

**SUBSTITUTE FOR
SENATE BILL NO. 556**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11, 11b, 26a, 68, and 108 (MCL 388.1611,
388.1611b, 388.1626a, 388.1668, and 388.1708), sections 11, 26a,
68, and 108 as amended and section 11b as added by 2003 PA 158.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
2 ~~2003, there is appropriated for the public schools of this state~~
3 ~~and certain other state purposes relating to education the sum of~~
4 ~~\$11,230,753,400.00 from the state school aid fund established by~~
5 ~~section 11 of article IX of the state constitution of 1963, the~~
6 ~~sum of \$198,413,500.00 from the general fund, and the sum of~~
7 ~~\$700,000.00 from local revenues.~~ For the fiscal year ending
8 September 30, 2004, there is appropriated for the public schools
9 of this state and certain other state purposes relating to

1 education the sum of ~~-\$10,987,820,500.00~~ **\$10,962,387,100.00** from
2 the state school aid fund established by section 11 of article IX
3 of the state constitution of 1963 and the sum of
4 ~~-\$282,100,000.00~~ **\$327,700,000.00** from the general fund. For the
5 fiscal year ending September 30, ~~2004~~ **2003**, from loan
6 repayments deposited to the general fund pursuant to section 4 of
7 1961 PA 112, MCL 388.984, on the settlement date, as determined
8 under section 9c of 1961 PA 108, MCL 388.959c, there is
9 appropriated from the general fund to the state school aid fund
10 the amount determined by the state treasurer to equal the
11 difference between the outstanding amount of general obligation
12 debt incurred pursuant to 1961 PA 112, MCL 388.981 to 388.985,
13 and the outstanding amount of loans under 1961 PA 108, MCL
14 388.951 to 388.963, as reduced in accordance with section 9c(1)
15 of 1961 PA 108, MCL 388.959c. In addition, for the fiscal year
16 ending September 30, ~~2004~~ **2003**, there is appropriated from the
17 general fund to the state school aid fund an amount equal to the
18 amount of all school bond loan fund repayments received by the
19 state treasurer from June 1, 2003 through December 21, 2003,
20 determined by the state treasurer not to have been paid from
21 proceeds of bonds of the school district and representing the
22 difference between the outstanding amount of general obligation
23 debt incurred by this state under 1961 PA 112, MCL 388.981 to
24 388.985, and the outstanding amount of loans under 1961 PA 108,
25 MCL 388.951 to 388.963, at the time of repayment. Funds
26 appropriated to the state school aid fund from the general fund
27 from loan repayments received as described in this subsection

1 shall be expended within 90 days of deposit within the state
2 school aid fund. In addition, available federal funds are
3 appropriated for each of those fiscal years.

4 (2) The appropriations under this section shall be allocated
5 as provided in this act. Money appropriated under this section
6 from the general fund shall be expended to fund the purposes of
7 this act before the expenditure of money appropriated under this
8 section from the state school aid fund. If the maximum amount
9 appropriated under this section from the state school aid fund
10 for a fiscal year exceeds the amount necessary to fully fund
11 allocations under this act from the state school aid fund, that
12 excess amount shall not be expended in that state fiscal year and
13 shall not lapse to the general fund, but instead shall be
14 deposited into the school aid stabilization fund created in
15 section 11a.

16 (3) If the maximum amount appropriated under this section
17 from the state school aid fund and the school aid stabilization
18 fund for a fiscal year exceeds the amount available for
19 expenditure from the state school aid fund for that fiscal year,
20 payments under sections 11f, 11g, 22a, 31d, 51a(2), and 51c shall
21 be made in full. In addition, for districts beginning operations
22 after 1994-95 that qualify for payments under section 22b,
23 payments under section 22b shall be made so that the qualifying
24 districts receive the lesser of an amount equal to the 1994-95
25 foundation allowance of the district in which the district
26 beginning operations after 1994-95 is located or \$5,500.00. The
27 amount of the payment to be made under section 22b for these

