) in the next school aid payment~~
12 ~~after the report is received by the department.~~

13 (3) ~~(4)~~ In order for the Michigan virtual university to receive any funds
14 allocated under this section, the Michigan virtual school must maintain its
15 accreditation status from recognized national and international accrediting entities.

16 (4) ~~(5)~~ The Michigan virtual school **OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY**
17 may offer online course offerings ~~in addition to those offered in the pilot study~~
18 ~~described in subsection (3)~~, including, but not limited to, all of the following:

19 (a) Information technology courses.

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

22 (c) Courses and dual enrollment opportunities.

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

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

26 (f) Special interest courses.

27 (g) Professional development programs for teachers, school administrators,

1 other school employees, and school board members.

2 (H) MICHIGAN VIRTUAL SCHOOL ONLINE COURSES SHALL BE INCLUDED IN THE STATEWIDE
3 CATALOG OF ONLINE COURSES.

4 (5) ~~(6)~~ If a home-schooled or nonpublic school student is a resident of a
5 district that subscribes to services provided by the Michigan virtual school, the
6 student may use the services provided by the Michigan virtual school to the district
7 without charge to the student beyond what is charged to a district pupil using the
8 same services.

9 (6) ~~(7)~~ Not later than December 1 of each fiscal year, the Michigan virtual
10 university shall provide a report to the house and senate appropriations subcommittees
11 on state school aid, the state budget director, the house and senate fiscal agencies,
12 and the department that includes at least all of the following information related to
13 the Michigan virtual school for the preceding state fiscal year:

14 (a) A list of the districts served by the Michigan virtual school.

15 (b) A list of online course titles available to districts.

16 (c) The total number of online course enrollments and information on
17 registrations and completions by course.

18 (d) The overall course completion rate percentage.

19 ~~(e) An analysis of the results of the pilot study described in subsection (3),~~
20 ~~including, but not limited to:~~

21 ~~(i) A list of the districts that were selected to be part of the pilot study.~~

22 ~~(ii) The number of successful online course completions.~~

23 ~~(iii) A list of the courses offered in the pilot study and the completion rates~~
24 ~~for each course.~~

25 ~~(iv) Identification of opportunities and barriers that must be addressed in~~
26 ~~order to apply online learning performance funding based on successful completions~~
27 ~~rather than enrollment and attendance for online learning offerings statewide.~~

1 (7) ~~(8)~~ The governor may appoint an advisory group for the ~~center for online~~
 2 ~~learning research and innovation~~ **MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE**
 3 established under subsection (2). The members of the advisory group shall serve at the
 4 pleasure of the governor and shall serve without compensation. The purpose of the
 5 advisory group is to make recommendations to the governor, the legislature, and the
 6 president and board of the Michigan virtual university that will accelerate innovation
 7 in this state's education system in a manner that will prepare elementary and
 8 secondary students to be career and college ready and that will promote the goal of
 9 increasing the percentage of citizens of this state with high-quality degrees and
 10 credentials to at least 60% by 2025.

11 (8) ~~(9)~~ As used in this section:

12 (a) "Blended learning" means a hybrid instructional delivery model where pupils
 13 are provided ~~face to face~~ **CONTENT**, instruction, **AND ASSESSMENT** in part at a supervised
 14 ~~school~~ **EDUCATIONAL** facility away from home **WHERE THE PUPIL AND A MICHIGAN-CERTIFIED**
 15 **TEACHER ARE IN THE SAME PHYSICAL LOCATION** and in part through ~~computer-based and~~
 16 internet-connected learning environments with some degree of pupil control over time,
 17 location, and pace of instruction.

18 (b) "Cyber school" means a full-time ~~online~~ instructional program **OF ONLINE**
 19 **COURSES** for pupils that may or may not require attendance at a physical school
 20 location.

21 (c) **"DIGITAL LEARNING" MEANS INSTRUCTION DELIVERED VIA A WEB-BASED EDUCATIONAL**
 22 **DELIVERY SYSTEM THAT USES VARIOUS INFORMATION TECHNOLOGIES TO PROVIDE A STRUCTURED**
 23 **LEARNING ENVIRONMENT, INCLUDING ONLINE AND BLENDED LEARNING INSTRUCTIONAL METHODS.**

24 (d) ~~(e)~~ "Online ~~instructional program~~ **COURSE**" means a course of study that
 25 ~~generates~~ **IS CAPABLE OF GENERATING** a credit or a grade, **THAT IS** provided in an
 26 interactive ~~computer-based and~~ internet-connected learning environment, in which
 27 pupils are separated from their teachers by time or location, or both, and in which a

1 Michigan certificated teacher is responsible for ~~providing direct instruction~~
2 **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR EACH PUPIL**, diagnosing learning
3 needs, assessing pupil learning, prescribing intervention strategies, reporting
4 outcomes, and evaluating the effects of instruction and support strategies.

5 Sec. 99. (1) From the funds appropriated in section 11, there is allocated **FOR**
6 **EACH FISCAL YEAR** an amount not to exceed \$2,725,000.00 for ~~2012-2013~~ **2013-2014 AND**
7 **2014-2015** to support the activities and programs of mathematics and science centers
8 and for other purposes as described in this section. In addition, from the federal
9 funds appropriated in section 11, there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~
10 **2013-2014 AND 2014-2015** an amount estimated at \$5,249,300.00 from DED-OESE, title II,
11 mathematics and science partnership grants.

12 (2) Within a service area designated locally, approved by the department, and
13 consistent with the comprehensive master plan for mathematics and science centers
14 developed by the department and approved by the state board, an established
15 mathematics and science center shall provide 2 or more of the following 6 basic
16 services, as described in the master plan, to constituent districts and communities:
17 leadership, pupil services, curriculum support, community involvement, professional
18 development, and resource clearinghouse services.

19 (3) The department shall not award a state grant under this section to more
20 than 1 mathematics and science center located in a designated region as prescribed in
21 the 2007 master plan unless each of the grants serves a distinct target population or
22 provides a service that does not duplicate another program in the designated region.

23 (4) As part of the technical assistance process, the department shall provide
24 minimum standard guidelines that may be used by the mathematics and science center for
25 providing fair access for qualified pupils and professional staff as prescribed in
26 this section.

27 (5) Allocations under this section to support the activities and programs of

1 mathematics and science centers shall be continuing support grants to all 33
2 established mathematics and science centers. Each established mathematics and science
3 center that was funded in the immediately preceding fiscal year shall receive state
4 funding in an amount equal to 100% of the amount it was allocated under this
5 subsection for the immediately preceding fiscal year. If a center declines state
6 funding or a center closes, the remaining money available under this section shall be
7 distributed to the remaining centers, as determined by the department.

8 (6) From the funds allocated in subsection (1), there is allocated **EACH FISCAL**
9 **YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$750,000.00 in a
10 form and manner determined by the department to those centers able to provide
11 curriculum and professional development support to assist districts in implementing
12 the Michigan merit curriculum components for mathematics and science. Funding under
13 this subsection is in addition to funding allocated under subsection (5).

14 (7) From the funds allocated in subsection (1), there is allocated **EACH FISCAL**
15 **YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$100,000.00 in a
16 form and manner determined by the department to a single mathematics and science
17 center that is a participant in the Michigan STEM partnership. Funding under this
18 subsection is in addition to funding allocated under subsection (5) and shall be used
19 for connecting mathematics and science centers for science, technology, engineering,
20 and mathematics purposes.

21 (8) In order to receive state or federal funds under this section, a grant
22 recipient shall allow access for the department or the department's designee to audit
23 all records related to the program for which it receives such funds. The grant
24 recipient shall reimburse the state for all disallowances found in the audit.

25 (9) Not later than September 30, 2013, the department shall reevaluate and
26 update the comprehensive master plan described in subsection (1).

27 (10) The department shall give preference in awarding the federal grants

1 allocated in subsection (1) to eligible existing mathematics and science centers.

2 (11) In order to receive state funds under this section, a grant recipient
3 shall provide at least a 10% local match from local public or private resources for
4 the funds received under this section.

5 (12) Not later than July 1 of each year, a mathematics and science center that
6 receives funds under this section shall report to the department in a form and manner
7 prescribed by the department on the following performance measures:

8 (a) Statistical change in pre- and post-assessment scores for students who
9 enrolled in mathematics and science activities provided to districts by the
10 mathematics and science center.

11 (b) Statistical change in pre- and post-assessment scores for teachers who
12 enrolled in professional development activities provided by the mathematics and
13 science center.

14 (13) As used in this section:

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

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

17 Sec. 101. (1) To be eligible to receive state aid under this ~~act~~ **ARTICLE**, not
18 later than the fifth Wednesday after the pupil membership count day and not later than
19 the fifth Wednesday after the supplemental count day, each district superintendent
20 shall submit to the center and the intermediate superintendent, in the form and manner
21 prescribed by the center, the number of pupils enrolled and in regular daily
22 attendance in the district as of the pupil membership count day and as of the
23 supplemental count day, as applicable, for the current school year. In addition, a
24 district maintaining school during the entire year, as provided under section 1561 of
25 the revised school code, MCL 380.1561, shall submit to the center and the intermediate
26 superintendent, in the form and manner prescribed by the center, the number of pupils
27 enrolled and in regular daily attendance in the district for the current school year

1 pursuant to rules promulgated by the superintendent. Not later than the ~~seventh~~ **SIXTH**
2 Wednesday after the pupil membership count day and not later than the sixth Wednesday
3 after the supplemental count day, the district shall certify the data in a form and
4 manner prescribed by the center and file the certified data with the intermediate
5 superintendent. If a district fails to submit and certify the attendance data, as
6 required under this subsection, the center shall notify the department and state aid
7 due to be distributed under this article shall be withheld from the defaulting
8 district immediately, beginning with the next payment after the failure and continuing
9 with each payment until the district complies with this subsection. If a district does
10 not comply with this subsection by the end of the fiscal year, the district forfeits
11 the amount withheld. A person who willfully falsifies a figure or statement in the
12 certified and sworn copy of enrollment shall be punished in the manner prescribed by
13 section 161.

14 (2) To be eligible to receive state aid under this article, not later than the
15 twenty-fourth Wednesday after the pupil membership count day and not later than the
16 twenty-fourth Wednesday after the supplemental count day, an intermediate district
17 shall submit to the center, in a form and manner prescribed by the center, the audited
18 enrollment and attendance data for the pupils of its constituent districts and of the
19 intermediate district. If an intermediate district fails to submit the audited data as
20 required under this subsection, state aid due to be distributed under this article
21 shall be withheld from the defaulting intermediate district immediately, beginning
22 with the next payment after the failure and continuing with each payment until the
23 intermediate district complies with this subsection. If an intermediate district does
24 not comply with this subsection by the end of the fiscal year, the intermediate
25 district forfeits the amount withheld.

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

1 (a) Except as otherwise provided in this section, each district shall provide
2 at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days
3 of pupil instruction. For 2010-2011 and for 2011-2012, the required minimum number of
4 days of pupil instruction is 165. Beginning in 2012-2013, the required minimum number
5 of days of pupil instruction is 170. However, beginning in 2010-2011, a district shall
6 not provide fewer days of pupil instruction than the district provided for 2009-2010.
7 A district may apply for a waiver under subsection (9) from the requirements of this
8 subdivision.

9 (b) Except as otherwise provided in this article, a district failing to comply
10 with the required minimum hours and days of pupil instruction under this subsection
11 shall forfeit from its total state aid allocation an amount determined by applying a
12 ratio of the number of hours or days the district was in noncompliance in relation to
13 the required minimum number of hours and days under this subsection. Not later than
14 August 1, the board of each district shall certify to the department the number of
15 hours and, beginning in 2010-2011, days of pupil instruction in the previous school
16 year. If the district did not provide at least the required minimum number of hours
17 and days of pupil instruction under this subsection, the deduction of state aid shall
18 be made in the following fiscal year from the first payment of state school aid. A
19 district is not subject to forfeiture of funds under this subsection for a fiscal year
20 in which a forfeiture was already imposed under subsection (6).

21 (c) Hours or days lost because of strikes or teachers' conferences shall not be
22 counted as hours or days of pupil instruction.

23 (d) If a collective bargaining agreement that provides a complete school
24 calendar is in effect for employees of a district as of October 19, 2009, and if that
25 school calendar is not in compliance with this subsection, then this subsection does
26 not apply to that district until after the expiration of that collective bargaining
27 agreement.

1 (e) Except as otherwise provided in subdivision (f), a district not having at
2 least 75% of the district's membership in attendance on any day of pupil instruction
3 shall receive state aid in that proportion of 1/180 that the actual percent of
4 attendance bears to the specified percentage.

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

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

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

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

21 (g) All of the following apply to a waiver granted under subdivision (f):

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

25 (ii) If the waiver is for a 100% online model of delivery and the educational
26 program for which the waiver is granted makes educational services available to pupils
27 for a minimum of at least 1,098 hours during a school year and ensures that each pupil

1 participates in the educational program for at least 1,098 hours during a school year,
2 a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year
3 remains in effect unless it is revoked by the superintendent.

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

6 (h) The superintendent shall promulgate rules for the implementation of this
7 subsection.

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

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

26 (6) In addition to any other penalty or forfeiture under this section, if at
27 any time the department determines that 1 or more of the following has occurred in a

1 district, the district shall forfeit in the current fiscal year beginning in the next
2 payment to be calculated by the department a proportion of the funds due to the
3 district under this article that is equal to the proportion below the required minimum
4 number of hours and days of pupil instruction under subsection (3), as specified in
5 the following:

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

9 (b) The board of the district takes formal action not to operate its schools
10 for at least the required minimum number of hours and days of pupil instruction under
11 subsection (3) in a school year, including hours and days counted under subsection
12 (4).

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

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

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

24 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12
25 for whom a reduced schedule is determined to be in the individual pupil's best
26 educational interest must be scheduled for a number of hours equal to at least 80% of
27 the required minimum number of hours of pupil instruction to be considered a full-time

1 equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may
2 receive a reduced schedule under this subsection if the pupil is scheduled for a
3 number of hours equal to at least 75% of the required minimum number of hours of pupil
4 instruction to be considered a full-time equivalent pupil.

5 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education
6 program or a special education pupil cannot receive the required minimum number of
7 hours of pupil instruction solely because of travel time between instructional sites
8 during the school day, that travel time, up to a maximum of 3 hours per school week,
9 shall be considered to be pupil instruction time for the purpose of determining
10 whether the pupil is receiving the required minimum number of hours of pupil
11 instruction. However, if a district demonstrates to the satisfaction of the department
12 that the travel time limitation under this subdivision would create undue costs or
13 hardship to the district, the department may consider more travel time to be pupil
14 instruction time for this purpose.

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

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

22 (ii) The board of the district or intermediate district employing or assigning
23 the instructor complies with the requirements of sections 1230 and 1230a of the
24 revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the
25 same extent as if employing the instructor as a regular classroom teacher.

26 (8) Except as otherwise provided in subsections (11) and (12), the department
27 shall apply the guidelines under subsection (7) in calculating the full-time

1 equivalency of pupils.

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

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

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

25 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid
26 for 1 fiscal year and must be renewed annually to remain in effect.

27 (10) A district may count up to 38 hours of qualifying professional development

1 for teachers as hours of pupil instruction. Professional development provided online
2 is allowable and encouraged, as long as the instruction has been approved by the
3 district. The department shall issue a list of approved online professional
4 development providers, which shall include the Michigan virtual school. As used in
5 this subsection, "qualifying professional development" means professional development
6 that is focused on 1 or more of the following:

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

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

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

13 (d) Integrating technology into classroom instruction.

14 (e) Maintaining teacher certification.

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

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

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

26 Sec. 102. (1) A district or intermediate district receiving money under this
27 ~~act~~ **ARTICLE** shall not adopt or operate under a deficit budget, and a district or

1 intermediate district shall not incur an operating deficit in a fund during a school
2 fiscal year. A district or intermediate district that has an existing deficit fund
3 balance, that incurs a deficit fund balance in the most recently completed school
4 fiscal year, or that adopts a current year budget that projects a deficit fund balance
5 shall not be allotted or paid a further sum under this ~~act~~ **ARTICLE** until the district
6 or intermediate district submits to the department for approval a budget for the
7 current school fiscal year and a plan to eliminate the district's or intermediate
8 district's deficit not later than the end of the second school fiscal year after the
9 deficit was incurred or the budget projecting a deficit was adopted. Withheld state
10 aid payments shall be released after the department approves the deficit ~~reduction~~
11 **ELIMINATION** plan and ensures that the budget for the current school fiscal year is
12 balanced. After the department approves a district's or intermediate district's
13 deficit ~~reduction~~ **ELIMINATION** plan, the district or intermediate district shall post
14 the deficit elimination plan on the district's or intermediate district's website.

15 (2) Not later than March 1 of each year, the department shall prepare a report
16 of deficits incurred or projected by districts and intermediate districts in the
17 immediately preceding fiscal year and the progress made in reducing those deficits and
18 submit the report to the standing committees of the legislature responsible for K-12
19 education legislation, the appropriations subcommittees of the legislature responsible
20 for K-12 education appropriations, the house and senate fiscal agencies, the state
21 treasurer, and the state budget director. The department also shall submit quarterly
22 interim reports concerning the progress made by districts and intermediate districts
23 in reducing those deficits. On a quarterly basis, the superintendent of public
24 instruction shall publicly present those reports to the appropriations subcommittees
25 of the legislature responsible for K-12 education appropriations.

26 (3) The amount of the permissible deficit for each school fiscal year shall not
27 exceed the amount of state aid reduced by an executive order during that school fiscal

1 year.

2 (4) A district or intermediate district that has an existing deficit fund
3 balance, that incurs a deficit fund balance in the most recently completed school
4 fiscal year, or that adopts a current year budget that projects a deficit fund balance
5 shall submit to the department a monthly monitoring report on revenue and expenditures
6 in a form and manner prescribed by the department and shall post these reports on its
7 website.

8 (5) If a district or intermediate district is not able to comply with the
9 provisions of this section, the district or intermediate district shall submit to the
10 department a plan to eliminate its deficit. Upon approval of the plan submitted, the
11 superintendent of public instruction may continue allotment and payment of funds under
12 this ~~act~~ **ARTICLE**, extend the period of time in which a district or intermediate
13 district has to eliminate its deficit, and set special conditions that the district or
14 intermediate district must meet during the period of the extension. After the
15 department approves a district's or intermediate district's deficit ~~reduction~~
16 **ELIMINATION** plan under this subsection, the district or intermediate district shall
17 post the deficit elimination plan on the district's or intermediate district's
18 website.

19 (6) For the purposes of this section, "deficit fund balance" means that term as
20 defined in the Michigan public school accounting manual published by the department.

21 Sec. 104. (1) In order to receive state aid under this article, a district
22 shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised
23 school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b,
24 and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state
25 school aid fund money appropriated in section 11, there is allocated **EACH FISCAL YEAR**
26 for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$26,694,400.00 for
27 payments on behalf of districts for costs associated with complying with those

1 provisions of law. In addition, from the federal funds appropriated in section 11,
2 there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount
3 estimated at \$8,250,000.00, funded from DED-OESE, title VI, state assessment funds,
4 and from DED-OSERS, section 504 of part B of the individuals with disabilities
5 education act, Public Law 94-142, plus any carryover federal funds from previous year
6 appropriations, for the purposes of complying with the federal no child left behind
7 act of 2001, Public Law 107-110.

8 (2) The results of each test administered as part of the Michigan educational
9 assessment program, including tests administered to high school students, shall
10 include an item analysis that lists all items that are counted for individual pupil
11 scores and the percentage of pupils choosing each possible response.

12 (3) All federal funds allocated under this section shall be distributed in
13 accordance with federal law and with flexibility provisions outlined in Public Law
14 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

15 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate
16 districts, and other eligible entities under this section shall be paid on a schedule
17 determined by the department.

18 (5) As used in this section:

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

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

21 (c) "DED-OSERS" means the DED office of special education and rehabilitative
22 services.

23 Sec. 107. (1) From the appropriation in section 11, there is allocated **EACH**
24 **FISCAL YEAR** an amount not to exceed \$22,000,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-**
25 **2015** for adult education programs authorized under this section. Funds allocated under
26 this section are restricted for adult education programs as authorized under this
27 section only. A recipient of funds under this section shall not use those funds for

1 any other purpose.

2 (2) To be eligible for funding under this section, a program shall employ
3 certificated teachers and qualified administrative staff and shall offer continuing
4 education opportunities for teachers to allow them to maintain certification.

