

**SUBSTITUTE FOR
HOUSE BILL NO. 4279**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 681 and 684 (MCL 380.681 and 380.684), section
681 as amended by 2016 PA 532 and section 684 as amended by 2016 PA
535.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 681. (1) An intermediate school district may establish an
2 area career and technical education program and operate the program
3 under sections 681 to 690 if approved by a majority of the
4 intermediate school electors of the intermediate school district
5 voting on the question. The election ~~shall~~**must** be called and
6 conducted in accordance with this act and the Michigan election
7 law. The establishment of the area career and technical education



1 program may be rescinded by the same process.

2 (2) The question of establishing an area career and technical
3 education program may be submitted to the intermediate school
4 electors of an intermediate school district at a regular school
5 election or at a special election held in each of the constituent
6 districts. Subject to section 641 of the Michigan election law, MCL
7 168.641, the intermediate school board shall determine the date of
8 the election and shall give notice to the school district filing
9 official at least 60 days in advance of the date the ballot
10 question is to be submitted to the intermediate school electors.

11 (3) The ballot for referring the question of adopting sections
12 681 to 690 and establishing an area career and technical education
13 program to the intermediate school electors of an intermediate
14 school district ~~shall~~**must** be substantially in the following form:

15 "Shall _____ (legal name of intermediate school
16 district), state of Michigan, come under sections 681 to 690 of the
17 revised school code and establish an area career and technical
18 education program which is designed to encourage the operation of
19 area career and technical education programs if the annual property
20 tax levied for this purpose is limited to _____ mills?

21 Yes ()

22 No ()".

23 (4) ~~Beginning in 1995, and subject~~**Subject** to section 625b,
24 the number of mills of ad valorem property taxes an intermediate
25 school board may levy for area career and technical education
26 program operating purposes under sections 681 to 690 is limited to
27 the following:

28 (a) If the intermediate school district did not levy any
29 millage in 1993 for area career and technical education program



1 operating purposes under sections 681 to 690, the intermediate
2 school board, with the approval of the intermediate school
3 electors, may levy not more than 1 mill for those purposes.

4 (b) If the intermediate school district levied millage in 1993
5 for area career and technical education program operating purposes
6 under sections 681 to 690, the intermediate school board, with the
7 approval of the intermediate school electors, may levy mills for
8 those purposes at a rate not to exceed 1.5 times the number of
9 mills authorized for those purposes in the intermediate school
10 district in 1993. Approval of the intermediate school electors is
11 not required for the levy under this subdivision of previously
12 authorized mills until that authorization expires.

13 (5) An intermediate school district that levies a tax for area
14 career and technical education program operating purposes shall not
15 use proceeds from the tax for any purpose other than area career
16 and technical education program operating purposes and shall submit
17 to the department of treasury a copy of the audit report from the
18 audit of the intermediate school district conducted under section
19 622a. **Beginning with school years starting after the effective date**
20 **of the amendatory act that added this sentence, area career and**
21 **technical education program operating purposes, as described in**
22 **subsection (7), include, but are not limited to, an intermediate**
23 **school district's contracting with another intermediate school**
24 **district for the operation of the career and technical education**
25 **program.** If the department of treasury determines from the audit
26 report that the proceeds from the tax have been used for a purpose
27 other than area career and technical education program operating
28 purposes, ~~as defined under~~ **described in** subsection (7), the
29 department of treasury shall notify the intermediate school



1 district of that determination. If the intermediate school district
2 disputes the determination or claims that the situation has been
3 corrected, within 15 days after receipt of the determination the
4 intermediate school district may submit an appeal of the
5 determination to the department of treasury. Within 90 days after
6 receipt of the appeal, the department of treasury shall consider
7 the appeal and make a determination of whether the initial
8 determination was correct or incorrect and of whether the situation
9 has been corrected. If the department of treasury finds that the
10 initial determination was correct and that the situation has not
11 been corrected, then the department of treasury shall file a copy
12 of the report with the attorney general. The attorney general shall
13 review the report and, if the attorney general considers it
14 appropriate, shall commence or direct the prosecuting attorney for
15 the county in which the violations occurred to commence appropriate
16 proceedings against the intermediate school board or the official
17 or employee. These proceedings ~~shall~~**must** include at least a civil
18 action in a court of competent jurisdiction for the recovery of any
19 public money determined by the audit to have been illegally
20 expended and for the recovery of any public property determined by
21 the audit to have been converted or misappropriated.

22 (6) If the attorney general determines from a report filed
23 under subsection (5) that an intermediate school district has
24 misspent tax proceeds as described in subsection (5) and notifies
25 the intermediate school district of this determination, the
26 intermediate school district shall repay to its area career and
27 technical education program operating fund an amount equal to the
28 amount the department of treasury determined under subsection (5)
29 has been used for a purpose other than area career and technical



1 education program operating purposes. The intermediate school
 2 district shall make this repayment from funds of the intermediate
 3 school district that lawfully may be used for making such a
 4 repayment.