1 qualifying districts shall be as calculated under section 22a,
2 with the balance of the payment under section 22b being subject
3 to the proration otherwise provided under this subsection and
4 subsection (4). For ~~proration before May 1, 2003, state~~
5 ~~payments under each of the other sections of this act from all~~
6 ~~state funding sources shall be prorated on an equal percentage~~
7 ~~basis as necessary to reflect the amount available for~~
8 ~~expenditure from the state school aid fund for the affected~~
9 ~~fiscal year. If additional proration is necessary in 2002-2003~~
10 ~~after May 1, 2003, and for~~ any proration necessary after
11 2002-2003, state payments under each of the other sections of
12 this act from all state funding sources shall be prorated in the
13 manner prescribed in subsection (4) as necessary to reflect the
14 amount available for expenditure from the state school aid fund
15 for the affected fiscal year. However, if the department of
16 treasury determines that proration will be required under this
17 subsection, the department of treasury shall notify the state
18 budget director, and the state budget director shall notify the
19 legislature at least 30 calendar days or 6 legislative session
20 days, whichever is more, before the department reduces any
21 payments under this act because of the proration. During the 30
22 calendar day or 6 legislative session day period after that
23 notification by the state budget director, the department shall
24 not reduce any payments under this act because of proration under
25 this subsection. The legislature may prevent proration from
26 occurring by, within the 30 calendar day or 6 legislative session
27 day period after that notification by the state budget director,

1 enacting legislation appropriating additional funds from the
2 general fund, countercyclical budget and economic stabilization
3 fund, state school aid fund balance, or another source to fund
4 the amount of the projected shortfall.

5 (4) ~~If additional proration is necessary in 2002-2003~~
6 ~~because of the outcome of any revenue estimating conference~~
7 ~~occurring after May 1, 2003 and for~~ **For** any proration necessary
8 after 2002-2003, the department shall calculate the proration in
9 district and intermediate district payments that is required
10 under subsection (3) as follows:

11 (a) The department shall calculate the percentage of total
12 state school aid allocated under this act for the affected fiscal
13 year for each of the following:

14 (i) Districts.

15 (ii) Intermediate districts.

16 (iii) Entities other than districts or intermediate
17 districts.

18 (b) The department shall recover a percentage of the
19 proration amount required under subsection (3) that is equal to
20 the percentage calculated under subdivision (a)(i) for districts
21 by reducing payments to districts. This reduction shall be made
22 by calculating an equal dollar amount per pupil as necessary to
23 recover this percentage of the proration amount and reducing each
24 district's total state school aid from state sources, other than
25 payments under sections 11f, 11g, 22a, 31d, 51a(2), 51a(12), 51c,
26 53a, and 56, by that amount.

27 (c) The department shall recover a percentage of the

1 proration amount required under subsection (3) that is equal to
2 the percentage calculated under subdivision (a)(ii) for
3 intermediate districts by reducing payments to intermediate
4 districts. This reduction shall be made by reducing the payments
5 to each intermediate district, other than payments under sections
6 11f, 11g, 22a, 31d, 51a(2), 51a(12), 51c, 53a, and 56, on an
7 equal percentage basis.

8 (d) The department shall recover a percentage of the
9 proration amount required under subsection (3) that is equal to
10 the percentage calculated under subdivision (a)(iii) for entities
11 other than districts and intermediate districts by reducing
12 payments to these entities. This reduction shall be made by
13 reducing the payments to each of these entities on an equal
14 percentage basis.

15 ~~(5) For the fiscal year ending September 30, 2003 only, in~~
16 ~~addition to the appropriations under subsection (1), the amount~~
17 ~~of \$51,000,000.00 is transferred and appropriated from the~~
18 ~~general fund to the state school aid fund. This transfer~~
19 ~~reflects the estimated net shortfall in state school aid fund~~
20 ~~revenue as determined at the May 2003 consensus revenue~~
21 ~~estimating conference and is appropriated to avoid any further~~
22 ~~proration under subsection (3) due to that estimated shortfall.~~

23 (5) ~~—(6)—~~ Except for the allocation under section 26a, any
24 general fund allocations under this act that are not expended by
25 the end of the state fiscal year are transferred to the state
26 school aid fund.