5 (3) To be eligible to be a participant funded under this section, a person
6 shall be enrolled in an adult basic education program, an adult English as a second
7 language program, a general educational development (G.E.D.) test preparation program,
8 a job- or employment-related program, or a high school completion program, that meets
9 the requirements of this section, and shall meet either of the following, as
10 applicable:

11 (a) If the individual has obtained a high school diploma or a general
12 educational development (G.E.D.) certificate, the individual meets 1 of the following:

13 (i) Is less than 20 years of age on September 1 of the school year and is
14 enrolled in the Michigan career and technical institute.

15 (ii) Is less than 20 years of age on September 1 of the school year, is not
16 attending an institution of higher education, and is enrolled in a job- or employment-
17 related program through a referral by an employer.

18 (iii) Is enrolled in an English as a second language program.

19 (iv) Is enrolled in a high school completion program.

20 (b) If the individual has not obtained a high school diploma or G.E.D.
21 certificate, the individual meets 1 of the following:

22 (i) Is at least 20 years of age on September 1 of the school year.

23 (ii) Is at least 16 years of age on September 1 of the school year, has been
24 permanently expelled from school under section 1311(2) or 1311a of the revised school
25 code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program
26 available through his or her district of residence.

27 (4) Except as otherwise provided in subsection (5), the money allocated under

1 this section shall be distributed as follows:

2 (a) For districts and consortia that received payments for ~~2011-2012~~ **THE**
3 **IMMEDIATELY PRECEDING FISCAL YEAR** under this section, the amount allocated to each for
4 ~~2012-2013~~ **THE CURRENT FISCAL YEAR** shall be based on the number of participants served
5 by the district or consortium for ~~2012-2013~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**,
6 using the amount allocated per full-time equated participant under subsection (7), up
7 to a maximum total allocation under this subsection in an amount equal to the amount
8 the district or consortium received for ~~2011-2012~~ **THE IMMEDIATELY PRECEDING FISCAL**
9 **YEAR** under this section before any reallocations made for ~~2011-2012~~ **THE IMMEDIATELY**
10 **PRECEDING FISCAL YEAR** under subsection (5).

11 (b) A district or consortium that received funding in ~~2011-2012~~ **THE IMMEDIATELY**
12 **PRECEDING FISCAL YEAR** under this section may operate independently of a consortium or
13 join or form a consortium for ~~2012-2013~~ **THE CURRENT FISCAL YEAR**. The allocation for
14 ~~2012-2013~~ **THE CURRENT FISCAL YEAR** to the district or the newly formed consortium under
15 this subsection shall be determined by the department and shall be based on the
16 proportion of the amounts that are attributable to the district or consortium that
17 received funding in ~~2011-2012~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**. A district or
18 consortium described in this subdivision shall notify the department of its intention
19 with regard to ~~2012-2013~~ **THE CURRENT FISCAL YEAR** by October 1, ~~2012~~ **OF THE CURRENT**
20 **FISCAL YEAR**.

21 (5) A district that operated an adult education program in ~~2011-2012~~ **THE**
22 **IMMEDIATELY PRECEDING FISCAL YEAR** and does not intend to operate a program in ~~2012-~~
23 ~~2013~~ **THE CURRENT FISCAL YEAR** shall notify the department by October 1, ~~2012~~ **OF THE**
24 **CURRENT FISCAL YEAR** of its intention. The money intended to be allocated under this
25 section to a district that does not operate a program in ~~2012-2013~~ **THE CURRENT FISCAL**
26 **YEAR** and the unspent money originally allocated under this section to a district or
27 consortium that subsequently operates a program at less than the level of funding

1 allocated under subsection (4) and any other unallocated money under this section
2 shall instead be proportionately reallocated to the other districts described in
3 subsection (4) (a) that are operating an adult education program in ~~2012-2013~~ **THE**
4 **CURRENT FISCAL YEAR** under this section.

5 (6) The amount allocated under this section per full-time equated participant
6 is \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a
7 program offering less than 450 hours of instruction.

8 (7) An adult basic education program or an adult English as a second language
9 program operated on a year-round or school year basis may be funded under this
10 section, subject to all of the following:

11 (a) The program enrolls adults who are determined by a department-approved
12 assessment, in a form and manner prescribed by the department, to be below ninth grade
13 level in reading or mathematics, or both, or to lack basic English proficiency.

14 (b) The program tests individuals for eligibility under subdivision (a) before
15 enrollment and upon completion of the program in compliance with the state-approved
16 assessment policy.

17 (c) A participant in an adult basic education program is eligible for
18 reimbursement until 1 of the following occurs:

19 (i) The participant's reading and mathematics proficiency are assessed at or
20 above the ninth grade level.

21 (ii) The participant fails to show progress on 2 successive assessments after
22 having completed at least 450 hours of instruction.

23 (d) A funding recipient enrolling a participant in an English as a second
24 language program is eligible for funding according to subsection (11) until the
25 participant meets 1 of the following:

26 (i) The participant is assessed as having attained basic English proficiency as
27 determined by a department-approved assessment.

1 (ii) The participant fails to show progress on 2 successive department-approved
2 assessments after having completed at least 450 hours of instruction. The department
3 shall provide information to a funding recipient regarding appropriate assessment
4 instruments for this program.

5 (8) A general educational development (G.E.D.) test preparation program
6 operated on a year-round or school year basis may be funded under this section,
7 subject to all of the following:

8 (a) The program enrolls adults who do not have a high school diploma.

9 (b) The program shall administer a G.E.D. pre-test approved by the department
10 before enrolling an individual to determine the individual's potential for success on
11 the G.E.D. test, and shall administer a post-test upon completion of the program in
12 compliance with the state-approved assessment policy.

13 (c) A funding recipient shall receive funding according to subsection (11) for
14 a participant, and a participant may be enrolled in the program until 1 of the
15 following occurs:

16 (i) The participant passes the G.E.D. test.

17 (ii) The participant fails to show progress on 2 successive department-approved
18 assessments used to determine readiness to take the G.E.D. test after having completed
19 at least 450 hours of instruction.

20 (9) A high school completion program operated on a year-round or school year
21 basis may be funded under this section, subject to all of the following:

22 (a) The program enrolls adults who do not have a high school diploma.

23 (b) The program tests participants described in subdivision (a) before
24 enrollment and upon completion of the program in compliance with the state-approved
25 assessment policy.

26 (c) A funding recipient shall receive funding according to subsection (11) for
27 a participant in a course offered under this subsection until 1 of the following

1 occurs:

2 (i) The participant passes the course and earns a high school diploma.

3 (ii) The participant fails to earn credit in 2 successive semesters or terms in
4 which the participant is enrolled after having completed at least 900 hours of
5 instruction.

6 (10) A job- or employment-related adult education program operated on a year-
7 round or school year basis may be funded under this section, subject to all of the
8 following:

9 (a) The program enrolls adults referred by their employer who are less than 20
10 years of age, have a high school diploma, are determined to be in need of remedial
11 mathematics or communication arts skills and are not attending an institution of
12 higher education.

13 (b) The program tests participants described in subdivision (a) before
14 enrollment and upon completion of the program in compliance with the department-
15 approved assessment policy.

16 (c) An individual may be enrolled in this program and the grant recipient shall
17 receive funding according to subsection (11) until 1 of the following occurs:

18 (i) The individual achieves the requisite skills as determined by department-
19 approved assessment instruments.

20 (ii) The individual fails to show progress on 2 successive assessments after
21 having completed at least 450 hours of instruction.

22 (11) A funding recipient shall receive payments under this section in
23 accordance with the following:

24 (a) Ninety percent for enrollment of eligible participants.

25 (b) Ten percent for completion of the adult basic education objectives by
26 achieving an increase of at least 1 grade level of proficiency in reading or
27 mathematics; for achieving basic English proficiency, as defined by the department in

1 the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more
2 individual G.E.D. tests; for attainment of a high school diploma or passage of a
3 course required for a participant to attain a high school diploma; or for completion
4 of the course and demonstrated proficiency in the academic skills to be learned in the
5 course, as applicable.

6 (12) As used in this section, "participant" means the sum of the number of
7 full-time equated individuals enrolled in and attending a department-approved adult
8 education program under this section, using quarterly participant count days on the
9 schedule described in section 6(7)(b).

10 (13) A person who is not eligible to be a participant funded under this section
11 may receive adult education services upon the payment of tuition. In addition, a
12 person who is not eligible to be served in a program under this section due to the
13 program limitations specified in subsection (7), (8), (9), or (10) may continue to
14 receive adult education services in that program upon the payment of tuition. The
15 tuition level shall be determined by the local or intermediate district conducting the
16 program.

17 (14) An individual who is an inmate in a state correctional facility shall not
18 be counted as a participant under this section.

19 (15) A district shall not commingle money received under this section or from
20 another source for adult education purposes with any other funds of the district. A
21 district receiving adult education funds shall establish a separate ledger account for
22 those funds. This subsection does not prohibit a district from using general funds of
23 the district to support an adult education or community education program.

24 (16) A district or intermediate district receiving funds under this section may
25 establish a sliding scale of tuition rates based upon a participant's family income. A
26 district or intermediate district may charge a participant tuition to receive adult
27 education services under this section from that sliding scale of tuition rates on a

1 uniform basis. The amount of tuition charged per participant shall not exceed the
 2 actual operating cost per participant minus any funds received under this section per
 3 participant. A district or intermediate district may not charge a participant tuition
 4 under this section if the participant's income is at or below 200% of the federal
 5 poverty guidelines published by the United States department of health and human
 6 services.

7 (17) In order to receive funds under this section, a district shall furnish to
 8 the department, in a form and manner determined by the department, all information
 9 needed to administer this program and meet federal reporting requirements; shall allow
 10 the department or the department's designee to review all records related to the
 11 program for which it receives funds; and shall reimburse the state for all
 12 disallowances found in the review, as determined by the department.

13 (18) All intermediate district participant audits of adult education programs
 14 shall be performed pursuant to the adult education participant auditing and accounting
 15 manuals published by the department.

16 (19) As used in this section, "department" means the Michigan strategic fund.

17 Sec. 147. (1) The allocation for ~~2012-2013~~ **THE 2013-2014 AND 2014-2015 FISCAL**
 18 **YEARS** for the public school employees' retirement system pursuant to the public school
 19 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made
 20 using the entry age normal cost actuarial method and risk assumptions adopted by the
 21 public school employees retirement board and the department of technology, management,
 22 and budget.

23 (2) **THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES FOR THE 2013-2014**
 24 **FISCAL YEAR, AS DETERMINED BY THE RETIREMENT SYSTEM, ARE ESTIMATED AS FOLLOWS:**

25 (A) For public school employees who first worked for a public school reporting
 26 unit before July 1, 2010 **AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY**, the
 27 annual level percentage of payroll contribution rate is estimated at ~~18.62%~~ **29.35%**,

1 WITH 24.79% PAID DIRECTLY BY THE EMPLOYER for pension and at 8.75% for retiree health
2 care for the 2012-2013 fiscal year, unless a different contribution rate is calculated
3 and applied by the office of retirement services pursuant to provisions enacted under
4 Senate Bill No. 1040 of the 96th Legislature.

5 (B) For public school employees who first worked for a public school reporting
6 unit on or after July 1, 2010 AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY, the
7 annual level percentage of payroll contribution rate is estimated at ~~17.39%~~ 29.12%,
8 WITH 24.56% PAID DIRECTLY BY THE EMPLOYER for pension and 8.75% for retiree health
9 care for the 2012-2013 fiscal year, unless a different contribution rate is calculated
10 and applied by the office of retirement services pursuant to provisions enacted under
11 Senate Bill No. 1040 of the 96th Legislature. For public school employees who first
12 worked for a public school reporting unit before July 1, 2010, the annual level
13 percentage of payroll contribution rate is estimated at 22.46% for pension and 8.75%
14 for retiree health care for the 2013-2014 fiscal year, unless a different contribution
15 rate is calculated and applied by the office of retirement services pursuant to
16 provisions enacted under Senate Bill No. 1040 of the 96th Legislature. For public
17 school employees who first worked for a public school reporting unit on or after July
18 1, 2010, the annual level percentage of payroll contribution rate is estimated at
19 21.19% for pension and 8.75% for retiree health care for the 2013-2014 fiscal year,
20 unless a different contribution rate is calculated and applied by the office of
21 retirement services pursuant to provisions enacted under Senate Bill No. 1040 of the
22 96th Legislature.

23 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
24 UNIT ON OR AFTER JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE
25 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 28.19%, WITH
26 23.63% PAID DIRECTLY BY THE EMPLOYER.

27 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING

1 UNIT ON OR AFTER SEPTEMBER 4, 2012 AND WHO ELECT DEFINED CONTRIBUTION AND WHO
2 PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
3 CONTRIBUTION RATE IS ESTIMATED AT 25.52%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

4 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
5 UNIT BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO ARE ENROLLED IN
6 THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE
7 IS ESTIMATED AT 26.45%, WITH 21.89% PAID DIRECTLY BY THE EMPLOYER.

8 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
9 UNIT BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO PARTICIPATE IN THE
10 PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
11 ESTIMATED AT 25.52%, WITH 20.96% PAID BY THE EMPLOYER.

12 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
13 UNIT BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE
14 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 28.42%, WITH
15 23.86% PAID DIRECTLY BY THE EMPLOYER.

16 (3) THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES FOR THE 2014-2015
17 FISCAL YEAR, AS DETERMINED BY THE RETIREMENT SYSTEM, ARE ESTIMATED AS FOLLOWS:

18 (A) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
19 UNIT BEFORE JULY 1, 2010 AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY, THE
20 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 33.10%, WITH
21 25.78% PAID DIRECTLY BY THE EMPLOYER.

22 (B) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
23 UNIT ON OR AFTER JULY 1, 2010 AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY, THE
24 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.02%, WITH
25 24.70% PAID DIRECTLY BY THE EMPLOYER.

26 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
27 UNIT ON OR AFTER JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE

1 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 31.51%, WITH
2 24.19% PAID DIRECTLY BY THE EMPLOYER.

3 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
4 UNIT ON OR AFTER SEPTEMBER 4, 2012 AND WHO ELECT DEFINED CONTRIBUTION AND WHO
5 PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
6 CONTRIBUTION RATE IS ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

7 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
8 UNIT BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO ARE ENROLLED IN
9 THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE
10 IS ESTIMATED AT 28.79%, WITH 21.47% PAID DIRECTLY BY THE EMPLOYER.

11 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
12 UNIT BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO PARTICIPATE IN THE
13 PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
14 ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

15 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
16 UNIT BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE
17 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.59%, WITH
18 25.27% PAID DIRECTLY BY THE EMPLOYER.

19 (4) IN ADDITION, THE EMPLOYER SHALL PAY THE APPLICABLE DEFINED CONTRIBUTIONS,
20 AS DETERMINED BY THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300.

21 (5) ~~The portion of the contribution rate assigned to districts and intermediate~~
22 ~~districts for each fiscal year is all of the total percentage points. This THE~~
23 ~~contribution rate~~ RATES IN SUBSECTION (2) ~~reflects~~ REFLECT an amortization period of
24 ~~26~~ 25 years for ~~2012-2013~~ THE 2013-2014 FISCAL YEAR. The public school employees'
25 retirement system board shall notify each district and intermediate district by
26 February 28 of each fiscal year of the estimated contribution rate for the next fiscal
27 year.

1 Sec. 147a. From the appropriation in section 11, there is allocated **EACH FISCAL**
2 **YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$155,000,000.00 for
3 payments to participating districts. A district that receives money under this section
4 shall use that money solely for the purpose of offsetting a portion of the retirement
5 contributions owed by the district for the fiscal year ~~ending September 30, 2013~~ **IN**
6 **WHICH IT IS RECEIVED**. The amount allocated to each participating district under this
7 section shall be based on each participating district's percentage of the total
8 statewide payroll for all participating districts for the immediately preceding fiscal
9 year. As used in this section, "participating district" means a district that is a
10 reporting unit of the Michigan public school employees' retirement system under the
11 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408,
12 and that reports employees to the Michigan public school employees' retirement system
13 for the applicable fiscal year.

14 Sec. 147b. ~~(1) From the appropriation in section 11, there is allocated an~~
15 ~~amount not to exceed \$133,000,000.00 for 2011 2012 and an amount not to exceed~~
16 ~~\$41,000,000.00 for 2012 2013 for the purposes of this section. The money allocated in~~
17 ~~this section represents a portion of the year end school aid fund balance. Money~~
18 ~~allocated under this section shall be deposited in the MPSERS retirement obligation~~
19 ~~reform reserve fund.~~

20 (1) ~~(2)~~ The MPSERS retirement obligation reform reserve fund is created as a
21 separate account within the state school aid fund.

22 (2) The state treasurer may receive money or other assets from any source for
23 deposit into the MPSERS retirement obligation reform reserve fund. The state treasurer
24 shall direct the investment of the MPSERS retirement obligation reform reserve fund.
25 The state treasurer shall credit to the MPSERS retirement obligation reform reserve
26 fund interest and earnings from the MPSERS retirement obligation reform reserve fund.

27 (3) **MONEY AVAILABLE IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND MAY**

1 NOT BE EXPENDED WITHOUT A SPECIFIC APPROPRIATION.

2 (4) Money in the MPSERS retirement obligation reform reserve fund at the close
3 of the fiscal year shall remain in the MPSERS retirement obligation reform reserve
4 fund and shall not lapse to the state school aid fund or to the general fund. The
5 department of treasury shall be the administrator of the MPSERS retirement obligation
6 reform reserve fund for auditing purposes.

7 ~~(3) It is the intent of the legislature that the speaker of the house of~~
8 ~~representatives or the senate majority leader, or both, shall convene a workgroup to~~
9 ~~examine retirement obligations and potential reforms to the Michigan public school~~
10 ~~employees' retirement system established under the public school employees retirement~~
11 ~~act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408. The chair of the senate~~
12 ~~appropriations committee and chair of the house appropriations committee, or his or~~
13 ~~her designee, each shall be a member of the workgroup, and the workgroup shall report~~
14 ~~to the speaker of the house of representatives or the senate majority leader, as~~
15 ~~applicable, by February 1, 2012, on reforms identified, timelines for implementing~~
16 ~~reforms, and estimated costs and savings of the identified reforms.~~

17 (5) IF THE CONTRIBUTIONS DESCRIBED IN SECTION 43E AS THAT SECTION WAS ADDED BY
18 2010 PA 75, MCL 38.1343E ARE DETERMINED BY A FINAL ORDER OF A COURT OF COMPETENT
19 JURISDICTION FOR WHICH ALL RIGHTS OF APPEAL HAVE BEEN EXHAUSTED TO BE CONSTITUTIONAL
20 AND IF THE ORDER FOR PRELIMINARY INJUNCTION IN CASE NO. 10-45-MM ISSUED ON JULY 13,
21 2010 IS LIFTED, THE MONIES PLACED IN A SEPARATE INTEREST BEARING ACCOUNT AS A RESULT
22 OF IMPLEMENTING THE PRELIMINARY INJUNCTION SHALL BE DEPOSITED INTO THE MPSERS
23 RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED IN THIS SECTION TO BE USED SOLELY
24 FOR HEALTH CARE UNFUNDED ACCRUED LIABILITIES.

25 Sec. 147c. (1) ~~Except as otherwise provided in subsection (2), from~~ FROM the
26 appropriation in section 11, there is allocated for ~~2012-2013~~ THE 2013-2014 FISCAL
27 YEAR an amount not to exceed ~~\$130,000,000.00~~ \$253,300,000.00 FROM THE STATE SCHOOL AID

1 FUND AND \$150,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AND
2 FOR THE 2014-2015 FISCAL YEAR AN AMOUNT NOT TO EXCEED \$549,200,000.00 FROM THE STATE
3 SCHOOL AID FUND AND \$100,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM
4 RESERVE FUND FOR PAYMENTS to DISTRICTS AND INTERMEDIATE DISTRICTS THAT ARE
5 PARTICIPATING ENTITIES OF the Michigan public school employees' retirement system.