5 (7) For the purposes of subsections (5) and (6), not later
 6 than January 1, 2008, the department and the department of
 7 treasury, in consultation with intermediate school districts, shall
 8 develop and make available to intermediate school districts a
 9 definition of area career and technical education program operating
 10 purposes. **Beginning with school years starting after the effective**
 11 **date of the amendatory act that added this sentence, area career**
 12 **and technical education program operating purposes, as described in**
 13 **this subsection, include, but are not limited to, an intermediate**
 14 **school district's contracting with another intermediate school**
 15 **district for the operation of the career and technical education**
 16 **program.**

17 (8) An intermediate school district shall not hold more than 2
 18 elections in a calendar year concerning the authorization of a
 19 millage rate for area career and technical education program
 20 operating purposes under sections 681 to 690.

21 (9) Within 30 days after receiving the audit results, an
 22 intermediate school district shall publish the results of any audit
 23 conducted concerning the area career and technical education
 24 program on the intermediate school district's website. The results
 25 ~~shall~~ **must** remain posted on the website for at least 6 months.

26 (10) The state board is the sole agency responsible for the
 27 supervision and administration of career and technical education in
 28 this state with authority to accept federal funding for career and
 29 technical education and with the responsibility to administer the



1 requirements for career and technical education under federal and
2 state law.

3 Sec. 684. (1) An intermediate school board in which an area
4 career and technical education program has been established may
5 operate area career and technical education programs or may
6 contract **partially or entirely** with ~~local~~-school districts, **with**
7 **other intermediate school districts within or outside of the**
8 **service area designated by the department for the operation of the**
9 **area career and technical education program**, or with community
10 colleges for the operation of the programs or with a private
11 degree-granting postsecondary institution if the intermediate
12 school district is not within a community college district. ~~and if~~
13 ~~there existed on or before July 1, 1992 a written agreement for the~~
14 ~~operation of such a program.~~ Area career and technical education
15 programs operated under sections 681 to 690 ~~shall~~**must** be submitted
16 for review of the representatives of the constituent districts of
17 the intermediate school district at an annual budget review meeting
18 held on or before June 1 under section 624.

19 (2) An intermediate school board may expend area career and
20 technical education funds for the operation of area career and
21 technical education programs for instructional, support, and
22 administrative costs associated with providing career and technical
23 education activities, including, but not limited to, staff
24 salaries, wages, and benefits for career and technical education
25 programs only; information and awareness activities; acquisition
26 and rental of real property; construction of buildings; acquisition
27 of equipment and supplies; and maintenance, repair, and replacement
28 of buildings, lands, equipment, and supplies. An intermediate
29 school board shall not expend area career and technical education



1 funds for purposes other than those set forth in sections 681 to
2 690. An intermediate school board must obtain state approval to use
3 state or federal career and technical education funds. Expenditure
4 of vocational education millage revenue for the purposes allowed
5 under this subsection ~~shall~~**must** be determined by the intermediate
6 school board. However, if the millage revenue is commingled with
7 state or federal funds, then the intermediate school district must
8 obtain state approval to use the commingled funds. If an audit by
9 or on behalf of the department determines that an intermediate
10 school board has expended area career and technical education funds
11 for a purpose other than those set forth in sections 681 to 690,
12 the intermediate school district is subject to the measures under
13 section 681(5) and (6).

14 (3) The intermediate school board shall ensure that all of the
15 following are met:

16 (a) The intermediate school board shall notify the department
17 at the time the area career and technical education program is
18 established.

19 (b) In order to be responsive to local workforce needs,
20 emerging technologies, and local demand occupations, the
21 intermediate school district shall establish a program advisory
22 committee pursuant to administrative guidelines established by the
23 office of career and technical preparation within the department.
24 At least a majority of the members of the program advisory
25 committee shall be representatives from business and industry.

26 (c) The program shall collect career and technical education
27 information data and distribute that data to the appropriate state
28 department or departments and to the program advisory committee.
29 For the purposes of this subdivision, the department or CEPI shall



1 only require an intermediate school district to report information
2 that is not already available from the financial information
3 database maintained by CEPI.

4 (d) The intermediate school district shall submit its career
5 and technical education plan to the department in the form and
6 manner prescribed by the department. For the purposes of this
7 subdivision, the department or CEPI shall only require an
8 intermediate school district to report information that is not
9 already available from the financial information database
10 maintained by CEPI.

11 (4) The department may monitor career and technical education
12 programs funded with state or federal funding based upon feedback
13 from the program advisory committee and predetermined state or
14 federal skills standards that include student outcomes.

15 (5) The department, in consultation with the appropriate
16 career and technical education professionals, shall develop a
17 process for expedited state approval of programs that recognize
18 local workforce needs, emerging technologies, and local demand
19 occupations.

20 (6) If there is a community college that offers career and
21 technical preparation programs within the intermediate school
22 district, the intermediate school board shall collaborate with the
23 community college to minimize duplication of programs.

24 (7) An area career and technical education program shall allow
25 participation by public school academy and nonpublic school pupils
26 to the same extent as pupils of constituent districts.

27 (8) An intermediate school board operating under sections 681
28 to 690 may expend funds received under section 683 for the costs of
29 a special election held to renew or increase the millage limit on



1 the annual property tax levied for area career and technical
2 education purposes.

3 (9) The treasurer of an intermediate school board shall pay
4 out area career and technical education funds on order of the
5 intermediate school board.

6 (10) As used in this section, "CEPI" means the center for
7 educational performance and information created in section 94a of
8 the state school aid act of 1979, MCL 388.1694a.