27 Sec. 11b. From the general fund money appropriated in

1 section 11, there is allocated for 2003-2004 the sum of
2 ~~-\$22,000,000.00~~ **\$67,600,000.00** for deposit into the school aid
3 stabilization fund created in section 11a.

4 Sec. 26a. From the general fund appropriation in section
5 11, there is allocated an amount not to exceed ~~-\$18,700,000.00~~
6 ~~for 2002-2003 and an amount not to exceed \$25,260,000.00~~
7 **\$29,960,000.00** for 2003-2004 to reimburse districts, intermediate
8 districts, and the state school aid fund pursuant to section 12
9 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
10 for taxes levied in ~~2002 and~~ 2003. ~~-, respectively.~~ This
11 reimbursement shall be made by adjusting payments under section
12 22a to eligible districts, adjusting payments under section 56,
13 62, or 81 to eligible intermediate districts, and adjusting the
14 state school aid fund. The adjustments shall be made not later
15 than 60 days after the department of treasury certifies to the
16 department and to the state budget director that the department
17 of treasury has received all necessary information to properly
18 determine the amounts due to each eligible recipient.

19 Sec. 68. (1) From the general fund appropriation in section
20 11, there is allocated an amount not to exceed ~~-\$1,000,000.00~~
21 **\$0.00** for 2003-2004 to be used to implement the Michigan career
22 preparation system as provided under this section. These funds
23 may be used for the purposes of this section and for the purposes
24 of former section 67 as in effect for 2002-2003. In order to
25 receive funds under this section, an eligible education agency
26 shall be part of an approved regional career preparation plan
27 under subsection (2) and shall agree to expend the funds required

1 under this section in accordance with the regional career
2 preparation plan. Funds awarded under this section that are not
3 expended in accordance with this section may be recovered by the
4 department.

5 (2) In order to receive funding under this section, an
6 eligible education agency shall be a part of an approved 3-year
7 regional career preparation plan that is consistent with the
8 workforce development board's strategic plan and is as described
9 in this subsection. All of the following apply to a regional
10 career preparation plan:

11 (a) A 3-year regional career preparation plan shall be
12 developed under subdivisions (b), (c), and (d) for all public
13 education agencies participating as part of a regional career
14 preparation system within the geographical boundaries of a
15 workforce development board, and revised annually. If an
16 intermediate district is located within the geographical
17 boundaries of more than 1 workforce development board, the board
18 of the intermediate district shall choose 1 workforce development
19 board with which to align and shall notify the department of this
20 choice not later than October 31, 1997.

21 (b) The regional career preparation plan shall be developed
22 by representatives of the education advisory group of each
23 workforce development board in accordance with guidelines
24 developed under former section 67(5), and in accordance with
25 subdivisions (d) and (e). All of the following shall be
26 represented on each education advisory group: workforce
27 development board members, other employers, labor, districts,

1 intermediate districts, postsecondary institutions,
2 career/technical educators, parents of public school pupils, and
3 academic educators. The representatives of districts,
4 intermediate districts, and postsecondary institutions appointed
5 to the education advisory group by the workforce development
6 board shall be individuals designated by the board of the
7 district, intermediate district, or postsecondary institution.

8 (c) By majority vote, the education advisory group may
9 nominate 1 education representative, who may or may not be a
10 member of the education advisory group, for appointment to the
11 workforce development board. This education representative shall
12 be in addition to existing education representation on the
13 workforce development board. This education representative shall
14 meet all workforce development board membership requirements.

15 (d) The components of the regional career preparation plan
16 shall include, but are not limited to, all of the following:

17 (i) The roles of districts, intermediate districts, advanced
18 career academies, postsecondary institutions, employers, labor
19 representatives, and others in the career preparation system.

20 (ii) Programs to be offered, including at least career
21 exploration activities, for middle school pupils.

22 (iii) Identification of integrated academic and technical
23 curriculum, including related professional development training
24 for teachers.