6 (2) PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO THE DIFFERENCE BETWEEN
7 THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE AS CALCULATED pursuant to
8 section 41 of the public school employees' retirement act of 1979, 1980 PA 300, MCL
9 38.1341, AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96%
10 STIPULATED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980
11 PA 300, MCL 38.1341 AND THE MAXIMUM EMPLOYER RATE OF 20.96% STIPULATED IN SECTION 41
12 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

13 ~~(2) If section 41 of the public school employees' retirement act of 1979, 1980~~
14 ~~PA 300, MCL 38.1341, is not amended by Senate Bill No. 1040 of the 96th Legislature,~~
15 ~~then the allocation under subsection (1) shall lapse to the state school aid fund~~
16 ~~unless the legislature takes action to allocate the funding in another manner.~~

17 (3) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SECTION SHALL
18 BE BASED ON EACH PARTICIPATING ENTITY'S PROPORTION OF THE TOTAL COVERED PAYROLL FOR
19 THE IMMEDIATELY PRECEDING FISCAL YEAR FOR ALL DISTRICTS AND INTERMEDIATE DISTRICTS
20 THAT ARE PARTICIPATING ENTITIES. PARTICIPATING ENTITIES THAT RECEIVE FUNDS UNDER THIS
21 SECTION SHALL USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS AS
22 SPECIFIED IN SUBSECTION (4).

23 (4) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL FORWARD
24 AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER SUBSECTION (3) TO THE RETIREMENT SYSTEM
25 IN A FORM, MANNER, AND TIMEFRAME DETERMINED BY THE RETIREMENT SYSTEM.

26 (5) AS USED IN THIS SECTION:

27 (A) "PARTICIPATING ENTITY" MEANS A DISTRICT OR INTERMEDIATE DISTRICT THAT IS A

1 REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE
2 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437,
3 AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
4 FOR THE APPLICABLE FISCAL YEAR.

5 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE RETIREMENT SYSTEM
6 UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO
7 38.1437.

8 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
9 SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
10 38.1301 TO 38.1437.

11 Sec. 152a. (1) As required by the court in the consolidated cases known as
12 Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from
13 the state school aid fund money appropriated in section 11 there is allocated for
14 ~~2012-2013~~ 2013-2014 AND 2014-2015 an amount not to exceed \$38,000,500.00 to be used
15 solely for the purpose of paying necessary costs related to the state-mandated
16 collection, maintenance, and reporting of data to this state.

17 (2) From the allocation in subsection (1), the department shall make payments
18 to districts and intermediate districts in an equal amount per pupil based on the
19 total number of pupils in membership in each district and intermediate district. The
20 department shall not make any adjustment to these payments after the final installment
21 payment under section 17b is made.

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ARTICLE II

STATE AID TO COMMUNITY COLLEGES

SEC. 201. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN THIS SECTION ARE APPROPRIATED FOR COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, AND ARE ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN THIS SECTION:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	335,977,600	\$	352,277,600
TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS		0		0
ADJUSTED GROSS APPROPRIATION	\$	335,977,600	\$	352,277,600
TOTAL FEDERAL REVENUES		0		0
TOTAL LOCAL REVENUES		0		0
TOTAL PRIVATE REVENUES		0		0
TOTAL OTHER STATE RESTRICTED REVENUES		197,614,100		197,614,100
STATE GENERAL FUND/GENERAL PURPOSE	\$	138,363,500	\$	154,663,500
(2) OPERATIONS				
ALPENA COMMUNITY COLLEGE	\$	5,217,900	\$	5,217,900
BAY DE NOC COMMUNITY COLLEGE		5,258,600		5,258,600
DELTA COLLEGE		14,016,600		14,016,600
GLEN OAKS COMMUNITY COLLEGE		2,432,400		2,432,400
GOGEBIC COMMUNITY COLLEGE		4,313,300		4,313,300
GRAND RAPIDS COMMUNITY COLLEGE		17,388,500		17,388,500

1	HENRY FORD COMMUNITY COLLEGE	20,975,000	20,975,000
2	JACKSON COMMUNITY COLLEGE	11,712,900	11,712,900
3	KALAMAZOO VALLEY COMMUNITY COLLEGE	12,080,200	12,080,200
4	KELLOGG COMMUNITY COLLEGE	9,489,200	9,489,200
5	KIRTLAND COMMUNITY COLLEGE	3,048,300	3,048,300
6	LAKE MICHIGAN COLLEGE	5,158,500	5,158,500
7	LANSING COMMUNITY COLLEGE	29,909,300	29,909,300
8	MACOMB COMMUNITY COLLEGE	31,807,800	31,807,800
9	MID MICHIGAN COMMUNITY COLLEGE	4,505,700	4,505,700
10	MONROE COUNTY COMMUNITY COLLEGE	4,330,900	4,330,900
11	MONTCALM COMMUNITY COLLEGE	3,111,900	3,111,900
12	C.S. MOTT COMMUNITY COLLEGE	15,190,800	15,190,800
13	MUSKEGON COMMUNITY COLLEGE	8,620,300	8,620,300
14	NORTH CENTRAL MICHIGAN COLLEGE	3,056,100	3,056,100
15	NORTHWESTERN MICHIGAN COLLEGE	8,791,300	8,791,300
16	OAKLAND COMMUNITY COLLEGE	20,413,500	20,413,500
17	ST. CLAIR COUNTY COMMUNITY COLLEGE	6,835,200	6,835,200
18	SCHOOLCRAFT COLLEGE	12,074,100	12,074,100
19	SOUTHWESTERN MICHIGAN COLLEGE	6,377,200	6,377,200
20	WASHTENAW COMMUNITY COLLEGE	12,581,700	12,581,700
21	WAYNE COUNTY COMMUNITY COLLEGE	16,138,200	16,138,200
22	WEST SHORE COMMUNITY COLLEGE	2,339,900	2,339,900
23	SKILLED TRADES FORMULA FUNDING	<u>1,068,700</u>	<u>1,068,700</u>
24	GROSS APPROPRIATION	\$ 298,244,000	\$ 298,244,000
25	APPROPRIATED FROM:		
26	STATE SCHOOL AID FUND	195,880,500	195,880,500
27	STATE GENERAL FUND/GENERAL PURPOSE	\$ 102,363,500	\$ 102,363,500

1	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT			
2	SYSTEM (MPSERS)			
3	MPSERS REFORM COSTS	\$	\$31,400,000	\$ 48,800,000
4	MPSERS RETIREE HEALTH CARE REIMBURSEMENT		<u>1,733,600</u>	<u>1,733,600</u>
5	GROSS APPROPRIATION	\$	33,133,600	\$ 50,533,600
6	APPROPRIATED FROM:			
7	STATE SCHOOL AID FUND		1,733,600	1,733,600
8	STATE GENERAL FUND/GENERAL PURPOSE	\$	31,400,000	\$ 48,800,000
9	(4) RENAISSANCE ZONE REIMBURSEMENTS			
10	RENAISSANCE ZONE REIMBURSEMENTS	\$	<u>3,500,000</u>	\$ <u>3,500,000</u>
11	GROSS APPROPRIATION	\$	3,500,000	\$ 3,500,000
12	APPROPRIATED FROM:			
13	STATE GENERAL FUND/GENERAL PURPOSE	\$	3,500,000	\$ 3,500,000
14	(5) ONE-TIME APPROPRIATIONS			
15	VIRTUAL LEARNING COLLABORATIVE	\$	<u>1,100,000</u>	\$ <u>0</u>
16	GROSS APPROPRIATION	\$	1,100,000	\$ 0
17	APPROPRIATED FROM:			
18	STATE GENERAL FUND/GENERAL PURPOSE	\$	1,100,000	\$ 0
19	SEC. 202. ALL APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE SUBJECT TO THE			
20	MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101 TO 18.1594.			
21	SEC. 202A. AS USED IN THIS ARTICLE, "WORKFORCE DEVELOPMENT AGENCY" MEANS THE			
22	WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC FUND.			
23	SEC. 203. UNLESS OTHERWISE SPECIFIED, A COMMUNITY COLLEGE THAT RECEIVES			
24	APPROPRIATIONS IN SECTION 201 AND THE WORKFORCE DEVELOPMENT AGENCY SHALL USE THE			
25	INTERNET TO FULFILL THE REPORTING REQUIREMENTS OF THIS ARTICLE. THIS REQUIREMENT MAY			
26	INCLUDE TRANSMISSION OF REPORTS VIA ELECTRONIC MAIL TO THE RECIPIENTS IDENTIFIED FOR			
27	EACH REPORTING REQUIREMENT OR IT MAY INCLUDE PLACEMENT OF REPORTS ON AN INTERNET OR			

1 INTRANET SITE.

2 SEC. 206. THE FUNDS APPROPRIATED IN SECTION 201 ARE APPROPRIATED FOR COMMUNITY
3 COLLEGES WITH FISCAL YEARS ENDING JUNE 30, 2014 AND SHALL BE PAID OUT OF THE STATE
4 TREASURY AND DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE COMMUNITY COLLEGES
5 IN 11 MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR THE NEXT SUCCEEDING
6 BUSINESS DAY, BEGINNING WITH OCTOBER 16, 2013. EACH COMMUNITY COLLEGE SHALL ACCRUE ITS
7 JULY AND AUGUST 2014 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2014.
8 HOWEVER, IF THE STATE BUDGET DIRECTOR DETERMINES THAT A COMMUNITY COLLEGE FAILED TO
9 SUBMIT ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION STRUCTURE
10 DATA FOR SCHOOL YEAR 2012-2013 TO THE WORKFORCE DEVELOPMENT AGENCY BY NOVEMBER 1,
11 2013, OR FAILED TO SUBMIT ITS P-20 LONGITUDINAL DATA SYSTEM DATA SET FOR SCHOOL YEAR
12 2012-2013 TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION UNDER SECTION 219,
13 THE STATE TREASURER SHALL WITHHOLD THE MONTHLY INSTALLMENTS FROM THAT COMMUNITY
14 COLLEGE UNTIL THOSE DATA ARE SUBMITTED. THE STATE BUDGET DIRECTOR SHALL NOTIFY THE
15 CHAIRS OF THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES AT
16 LEAST 10 DAYS BEFORE WITHHOLDING FUNDS FROM ANY COMMUNITY COLLEGE.

17 SEC. 207. (1) A COMMUNITY COLLEGE SHALL PAY THE EMPLOYER'S CONTRIBUTIONS TO THE
18 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM CREATED BY THE PUBLIC SCHOOL
19 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408. THIS PAYMENT IS
20 A CONDITION OF RECEIVING FUNDS APPROPRIATED UNDER THIS ARTICLE.

21 (2) A COMMUNITY COLLEGE SHALL NOT PAY AN EMPLOYER'S CONTRIBUTION TO MORE THAN 1
22 RETIREMENT FUND PROVIDING BENEFITS FOR AN EMPLOYEE.

23 SEC. 207A. THE FISCAL YEAR 2013-2014 APPROPRIATION IN SECTION 201 FOR MICHIGAN
24 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIREE HEALTH CARE REIMBURSEMENT SHALL BE
25 DISTRIBUTED PURSUANT TO THE CONDITIONS IN THIS SECTION. A COMMUNITY COLLEGE THAT
26 RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF
27 OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE

1 FISCAL YEAR ENDING SEPTEMBER 30, 2014. THE AMOUNT ALLOCATED TO EACH PARTICIPATING
2 COMMUNITY COLLEGE UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING COLLEGE'S
3 TOTAL PAYROLL COVERED BY THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IN
4 PROPORTION TO THE TOTAL MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM-COVERED
5 PAYROLL FOR ALL PARTICIPATING COLLEGES FOR THE IMMEDIATELY PRECEDING STATE FISCAL
6 YEAR. AS USED IN THIS SECTION, "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT
7 IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER
8 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO
9 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
10 RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

11 SEC. 207B. (1) THE FUNDS APPROPRIATED IN SECTION 201 FOR MICHIGAN PUBLIC SCHOOL
12 EMPLOYEES' RETIREMENT SYSTEM REFORM COSTS SHALL BE USED FOR PAYMENTS TO COMMUNITY
13 COLLEGES THAT ARE PARTICIPATING ENTITIES OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
14 RETIREMENT SYSTEM.

15 (2) PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO THE DIFFERENCE BETWEEN
16 THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE AS CALCULATED PURSUANT TO
17 SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL
18 38.1341 AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96%
19 STIPULATED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980
20 PA 300, MCL 38.1341 AND THE MAXIMUM EMPLOYER RATE OF 20.96% STIPULATED IN SECTION 41
21 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

22 (3) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS SECTION SHALL BE
23 BASED ON EACH COMMUNITY COLLEGE'S PERCENTAGE OF THE TOTAL PAYROLL FOR ALL COMMUNITY
24 COLLEGES THAT ARE PARTICIPATING ENTITIES FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.
25 COMMUNITY COLLEGES THAT RECEIVE FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY
26 FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS AS SPECIFIED IN SUBSECTION (4).

27 (4) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL FORWARD

1 AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER SUBSECTION (3) TO THE RETIREMENT SYSTEM
2 IN A FORM, MANNER, AND TIMEFRAME DETERMINED BY THE RETIREMENT SYSTEM.

3 (5) AS USED IN THIS SECTION:

4 (A) "PARTICIPATING ENTITY" MEANS A COMMUNITY COLLEGE THAT IS A REPORTING UNIT
5 OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL
6 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT
7 REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE
8 APPLICABLE FISCAL YEAR.

9 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE RETIREMENT SYSTEM
10 UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO
11 38.1437.

12 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
13 SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
14 38.1301 TO 38.1437.

15 SEC. 207C. THE FISCAL YEAR 2013-2014 ONE-TIME APPROPRIATION IN SECTION 201 FOR
16 THE VIRTUAL LEARNING COLLABORATIVE SHALL BE DISTRIBUTED TO A COMMUNITY COLLEGE ON
17 BEHALF OF THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION FOR PURPOSES OF ENHANCING THE
18 VIRTUAL LEARNING COLLABORATIVE. THE RECIPIENT ENTITY SHALL PROVIDE INFORMATION UPON
19 REQUEST TO THE STATE BUDGET DIRECTOR, SENATE FISCAL AGENCY, AND HOUSE FISCAL AGENCY ON
20 THE USE OF THESE FUNDS UNTIL THE PROJECT IS COMPLETED.

21 SEC. 209. (1) WITHIN 30 DAYS AFTER THE BOARD OF A COMMUNITY COLLEGE ADOPTS ITS
22 ANNUAL OPERATING BUDGET FOR THE FOLLOWING INSTITUTIONAL FISCAL YEAR, OR AFTER THE
23 BOARD ADOPTS A SUBSEQUENT REVISION TO THAT BUDGET, THE COMMUNITY COLLEGE SHALL MAKE
24 ALL OF THE FOLLOWING AVAILABLE THROUGH A LINK ON ITS WEBSITE HOMEPAGE:

25 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET REVISIONS.

26 (B) A LINK TO THE MOST RECENT "ACTIVITIES CLASSIFICATION STRUCTURE DATABOOK"
27 AND "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES".

1 (C) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR FISCAL YEAR 2013-2014
2 AND FISCAL YEAR 2014-2015.

3 (D) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, ANTICIPATED
4 FISCAL YEAR 2013-2014 PAYMENT FOR EACH PROJECT, AND TOTAL OUTSTANDING DEBT.

5 (E) LINKS TO ALL OF THE FOLLOWING FOR THE COMMUNITY COLLEGE:

6 (i) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH BARGAINING UNIT.

7 (ii) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED TO, MEDICAL,
8 DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFITS THAT WOULD
9 CONSTITUTE HEALTH CARE SERVICES, OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE
10 COMMUNITY COLLEGE.

11 (iii) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL YEAR FOR WHICH
12 THEY ARE AVAILABLE.

13 (2) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, COMMUNITY COLLEGES MUST
14 USE THE ICON BADGE PROVIDED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
15 CONSISTENT WITH THE ICON BADGE DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12
16 SCHOOL DISTRICTS. IT MUST APPEAR ON THE FRONT OF EACH COMMUNITY COLLEGE'S HOMEPAGE.
17 THE SIZE OF THE ICON MAY BE REDUCED TO 150 X 150 PIXELS.

18 (3) THE STATE BUDGET DIRECTOR MAY DETERMINE WHETHER A COMMUNITY COLLEGE HAS
19 COMPLIED WITH THIS SECTION. THE STATE BUDGET DIRECTOR MAY WITHHOLD A COMMUNITY
20 COLLEGE'S MONTHLY INSTALLMENTS DESCRIBED IN SECTION 206 UNTIL THE COMMUNITY COLLEGE
21 COMPLIES WITH THIS SECTION. THE STATE BUDGET DIRECTOR SHALL NOTIFY THE CHAIRS OF THE
22 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON COMMUNITY COLLEGES AT LEAST 10 DAYS
23 BEFORE WITHHOLDING FUNDS FROM ANY COMMUNITY COLLEGE.

24 (4) EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING INFORMATION TO THE SENATE
25 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE
26 FISCAL AGENCIES, AND THE STATE BUDGET OFFICE BY NOVEMBER 15, 2013, AND POST THAT
27 INFORMATION ON THE INTERNET WEBSITE REQUIRED UNDER SUBSECTION (1):

1 (A) BUDGETED FISCAL YEAR 2013-2014 GENERAL FUND REVENUE FROM TUITION AND FEES.

2 (B) BUDGETED FISCAL YEAR 2013-2014 GENERAL FUND REVENUE FROM STATE

3 APPROPRIATIONS.

4 (C) BUDGETED FISCAL YEAR 2013-2014 GENERAL FUND REVENUE FROM PROPERTY TAXES.

5 (D) BUDGETED FISCAL YEAR 2013-2014 TOTAL GENERAL FUND REVENUE.

6 (E) BUDGETED FISCAL YEAR 2013-2014 TOTAL GENERAL FUND EXPENDITURES.

7 SEC. 210. (1) RECOGNIZING THE CRITICAL IMPORTANCE OF EDUCATION IN STRENGTHENING
8 MICHIGAN'S WORKFORCE, EACH COMMUNITY COLLEGE IS ENCOURAGED TO EXPLORE WAYS OF
9 INCREASING COLLABORATION AND COOPERATION WITH 4-YEAR UNIVERSITIES, PARTICULARLY IN THE
10 AREAS RELATED TO TRAINING, INSTRUCTION, AND PROGRAM ARTICULATION.

11 (2) RECOGNIZING THE CENTRAL ROLE OF COMMUNITY COLLEGES IN RESPONDING TO LOCAL
12 EMPLOYMENT NEEDS AND CHALLENGES, COMMUNITY COLLEGES ARE ENCOURAGED TO DEVELOP AND
13 CONTINUE EFFORTS TO COLLABORATE WITH LOCAL EMPLOYERS AND STUDENTS TO IDENTIFY LOCAL
14 EMPLOYMENT NEEDS AND STRATEGIES TO MEET THEM.

15 (3) COMMUNITY COLLEGES ARE ENCOURAGED TO COLLABORATE WITH EACH OTHER ON
16 INNOVATIONS TO IDENTIFY AND MEET LOCAL EMPLOYMENT NEEDS.

17 (4) COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH UNIVERSITIES TO DEVELOP
18 EQUIVALENCY STANDARDS OF CORE COLLEGE COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED
19 BY THE INSTITUTIONS.

20 SEC. 213. COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH PUBLIC UNIVERSITIES IN
21 THE STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
22 STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY
23 CREDITS. THESE STATEWIDE AGREEMENTS SHALL ENABLE STUDENTS WHO HAVE EARNED A
24 SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFERRED TO A
25 BACCALAUREATE-GRANTING INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS
26 EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE
27 AWARDED A CREDENTIAL OF VALUE.

1 SEC. 217. UNLESS OTHERWISE SPECIFICALLY STATED, ALL DATA ITEMS USED IN
2 DETERMINING STATE AID IN THIS ARTICLE ARE AS DEFINED IN THE "2001 MANUAL FOR UNIFORM
3 FINANCIAL REPORTING, MICHIGAN PUBLIC COMMUNITY COLLEGES", WHICH SHALL BE THE BASIS FOR
4 REPORTING DATA, AND THE "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN
5 COMMUNITY COLLEGES", AS AMENDED, WHICH SHALL BE USED TO DOCUMENT FINANCIAL NEEDS OF
6 THE COMMUNITY COLLEGES.

7 SEC. 218. COMMUNITY COLLEGES SHALL NOT INCLUDE IN THE ENROLLMENT DATA REPORTED
8 FOR DETERMINING STATE AID UNDER THIS ARTICLE ANY STUDENT CREDIT HOURS OR STUDENT
9 CONTACT HOURS FOR A STUDENT INCARCERATED IN A MICHIGAN PENAL INSTITUTION. EXCLUSION OF
10 THESE STUDENTS IS INTENDED TO AVOID THE PAYMENT OF STATE AID UNDER THIS ARTICLE FOR
11 THE SAME INDIVIDUALS FOR WHOM REIMBURSEMENT IS PROVIDED BY THE STATE CORRECTIONAL
12 SYSTEM.

