

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 365

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 94a (MCL 388.1694a), as amended by 2002 PA  
521.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1       Sec. 94a. (1) There is created within the office of the  
2 state budget director in the department of management and budget  
3 the center for educational performance and information. The  
4 center shall do all of the following:
- 5       (a) Coordinate the collection of all data required by state  
6 and federal law from all entities receiving funds under this  
7 act.
- 8       (b) Collect data in the most efficient manner possible in  
9 order to reduce the administrative burden on reporting entities.
- 10       (c) Establish procedures to ensure the validity and

1 reliability of the data and the collection process.

2 (d) Develop state and model local data collection policies,  
3 including, but not limited to, policies that ensure the privacy  
4 of individual student data. State privacy policies shall ensure  
5 that student social security numbers are not released to the  
6 public for any purpose.

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

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

12 (g) Assist all entities receiving funds under this act in  
13 complying with audits performed according to generally accepted  
14 accounting procedures.

15 (h) Other functions as assigned by the state budget  
16 director.

17 (2) Not later than August 15, 2004, each state department,  
18 officer, or agency that collects information from districts or  
19 intermediate districts as required under state or federal law  
20 shall make arrangements with the center, and with the districts  
21 or intermediate districts, to have the center collect the  
22 information and to provide it to the department, officer, or  
23 agency as necessary. To the extent that it does not cause  
24 financial hardship, the center shall arrange to collect the  
25 information in a manner that allows electronic submission of the  
26 information to the center. Each affected state department,  
27 officer, or agency shall provide the center with any details

1 necessary for the center to collect information as provided under  
2 this subsection. This subsection does not apply to information  
3 collected by the department of treasury under the uniform  
4 budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a;  
5 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
6 141.2821; 1961 PA 108, MCL 388.951 to 388.963; or section 1351a  
7 of the revised school code, MCL 380.1351a.

8 (3) ~~—(2)—~~ The state budget director shall appoint a CEPI  
9 advisory committee, consisting of the following members:

10 (a) One representative from the house fiscal agency.

11 (b) One representative from the senate fiscal agency.

12 (c) One representative from the office of the state budget  
13 director.

14 (d) One representative from the state education agency.

15 (e) One representative each from the department of career  
16 development and the department of treasury.

17 (f) Three representatives from intermediate school  
18 districts.

19 (g) One representative from each of the following educational  
20 organizations:

21 (i) Michigan association of school boards.

22 (ii) Michigan association of school administrators.

23 (iii) Michigan school business officials.

24 (h) One representative representing private sector firms  
25 responsible for auditing school records.

26 (i) Other representatives as the state budget director  
27 determines are necessary.

1       **(4)** ~~—(3)—~~ The CEPI advisory committee appointed under  
2 subsection ~~—(2)—~~ **(3)** shall provide advice to the director of the  
3 center regarding the management of the center's data collection  
4 activities, including, but not limited to:

5       (a) Determining what data is necessary to collect and  
6 maintain in order to perform the center's functions in the most  
7 efficient manner possible.

8       (b) Defining the roles of all stakeholders in the data  
9 collection system.

10       (c) Recommending timelines for the implementation and ongoing  
11 collection of data.

12       (d) Establishing and maintaining data definitions, data  
13 transmission protocols, and system specifications and procedures  
14 for the efficient and accurate transmission and collection of  
15 data.

16       (e) Establishing and maintaining a process for ensuring the  
17 accuracy of the data.

18       (f) Establishing and maintaining state and model local  
19 policies related to data collection, including, but not limited  
20 to, privacy policies related to individual student data.

21       (g) Ensuring the data is made available to state and local  
22 policymakers and citizens of this state in the most useful format  
23 possible.

24       (h) Other matters as determined by the state budget director  
25 or the director of the center.

26       **(5)** ~~—(4)—~~ The center may enter into any interlocal agreements  
27 necessary to fulfill its functions.