25 (iv) Identification of work-based learning opportunities for
26 pupils and for teachers and other school personnel.

27 (v) Identification of testing and assessments that will be

1 used to measure pupil achievement.

2 (vi) Identification of all federal, state, local, and private
3 sources of funding available for career preparation activities in
4 the region.

5 (e) The education advisory group shall develop a 3-year
6 regional career preparation plan consistent with the workforce
7 development board's strategic plan and submit the plan to the
8 department for final approval. The submission to the department
9 shall also include statements signed by the chair of the
10 education advisory group and the chair of the workforce
11 development board certifying that the plan has been reviewed by
12 each entity. Upon department approval, all eligible education
13 agencies designated in the regional career preparation plan as
14 part of the career preparation delivery system are eligible for
15 funding under this section.

16 (3) Funding under this section shall be distributed to
17 eligible education agencies for allowable costs defined in this
18 subsection and identified as necessary costs for implementing a
19 regional career preparation plan, as follows:

20 (a) The department shall rank all career clusters, including
21 career exploration, guidance, and counseling. Rank determination
22 will be based on median salary data in career clusters and
23 employment opportunity data provided by the council for career
24 preparation standards. In addition, rank determination shall be
25 based on placement data available for prior year graduates of the
26 programs in the career clusters either in related careers or
27 postsecondary education. The procedure for ranking of career

1 clusters shall be determined by the department.

2 (b) Allowable costs to be funded under this section shall be
3 determined by the department. Budgets submitted by eligible
4 education agencies to the department in order to receive funding
5 shall identify funds and in-kind contributions from the regional
6 career education plan, excluding funds or in-kind contributions
7 available as a result of funding received under section 61a,
8 equal to at least 100% of anticipated funding under this
9 section. Eligible categories of allowable costs are the
10 following:

11 (i) Career exploration, guidance, and counseling.

12 (ii) Curriculum development, including integration of
13 academic and technical content, and professional development for
14 teachers directly related to career preparation.

15 (iii) Technology and equipment determined to be necessary.

16 (iv) Supplies and materials directly related to career
17 preparation programs.

18 (v) Work-based learning expenses for pupils, teachers, and
19 counselors.

20 (vi) Evaluation, including career competency testing and peer
21 review.

22 (vii) Career placement services.

23 (viii) Student leadership organizations integral to the
24 career preparation system.

25 (ix) Up to 10% of the allocation to an eligible education
26 agency may be expended for planning, coordination, direct
27 oversight, and accountability for the career preparation system.

1 (c) The department shall calculate career preparation costs
2 per FTE for each career cluster, including career exploration,
3 guidance, and counseling, by dividing the allowable costs for
4 each career cluster by the prior year FTE enrollment for each
5 career cluster. Distribution to eligible education agencies
6 shall be the product of 50% of career preparation costs per FTE
7 times the current year FTE enrollment of each career cluster.
8 This allocation shall be distributed to eligible education
9 agencies in decreasing order of the career cluster ranking
10 described in subdivision (a) until the money allocated for grant
11 recipients in this section is distributed. Beginning in
12 2001-2002, funds shall be distributed to eligible education
13 agencies according to workforce development board geographic area
14 consistent with subsection (2)(a) based upon the proportion of
15 each workforce development board area's K-12 public school
16 membership to the total state K-12 public school membership.

17 (4) The department shall establish a review procedure for
18 assessing the career preparation system in each region.

19 (5) An education advisory group is responsible for assuring
20 the quality of the career preparation system. An education
21 advisory group shall review the career preparation system in
22 accordance with evaluation criteria established by the
23 department.

24 (6) An education advisory group shall report its findings and
25 recommendations for changes to the participating eligible
26 education agencies, the workforce development board, and the
27 department.

(7) The next revision of a regional career preparation plan shall take into account the findings of the education advisory group in accordance with evaluation criteria established by the department in order for the affected education agencies to receive continued funding under this section.