13 SEC. 219. BY JUNE 30 OF EACH YEAR, EACH COMMUNITY COLLEGE SHALL PROVIDE ITS P-
14 20 LONGITUDINAL DATA SYSTEM DATA SET FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER FOR
15 EDUCATIONAL PERFORMANCE AND INFORMATION FOR INCLUSION IN THE P-20 LONGITUDINAL DATA
16 SYSTEM DESCRIBED IN SECTION 94A.

17 SEC. 220. (1) THE AUDITOR GENERAL OR A CERTIFIED PUBLIC ACCOUNTANT APPOINTED BY
18 THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF COMMUNITY COLLEGES AS THE
19 AUDITOR GENERAL CONSIDERS NECESSARY.

20 (2) WITHIN 60 DAYS AFTER AN AUDIT REPORT IS RELEASED BY THE OFFICE OF THE
21 AUDITOR GENERAL, THE PRINCIPAL EXECUTIVE OFFICER OF THE COMMUNITY COLLEGE THAT WAS
22 AUDITED SHALL SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES, THE HOUSE AND
23 SENATE FISCAL AGENCIES, THE WORKFORCE DEVELOPMENT AGENCY, THE AUDITOR GENERAL, AND THE
24 STATE BUDGET DIRECTOR A PLAN TO COMPLY WITH AUDIT RECOMMENDATIONS. THE PLAN SHALL
25 CONTAIN PROJECTED DATES AND RESOURCES REQUIRED, IF ANY, TO ACHIEVE COMPLIANCE WITH THE
26 AUDIT RECOMMENDATIONS, OR A DOCUMENTED EXPLANATION OF THE COLLEGE'S NONCOMPLIANCE WITH
27 THE AUDIT RECOMMENDATIONS CONCERNING THE MATTERS ON WHICH THE AUDITED COMMUNITY

1 COLLEGE AND OFFICE OF THE AUDITOR GENERAL DISAGREE.

2 SEC. 221. (1) A COMMUNITY COLLEGE SHALL RETAIN CERTIFIED CLASS SUMMARIES, CLASS
3 LISTS, REGISTRATION DOCUMENTS, AND STUDENT TRANSCRIPTS THAT ARE CONSISTENT WITH THE
4 TAXONOMY OF COURSES. FOR EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR, THESE
5 CERTIFIED DOCUMENTS SHALL IDENTIFY CLEARLY BY COURSE THE NUMBER OF IN-DISTRICT AND
6 OUT-OF-DISTRICT STUDENT CREDIT AND CONTACT HOURS. THE CLASS SUMMARIES AND CLASS LISTS
7 SHALL BE CONSISTENT WITH EACH OTHER AND SHALL INCLUDE THE COURSE PREFIX AND NUMBERS,
8 COURSE TITLE, COURSE CREDIT AND CONTACT HOURS, CREDIT AND CONTACT HOURS GENERATED BY
9 EACH STUDENT, AND ACTIVITY CLASSIFICATIONS CONSISTENT WITH THE TAXONOMY. AN AUDITABLE
10 PROCESS SHALL BE USED BY THE COMMUNITY COLLEGE TO DETERMINE THE UNDUPLICATED HEAD
11 COUNT FOR IN-DISTRICT STUDENTS, OUT-OF-DISTRICT STUDENTS, AND PRISONERS FOR EACH
12 ENROLLMENT PERIOD DURING THE FISCAL YEAR.

13 (2) A COMMUNITY COLLEGE SHALL RETAIN ALL CONTRACTS BETWEEN THE COMMUNITY
14 COLLEGE AND AGENCIES THAT REIMBURSE THE COMMUNITY COLLEGE FOR THE COSTS OF INSTRUCTION
15 FOR AUDIT PURPOSES.

16 SEC. 222. EACH COMMUNITY COLLEGE SHALL HAVE AN ANNUAL AUDIT OF ALL INCOME AND
17 EXPENDITURES PERFORMED BY AN INDEPENDENT AUDITOR AND SHALL FURNISH THE INDEPENDENT
18 AUDITOR'S MANAGEMENT LETTER AND AN ANNUAL AUDITED ACCOUNTING OF ALL GENERAL AND
19 CURRENT FUNDS INCOME AND EXPENDITURES INCLUDING AUDITS OF COLLEGE FOUNDATIONS TO THE
20 MEMBERS OF THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES,
21 THE SENATE AND HOUSE FISCAL AGENCIES, THE AUDITOR GENERAL, THE WORKFORCE DEVELOPMENT
22 AGENCY, AND THE STATE BUDGET DIRECTOR BEFORE NOVEMBER 15 OF EACH YEAR. IF A COMMUNITY
23 COLLEGE FAILS TO FURNISH THE AUDIT MATERIALS, THE MONTHLY STATE AID INSTALLMENTS SHALL
24 BE WITHHELD FROM THAT COLLEGE UNTIL THE INFORMATION IS SUBMITTED. ALL REPORTING SHALL
25 CONFORM TO THE REQUIREMENTS SET FORTH IN THE "2001 MANUAL FOR UNIFORM FINANCIAL
26 REPORTING, MICHIGAN PUBLIC COMMUNITY COLLEGES". A COMMUNITY COLLEGE SHALL MAKE THE
27 INFORMATION THE COMMUNITY COLLEGE IS REQUIRED TO PROVIDE UNDER THIS SECTION AVAILABLE

1 TO THE PUBLIC ON ITS INTERNET WEBSITE.

2 SEC. 223. EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING TO THE WORKFORCE
3 DEVELOPMENT AGENCY NO LATER THAN NOVEMBER 1 OF EACH YEAR:

4 (A) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE
5 PREVIOUS FISCAL YEAR, USING GUIDELINES AND PROCEDURES DEVELOPED BY THE WORKFORCE
6 DEVELOPMENT AGENCY AND THE DEPARTMENT OF CIVIL RIGHTS.

7 (B) THE NUMBER OF NORTH AMERICAN INDIAN TUITION WAIVERS GRANTED EACH TERM, AND
8 THE MONETARY VALUE OF THE WAIVERS FOR THE PREVIOUS FISCAL YEAR.

9 SEC. 224. A COMMUNITY COLLEGE SHALL USE THE P-20 LONGITUDINAL DATA SYSTEM TO
10 INFORM INTERESTED MICHIGAN HIGH SCHOOLS AND THE PUBLIC OF THE AGGREGATE ACADEMIC
11 STATUS OF ITS STUDENTS FOR THE PREVIOUS ACADEMIC YEAR, IN A MANNER PRESCRIBED BY THE
12 MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND IN COOPERATION WITH THE MICHIGAN
13 ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS. COMMUNITY COLLEGES SHALL COOPERATE WITH
14 THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO MAINTAIN A SYSTEMATIC
15 APPROACH FOR ACCOMPLISHING THIS WORK.

16 SEC. 225. EACH COMMUNITY COLLEGE SHALL REPORT TO THE HOUSE AND SENATE FISCAL
17 AGENCIES, THE STATE BUDGET DIRECTOR, AND THE WORKFORCE DEVELOPMENT AGENCY BY AUGUST
18 31, 2013, THE TUITION AND MANDATORY FEES PAID BY A FULL-TIME IN-DISTRICT STUDENT AND A
19 FULL-TIME OUT-OF-DISTRICT STUDENT AS ESTABLISHED BY THE COLLEGE GOVERNING BOARD FOR
20 THE 2013-2014 ACADEMIC YEAR. THIS REPORT SHOULD ALSO INCLUDE THE ANNUAL COST OF
21 ATTENDANCE BASED ON A FULL-TIME COURSE LOAD OF 30 CREDITS. EACH COMMUNITY COLLEGE
22 SHALL ALSO REPORT ANY REVISIONS TO THE REPORTED 2012-2013 OR 2013-2014 ACADEMIC YEAR
23 TUITION AND MANDATORY FEES ADOPTED BY THE COLLEGE GOVERNING BOARD TO THE HOUSE AND
24 SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE WORKFORCE DEVELOPMENT
25 AGENCY WITHIN 15 DAYS OF BEING ADOPTED.

26 SEC. 226. EACH COMMUNITY COLLEGE SHALL REPORT TO THE WORKFORCE DEVELOPMENT
27 AGENCY THE NUMBERS AND TYPE OF ASSOCIATE DEGREES AND OTHER CERTIFICATES AWARDED DURING

1 THE PREVIOUS FISCAL YEAR. THE REPORT SHALL BE MADE NOT LATER THAN NOVEMBER 15 OF EACH
2 YEAR.

3 SEC. 229. IT IS EXPECTED THAT EACH COMMUNITY COLLEGE RECEIVING AN APPROPRIATION
4 IN SECTION 201 INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO
5 WHETHER AN APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER OF THE MILITARY, A
6 MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A
7 VETERAN, ACTIVE MEMBER OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY
8 RESERVES, IN ORDER TO MORE QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE AVAILABLE
9 TO THAT APPLICANT. AS USED IN THIS SECTION, "VETERAN" MEANS AN HONORABLY DISCHARGED
10 VETERAN ENTITLED TO EDUCATIONAL ASSISTANCE UNDER THE PROVISIONS OF SECTION 5003 OF THE
11 POST-911 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW 110-252,
12 38 USC 3301 TO 3324.

13 SEC. 230. (1) A COMMUNITY COLLEGE IS ONLY ELIGIBLE FOR ANY ADDITIONAL FUNDING
14 PROVIDED TO COMMUNITY COLLEGE OPERATIONS UNDER SECTION 201(2) IN FISCAL YEAR 2013-2014
15 THAT EXCEEDS THE AMOUNTS APPROPRIATED FOR OPERATIONS IN FISCAL YEAR 2012-2013 IF THE
16 COMMUNITY COLLEGE CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 1, 2013 THAT THE
17 COLLEGE ADHERES TO 4 OUT OF 5 BEST PRACTICES LISTED IN EACH CATEGORY DESCRIBED IN THIS
18 SUBSECTION:

19 (A) FOR CATEGORY A, ECONOMIC DEVELOPMENT AND BUSINESS OR INDUSTRY PARTNERSHIPS,
20 THE FOLLOWING:

21 (i) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL EMPLOYERS
22 INCLUDING HOSPITALS AND HEALTH CARE PROVIDERS.

23 (ii) THE COMMUNITY COLLEGE PROVIDES CUSTOMIZED ON-SITE TRAINING FOR AREA
24 COMPANIES, EMPLOYEES, OR BOTH.

25 (iii) THE COMMUNITY COLLEGE SUPPORTS ENTREPRENEURSHIP THROUGH A SMALL BUSINESS
26 ASSISTANCE CENTER OR OTHER TRAINING OR CONSULTING ACTIVITIES TARGETED TOWARD SMALL
27 BUSINESSES.

1 (iv) THE COMMUNITY COLLEGE SUPPORTS TECHNOLOGICAL ADVANCEMENT THROUGH INDUSTRY
2 PARTNERSHIPS, INCUBATION ACTIVITIES, OR OPERATION OF A MICHIGAN TECHNICAL EDUCATION
3 CENTER OR OTHER ADVANCED TECHNOLOGY CENTER.

4 (v) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL OR REGIONAL
5 WORKFORCE AND ECONOMIC DEVELOPMENT AGENCIES.

6 (B) FOR CATEGORY B, EDUCATIONAL PARTNERSHIPS, THE FOLLOWING:

7 (i) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH REGIONAL HIGH SCHOOLS,
8 INTERMEDIATE SCHOOL DISTRICTS, AND CAREER-TECH CENTERS TO PROVIDE INSTRUCTION THROUGH
9 DUAL ENROLLMENT, DIRECT CREDIT, MIDDLE COLLEGE, OR ACADEMY PROGRAMS.

10 (ii) THE COMMUNITY COLLEGE HOSTS, SPONSORS, OR PARTICIPATES IN ENRICHMENT
11 PROGRAMS FOR AREA K-12 STUDENTS, SUCH AS COLLEGE DAYS, SUMMER OR AFTER-SCHOOL
12 PROGRAMMING, OR SCIENCE OLYMPIAD.

13 (iii) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES IN PROGRAMMING
14 TO PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR TRADITIONAL AGE STUDENTS, INCLUDING
15 GRANT PROGRAMS SUCH AS TALENT SEARCH, UPWARD BOUND, OR OTHER ACTIVITIES TO PROMOTE
16 COLLEGE READINESS IN AREA HIGH SCHOOLS AND COMMUNITY CENTERS.

17 (iv) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES IN PROGRAMMING
18 TO PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR NEW OR REENTERING ADULT STUDENTS,
19 SUCH AS ADULT BASIC EDUCATION, GED PREPARATION, GED TESTING, OR RECRUITING, ADVISING,
20 OR ORIENTATION ACTIVITIES SPECIFIC TO ADULTS.

21 (v) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH REGIONAL 4-YEAR COLLEGES
22 AND UNIVERSITIES TO PROMOTE SUCCESSFUL TRANSFER, SUCH AS ARTICULATION, 2+2, OR REVERSE
23 TRANSFER AGREEMENTS OR OPERATION OF A UNIVERSITY CENTER.

24 (C) FOR CATEGORY C, COMMUNITY SERVICES, THE FOLLOWING:

25 (i) THE COMMUNITY COLLEGE PROVIDES CONTINUING EDUCATION PROGRAMMING FOR
26 LEISURE, WELLNESS, PERSONAL ENRICHMENT, OR PROFESSIONAL DEVELOPMENT.

27 (ii) THE COMMUNITY COLLEGE OPERATES OR SPONSORS OPPORTUNITIES FOR COMMUNITY

1 MEMBERS TO ENGAGE IN ACTIVITIES THAT PROMOTE LEISURE, WELLNESS, CULTURAL OR PERSONAL
2 ENRICHMENT SUCH AS COMMUNITY SPORTS TEAMS, THEATER OR MUSICAL ENSEMBLES, OR ARTIST
3 GUILDS.

4 (iii) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO PROMOTE CULTURAL,
5 EDUCATIONAL, OR PERSONAL ENRICHMENT FOR COMMUNITY MEMBERS, SUCH AS LIBRARIES, COMPUTER
6 LABS, PERFORMING ARTS CENTERS, MUSEUMS, ART GALLERIES, OR TELEVISION OR RADIO
7 STATIONS.

8 (iv) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO PROMOTE LEISURE OR
9 WELLNESS ACTIVITIES FOR COMMUNITY MEMBERS, INCLUDING GYMNASIUMS, ATHLETIC FIELDS,
10 TENNIS COURTS, FITNESS CENTERS, HIKING OR BIKING TRAILS, OR NATURAL AREAS.

11 (v) THE COMMUNITY COLLEGE PROMOTES, SPONSORS, OR HOSTS COMMUNITY SERVICE
12 ACTIVITIES FOR STUDENTS, STAFF, OR COMMUNITY MEMBERS.

13 (D) IF A COMMUNITY COLLEGE DOES NOT CERTIFY THAT IT ADHERES TO A SUFFICIENT
14 NUMBER OF BEST PRACTICES AS DESCRIBED IN THIS SUBSECTION, THE FUNDS ALLOCATED TO THAT
15 COMMUNITY COLLEGE FROM PERFORMANCE FUNDING IN SECTION 201 SHALL LAPSE TO THE GENERAL
16 FUND.

17 (2) THE ADDITIONAL FUNDING PROVIDED TO COMMUNITY COLLEGE OPERATIONS UNDER
18 SECTION 201(2) IN FISCAL YEAR 2013-2014 THAT EXCEEDS THE AMOUNTS APPROPRIATED FOR
19 OPERATIONS IN FISCAL YEAR 2012-2013 IS DISTRIBUTED BASED ON THE FOLLOWING FORMULA:

20 (A) ALLOCATED PROPORTIONATE TO FISCAL YEAR 2012-2013 BASE APPROPRIATIONS, 50%.

21 (B) BASED ON CONTACT HOUR EQUATED STUDENTS, 10%.

22 (C) BASED ON ADMINISTRATIVE COSTS, 7.5%.

23 (D) BASED ON A WEIGHTED DEGREE FORMULA AS PROVIDED FOR IN THE 2006
24 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 17.5%.

25 (E) BASED ON SKILLED TRADES JOB PLACEMENTS, AS DESCRIBED IN SUBSECTIONS (3) AND
26 (4), 15%.

27 (3) A COMMUNITY COLLEGE SHALL SUBMIT TO THE STATE BUDGET DIRECTOR BY JULY 15,

1 2014 THE NUMBER OF STUDENTS THAT SUCCESSFULLY COMPLETED A SKILLED TRADES PROGRAM AND
2 OBTAINED AN APPRENTICESHIP OR JOB IN A FIELD RELATED TO THAT SKILLED TRADES PROGRAM,
3 FOR INSTITUTIONAL FISCAL YEAR 2012-2013. SKILLED TRADES PROGRAMS SHALL BE DEFINED AS
4 ACADEMIC PROGRAMS CATEGORIZED IN THE UNITED STATES DEPARTMENT OF EDUCATION
5 CLASSIFICATION OF INSTRUCTIONAL PROGRAM CODES AS 01, 46, 47, 48, 49. THE COMMUNITY
6 COLLEGE SHALL ALSO INDICATE THE NUMBER OF THESE STUDENTS THAT ARE VETERANS OF THE
7 UNITED STATES ARMED FORCES. A PLACED STUDENT WHO IS ALSO A VETERAN SHALL BE WEIGHTED
8 TO COUNT AS TWO PLACEMENTS. THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM
9 REPORTING GUIDELINES FOR THIS SUBSECTION.

10 (4) FUNDING FROM THE FORMULA METRIC FOR SKILLED TRADES JOB PLACEMENTS IN
11 SUBSECTION (2) (E) SHALL BE ALLOCATED TO EACH COMMUNITY COLLEGE BASED ON EACH COLLEGE'S
12 PROPORTION OF THE TOTAL NUMBER OF WEIGHTED SKILLED TRADE STUDENT PLACEMENTS REPORTED
13 BY ALL COMMUNITY COLLEGES.

14 SEC. 230A. INCLUDED IN THE FISCAL YEAR 2013-2014 APPROPRIATIONS FOR THE
15 DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET ARE APPROPRIATIONS TO PROVIDE FUNDING
16 FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL PROJECTS FOR COMMUNITY
17 COLLEGES. THOSE APPROPRIATIONS FOR STATE BUILDING AUTHORITY RENT REPRESENT ADDITIONAL
18 STATE GENERAL FUND SUPPORT FOR COMMUNITY COLLEGES, AND THE FOLLOWING IS AN ESTIMATE OF
19 THE AMOUNT OF THAT SUPPORT TO EACH COMMUNITY COLLEGE:

- 20 (A) ALPENA COMMUNITY COLLEGE, \$434,500.00.
21 (B) BAY DE NOC COMMUNITY COLLEGE, \$644,500.00.
22 (C) DELTA COLLEGE, \$2,877,700.00.
23 (D) GLEN OAKS COMMUNITY COLLEGE, \$124,900.00.
24 (E) GOGEBIC COMMUNITY COLLEGE, \$78,100.00.
25 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$1,700,400.00.
26 (G) HENRY FORD COMMUNITY COLLEGE, \$1,126,800.00.
27 (H) JACKSON COMMUNITY COLLEGE, \$1,809,500.00.

- 1 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,489,300.00.
2 (J) KELLOGG COMMUNITY COLLEGE, \$527,900.00.
3 (K) KIRTLAND COMMUNITY COLLEGE, \$368,800.00.
4 (L) LAKE MICHIGAN COLLEGE, \$345,200.00.
5 (M) LANSING COMMUNITY COLLEGE, \$617,600.00.
6 (N) MACOMB COMMUNITY COLLEGE, \$1,332,900.00.
7 (O) MID MICHIGAN COMMUNITY COLLEGE, \$928,900.00.
8 (P) MONROE COUNTY COMMUNITY COLLEGE, \$1,375,600.00.
9 (Q) MONTCALM COMMUNITY COLLEGE, \$1,015,700.00.
10 (R) C.S. MOTT COMMUNITY COLLEGE, \$1,830,400.00.
11 (S) MUSKEGON COMMUNITY COLLEGE, \$201,000.00.
12 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$476,300.00.
13 (U) NORTHWESTERN MICHIGAN COLLEGE, \$1,324,800.00.
14 (V) OAKLAND COMMUNITY COLLEGE, \$472,100.00.
15 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$361,400.00.
16 (X) SCHOOLCRAFT COLLEGE, \$1,569,500.00.
17 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$538,600.00.
18 (Z) WASHTENAW COMMUNITY COLLEGE, \$2,023,100.00.
19 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$1,918,700.00.
20 (BB) WEST SHORE COMMUNITY COLLEGE, \$585,800.00.
21 SEC. 231: SECTIONS 201 THROUGH 230A OF THIS ARTICLE ARE REPEALED EFFECTIVE AT
22 11:59 PM, SEPTEMBER 30, 2014.