1       (6) ~~-(5) From the general fund appropriation in section 11,~~  
2 ~~there is allocated an amount not to exceed \$2,332,000.00 for~~  
3 ~~2001-2002 for payments to the center.~~ From the general fund  
4 appropriation in section 11, there is allocated an amount not to  
5 exceed \$4,500,000.00 each fiscal year for 2002-2003 and for  
6 2003-2004 to the department of management and budget to support  
7 the operations of the center. The center shall cooperate with  
8 the state education agency to ensure that this state is in  
9 compliance with federal law and is maximizing opportunities for  
10 increased federal funding to improve education in this state. In  
11 addition, from the federal funds appropriated in section 11 for  
12 2002-2003 and for 2003-2004, there is allocated the following  
13 amounts each fiscal year in order to fulfill federal reporting  
14 requirements:

15       (a) An amount estimated at \$1,000,000.00 funded from  
16 DED-OESE, title I, disadvantaged children funds.

17       (b) An amount estimated at \$284,700.00 funded from DED-OESE,  
18 title I, reading first state grant funds.

19       (c) An amount estimated at \$46,750.00 funded from DED-OESE,  
20 title I, migrant education funds.

21       (d) An amount estimated at \$500,000.00 funded from DED-OESE,  
22 improving teacher quality funds.

23       (e) An amount estimated at \$526,100.00 funded from DED-OESE,  
24 drug-free schools and communities funds.

25       (7) ~~-(6)-~~ Funds allocated under this section that are not  
26 expended in the fiscal year in which they were allocated may be  
27 carried forward to a subsequent fiscal year. From the funds

1 allocated for 1999-2000 that were carried forward under this  
2 section and from the general funds appropriated under this  
3 section for 2002-2003, the center shall make grants to  
4 intermediate districts for the purpose of assisting the  
5 intermediate districts and their constituent districts in data  
6 collection required by state and federal law or necessary for  
7 audits according to generally accepted accounting procedures.  
8 Grants to each intermediate district shall be made at the rate of  
9 \$2.00 per each full-time equated membership pupil times the total  
10 number of 2000-2001 pupils in membership in the intermediate  
11 district and its constituent districts. An intermediate district  
12 shall develop a plan in cooperation with its constituent  
13 districts to distribute the grants between the intermediate  
14 district and its constituent districts. These grants shall be  
15 paid to intermediate districts no later than the next regularly  
16 scheduled school aid payment after the effective date of this  
17 section.

18       (8) ~~-(7)-~~ If the applicable intermediate district determines  
19 that the pupil counts submitted by a district for the February  
20 2002 supplemental pupil count using the single record student  
21 database cannot be audited by the intermediate district pursuant  
22 to section 101, all of the following apply:

23       (a) The district may submit its pupil count data for the  
24 February 2002 supplemental pupil count using the education data  
25 network system.

26       (b) If the applicable intermediate district determines that  
27 the pupil counts submitted by the district for the 2002-2003

1 pupil membership count day using the single record student  
2 database cannot be audited by the intermediate district pursuant  
3 to section 101, the district may submit its pupil count data for  
4 the 2002-2003 pupil membership count day using the education data  
5 network system.

6       **(9)** ~~—(8)—~~ At least 30 days before implementing a proposed  
7 electronic data collection, submission, or collation process, or  
8 a proposed change to 1 or more of those processes, the center  
9 shall submit the proposal and an analysis of the proposal to the  
10 senate and house of representatives appropriations subcommittees  
11 responsible for this act. The analysis shall include at least a  
12 determination of the cost of the proposal for districts and  
13 intermediate districts and of available funding for districts and  
14 intermediate districts.

15       **(10) The center may bill departments as necessary in order to**  
16 **fulfill reporting requirements of state and federal law.**

17       **(11)** ~~—(9)—~~ As used in this section:

18       (a) "Center" means the center for educational performance and  
19 information created under this section.

20       (b) "DED-OESE" means the United States department of  
21 education office of elementary and secondary education.

22       (c) "State education agency" means the department.