(8) As used in this section:

(a) "Advanced career academy" means a career-technical education program operated by a district, by an intermediate district, or by a public school academy, that applies for and receives advanced career academy designation from the department. To receive this designation, a career-technical education program shall meet criteria established by the department, which criteria shall include at least all of the following:

(i) Operation of programs for those career clusters identified by the department as being eligible for advanced career academy status.

(ii) Involvement of employers in the design and implementation of career-technical education programs.

(iii) A fully integrated program of academic and technical education available to pupils.

(iv) Demonstration of an established career preparation system resulting in industry-validated career ladders for graduates of the program, including, but not limited to, written articulation agreements with postsecondary institutions to allow pupils to receive advanced college placement and credit or federally registered apprenticeships, as applicable.

1 (b) "Career cluster" means a grouping of occupations from 1
2 or more industries that share common skill requirements.

3 (c) "Career preparation system" is a system of programs and
4 strategies providing pupils with opportunities to prepare for
5 success in careers of their choice.

6 (d) "Department" means the department of career development.

7 (e) "Eligible education agency" means a district,
8 intermediate district, or advanced career academy that
9 participates in an approved regional career preparation plan.

10 (f) "FTE" means full-time equivalent pupil as determined by
11 the department.

12 (g) "Workforce development board" means a local workforce
13 development board established pursuant to the workforce
14 investment act of 1998, Public Law 105-220, 112 Stat. 936, and
15 the school-to-work opportunities act of 1994, Public Law 103-239,
16 108 Stat. 568, or the equivalent.

17 (h) "Strategic plan" means a department-approved
18 comprehensive plan prepared by a workforce development board with
19 input from local representatives, including the education
20 advisory group, that includes career preparation system goals and
21 objectives for the region.

22 Sec. 108. (1) From the general fund appropriation in
23 section 11, there is allocated an amount not to exceed
24 ~~-\$1,000,000.00~~ **\$0.00** for 2003-2004 for partnership for adult
25 learning programs authorized under this section.

26 (2) To be eligible to be enrolled as a participant in an
27 adult learning program funded under this section, a person shall

1 be at least 16 years of age as of September 1 of the immediately
2 preceding state fiscal year and shall meet the following, as
3 applicable:

4 (a) If the individual has obtained a high school diploma or a
5 general education development (G.E.D.) certificate, the
6 individual is determined to have English language proficiency,
7 reading, writing, or math skills below workforce readiness
8 standards as determined by tests approved by the department of
9 career development and is not enrolled in a postsecondary
10 institution. An individual who has obtained a high school
11 diploma is not eligible for enrollment in a G.E.D. test
12 preparation program funded under this section.

13 (b) If the individual has not obtained a high school diploma
14 or a G.E.D. certificate, the individual has not attended a
15 secondary institution for at least 6 months before enrollment in
16 an adult learning program funded under this section and is not
17 enrolled in a postsecondary institution.

18 (3) From the allocation under subsection (1), an amount not
19 to exceed ~~-\$980,000.00-~~ **\$0.00** is allocated for 2003-2004 to local
20 workforce development boards for the purpose of providing
21 regional adult learning programs. An application for a grant
22 under this subsection shall be in the form and manner prescribed
23 by the department of career development. Subject to subsections
24 (4), (5), and (6), the amount allocated to each local workforce
25 development board shall be as provided in this subsection, except
26 that an eligible local workforce development board shall not
27 receive an initial allocation under this section that is less

1 than \$70,000.00. The maximum amount of a grant awarded to an
2 eligible local workforce development board shall be the sum of
3 the following components:

4 (a) Thirty-four percent of the allocation under this
5 subsection multiplied by the proportion of the family
6 independence agency caseload in the local workforce development
7 board region to the statewide family independence agency
8 caseload.

9 (b) Thirty-three percent of the allocation under this
10 subsection multiplied by the proportion of the number of persons
11 in the local workforce development board region over age 17 who
12 have not received a high school diploma compared to the statewide
13 total of persons over age 17 who have not received a high school
14 diploma.

15 (c) Thirty-three percent of the allocation under this
16 subsection multiplied by the proportion of the number of persons
17 in the local workforce development board region over age 17 for
18 whom English is not a primary language compared to the statewide
19 total of persons over age 17 for whom English is not a primary
20 language.