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ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

SEC. 236 (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN THIS SECTION ARE APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, AND ARE ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN THIS SECTION:

HIGHER EDUCATION

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 1,430,573,500	\$ 1,430,573,500
TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS	0	0
ADJUSTED GROSS APPROPRIATION	\$ 1,430,573,500	\$ 1,430,573,500
TOTAL FEDERAL REVENUES	97,026,400	97,026,400
TOTAL LOCAL REVENUES	0	0
TOTAL PRIVATE REVENUES	0	0
TOTAL OTHER STATE RESTRICTED REVENUES	200,565,700	200,565,700
STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,132,981,400	\$ 1,132,981,400
(2) UNIVERSITY OPERATIONS		
(A) CENTRAL MICHIGAN UNIVERSITY		
OPERATIONS	\$ 71,352,300	\$ 73,012,400
PERFORMANCE FUNDING	<u>1,660,100</u>	<u>0</u>
GROSS APPROPRIATION	\$ 73,012,400	\$ 73,012,400
APPROPRIATED FROM:		
STATE SCHOOL AID FUND	11,284,600	11,284,600

1	STATE GENERAL FUND/GENERAL PURPOSE	\$	61,727,800	\$	61,727,800
2	(B) EASTERN MICHIGAN UNIVERSITY				
3	OPERATIONS	\$	66,466,700	\$	67,067,600
4	PERFORMANCE FUNDING		<u>600,900</u>		<u>0</u>
5	GROSS APPROPRIATION	\$	67,067,600	\$	67,067,600
6	APPROPRIATED FROM:				
7	STATE SCHOOL AID FUND		10,706,400		10,706,400
8	STATE GENERAL FUND/GENERAL PURPOSE	\$	56,361,200	\$	56,361,200
9	(C) FERRIS STATE UNIVERSITY				
10	OPERATIONS	\$	44,250,700	\$	46,334,100
11	PERFORMANCE FUNDING		<u>2,083,400</u>		<u>0</u>
12	GROSS APPROPRIATION	\$	46,334,100	\$	46,334,100
13	APPROPRIATED FROM:				
14	STATE SCHOOL AID FUND		6,846,800		6,846,800
15	STATE GENERAL FUND/GENERAL PURPOSE	\$	39,487,300	\$	39,487,300
16	(D) GRAND VALLEY STATE UNIVERSITY				
17	OPERATIONS	\$	55,436,000	\$	57,214,500
18	PERFORMANCE FUNDING		<u>1,778,500</u>		<u>0</u>
19	GROSS APPROPRIATION	\$	57,214,500	\$	57,214,500
20	APPROPRIATED FROM:				
21	STATE SCHOOL AID FUND		8,727,800		8,727,800
22	STATE GENERAL FUND/GENERAL PURPOSE	\$	48,486,700	\$	48,486,700
23	(E) LAKE SUPERIOR STATE UNIVERSITY				
24	OPERATIONS	\$	12,046,100	\$	12,666,300
25	PERFORMANCE FUNDING		<u>620,200</u>		<u>0</u>
26	GROSS APPROPRIATION	\$	12,666,300	\$	12,666,300
27	APPROPRIATED FROM:				

1	STATE SCHOOL AID FUND	1,787,600	1,787,600
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 10,878,700	\$ 10,878,700
3	(F) MICHIGAN STATE UNIVERSITY		
4	OPERATIONS	\$ 245,037,000	\$ 247,423,800
5	PERFORMANCE FUNDING	2,386,800	0
6	AGBIORESEARCH AND EXTENSION ACTIVITIES	<u>55,288,700</u>	<u>55,288,700</u>
7	GROSS APPROPRIATION	\$ 302,712,500	\$ 302,712,500
8	APPROPRIATED FROM:		
9	STATE SCHOOL AID FUND	39,949,900	39,949,900
10	STATE GENERAL FUND/GENERAL PURPOSE	\$ 262,762,600	\$ 262,762,600
11	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
12	OPERATIONS	\$ 42,579,100	\$ 43,770,000
13	PERFORMANCE FUNDING	<u>1,190,900</u>	<u>0</u>
14	GROSS APPROPRIATION	\$ 43,770,000	\$ 43,770,000
15	APPROPRIATED FROM:		
16	STATE SCHOOL AID FUND	6,748,900	6,748,900
17	STATE GENERAL FUND/GENERAL PURPOSE	\$ 37,021,100	\$ 37,021,100
18	(H) NORTHERN MICHIGAN UNIVERSITY		
19	OPERATIONS	\$ 40,856,600	\$ 41,709,000
20	PERFORMANCE FUNDING	<u>852,400</u>	<u>0</u>
21	GROSS APPROPRIATION	\$ 41,709,000	\$ 41,709,000
22	APPROPRIATED FROM:		
23	STATE SCHOOL AID FUND	6,356,900	6,356,900
24	STATE GENERAL FUND/GENERAL PURPOSE	\$ 35,352,100	\$ 35,352,100
25	(I) OAKLAND UNIVERSITY		
26	OPERATIONS	\$ 44,964,100	\$ 45,660,500
27	PERFORMANCE FUNDING	<u>696,400</u>	<u>0</u>

1	GROSS APPROPRIATION	\$	45,660,500	\$	45,660,500
2	APPROPRIATED FROM:				
3	STATE SCHOOL AID FUND		7,148,400		7,148,400
4	STATE GENERAL FUND/GENERAL PURPOSE	\$	38,512,100	\$	38,512,100
5	(J) SAGINAW VALLEY STATE UNIVERSITY				
6	OPERATIONS	\$	25,656,700	\$	26,190,400
7	PERFORMANCE FUNDING		<u>533,700</u>		<u>0</u>
8	GROSS APPROPRIATION	\$	26,190,400	\$	26,190,400
9	APPROPRIATED FROM:				
10	STATE SCHOOL AID FUND		3,903,800		3,903,800
11	STATE GENERAL FUND/GENERAL PURPOSE	\$	22,286,600	\$	22,286,600
12	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR				
13	OPERATIONS	\$	274,156,700	\$	277,235,800
14	PERFORMANCE FUNDING		<u>3,079,100</u>		<u>0</u>
15	GROSS APPROPRIATION	\$	277,235,800	\$	277,235,800
16	APPROPRIATED FROM:				
17	STATE SCHOOL AID FUND		44,536,300		44,536,300
18	STATE GENERAL FUND/GENERAL PURPOSE	\$	232,699,500	\$	232,699,500
19	(L) UNIVERSITY OF MICHIGAN - DEARBORN				
20	OPERATIONS	\$	22,237,300	\$	22,483,600
21	PERFORMANCE FUNDING		<u>246,300</u>		<u>0</u>
22	GROSS APPROPRIATION	\$	22,483,600	\$	22,483,600
23	APPROPRIATED FROM:				
24	STATE SCHOOL AID FUND		3,482,100		3,482,100
25	STATE GENERAL FUND/GENERAL PURPOSE	\$	19,001,500	\$	19,001,500
26	(M) UNIVERSITY OF MICHIGAN - FLINT				
27	OPERATIONS	\$	19,526,600	\$	20,478,700

1	PERFORMANCE FUNDING		<u>952,100</u>		<u>0</u>
2	GROSS APPROPRIATION	\$	20,478,700	\$	20,478,700
3	APPROPRIATED FROM:				
4	STATE SCHOOL AID FUND		2,942,900		2,942,900
5	STATE GENERAL FUND/GENERAL PURPOSE	\$	17,535,800	\$	17,535,800
6	(N) WAYNE STATE UNIVERSITY				
7	OPERATIONS	\$	183,398,300	\$	183,854,300
8	PERFORMANCE FUNDING		<u>456,000</u>		<u>0</u>
9	GROSS APPROPRIATION	\$	183,854,300	\$	183,854,300
10	APPROPRIATED FROM:				
11	STATE SCHOOL AID FUND		30,160,600		30,160,600
12	STATE GENERAL FUND/GENERAL PURPOSE	\$	153,693,700	\$	153,693,700
13	(O) WESTERN MICHIGAN UNIVERSITY				
14	OPERATIONS	\$	95,487,500	\$	97,002,400
15	PERFORMANCE FUNDING		<u>1,514,900</u>		<u>0</u>
16	GROSS APPROPRIATION	\$	97,002,400	\$	97,002,400
17	APPROPRIATED FROM:				
18	STATE SCHOOL AID FUND		15,436,500		15,436,500
19	STATE GENERAL FUND/GENERAL PURPOSE	\$	81,565,900	\$	81,565,900
20	(3) TUITION RESTRAINT INCENTIVE FUNDING				
21	TUITION RESTRAINT INCENTIVE FUNDING	\$	<u>6,217,300</u>	\$	<u>6,217,300</u>
22	GROSS APPROPRIATION	\$	6,217,300	\$	6,217,300
23	APPROPRIATED FROM:				
24	STATE GENERAL FUND/GENERAL PURPOSE	\$	6,217,300	\$	6,217,300
25	(4) MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT				
26	SYSTEM (MPSERS)				
27	MPSERS REIMBURSEMENT	\$	<u>446,200</u>	\$	<u>446,200</u>

1	GROSS APPROPRIATION	\$	446,200	\$	446,200
2	APPROPRIATED FROM:				
3	STATE SCHOOL AID FUND		446,200		446,200
4	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
5	(5) STATE AND REGIONAL PROGRAMS				
6	COLLEGE ACCESS PROGRAM	\$	2,000,000	\$	2,000,000
7	HIGHER EDUCATION DATABASE MODERNIZATION AND				
8	CONVERSION.....		105,000		105,000
9	MIDWESTERN HIGHER EDUCATION COMPACT		<u>95,000</u>		<u>95,000</u>
10	GROSS APPROPRIATION	\$	2,200,000	\$	2,200,000
11	APPROPRIATED FROM:				
12	STATE GENERAL FUND/GENERAL PURPOSE	\$	2,200,000	\$	2,200,000
13	(6) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA				
14	PARKS PROGRAM				
15	SELECT STUDENT SUPPORT SERVICES	\$	1,956,100	\$	1,956,100
16	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM		586,800		586,800
17	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM		<u>148,600</u>		<u>148,600</u>
18	GROSS APPROPRIATION	\$	2,691,500	\$	2,691,500
19	APPROPRIATED FROM:				
20	STATE GENERAL FUND/GENERAL PURPOSE	\$	2,691,500	\$	2,691,500
21	(7) GRANTS AND FINANCIAL AID				
22	STATE COMPETITIVE SCHOLARSHIPS	\$	18,361,700	\$	18,361,700
23	TUITION GRANTS		31,664,700		31,664,700
24	TUITION INCENTIVE PROGRAM		47,000,000		47,000,000
25	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR				
26	TUITION PROGRAM.....		1,400,000		1,400,000
27	PROJECT GEAR-UP		<u>3,200,000</u>		<u>3,200,000</u>

1	GROSS APPROPRIATION	\$	101,626,400	\$	101,626,400
2	APPROPRIATED FROM:				
3	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF				
4	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..		3,200,000		3,200,000
5	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY				
6	FAMILIES		93,826,400		93,826,400
7	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT				
8	PROGRAM		100,000		100,000
9	STATE GENERAL FUND/GENERAL PURPOSE	\$	4,500,000	\$	4,500,000

10 SEC. 236B. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION 236, THERE IS
11 APPROPRIATED FOR GRANTS AND FINANCIAL AID IN FISCAL YEAR 2013-2014 AND IN FISCAL YEAR
12 2014-2015 AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR FEDERAL CONTINGENCY FUNDS. THESE
13 FUNDS ARE NOT AVAILABLE FOR EXPENDITURE UNTIL THEY HAVE BEEN TRANSFERRED UNDER SECTION
14 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1393, FOR ANOTHER PURPOSE
15 UNDER THIS ARTICLE.

16 SEC. 237. ALL OF THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE SUBJECT
17 TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101 TO 18.1594.

18 SEC. 237B. AS USED IN THIS ARTICLE, THE TERM "WORKFORCE DEVELOPMENT AGENCY"
19 MEANS THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC FUND.

20 SEC. 238. UNLESS OTHERWISE SPECIFIED, A PUBLIC UNIVERSITY RECEIVING
21 APPROPRIATIONS IN SECTION 236 SHALL USE THE INTERNET TO FULFILL THE REPORTING
22 REQUIREMENTS OF THIS ARTICLE. THIS REQUIREMENT MAY INCLUDE TRANSMISSION OF REPORTS VIA
23 ELECTRONIC MAIL TO THE RECIPIENTS IDENTIFIED FOR EACH REPORTING REQUIREMENT, OR IT MAY
24 INCLUDE PLACEMENT OF REPORTS ON AN INTERNET OR INTRANET SITE.

25 SEC. 241. (1) SUBJECT TO SECTION 265A, THE FUNDS APPROPRIATED IN SECTION 236 TO
26 PUBLIC UNIVERSITIES SHALL BE PAID OUT OF THE STATE TREASURY AND DISTRIBUTED BY THE
27 STATE TREASURER TO THE RESPECTIVE INSTITUTIONS IN 11 EQUAL MONTHLY INSTALLMENTS ON THE

1 SIXTEENTH OF EACH MONTH, OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER
2 16, 2013. EXCEPT FOR WAYNE STATE UNIVERSITY, EACH INSTITUTION SHALL ACCRUE ITS JULY
3 AND AUGUST 2014 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2014.

4 (2) ALL PUBLIC UNIVERSITIES SHALL SUBMIT HIGHER EDUCATION INSTITUTIONAL DATA
5 INVENTORY (HEIDI) DATA AND ASSOCIATED FINANCIAL AND PROGRAM INFORMATION REQUESTED BY
6 AND IN A MANNER PRESCRIBED BY THE STATE BUDGET DIRECTOR. FOR PUBLIC UNIVERSITIES WITH
7 FISCAL YEARS ENDING JUNE 30, 2013, THESE DATA SHALL BE SUBMITTED TO THE STATE BUDGET
8 DIRECTOR BY OCTOBER 15, 2013. PUBLIC UNIVERSITIES WITH A FISCAL YEAR ENDING SEPTEMBER
9 30, 2013 SHALL SUBMIT PRELIMINARY HEIDI DATA BY NOVEMBER 15, 2013 AND FINAL DATA BY
10 DECEMBER 15, 2013. IF A PUBLIC UNIVERSITY FAILS TO SUBMIT HEIDI DATA AND ASSOCIATED
11 FINANCIAL AID PROGRAM INFORMATION IN ACCORDANCE WITH THIS REPORTING SCHEDULE, THE
12 STATE TREASURER MAY WITHHOLD THE MONTHLY INSTALLMENTS UNDER SUBSECTION (1) TO THE
13 PUBLIC UNIVERSITY UNTIL THOSE DATA ARE SUBMITTED.

14 SEC. 242. FUNDS RECEIVED BY THE STATE FROM THE FEDERAL GOVERNMENT OR PRIVATE
15 SOURCES FOR THE USE OF A COLLEGE OR UNIVERSITY ARE APPROPRIATED FOR THE PURPOSES FOR
16 WHICH THEY ARE PROVIDED.

17 SEC. 243. EACH PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER THIS ARTICLE SHALL
18 FURNISH ALL PROGRAM AND FINANCIAL INFORMATION THAT IS REQUIRED BY AND IN A MANNER
19 PRESCRIBED BY THE STATE BUDGET DIRECTOR OR THE HOUSE OR SENATE APPROPRIATIONS
20 COMMITTEE.

21 SEC. 244. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL COOPERATE
22 WITH ALL MEASURES TAKEN BY THE STATE TO DEVELOP, OPERATE, AND MAINTAIN THE P-20
23 LONGITUDINAL DATA SYSTEM DESCRIBED IN SECTION 94A. IF THE STATE BUDGET DIRECTOR FINDS
24 THAT A UNIVERSITY HAS NOT COMPLIED WITH THIS SECTION, THE STATE BUDGET DIRECTOR IS
25 AUTHORIZED TO WITHHOLD THE MONTHLY INSTALLMENTS PROVIDED TO THAT UNIVERSITY UNDER
26 SECTION 236 UNTIL HE OR SHE FINDS THE UNIVERSITY HAS COMPLIED WITH THIS SECTION.

27 SEC. 245. (1) WITHIN 30 DAYS AFTER THE BOARD OF A PUBLIC UNIVERSITY ADOPTS ITS

1 ANNUAL OPERATING BUDGET FOR THE FOLLOWING INSTITUTIONAL FISCAL YEAR, OR AFTER THE
2 BOARD ADOPTS A SUBSEQUENT REVISION TO THAT BUDGET, THE PUBLIC UNIVERSITY SHALL MAKE
3 ALL OF THE FOLLOWING AVAILABLE THROUGH A LINK ON ITS WEBSITE HOMEPAGE:

4 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET REVISIONS.

5 (B) A SUMMARY OF CURRENT EXPENDITURES FOR THE MOST RECENT FISCAL YEAR FOR WHICH
6 THEY ARE AVAILABLE, EXPRESSED AS PIE CHARTS IN THE FOLLOWING 2 CATEGORIES:

7 (i) A CHART OF PERSONNEL EXPENDITURES, BROKEN INTO THE FOLLOWING SUBCATEGORIES:

8 (A) EARNINGS AND WAGES.

9 (B) EMPLOYEE BENEFIT COSTS, INCLUDING, BUT NOT LIMITED TO, MEDICAL, DENTAL,
10 VISION, LIFE, DISABILITY, AND LONG-TERM CARE BENEFITS.

11 (C) RETIREMENT BENEFIT COSTS.

12 (D) ALL OTHER PERSONNEL COSTS.

13 (ii) A CHART OF ALL CURRENT EXPENDITURES THE PUBLIC UNIVERSITY REPORTED AS PART
14 OF ITS HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY DATA UNDER SECTION 241(2), BROKEN
15 INTO THE SAME SUBCATEGORIES IN WHICH IT REPORTED THOSE DATA.

16 (C) LINKS TO ALL OF THE FOLLOWING FOR THE PUBLIC UNIVERSITY:

17 (i) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH BARGAINING UNIT.

18 (ii) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED TO, MEDICAL,
19 DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFITS THAT WOULD
20 CONSTITUTE HEALTH CARE SERVICES, OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE
21 PUBLIC UNIVERSITY.

22 (iii) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL YEAR FOR WHICH
23 THEY ARE AVAILABLE.

24 (iv) CAMPUS SECURITY POLICIES AND CRIME STATISTICS PURSUANT TO THE STUDENT
25 RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-542, 104 STAT. 2381. INFORMATION
26 SHALL INCLUDE ALL MATERIAL PREPARED PURSUANT TO THE PUBLIC INFORMATION REPORTING
27 REQUIREMENTS UNDER THE CRIME AWARENESS AND CAMPUS SECURITY ACT OF 1990, TITLE II OF

1 THE STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-542, 104 STAT. 2381.

2 (D) THE NUMBER OF ACTIVE EMPLOYEES SORTED BY JOB CLASSIFICATION AND MAJOR
3 ADMINISTRATIVE UNIT.

4 (E) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR FISCAL YEAR 2013-2014
5 AND FISCAL YEAR 2014-2015.

6 (F) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, ANTICIPATED
7 FISCAL YEAR 2013-2014 PAYMENT FOR EACH PROJECT, AND TOTAL OUTSTANDING DEBT.

8 (2) A PUBLIC UNIVERSITY SHALL PROVIDE A DASHBOARD OR REPORT CARD DEMONSTRATING
9 THE UNIVERSITY'S PERFORMANCE IN SEVERAL "BEST PRACTICE" MEASURES. THE DASHBOARD OR
10 REPORT CARD SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING FOR THE 3 MOST RECENT ACADEMIC
11 YEARS FOR WHICH THE DATA ARE AVAILABLE:

12 (A) ENROLLMENT.

13 (B) STUDENT RETENTION RATE.

14 (C) SIX-YEAR GRADUATION RATES.

15 (D) NUMBER OF TOTAL PELL GRANT RECIPIENTS AND GRADUATING PELL GRANT RECIPIENTS.

