

The Committee on Education offered the following substitute:

April 25, 2003

**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

Senate Bill No. 365 as amended April 30, 2003

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>> shall**
20 **make arrangements with the center,**
21 **and with the districts or intermediate districts, to have the**
22 **center collect the information and to provide it to the**
23 **department, officer, or agency as necessary. To the extent that**
24 **it does not cause financial hardship, the center shall arrange to**
25 **collect the information in a manner that allows electronic**
26 **submission of the information to the center. Each affected state**
27 **department, officer, or agency shall provide the center with any**
details necessary for the center to collect information as

1 provided under this subsection.

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

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

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

6 (c) One representative from the office of the state budget
7 director.

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

9 (e) One representative each from the department of career
10 development and the department of treasury.

11 (f) Three representatives from intermediate school
12 districts.

13 (g) One representative from each of the following educational
14 organizations:

15 (i) Michigan association of school boards.

16 (ii) Michigan association of school administrators.

17 (iii) Michigan school business officials.

18 (h) One representative representing private sector firms
19 responsible for auditing school records.

20 (i) Other representatives as the state budget director
21 determines are necessary.

22 (4) ~~—(3)—~~ The CEPI advisory committee appointed under
23 subsection ~~—(2)—~~ (3) shall provide advice to the director of the
24 center regarding the management of the center's data collection
25 activities, including, but not limited to:

26 (a) Determining what data is necessary to collect and
27 maintain in order to perform the center's functions in the most

1 efficient manner possible.

2 (b) Defining the roles of all stakeholders in the data
3 collection system.

4 (c) Recommending timelines for the implementation and ongoing
5 collection of data.

6 (d) Establishing and maintaining data definitions, data
7 transmission protocols, and system specifications and procedures
8 for the efficient and accurate transmission and collection of
9 data.

10 (e) Establishing and maintaining a process for ensuring the
11 accuracy of the data.

12 (f) Establishing and maintaining state and model local
13 policies related to data collection, including, but not limited
14 to, privacy policies related to individual student data.

15 (g) Ensuring the data is made available to state and local
16 policymakers and citizens of this state in the most useful format
17 possible.

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

20 **(5)** ~~-(4)-~~ The center may enter into any interlocal agreements
21 necessary to fulfill its functions.

22 **(6)** ~~-(5)- From the general fund appropriation in section 11,~~
23 ~~there is allocated an amount not to exceed \$2,332,000.00 for~~
24 ~~2001-2002 for payments to the center.~~ From the general fund
25 appropriation in section 11, there is allocated an amount not to
26 exceed \$4,500,000.00 each fiscal year for 2002-2003 and for
27 2003-2004 to the department of management and budget to support

1 the operations of the center. The center shall cooperate with
2 the state education agency to ensure that this state is in
3 compliance with federal law and is maximizing opportunities for
4 increased federal funding to improve education in this state. In
5 addition, from the federal funds appropriated in section 11 for
6 2002-2003 and for 2003-2004, there is allocated the following
7 amounts each fiscal year in order to fulfill federal reporting
8 requirements:

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

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

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

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

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

19 (7) ~~-(6)-~~ Funds allocated under this section that are not
20 expended in the fiscal year in which they were allocated may be
21 carried forward to a subsequent fiscal year. From the funds
22 allocated for 1999-2000 that were carried forward under this
23 section and from the general funds appropriated under this
24 section for 2002-2003, the center shall make grants to
25 intermediate districts for the purpose of assisting the
26 intermediate districts and their constituent districts in data
27 collection required by state and federal law or necessary for

1 audits according to generally accepted accounting procedures.
2 Grants to each intermediate district shall be made at the rate of
3 \$2.00 per each full-time equated membership pupil times the total
4 number of 2000-2001 pupils in membership in the intermediate
5 district and its constituent districts. An intermediate district
6 shall develop a plan in cooperation with its constituent
7 districts to distribute the grants between the intermediate
8 district and its constituent districts. These grants shall be
9 paid to intermediate districts no later than the next regularly
10 scheduled school aid payment after the effective date of this
11 section.

12 **(8)** ~~—(7)—~~ If the applicable intermediate district determines
13 that the pupil counts submitted by a district for the February
14 2002 supplemental pupil count using the single record student
15 database cannot be audited by the intermediate district pursuant
16 to section 101, all of the following apply:

17 (a) The district may submit its pupil count data for the
18 February 2002 supplemental pupil count using the education data
19 network system.

20 (b) If the applicable intermediate district determines that
21 the pupil counts submitted by the district for the 2002-2003
22 pupil membership count day using the single record student
23 database cannot be audited by the intermediate district pursuant
24 to section 101, the district may submit its pupil count data for
25 the 2002-2003 pupil membership count day using the education data
26 network system.

27 **(9)** ~~—(8)—~~ At least 30 days before implementing a proposed

1 electronic data collection, submission, or collation process, or
2 a proposed change to 1 or more of those processes, the center
3 shall submit the proposal and an analysis of the proposal to the
4 senate and house of representatives appropriations subcommittees
5 responsible for this act. The analysis shall include at least a
6 determination of the cost of the proposal for districts and
7 intermediate districts and of available funding for districts and
8 intermediate districts.

9 **(10)** ~~—(9)—~~ As used in this section:

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

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

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