21 (4) The amount of a grant to a local workforce development
22 board under subsection (3) shall not exceed the cost for adult
23 learning programs needed in the local workforce development board
24 region, as documented in a manner approved by the department of
25 career development.

26 (5) Not more than 9% of a grant awarded to a local workforce
27 development board may be used for program administration,

1 including contracting for the provision of career and educational
2 information, counseling services, and assessment services.

3 (6) In order to receive funds under this section, a local
4 workforce development board shall comply with the following
5 requirements in a manner approved by the department of career
6 development:

7 (a) The local workforce development board shall document the
8 need for adult learning programs in the local workforce
9 development region.

10 (b) The local workforce development board shall report
11 participant outcomes and other measurements of program
12 performance.

13 (c) The local workforce development board shall develop a
14 strategic plan that incorporates adult learning programs in the
15 region. A local workforce development board is not eligible for
16 state funds under this section without a strategic plan approved
17 by the department of career development.

18 (d) The local workforce development board shall furnish to
19 the department of career development, in a form and manner
20 determined by the department of career development, the
21 information the department of career development determines is
22 necessary to administer this section.

23 (e) The local workforce development board shall allow access
24 for the department of career development or its designee to audit
25 all records related to adult learning programs for which it
26 receives funds. The local workforce development board shall
27 reimburse this state for all disallowances found in the audit in

1 a manner determined by the department of career development.

2 (7) Local workforce development boards shall distribute funds
3 to eligible adult learning providers as follows:

4 (a) Not less than 85% of a grant award shall be used to
5 support programs that improve reading, writing, and math skills
6 to workforce readiness standards; English as a second language
7 programs; G.E.D. preparation programs; high school completion
8 programs; or workforce readiness programs in the local workforce
9 development board region. These programs may include the
10 provision of career and educational information, counseling
11 services, and assessment services.

12 (b) Up to 15% of a grant award may be used to support
13 workforce readiness programs for employers in the local workforce
14 development board region as approved by the department of career
15 development. Employers or consortia of employers whose employees
16 participate in these programs must provide matching funds in a
17 ratio of at least \$1.00 of private funds for each \$1.00 of state
18 funds.

19 (8) Local workforce development boards shall award
20 competitive grants to eligible adult learning providers for the
21 purpose of providing adult learning programs in the local
22 workforce development board region. Applications shall be in a
23 form and manner prescribed by the department of career
24 development. In awarding grants, local workforce development
25 boards shall consider all of the following:

26 (a) The ability of the provider to assess individuals before
27 enrollment using assessment tools approved by the department of

1 career development and to develop individual adult learner plans
2 from those assessments for each participant.

3 (b) The ability of the provider to conduct continuing
4 assessments in a manner approved by the department of career
5 development to determine participant progress toward achieving
6 the goals established in individual adult learner plans.

7 (c) The past effectiveness of an eligible provider in
8 improving adult literacy skills and the success of an eligible
9 provider in meeting or exceeding performance measures approved by
10 the department of career development.

11 (d) Whether the program is of sufficient intensity and
12 duration for participants to achieve substantial learning gains.

13 (e) Whether the program uses research-based instructional
14 practices that have proven to be effective in teaching adult
15 learners.

16 (f) Whether the program uses advances in technology, as
17 appropriate, including computers.

18 (g) Whether the programs are staffed by well-trained
19 teachers, counselors, and administrators.

20 (h) Whether the activities coordinate with other available
21 resources in the community, such as schools, postsecondary
22 institutions, job training programs, and social service
23 agencies.

24 (i) Whether the provider offers flexible schedules and
25 support services, such as child care and transportation, that
26 enable participants, including individuals with disabilities or
27 other special needs, to attend and complete programs.

(j) Whether the provider offers adequate job and postsecondary education counseling services.

(k) Whether the provider can maintain an information management system that has the capacity to report participant outcomes and monitor program performance against performance measures approved by the department of career development.

(l) Whether the provider will allow access for the local workforce development board or its designee to audit all records related to adult learning programs for which it receives funds.