16 (E) GEOGRAPHIC ORIGINATION OF STUDENTS, CATEGORIZED AS IN-STATE, OUT-OF-STATE,
17 AND INTERNATIONAL.

18 (F) FACULTY TO STUDENT RATIOS AND TOTAL UNIVERSITY EMPLOYEE TO STUDENT RATIOS.

19 (G) TEACHING LOAD BY FACULTY CLASSIFICATION.

20 (H) GRADUATION OUTCOME RATES, INCLUDING EMPLOYMENT AND CONTINUING EDUCATION.

21 (3) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, PUBLIC UNIVERSITIES MUST
22 USE THE ICON BADGE PROVIDED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
23 CONSISTENT WITH THE ICON BADGE DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12
24 SCHOOL DISTRICTS. IT MUST APPEAR ON THE FRONT OF EACH PUBLIC UNIVERSITY'S HOMEPAGE.
25 THE SIZE OF THE ICON MAY BE REDUCED TO 150 X 150 PIXELS. THE FONT SIZE AND STYLE FOR
26 THIS REPORTING MUST BE CONSISTENT WITH OTHER DOCUMENTS ON EACH UNIVERSITY'S WEBSITE.

27 (4) THE STATE BUDGET DIRECTOR MAY DETERMINE WHETHER A PUBLIC UNIVERSITY HAS

1 COMPLIED WITH THIS SECTION. THE STATE BUDGET DIRECTOR MAY WITHHOLD A PUBLIC
2 UNIVERSITY'S MONTHLY INSTALLMENTS DESCRIBED IN SECTION 241 UNTIL THE PUBLIC UNIVERSITY
3 COMPLIES WITH THIS SECTION.

4 SEC. 246. (1) THE FUNDS APPROPRIATED IN SECTION 236(4) FOR MICHIGAN PUBLIC
5 SCHOOL EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT SHALL BE ALLOCATED TO EACH
6 PARTICIPATING PUBLIC UNIVERSITY UNDER THIS SECTION BASED ON EACH PARTICIPATING PUBLIC
7 UNIVERSITY'S TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL
8 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS IN PROPORTION TO THE TOTAL RETIREE HEALTH CARE
9 PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR
10 ALL PARTICIPATING PUBLIC UNIVERSITIES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.
11 PAYMENTS SHALL BE MADE IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT
12 SERVICES. A PUBLIC UNIVERSITY THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT
13 MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS
14 OWED BY THE UNIVERSITY.

15 (2) AS USED IN THIS SECTION, "PARTICIPATING PUBLIC UNIVERSITY" MEANS A PUBLIC
16 UNIVERSITY THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
17 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA
18 300, MCL 38.1301 TO 38.1408, AND THAT PAYS RETIREE HEALTH CARE PREMIUMS TO THE
19 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

20 SEC. 251. (1) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 236 FOR THE STATE
21 COMPETITIVE SCHOLARSHIP PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1964 PA 208, MCL
22 390.971 TO 390.981.

23 (2) PURSUANT TO SECTION 6 OF 1964 PA 208, MCL 390.976, THE DEPARTMENT OF
24 TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM STATE COMPETITIVE SCHOLARSHIP AWARD PER
25 STUDENT, WHICH SHALL BE NOT LESS THAN \$575.00, THAT ENSURES THAT THE AGGREGATE
26 PAYMENTS FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM DO NOT EXCEED THE APPROPRIATION
27 CONTAINED IN SECTION 236 FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM. IF THE

1 DEPARTMENT DETERMINES THAT INSUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM
2 AWARD AMOUNT EQUAL TO AT LEAST \$575.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE
3 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND
4 SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE ESTIMATED AMOUNT
5 OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A \$575.00 MAXIMUM AWARD AMOUNT.

6 (3) THE DEPARTMENT OF TREASURY SHALL IMPLEMENT A PROPORTIONAL COMPETITIVE
7 SCHOLARSHIP MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN FULL-TIME IN A GIVEN
8 SEMESTER OR TERM.

9 (4) IF A STUDENT WHO RECEIVES AN AWARD UNDER THIS SECTION HAS HIS OR HER
10 TUITION AND FEES PAID UNDER THE MICHIGAN EDUCATIONAL TRUST PROGRAM, PURSUANT TO THE
11 MICHIGAN EDUCATION TRUST ACT, 1986 PA 316, MCL 390.1421 TO 390.1442, AND STILL HAS
12 FINANCIAL NEED, THE FUNDS AWARDED UNDER THIS SECTION MAY BE USED FOR EDUCATIONAL
13 EXPENSES OTHER THAN TUITION AND FEES.

14 (5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD PER ELIGIBLE
15 STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL YEAR, IT SHALL NOT HAVE THE EFFECT
16 OF REDUCING THE NUMBER OF ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL
17 NUMBER OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL
18 FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS.

19 (6) VETERANS ADMINISTRATION BENEFITS SHALL NOT BE CONSIDERED IN DETERMINING
20 ELIGIBILITY FOR THE AWARD OF SCHOLARSHIPS UNDER 1964 PA 208, MCL 390.971 TO 390.981.

21 SEC. 252. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE STATE TUITION
22 GRANT PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1966 PA 313, MCL 390.991 TO 390.997A.

23 (2) TUITION GRANT AWARDS SHALL BE MADE TO ALL ELIGIBLE MICHIGAN RESIDENTS
24 ENROLLED IN UNDERGRADUATE DEGREE PROGRAMS WHO APPLY BEFORE MARCH 1 OF EACH YEAR AND
25 WHO ARE QUALIFIED.

26 (3) PURSUANT TO SECTION 5 OF 1966 PA 313, MCL 390.995, AND SUBJECT TO
27 SUBSECTION (6), THE DEPARTMENT OF TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM TUITION

1 GRANT AWARD PER STUDENT, WHICH SHALL BE NO LESS THAN \$1,512.00, THAT ENSURES THAT THE
2 AGGREGATE PAYMENTS FOR THE TUITION GRANT PROGRAM DO NOT EXCEED THE APPROPRIATION
3 CONTAINED IN SECTION 236 FOR THE STATE TUITION GRANT PROGRAM. IF THE DEPARTMENT
4 DETERMINES THAT INSUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT
5 EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND
6 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL
7 AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE ESTIMATED AMOUNT OF ADDITIONAL
8 FUNDS NECESSARY TO ESTABLISH A \$1,512.00 MAXIMUM AWARD AMOUNT. IF THE DEPARTMENT
9 DETERMINES THAT SUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT
10 EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND
11 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL
12 AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE MAXIMUM AWARD AMOUNT
13 ESTABLISHED. BY DECEMBER 15, AND AGAIN BY FEBRUARY 18 OF EACH FISCAL YEAR, THE
14 DEPARTMENT SHALL ANALYZE THE STATUS OF AWARD COMMITMENTS, SHALL MAKE ANY NECESSARY
15 ADJUSTMENTS, AND SHALL CONFIRM THAT THOSE AWARD COMMITMENTS WILL NOT EXCEED THE
16 APPROPRIATION CONTAINED IN SECTION 236 FOR THE TUITION GRANT PROGRAM. THE
17 DETERMINATION AND ACTIONS SHALL BE REPORTED TO THE STATE BUDGET DIRECTOR AND THE HOUSE
18 AND SENATE FISCAL AGENCIES NO LATER THAN THE FINAL DAY OF FEBRUARY OF EACH YEAR. IF
19 AWARD ADJUSTMENTS ARE NECESSARY, THE STUDENTS SHALL BE NOTIFIED OF THE ADJUSTMENT BY
20 MARCH 4 OF EACH YEAR.

21 (4) THE DEPARTMENT OF TREASURY SHALL CONTINUE A PROPORTIONAL TUITION GRANT
22 MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN FULL-TIME IN A GIVEN SEMESTER OR
23 TERM.

24 (5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD PER ELIGIBLE
25 STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL YEAR, IT SHALL NOT HAVE THE EFFECT
26 OF REDUCING THE NUMBER OF ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL
27 NUMBER OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL

1 FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS FOR THAT FISCAL YEAR.

2 (6) THE DEPARTMENT OF TREASURY SHALL NOT AWARD MORE THAN \$3,000,000.00 IN
3 TUITION GRANTS TO ELIGIBLE STUDENTS ENROLLED IN THE SAME INDEPENDENT NONPROFIT COLLEGE
4 OR UNIVERSITY IN THIS STATE. ANY DECREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL
5 FOR ALL ELIGIBLE STUDENTS ENROLLED IN THAT COLLEGE OR UNIVERSITY, AS DETERMINED BY THE
6 DEPARTMENT.

7 (7) THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO ELIGIBLE
8 STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT MEET THE
9 FOLLOWING REQUIREMENTS IN A MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY:

10 (A) THE INDEPENDENT COLLEGE OR UNIVERSITY MUST SUBMIT AS DIRECTED BY THE
11 DEPARTMENT OF TREASURY BY JUNE 30 OF EACH YEAR THE ANNUAL P-20 LONGITUDINAL DATA
12 SYSTEM DATA SETS TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION, AS
13 VERIFIED BY THE CENTER.

14 (B) THE INDEPENDENT COLLEGE OR UNIVERSITY MUST REPORT IN A FORM AND MANNER AS
15 DIRECTED BY THE DEPARTMENT OF TREASURY BY AUGUST 31 OF EACH YEAR THE FOLLOWING:

16 (i) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT
17 RECEIVED STATE TUITION GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

18 (ii) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT
19 RECEIVED STATE TUITION GRANTS AND TOOK REMEDIAL EDUCATION CLASSES.

20 (iii) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT
21 RECEIVED PELL GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

22 SEC. 253. THE AUDITOR GENERAL MAY AUDIT SELECTED ENROLLMENTS, DEGREES, AND
23 AWARDS AT SELECTED INDEPENDENT COLLEGES AND UNIVERSITIES RECEIVING AWARDS THAT ARE
24 ADMINISTERED BY THE DEPARTMENT OF TREASURY. THE AUDITS SHALL BE BASED UPON DEFINITIONS
25 AND REQUIREMENTS ESTABLISHED BY THE DEPARTMENT OF TREASURY, THE STATE BUDGET DIRECTOR,
26 AND THE SENATE AND HOUSE FISCAL AGENCIES. THE AUDITOR GENERAL SHALL ACCEPT THE FREE
27 APPLICATION FOR FEDERAL STUDENT AID (FAFSA) FORM AS THE STANDARD OF RESIDENCY

1 DOCUMENTATION.

2 SEC. 254. THE SUMS APPROPRIATED IN SECTION 236 FOR THE STATE COMPETITIVE
3 SCHOLARSHIP, TUITION INCENTIVE, AND TUITION GRANT PROGRAMS SHALL BE PAID OUT OF THE
4 STATE TREASURY AND SHALL BE DISTRIBUTED TO THE RESPECTIVE INSTITUTIONS UNDER A
5 QUARTERLY PAYMENT SYSTEM AS FOLLOWS: 50% SHALL BE PAID AT THE BEGINNING OF THE STATE'S
6 FIRST FISCAL QUARTER, 30% DURING THE STATE'S SECOND FISCAL QUARTER, 10% DURING THE
7 STATE'S THIRD FISCAL QUARTER, AND 10% DURING THE STATE'S FOURTH FISCAL QUARTER.

8 SEC. 255. THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS ANALYSIS
9 CRITERIA FOR STUDENTS TO QUALIFY FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM AND
10 TUITION GRANT PROGRAM. TO BE CONSISTENT WITH FEDERAL REQUIREMENTS, THE DEPARTMENT OF
11 TREASURY MAY TAKE STUDENT WAGES INTO CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE
12 AWARD.

13 SEC. 256A. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE TUITION INCENTIVE
14 PROGRAM SHALL BE DISTRIBUTED AS PROVIDED IN THE TUITION INCENTIVE PROGRAM ACT, 2013 PA
15 XXX, AND PURSUANT TO THE ADMINISTRATIVE PROCEDURES OF THE DEPARTMENT OF TREASURY FOR
16 THAT ACT.

17 SEC. 257. TO ENABLE THE LEGISLATURE AND THE STATE BUDGET DIRECTOR TO EVALUATE
18 THE APPROPRIATION NEEDS OF HIGHER EDUCATION, EACH INDEPENDENT COLLEGE AND UNIVERSITY
19 SHALL MAKE AVAILABLE TO THE LEGISLATURE OR STATE BUDGET DIRECTOR, UPON REQUEST, DATA
20 REGARDING GRANTS FOR THE PRECEDING, CURRENT, AND FUTURE FISCAL YEARS.

21 SEC. 258. BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF TREASURY SHALL POST TO
22 ITS PUBLICLY AVAILABLE WEBSITE A REPORT FOR THE PRECEDING FISCAL YEAR ON ALL STUDENT
23 FINANCIAL AID PROGRAMS FOR WHICH FUNDS ARE APPROPRIATED IN SECTION 236. FOR EACH
24 STUDENT FINANCIAL AID PROGRAM, THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE
25 TOTAL NUMBER OF AWARDS PAID IN THE PRECEDING FISCAL YEAR, THE TOTAL DOLLAR AMOUNT OF
26 THOSE AWARDS, AND THE NUMBER OF STUDENTS RECEIVING AWARDS AND THE TOTAL AMOUNT OF
27 THOSE AWARDS AT EACH ELIGIBLE POSTSECONDARY INSTITUTION. TO THE EXTENT INFORMATION IS

1 AVAILABLE, THE REPORT SHALL ALSO INCLUDE INFORMATION ON HOUSEHOLD INCOME AND OTHER
2 DEMOGRAPHIC CHARACTERISTICS OF STUDENTS RECEIVING AWARDS UNDER EACH PROGRAM AND
3 HISTORICAL INFORMATION ON THE NUMBER OF AWARDS AND TOTAL AWARD AMOUNTS FOR EACH
4 PROGRAM.

5 SEC. 259. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE COLLEGE ACCESS PROGRAM
6 SHALL BE USED FOR EFFORTS TO SUPPORT COLLEGE ACCESS. THE DEPARTMENT OF TREASURY SHALL
7 ADMINISTER THIS FUNDING. ALLOWABLE USES INCLUDE THE FOLLOWING:

8 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING, AND SERVICES TO
9 LOCAL COLLEGE ACCESS NETWORKS.

10 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED COLLEGE
11 ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE COLLEGE PARTICIPATION AND
12 COMPLETION RATES WITHIN GEOGRAPHICALLY DEFINED COMMUNITIES THROUGH A COORDINATED
13 STRATEGY.

14 (C) MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP PORTAL TO HELP STUDENTS
15 AND FAMILIES PLAN AND APPLY FOR COLLEGE.

16 (D) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-INCOME AND FIRST-
17 GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD COLLEGE AND TO ASSIST STUDENTS AND
18 FAMILIES IN COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

19 (E) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE, AND TRAIN COLLEGE
20 STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST HIGH SCHOOL STUDENTS IN NAVIGATING THE
21 POSTSECONDARY PLANNING AND ENROLLMENT PROCESS.

22 SEC. 263. (1) INCLUDED IN THE FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015
23 APPROPRIATION IN SECTION 236 FOR MSU AGBIORESEARCH AND MSU EXTENSION ACTIVITIES IS
24 \$5,628,100.00 FOR PROJECT GREEN. PROJECT GREEN IS INTENDED TO ADDRESS CRITICAL
25 REGULATORY, FOOD SAFETY, ECONOMIC, AND ENVIRONMENTAL PROBLEMS FACED BY THIS STATE'S
26 PLANT-BASED AGRICULTURE, FORESTRY, AND PROCESSING INDUSTRIES. "GREEN" IS AN ACRONYM
27 FOR GENERATING RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL AND ECONOMIC NEEDS.

1 (2) THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND MICHIGAN STATE
2 UNIVERSITY, IN CONSULTATION WITH AGRICULTURAL COMMODITY GROUPS AND OTHER INTERESTED
3 PARTIES, SHALL DEVELOP PROJECT GREEN AND ITS PROGRAM PRIORITIES.

4 SEC. 263A. (1) NOT LATER THAN SEPTEMBER 30 OF EACH YEAR, MICHIGAN STATE
5 UNIVERSITY SHALL SUBMIT A REPORT ON MSU AGBIORESEARCH AND MSU EXTENSION TO THE HOUSE
6 AND SENATE APPROPRIATIONS SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE
7 HOUSE AND SENATE STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE FISCAL
8 AGENCIES, AND THE STATE BUDGET DIRECTOR FOR THE PRECEDING SCHOOL FISCAL YEAR.

9 (2) THE REPORT REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL OF THE
10 FOLLOWING:

11 (A) TOTAL FUNDS EXPENDED BY MSU AGBIORESEARCH AND BY MSU EXTENSION SERVICE
12 IDENTIFIED BY STATE, LOCAL, PRIVATE, FEDERAL, AND UNIVERSITY FUND SOURCES.

13 (B) THE METRIC GOALS THAT WERE USED TO EVALUATE THE IMPACTS OF PROGRAMS
14 OPERATED BY MSU EXTENSION AND MSU AGBIORESEARCH. AT LEAST THE FOLLOWING METRIC GOALS
15 WILL BE USED TO EVALUATE THE IMPACTS OF THOSE PROGRAMS:

16 (i) INCREASING THE NUMBER OF AGRICULTURE AND FOOD-RELATED FIRMS COLLABORATING
17 WITH AND USING SERVICES OF RESEARCH AND EXTENSION FACULTY AND STAFF BY 3% PER YEAR.

18 (ii) INCREASING THE NUMBER OF INDIVIDUALS UTILIZING MSU EXTENSION'S EDUCATIONAL
19 SERVICES BY 5% PER YEAR.

20 (iii) INCREASING EXTERNAL FUNDS GENERATED IN SUPPORT OF RESEARCH AND EXTENSION,
21 BEYOND STATE APPROPRIATIONS, BY 10% OVER THE AMOUNTS GENERATED IN THE PAST 3 STATE
22 FISCAL YEARS.

23 (iv) INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT FROM TODAY'S
24 \$71,000,000,000.00 TO \$100,000,000,000.00.

25 (v) DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS FROM \$1,750,000,000.00 TO
26 \$3,500,000,000.00.

27 (vi) INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR BY 10%.

1 (vii) IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTHY FOODS BY 20%.

2 (C) A REVIEW OF MAJOR PROGRAMS WITHIN BOTH MSU AGBIORESEARCH AND MSU EXTENSION
3 WITH SPECIFIC REFERENCE TO ACCOMPLISHMENTS, IMPACTS, AND THE METRICS DESCRIBED IN
4 SUBDIVISION (B), INCLUDING A SPECIFIC ACCOUNTING OF PROJECT GREEN EXPENDITURES AND
5 THE IMPACT OF THOSE EXPENDITURES.

6 SEC. 264. INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR FISCAL YEAR 2013-
7 2014 AND FISCAL YEAR 2014-2015 FOR MICHIGAN STATE UNIVERSITY IS \$80,000.00 FOR THE
8 MICHIGAN FUTURE FARMERS OF AMERICA ASSOCIATION. THIS \$80,000.00 ALLOCATION SHALL NOT
9 SUPPLANT ANY EXISTING SUPPORT THAT MICHIGAN STATE UNIVERSITY PROVIDES TO THE MICHIGAN
10 FUTURE FARMERS OF AMERICA ASSOCIATION.

11 SEC. 265. (1) PAYMENTS FROM THE AMOUNT APPROPRIATED IN SECTION 236(3) FOR
12 PUBLIC UNIVERSITY TUITION RESTRAINT INCENTIVES SHALL ONLY BE MADE TO A PUBLIC
13 UNIVERSITY THAT CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 31, 2013 THAT ITS
14 BOARD DID NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE
15 STUDENTS AFTER SEPTEMBER 1, 2012 FOR THE 2012-2013 ACADEMIC YEAR AND THAT ITS BOARD
16 WILL NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE
17 STUDENTS FOR THE 2013-2014 ACADEMIC YEAR OF 4.00% OR HIGHER. AS USED IN THIS SECTION:

18 (A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY MORE THAN 1/2 OF
19 ALL RESIDENT UNDERGRADUATE STUDENTS AT LEAST ONCE DURING THEIR ENROLLMENT AT A PUBLIC
20 UNIVERSITY. A UNIVERSITY INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF
21 STUDENTS OR COURSES SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE INCREASE
22 APPLIED TO THAT SUBSET WILL NOT CAUSE THE INCREASE IN THE AVERAGE AMOUNT OF BOARD-
23 AUTHORIZED TOTAL TUITION AND FEES PAID BY RESIDENT UNDERGRADUATE STUDENTS IN THE 2013-
24 2014 ACADEMIC YEAR TO EXCEED THE LIMIT ESTABLISHED IN THIS SUBSECTION.

25 (B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF FULL-TIME RATES FOR ALL
26 UNDERGRADUATE CLASSES, BASED ON AN AVERAGE OF THE RATES AUTHORIZED BY THE UNIVERSITY
27 BOARD AND ACTUALLY CHARGED TO STUDENTS, DEDUCTING ANY UNIFORMLY-REBATED OR REFUNDED

1 AMOUNTS, FOR THE 2 SEMESTERS WITH THE HIGHEST LEVELS OF FULL-TIME EQUATED RESIDENT
2 UNDERGRADUATE ENROLLMENT DURING THE ACADEMIC YEAR.

3 (2) FOR PURPOSES OF SECTION 236(3), EACH PUBLIC UNIVERSITY'S ALLOCATION FOR
4 TUITION RESTRAINT INCENTIVE SHALL BE DETERMINED AS FOLLOWS:

5 (A) CALCULATE AN ADJUSTMENT FOR EACH UNIVERSITY BY SUBTRACTING EACH
6 UNIVERSITY'S REPORTED PERCENT CHANGE IN TUITION AND FEE RATES FOR ACADEMIC YEAR 2013-
7 2014 FROM 4.00%. IF THE RESULT OF THE CALCULATION IN THIS SUBDIVISION IS LESS THAN OR
8 EQUAL TO ZERO, THE UNIVERSITY IS NOT QUALIFIED TO RECEIVE AN ALLOCATION UNDER THIS
9 SECTION. ALL CALCULATIONS UNDER THIS SUBDIVISION SHALL BE ROUNDED TO THE SECOND
10 DECIMAL PLACE.

11 (B) FOR EACH QUALIFIED UNIVERSITY, DIVIDE THE UNIVERSITY'S ADJUSTMENT AS
12 CALCULATED UNDER SUBDIVISION (A) BY THE SUM OF ALL ADJUSTMENTS FOR QUALIFYING
13 UNIVERSITIES UNDER SUBDIVISION (A) AND THEN MULTIPLY THE RESULTING CALCULATION FOR
14 EACH UNIVERSITY BY THE TOTAL AMOUNT AVAILABLE FOR TUITION RESTRAINT INCENTIVE FUNDING,
15 ROUNDED TO THE NEAREST HUNDRED DOLLARS.

16 (3) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM REPORTING REQUIREMENTS TO
17 ENSURE THAT A PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION UNDER SECTION 236(3) HAS
18 SATISFIED THE TUITION RESTRAINT REQUIREMENTS OF THIS SECTION. THE STATE BUDGET
19 DIRECTOR SHALL HAVE THE SOLE AUTHORITY TO DETERMINE IF A PUBLIC UNIVERSITY HAS MET THE
20 REQUIREMENTS OF THIS SECTION. INFORMATION REPORTED BY A PUBLIC UNIVERSITY TO THE STATE
21 BUDGET DIRECTOR UNDER THIS SUBSECTION SHALL ALSO BE REPORTED TO THE HOUSE AND SENATE
22 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION AND THE HOUSE AND SENATE FISCAL
23 AGENCIES.

24 SEC. 265A. (1) APPROPRIATIONS TO PUBLIC UNIVERSITIES IN SECTION 236 FOR
25 PERFORMANCE FUNDING SHALL BE PAID ONLY TO A PUBLIC UNIVERSITY THAT CERTIFIES TO THE
26 STATE BUDGET DIRECTOR BY AUGUST 31, 2013 THAT IT COMPLIES WITH ALL OF THE FOLLOWING
27 REQUIREMENTS:

1 (A) THE UNIVERSITY PARTICIPATES IN REVERSE TRANSFER AGREEMENTS DESCRIBED IN
2 SECTION 286 WITH AT LEAST 3 MICHIGAN COMMUNITY COLLEGES OR HAS MADE A GOOD-FAITH
3 EFFORT TO ENTER INTO REVERSE TRANSFER AGREEMENTS.

4 (B) THE UNIVERSITY DOES NOT AND WILL NOT CONSIDER WHETHER DUAL ENROLLMENT
5 CREDITS EARNED BY AN INCOMING STUDENT WERE UTILIZED TOWARDS HIS OR HER HIGH SCHOOL
6 GRADUATION REQUIREMENTS WHEN MAKING A DETERMINATION AS TO WHETHER THOSE CREDITS MAY BE
7 USED BY THE STUDENT TOWARD COMPLETION OF A UNIVERSITY DEGREE OR CERTIFICATE PROGRAM.

8 (C) THE UNIVERSITY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK CREATED AS
9 PART OF THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS
10 TRANSFER AGREEMENT.

11 (2) ANY PERFORMANCE FUNDING AMOUNTS UNDER SECTION 236 FOR FISCAL YEAR 2013-2014
12 THAT ARE NOT PAID TO A PUBLIC UNIVERSITY BECAUSE IT DID NOT COMPLY WITH 1 OR MORE
13 REQUIREMENTS UNDER SUBSECTION (1) ARE UNAPPROPRIATED AND REAPPROPRIATED FOR TUITION
14 RESTRAINT FUNDING DESCRIBED IN SECTION 265. THE STATE BUDGET DIRECTOR SHALL ISSUE
15 UNIFORM REPORTING REQUIREMENTS FOR IMPLEMENTING THIS SECTION.

16 (3) PERFORMANCE FUNDING AMOUNTS DETAILED IN SECTION 236 ARE DISTRIBUTED BASED
17 ON THE FOLLOWING FORMULA:

18 (A) BASED ON WEIGHTED UNDERGRADUATE COMPLETIONS IN CRITICAL SKILLS AREAS,
19 16.67%.

20 (B) BASED ON RESEARCH AND DEVELOPMENT EXPENDITURES, FOR UNIVERSITIES RANKED IN
21 CARNEGIE CLASSIFICATIONS AS DOCTORAL/RESEARCH UNIVERSITIES, RESEARCH UNIVERSITIES
22 (HIGH RESEARCH ACTIVITY), OR RESEARCH UNIVERSITIES (VERY HIGH RESEARCH ACTIVITY) ONLY,
23 8.33%.

24 (C) BASED ON SIX-YEAR GRADUATION RATE, SCORED AGAINST NATIONAL CARNEGIE
25 CLASSIFICATION PEERS, 16.67%.

26 (D) BASED ON TOTAL DEGREE COMPLETIONS, SCORED AGAINST NATIONAL CARNEGIE
27 CLASSIFICATION PEERS, 16.67%.

1 (E) BASED ON INSTITUTIONAL SUPPORT AS A PERCENTAGE OF CORE EXPENDITURES, SCORED
2 AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS, 16.67%.

3 (F) BASED ON TUITION RESTRAINT, TO BE DISTRIBUTED AS DESCRIBED IN SECTION 265,
4 25%.

5 (6) FOR PURPOSES OF THIS SECTION, "CARNEGIE CLASSIFICATION" SHALL MEAN THE
6 BASIC CLASSIFICATION OF THE UNIVERSITY ACCORDING TO THE MOST RECENT VERSION OF THE
7 CARNEGIE CLASSIFICATION OF INSTITUTIONS OF HIGHER EDUCATION, PUBLISHED BY THE CARNEGIE
8 FOUNDATION FOR THE ADVANCEMENT OF TEACHING.

9 SEC. 267. ALL PUBLIC UNIVERSITIES SHALL SUBMIT THE AMOUNT OF TUITION AND FEES
10 ACTUALLY CHARGED TO A FULL-TIME RESIDENT UNDERGRADUATE STUDENT FOR ACADEMIC YEAR 2013-
11 2014 AS PART OF THEIR HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA BY
12 AUGUST 31, 2013. A PUBLIC UNIVERSITY SHALL REPORT ANY REVISIONS FOR ANY SEMESTER OF
13 THE REPORTED ACADEMIC YEAR 2013-2014 TUITION AND FEE CHARGES TO HEIDI WITHIN 15 DAYS
14 OF BEING ADOPTED.

15 SEC. 269. FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, FROM THE AMOUNT
16 APPROPRIATED IN SECTION 236 TO CENTRAL MICHIGAN UNIVERSITY FOR OPERATIONS, \$29,700.00
17 SHALL BE PAID TO SAGINAW CHIPPEWA TRIBAL COLLEGE FOR THE COSTS OF WAIVING TUITION FOR
18 NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

19 SEC. 270. FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, FROM THE AMOUNT
20 APPROPRIATED IN SECTION 236 TO LAKE SUPERIOR STATE UNIVERSITY FOR OPERATIONS,
21 \$100,000.00 SHALL BE PAID TO BAY MILLS COMMUNITY COLLEGE FOR THE COSTS OF WAIVING
22 TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

23 SEC. 275. (1) EACH PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION IN SECTION 236
24 IS ENCOURAGED TO DO ALL OF THE FOLLOWING:

25 (A) MEET THE PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS EDUCATIONAL
26 ASSISTANCE ACT OF 2008, 38 USC 3301 TO 3324, INCLUDING VOLUNTARY PARTICIPATION IN THE
27 YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM ESTABLISHED IN THAT ACT IN 38 USC 3317.

1 (B) ESTABLISH AN ON-CAMPUS VETERANS' LIAISON TO PROVIDE INFORMATION AND
2 ASSISTANCE TO ALL STUDENT VETERANS.

3 (C) PROVIDE FLEXIBLE ENROLLMENT APPLICATION DEADLINES FOR ALL VETERANS.

4 (D) INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO
5 WHETHER AN APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER OF THE MILITARY, A
6 MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A
7 VETERAN, ACTIVE MEMBER OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY
8 RESERVES, IN ORDER TO MORE QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE AVAILABLE
9 TO THAT APPLICANT.

10 (2) AS USED IN THIS SECTION, "VETERAN" MEANS AN HONORABLY DISCHARGED VETERAN
11 ENTITLED TO EDUCATIONAL ASSISTANCE UNDER THE PROVISIONS OF SECTION 5003 OF THE POST-
12 911 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008, 38 USC 3301 TO 3324.

13 SEC. 276. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN
14 SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS
15 FUTURE FACULTY PROGRAM THAT IS INTENDED TO INCREASE THE POOL OF ACADEMICALLY OR
16 ECONOMICALLY DISADVANTAGED CANDIDATES PURSUING FACULTY TEACHING CAREERS IN
17 POSTSECONDARY EDUCATION. PREFERENCE MAY NOT BE GIVEN TO APPLICANTS ON THE BASIS OF
18 RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE
19 APPLICATIONS FROM APPLICANTS WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE
20 GRADUATE STUDENT AND FACULTY POPULATIONS. EACH PUBLIC UNIVERSITY SHALL APPLY THE
21 PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF
22 APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS ALLOCATED TO THE FUTURE FACULTY
23 PROGRAM.

24 (2) THE PROGRAM SHALL BE ADMINISTERED BY EACH PUBLIC UNIVERSITY IN A MANNER
25 PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY. THE WORKFORCE DEVELOPMENT AGENCY SHALL
26 USE A GOOD FAITH EFFORT STANDARD TO EVALUATE WHETHER A FELLOWSHIP IS IN DEFAULT.

27 SEC. 277. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN

1 SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS
2 COLLEGE DAY PROGRAM THAT IS INTENDED TO INTRODUCE ACADEMICALLY OR ECONOMICALLY
3 DISADVANTAGED SCHOOLCHILDREN TO THE POTENTIAL OF A COLLEGE EDUCATION. PREFERENCE MAY
4 NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR
5 NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO
6 WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

7 (2) INDIVIDUAL PROGRAM PLANS OF EACH PUBLIC UNIVERSITY SHALL INCLUDE A BUDGET
8 OF EQUAL CONTRIBUTIONS FROM THIS PROGRAM, THE PARTICIPATING PUBLIC UNIVERSITY, THE
9 PARTICIPATING SCHOOL DISTRICT, AND THE PARTICIPATING INDEPENDENT DEGREE-GRANTING
10 COLLEGE. COLLEGE DAY FUNDS SHALL NOT BE EXPENDED TO COVER INDIRECT COSTS. NOT MORE
11 THAN 20% OF THE UNIVERSITY MATCH SHALL BE ATTRIBUTABLE TO INDIRECT COSTS. EACH PUBLIC
12 UNIVERSITY SHALL APPLY THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN
13 THE CALCULATION OF APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS ALLOCATED TO
14 THE COLLEGE DAY PROGRAM.

15 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY EACH PUBLIC
16 UNIVERSITY IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY.

17 SEC. 278. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
18 JR. - CESAR CHAVEZ - ROSA PARKS SELECT STUDENT SUPPORT SERVICES PROGRAM FOR DEVELOPING
19 ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENT RETENTION PROGRAMS FOR 4-YEAR
20 PUBLIC AND INDEPENDENT EDUCATIONAL INSTITUTIONS IN THIS STATE. PREFERENCE MAY NOT BE
21 GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL
22 ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
23 ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

24 (2) AN AWARD MADE UNDER THIS PROGRAM TO ANY 1 INSTITUTION SHALL NOT BE GREATER
25 THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70% STATE, 30% COLLEGE
26 OR UNIVERSITY BASIS.

27 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE

1 WORKFORCE DEVELOPMENT AGENCY.

2 SEC. 279. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
3 JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM BETWEEN 4-YEAR
4 PUBLIC AND INDEPENDENT COLLEGES AND UNIVERSITIES AND PUBLIC COMMUNITY COLLEGES, WHICH
5 IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED
6 STUDENTS WHO TRANSFER FROM COMMUNITY COLLEGES INTO BACCALAUREATE PROGRAMS. PREFERENCE
7 MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR
8 NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD
9 OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE TRANSFER STUDENT POPULATION.

10 (2) THE GRANTS SHALL BE MADE UNDER THE PROGRAM DESCRIBED IN THIS SECTION TO
11 MICHIGAN PUBLIC AND INDEPENDENT COLLEGES AND UNIVERSITIES. AN AWARD TO ANY 1
12 INSTITUTION SHALL NOT BE GREATER THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE
13 MATCHED ON A 70% STATE, 30% COLLEGE OR UNIVERSITY BASIS.

14 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE
15 WORKFORCE DEVELOPMENT AGENCY.

16 SEC. 280. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN
17 SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS
18 VISITING PROFESSORS PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF INSTRUCTORS IN
19 THE CLASSROOM TO PROVIDE ROLE MODELS FOR ACADEMICALLY OR ECONOMICALLY DISADVANTAGED
20 STUDENTS. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR,
21 ETHNICITY, GENDER, OR NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD ENCOURAGE
22 PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE
23 STUDENT POPULATION.

24 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE
25 WORKFORCE DEVELOPMENT AGENCY.

26 SEC. 281. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 IS FUNDING UNDER THE
27 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS INITIATIVE FOR THE MORRIS HOOD,

1 JR. EDUCATOR DEVELOPMENT PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF
2 ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS WHO ENROLL IN AND COMPLETE K-12
3 TEACHER EDUCATION PROGRAMS AT THE BACCALAUREATE LEVEL. PREFERENCE MAY NOT BE GIVEN TO
4 PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
5 INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
6 ADEQUATELY BE REPRESENTED IN THE TEACHER EDUCATION STUDENT POPULATION.

7 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY EACH STATE-
8 APPROVED TEACHER EDUCATION INSTITUTION IN A MANNER PRESCRIBED BY THE WORKFORCE
9 DEVELOPMENT AGENCY.

10 (3) APPROVED TEACHER EDUCATION INSTITUTIONS MAY AND ARE ENCOURAGED TO USE
11 STUDENT SUPPORT SERVICES FUNDING IN COORDINATION WITH THE MORRIS HOOD, JR. FUNDING TO
12 ACHIEVE THE GOALS OF THE PROGRAM DESCRIBED IN THIS SECTION.

13 SEC. 282. EACH INSTITUTION RECEIVING FUNDS UNDER SECTION 278, 279, OR 281 SHALL
14 NOTIFY THE WORKFORCE DEVELOPMENT AGENCY BY APRIL 15, 2014 AS TO WHETHER IT WILL EXPEND
15 BY THE END OF ITS FISCAL YEAR THE FUNDS RECEIVED UNDER SECTION 278, 279, OR 281.
16 NOTWITHSTANDING THE AWARD LIMITATIONS IN SECTIONS 278 AND 279, THE AMOUNT OF FUNDING
17 REPORTED AS NOT BEING EXPENDED WILL BE REALLOCATED TO THE INSTITUTIONS THAT INTEND TO
18 EXPEND ALL FUNDING RECEIVED UNDER SECTION 278, 279, OR 281. FUNDS REMAINING AFTER
19 REALLOCATION UNDER THIS SECTION MAY BE USED BY THE WORKFORCE DEVELOPMENT AGENCY FOR
20 ADMINISTRATION OF THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS.

21 SEC. 283. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE PUBLIC
22 UNIVERSITIES SHALL SYSTEMATICALLY INFORM MICHIGAN HIGH SCHOOLS REGARDING THE ACADEMIC
23 STATUS OF STUDENTS FROM EACH HIGH SCHOOL IN A MANNER PRESCRIBED BY THE PRESIDENTS
24 COUNCIL, STATE UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN ASSOCIATION
25 OF SECONDARY SCHOOL PRINCIPALS. PUBLIC UNIVERSITIES SHALL ALSO WORK WITH THE CENTER
26 FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC
27 APPROACH FOR ACCOMPLISHING THIS TASK.

1 (2) MICHIGAN HIGH SCHOOLS SHALL SYSTEMATICALLY INFORM THE PUBLIC UNIVERSITIES
2 ABOUT THE USE OF INFORMATION RECEIVED UNDER THIS SECTION IN A MANNER PRESCRIBED BY THE
3 MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS IN COOPERATION WITH THE PRESIDENTS
4 COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

5 SEC. 284. FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE PUBLIC UNIVERSITIES
6 SHALL INFORM MICHIGAN COMMUNITY COLLEGES REGARDING THE ACADEMIC STATUS OF COMMUNITY
7 COLLEGE TRANSFER STUDENTS IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE
8 UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE
9 ASSOCIATION. PUBLIC UNIVERSITIES SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL
10 PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR
11 ACCOMPLISHING THIS TASK.

12 SEC. 285. PUBLIC UNIVERSITIES ARE ENCOURAGED TO WORK WITH THE STATE COMMUNITY
13 COLLEGES TO ENCOURAGE THE TRANSFER OF STUDENTS FROM THE COMMUNITY COLLEGES TO THE
14 PUBLIC UNIVERSITIES AND TO FACILITATE THE TRANSFER OF CREDITS FROM THE COMMUNITY
15 COLLEGES TO THOSE PUBLIC UNIVERSITIES.

16 SEC. 286. PUBLIC UNIVERSITIES ARE ENCOURAGED TO WORK WITH COMMUNITY COLLEGES IN
17 THE STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
18 STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY
19 CREDITS. THESE STATEWIDE AGREEMENTS SHALL ENABLE STUDENTS WHO HAVE EARNED A
20 SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER TO A BACCALAUREATE
21 GRANTING INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS EARNED AT THE
22 BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A
23 CREDENTIAL OF VALUE.

24 SEC. 289. (1) THE AUDITOR GENERAL SHALL PERIODICALLY AUDIT HIGHER EDUCATION
25 INSTITUTIONAL DATA INVENTORY (HEIDI) DATA SUBMITTED BY ALL PUBLIC UNIVERSITIES UNDER
26 SECTION 241 AND MAY PERFORM AUDITS OF SELECTED PUBLIC UNIVERSITIES IF DETERMINED
27 NECESSARY. THE REVIEW AND AUDITS SHALL BE BASED UPON THE DEFINITIONS, REQUIREMENTS,

1 AND UNIFORM REPORTING CATEGORIES ESTABLISHED BY THE STATE BUDGET DIRECTOR IN
2 CONSULTATION WITH THE HEIDI ADVISORY COMMITTEE. THE AUDITOR GENERAL SHALL SUBMIT A
3 REPORT OF FINDINGS TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES AND THE STATE
4 BUDGET DIRECTOR NO LATER THAN JULY 1 OF EACH YEAR AN AUDIT TAKES PLACE.

5 (2) STUDENT CREDIT HOURS REPORTS SHALL NOT INCLUDE THE FOLLOWING:

6 (A) STUDENT CREDIT HOURS GENERATED THROUGH INSTRUCTIONAL ACTIVITY BY FACULTY OR
7 STAFF IN CLASSROOMS LOCATED OUTSIDE MICHIGAN, WITH THE EXCEPTION OF INSTRUCTIONAL
8 ACTIVITY RELATED TO STUDY-ABROAD PROGRAMS OR FIELD PROGRAMS.

9 (B) STUDENT CREDIT HOURS GENERATED THROUGH DISTANCE LEARNING INSTRUCTION FOR
10 STUDENTS NOT ELIGIBLE FOR THE PUBLIC UNIVERSITY'S IN-STATE MAIN CAMPUS RESIDENT
11 TUITION RATE. HOWEVER, IN INSTANCES WHERE A STUDENT IS ENROLLED IN DISTANCE EDUCATION
12 AND NON-DISTANCE EDUCATION CREDIT HOURS IN A GIVEN TERM AND THE STUDENT'S NON-DISTANCE
13 EDUCATION ENROLLMENT IS AT A CAMPUS OR SITE LOCATED WITHIN MICHIGAN, STUDENT CREDIT
14 HOURS PER THE STUDENT'S ELIGIBILITY FOR IN-STATE OR OUT-OF-STATE TUITION RATES MAY BE
15 REPORTED.

16 (C) STUDENT CREDIT HOURS GENERATED THROUGH CREDIT BY EXAMINATION.

17 (D) STUDENT CREDIT HOURS GENERATED THROUGH INMATE PRISON PROGRAMS REGARDLESS OF
18 TEACHING LOCATION.

19 (E) STUDENT CREDIT HOURS GENERATED IN NEW DEGREE PROGRAMS AFTER JANUARY 1,
20 1975, THAT HAVE NOT BEEN SPECIFICALLY AUTHORIZED FOR FUNDING BY THE LEGISLATURE,
21 EXCEPT SPIN-OFF PROGRAMS CONVERTED FROM EXISTING CORE PROGRAMS THAT DO ALL OF THE
22 FOLLOWING:

23 (i) REPRESENT NEW OPTIONS, FIELDS, OR CONCENTRATIONS WITHIN EXISTING PROGRAMS.

24 (ii) ARE CONSISTENT WITH THE CURRENT INSTITUTIONAL ROLE AND MISSION.

25 (iii) ARE ACCOMMODATED WITHIN THE CONTINUING FUNDING BASE OF THE PUBLIC
26 UNIVERSITY.

27 (iv) DO NOT REQUIRE A NEW DEGREE LEVEL BEYOND THAT WHICH THE PUBLIC UNIVERSITY

1 IS CURRENTLY AUTHORIZED TO GRANT WITHIN THAT DISCIPLINE OR FIELD.

2 (v) DO NOT REQUIRE FUNDING FROM THE STATE OTHER THAN THAT PROVIDED BY THE
3 STUDENT CREDIT HOURS GENERATED WITHIN THE PROGRAM, EITHER BEFORE PROGRAM INITIATION OR
4 WITHIN THE FIRST 3 YEARS OF PROGRAM OPERATION.

5 (3) "DISTANCE LEARNING INSTRUCTION" AS USED IN SUBSECTION (2) MEANS INSTRUCTION
6 THAT OCCURS SOLELY IN OTHER THAN A TRADITIONAL CLASSROOM SETTING WHERE THE STUDENT AND
7 INSTRUCTOR ARE IN THE SAME PHYSICAL LOCATION AND FOR WHICH A STUDENT RECEIVES COURSE
8 CREDITS AND IS CHARGED TUITION AND FEES. EXAMPLES OF DISTANCE LEARNING INSTRUCTION ARE
9 INSTRUCTION DELIVERED SOLELY THROUGH THE INTERNET, CABLE TELEVISION, TELECONFERENCE,
10 OR MAIL.

11 SEC. 291. THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF PUBLIC
12 UNIVERSITIES RECEIVING FUNDS IN SECTION 236 AS THE AUDITOR GENERAL CONSIDERS
13 NECESSARY.

14 SEC. 293A. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL YEAR 2013-2014 IN
15 SECTION 236 OF THIS ARTICLE, APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY,
16 MANAGEMENT AND BUDGET FOR STATE BUILDING AUTHORITY RENT PROVIDE FUNDING FOR THE STATE
17 SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL PROJECTS FOR STATE UNIVERSITIES.
18 THESE APPROPRIATIONS FOR STATE BUILDING AUTHORITY RENT REPRESENT ADDITIONAL STATE
19 GENERAL FUND SUPPORT PROVIDED TO PUBLIC UNIVERSITIES, AND THE FOLLOWING IS AN ESTIMATE
20 OF THE AMOUNT OF THAT SUPPORT TO EACH UNIVERSITY:

- 21 (A) CENTRAL MICHIGAN UNIVERSITY, \$9,155,600.00.
22 (B) EASTERN MICHIGAN UNIVERSITY, \$5,234,800.00.
23 (C) FERRIS STATE UNIVERSITY, \$6,360,600.00.
24 (D) GRAND VALLEY STATE UNIVERSITY, \$4,277,000.00.
25 (E) LAKE SUPERIOR STATE UNIVERSITY, \$915,600.00.
26 (F) MICHIGAN STATE UNIVERSITY, \$16,194,400.00.
27 (G) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,692,200.00.

1 (H) NORTHERN MICHIGAN UNIVERSITY, \$8,062,600.00.

2 (I) OAKLAND UNIVERSITY, \$10,791,500.00.

3 (J) SAGINAW VALLEY STATE UNIVERSITY, \$9,833,700.00.

4 (K) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,212,000.00.

5 (L) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,332,400.00.

6 (M) UNIVERSITY OF MICHIGAN - FLINT, \$2,871,400.00.

7 (N) WAYNE STATE UNIVERSITY, \$13,079,500.00.

8 (O) WESTERN MICHIGAN UNIVERSITY, \$15,357,300.00.

9 SEC. 293B: SECTIONS 236 THROUGH 293A OF THIS ARTICLE ARE REPEALED EFFECTIVE AT

10 11:59 PM, SEPTEMBER 30, 2014.

ARTICLE IV

SUMMARY OF APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2014, AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

Table with 3 columns: Description, 2014 Amount, 2015 Amount. Rows include Gross Appropriation, Total Interdepartmental Grants and Intra-departmental Transfers, Adjusted Gross Appropriation, Total Federal Revenues, Total Local Revenues, Total Private Revenues, Total Other State Restricted Revenues, and State General Fund/General Purpose.

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

APPROPRIATION SUMMARY

Table with 3 columns: Description, 2014 Amount, 2015 Amount. Rows include Gross Appropriation, Total Interdepartmental Grants and Intra-departmental Transfers, and Adjusted Gross Appropriation.

1	TOTAL FEDERAL REVENUES	1,764,421,300	1,764,421,300
2	TOTAL LOCAL REVENUES	0	0
3	TOTAL PRIVATE REVENUES	0	0
4	TOTAL OTHER STATE RESTRICTED REVENUES	11,240,813,500	11,493,154,500
5	STATE GENERAL FUND/GENERAL PURPOSE	\$ 230,000,000	\$ 233,000,000
6	(2) BASIC OPERATIONS		
7	BASIC OPERATIONS	\$ <u>9,573,440,000</u>	\$ <u>9,747,340,000</u>
8	GROSS APPROPRIATION	\$ 9,573,440,000	\$ 9,747,340,000
9	APPROPRIATED FROM:		
10	STATE RESTRICTED REVENUES	9,367,562,600	9,533,462,600
11	STATE GENERAL FUND/GENERAL PURPOSE	\$ 205,877,400	\$ 213,877,400
12	SCHEDULE OF PROGRAMS:		
13	PROPOSAL A OBLIGATION PAYMENT	5,558,000,000	5,464,000,000
14	DISCRETIONARY PAYMENT	3,304,000,000	3,383,000,000
15	FOUNDATION EQUITY PAYMENT	24,000,000	0
16	ISD GENERAL OPERATIONS	64,115,000	64,115,000
17	BEST PRACTICES GRANTS	25,000,000	0
18	DISTRICT PERFORMANCE FUNDING	30,000,000	30,000,000
19	COMPETITIVE STUDENT-CENTRIC LEARNING GRANTS	8,000,000	0
20	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM .		
21	COST OFFSET	155,000,000	155,000,000
22	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM .		
23	REFORM COSTS	403,300,000	649,200,000
24	ISOLATED DISTRICT FUNDING	2,025,000	2,025,000
25	(3) SPECIAL EDUCATION		
26	SPECIAL EDUCATION	\$ <u>1,424,569,100</u>	\$ <u>1,448,869,100</u>
27	GROSS APPROPRIATION	\$ 1,424,569,100	\$ 1,448,869,100

1	APPROPRIATED FROM:		
2	FEDERAL REVENUES	444,000,000	444,000,000
3	STATE RESTRICTED REVENUES	980,569,100	1,004,869,100
4	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
5	SCHEDULE OF PROGRAMS:		
6	SPECIAL EDUCATION HEADLEE OBLIGATION	662,500,000	682,000,000
7	SPECIAL EDUCATION FOUNDATIONS	258,300,000	263,000,000
8	SPECIAL EDUCATION HOLD HARMLESS PAYMENT	1,000,000	1,000,000
9	SPECIAL EDUCATION NON-SEC. 52 PAYMENT	4,500,000	4,600,000
10	SPECIAL EDUCATION RULE CHANGE	2,200,000	2,200,000
11	SPECIAL EDUCATION COURT PLACED FTES	13,500,000	13,500,000
12	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	1,688,000	1,688,000
13	SPECIAL EDUCATION MILLAGE EQUALIZATION	36,881,100	36,881,100
14	SPECIAL EDUCATION FEDERAL PROGRAMS	444,000,000	444,000,000
15	(4) SUPPORT SERVICES		
16	SUPPORT SERVICES	\$ <u>1,180,865,800</u>	\$ <u>1,180,865,800</u>
17	GROSS APPROPRIATION	\$ 1,180,865,800	\$ 1,180,865,800
18	APPROPRIATED FROM:		
19	FEDERAL REVENUES	848,777,800	848,777,800
20	STATE RESTRICTED REVENUES	332,088,000	332,088,000
21	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
22	SCHEDULE OF PROGRAMS:		
23	COURT-PLACED CHILDREN	8,000,000	8,000,000
24	JUVENILE DETENTION FACILITIES	2,167,500	2,167,500
25	YOUTH CHALLENGE PROGRAM	1,500,000	1,500,000
26	AT-RISK PROGRAM	308,988,200	308,988,200
27	CHILD AND ADOLESCENT HEALTH CENTERS	3,557,300	3,557,300

1	HEARING AND VISION SCREENING	5,150,000	5,150,000
2	MATH AND SCIENCE CENTERS	7,974,300	7,974,300
3	FEDERAL PROGRAMS	843,528,500	843,528,500
4	(5) SCHOOL MEAL PROGRAMS		
5	SCHOOL MEAL PROGRAMS	\$ <u>491,320,100</u>	\$ <u>491,320,100</u>
6	GROSS APPROPRIATION	\$ 491,320,100	\$ 491,320,100
7	APPROPRIATED FROM:		
8	FEDERAL REVENUES	463,200,000	463,200,000
9	STATE RESTRICTED REVENUES	28,120,100	28,120,100
10	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
11	SCHEDULE OF PROGRAMS:		
12	SCHOOL LUNCH	485,695,100	485,695,100
13	SCHOOL BREAKFAST	5,625,000	5,625,000
14	(6) EARLY CHILDHOOD EDUCATION		
15	EARLY CHILDHOOD EDUCATION	\$ <u>185,475,000</u>	\$ <u>250,475,000</u>
16	GROSS APPROPRIATION	\$ 185,475,000	\$ 250,475,000
17	APPROPRIATED FROM:		
18	STATE RESTRICTED REVENUES	185,175,000	250,175,000
19	STATE GENERAL FUND/GENERAL PURPOSE	\$ 300,000	\$ 300,000
20	SCHEDULE OF PROGRAMS:		
21	GREAT START READINESS PROGRAM	174,575,000	239,575,000
22	GREAT START EARLY CHILDHOOD BLOCK GRANTS	10,900,000	10,900,000
23	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
24	STUDENT ASSESSMENT AND ACCOUNTABILITY	\$ <u>83,073,500</u>	\$ <u>83,073,500</u>
25	GROSS APPROPRIATION	\$ 83,073,500	\$ 83,073,500
26	APPROPRIATED FROM:		
27	FEDERAL REVENUES	8,443,500	8,443,500

1	STATE RESTRICTED REVENUES	65,194,900	65,194,900
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,435,100	\$ 9,435,100
3	<i>SCHEDULE OF PROGRAMS:</i>		
4	PRINCIPAL EDUCATOR EVALUATION TRAINING	500,000	500,000
5	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION .	9,628,600	9,628,600
6	STUDENT ASSESSMENTS	34,944,400	34,944,400
7	DATA COLLECTION AND REPORTING COSTS	38,000,500	38,000,500
8	(8) TECHNOLOGY INITIATIVES		
9	TECHNOLOGY INITIATIVES	\$ <u>27,887,500</u>	\$ <u>9,387,500</u>
10	GROSS APPROPRIATION	\$ 27,887,500	\$ 9,387,500
11	APPROPRIATED FROM:		
12	STATE RESTRICTED REVENUES	13,500,000	0
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 14,387,500	\$ 9,387,500
14	<i>SCHEDULE OF PROGRAMS:</i>		
15	MICHIGAN VIRTUAL HIGH SCHOOL	14,387,500	9,387,500
16	TECHNOLOGY INFRASTRUCTURE IMPROVEMENT GRANTS	13,500,000	0
17	(9) CAREER PREPARATION AND VOCATIONAL EDUCATION		
18	CAREER PREPARATION AND VOCATIONAL EDUCATION	\$ <u>35,611,300</u>	\$ <u>35,611,300</u>
19	GROSS APPROPRIATION	\$ 35,611,300	\$ 35,611,300
20	APPROPRIATED FROM:		
21	STATE RESTRICTED REVENUES	35,611,300	35,611,300
22	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
23	<i>SCHEDULE OF PROGRAMS:</i>		
24	VOCATIONAL EDUCATION	26,611,300	26,611,300
25	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT	9,000,000	9,000,000
26	(10) ADULT EDUCATION		
27	ADULT EDUCATION	\$ <u>22,000,000</u>	\$ <u>22,000,000</u>

1	GROSS APPROPRIATION	\$	22,000,000	\$	22,000,000
2	APPROPRIATED FROM:				
3	STATE RESTRICTED REVENUES		22,000,000		22,000,000
4	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
5	<i>SCHEDULE OF PROGRAMS:</i>				
6	ADULT EDUCATION		22,000,000		22,000,000
7	(11) TRANSPORTATION SAFETY				
8	TRANSPORTATION SAFETY	\$	<u>3,299,000</u>	\$	<u>3,299,000</u>
9	GROSS APPROPRIATION	\$	3,299,000	\$	3,299,000
10	APPROPRIATED FROM:				
11	STATE RESTRICTED REVENUES		3,299,000		3,299,000
12	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
13	<i>SCHEDULE OF PROGRAMS:</i>				
14	BUS DRIVER SAFETY		1,625,000		1,625,000
15	SCHOOL BUS INSPECTIONS		1,674,000		1,674,000
16	(12) DEBT SERVICE AND OTHER REQUIRED PAYMENTS				
17	DEBT SERVICE AND OTHER REQUIRED PAYMENTS	\$	<u>207,693,500</u>	\$	<u>218,334,500</u>
18	GROSS APPROPRIATION	\$	207,693,500	\$	218,334,500
19	APPROPRIATED FROM:				
20	STATE RESTRICTED REVENUES		207,693,500		218,334,500
21	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
22	<i>SCHEDULE OF PROGRAMS:</i>				
23	DEBT SERVICE ON NON-DURANT DISTRICT BONDS		39,500,000		39,500,000
24	SCHOOL BOND LOAN REDEMPTION FUND		131,660,000		139,900,000
25	SCHOOL AID FUND BORROWING COSTS		6,000,000		8,000,000
26	RENAISSANCE ZONE REIMBURSEMENT		26,300,000		26,300,000
27	PAYMENT IN LIEU OF TAXES REIMBURSEMENT		4,009,500		4,410,500

1	PROMISE ZONE PAYMENTS.....		224,000		224,000
2	SEC. 298B. SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)				
3	APPROPRIATION SUMMARY				
4	GROSS APPROPRIATION	\$	335,977,600	\$	352,277,600
5	TOTAL INTERDEPARTMENTAL GRANTS AND				
6	INTRADPARTMENTAL TRANSFERS.....		0		0
7	ADJUSTED GROSS APPROPRIATION	\$	335,977,600	\$	352,277,600
8	TOTAL FEDERAL REVENUES		0		0
9	TOTAL LOCAL REVENUES		0		0
10	TOTAL PRIVATE REVENUES		0		0
11	TOTAL OTHER STATE RESTRICTED REVENUES		197,614,100		197,614,100
12	STATE GENERAL FUND/GENERAL PURPOSE	\$	138,363,500	\$	154,663,500

13 SEC. 298C. SUMMARY OF APPROPRIATIONS FOR HIGHER EDUCATION (ARTICLE III)

14	APPROPRIATION SUMMARY				
15	GROSS APPROPRIATION	\$	1,430,573,500	\$	1,430,573,500
16	TOTAL INTERDEPARTMENTAL GRANTS AND				
17	INTRADPARTMENTAL TRANSFERS.....		0		0
18	ADJUSTED GROSS APPROPRIATION	\$	1,430,573,500	\$	1,430,573,500
19	TOTAL FEDERAL REVENUES		97,026,400		97,026,400
20	TOTAL LOCAL REVENUES		0		0
21	TOTAL PRIVATE REVENUES		0		0
22	TOTAL OTHER STATE RESTRICTED REVENUES		200,565,700		200,565,700
23	STATE GENERAL FUND/GENERAL PURPOSE	\$	1,132,981,400	\$	1,132,981,400

24 Enacting section 1. (1) In accordance with section 30 of article I of the state
 25 constitution of 1963, total state spending on school aid under article I as amended by
 26 this amendatory act from state sources for fiscal year 2013-2014 is estimated at
 27 \$11,470,813,500.00 and state appropriations for school aid to be paid to local units

1 of government for fiscal year 2013-2014 are estimated at \$11,309,030,900.00; and total
2 state spending on school aid under article I as amended by this amendatory act from
3 state sources for fiscal year 2014-2015 is estimated at \$11,726,154,500.00 and state
4 appropriations for school aid to be paid to local units of government for fiscal year
5 2014-2015 are estimated at \$11,559,131,900.00.

6 (2) In accordance with section 30 of article IX of the state constitution of
7 1963, total state spending from state sources for community colleges for fiscal year
8 2013-2014 under article II as amended by this amendatory act is estimated at
9 \$335,977,600.00 and the amount of that state spending from state sources to be paid to
10 local units of government for fiscal year 2013-2014 is estimated at \$335,977,600.00;
11 and total state spending from state sources for community colleges for fiscal year
12 2014-2015 under article II as amended by this amendatory act is estimated at
13 \$352,277,600.00 and the amount of that state spending from state sources to be paid to
14 local units of government for fiscal year 2014-2015 is estimated at \$352,277,600.00.

15 (3) In accordance with section 30 of article IX of the state constitution of
16 1963, total state spending from state sources for higher education for fiscal year
17 2013-2014 under article III as amended by this amendatory act is estimated at
18 \$1,333,547,100.00 and the amount of that state spending from state sources to be paid
19 to local units of government for fiscal year 2013-2014 is estimated at \$0; and total
20 state spending from state sources for higher education for fiscal year 2014-2015 under
21 article III as amended by this amendatory act is estimated at \$1,333,547,100.00 and
22 the amount of that state spending from state sources to be paid to local units of
23 government for fiscal year 2014-2015 is estimated at \$0.

24 Enacting Section 2. (1) Sections 11q, 11t, 11u, 12, 22g, 22h, 25d, 32g, 32l,
25 93, 101a and 166 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611q,
26 388.1611t, 388.1611u, 388.1612, 388.1622g, 388.1622h, 388.1625d, 388.1632g, 388.1632l,
27 388.1693, 388.1701a, and 388.1766 are repealed effective October 1, 2013.

1 (2) All sections contained in Article II and Article III of the state school
2 aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1893a, as in effect for fiscal year
3 2012-2013, are repealed effective at 11:59 PM, September 30, 2013.