The adult learning provider shall reimburse the local workforce development board for all disallowances found in the audit.

(m) The cost per participant contact hour or unit of measurable outcome for each type of adult learning program for which the provider is applying.

(9) Contracts awarded by local workforce development boards to adult learning providers shall comply with the priorities established in a strategic plan approved by the department of career development.

(10) Adult learning providers that do not agree with the decisions of the local workforce development board in issuing or administering competitive grants may use the grievance procedure established by the department of career development.

(11) Local workforce development boards shall reimburse eligible adult learning providers under this section as follows:

(a) For a first-time provider, as follows:

(i) Fifty percent of the contract amount shall be allocated to eligible adult learning providers based upon enrollment of

1 participants in adult learning programs. "Enrollment" means a
2 participant enrolled in the program who received a preenrollment
3 assessment using assessment tools approved by the department of
4 career development and for whom an individual adult learner plan
5 has been developed.

6 (ii) Fifty percent of the contract amount shall be allocated
7 to eligible adult learning providers based upon the following
8 performance standards as measured in a manner approved by the
9 department of career development:

10 (A) The percentage of participants taking both a pretest and
11 a posttest in English language proficiency, reading, writing, and
12 math.

13 (B) The percentage of participants showing improvement toward
14 goals identified in their individual adult learner plan.

15 (C) The percentage of participants achieving their terminal
16 goals as identified in their individual adult learner plan.

17 (b) Eligible providers that have provided adult learning
18 programs previously under this section shall be reimbursed 100%
19 of the contract amount based upon the performance standards in
20 subdivision (a) (ii) as measured in a manner determined by the
21 department of career development.

22 (c) A provider is eligible for reimbursement for a
23 participant in an adult learning program until the participant's
24 reading, writing, or math proficiency, as applicable, is assessed
25 at workforce readiness levels or the participant fails to show
26 progress on 2 successive assessments as determined by the
27 department of career development.

1 (d) A provider is eligible for reimbursement for a
2 participant in an English as a second language program until the
3 participant is assessed as having attained basic English
4 proficiency or the participant fails to show progress on 2
5 successive assessments as determined by the department of career
6 development.

7 (e) A provider is eligible for reimbursement for a
8 participant in a G.E.D. test preparation program until the
9 participant passes the G.E.D. test or the participant fails to
10 show progress on 2 successive assessments as determined by the
11 department of career development.

12 (f) A provider is eligible for reimbursement for a
13 participant in a high school completion program until the
14 participant earns a high school diploma or the participant fails
15 to show progress as determined by the department of career
16 development.

17 (12) A person who is not eligible to be a participant funded
18 under this section may receive adult learning services upon the
19 payment of tuition or fees for service. The tuition or fee level
20 shall be determined by the adult learning provider and approved
21 by the local workforce development board.

22 (13) Adult learning providers may collect refundable deposits
23 from participants for the use of reusable equipment and supplies
24 and may provide incentives for program completion.

25 (14) A provider shall not be reimbursed under this section
26 for an individual who is an inmate in a state correctional
27 facility.

1 (15) In order to administer the partnership for adult
2 learning system under this section, the department of career
3 development shall do all of the following:

4 (a) Develop and provide guidelines to local workforce
5 development boards for the development of strategic plans that
6 incorporate adult learning.

7 (b) Develop and provide adult learning minimum program
8 performance standards to be implemented by local workforce
9 development boards.

10 (c) Identify approved assessment tools for assessing a
11 participant's English language proficiency, reading, math, and
12 writing skills.

13 (d) Approve workforce readiness standards for English
14 language proficiency, reading, math, and writing skills that can
15 be measured by nationally recognized assessment tools approved by
16 the department of career development.

17 (16) Of the amount allocated in subsection (1), up to
18 ~~-\$20,000.00-~~ **\$0.00** is allocated to the department of career
19 development for the development and administration of a
20 standardized data collection system. Local workforce development
21 boards and adult learning providers receiving funding under this
22 section shall use the standardized data collection system for
23 enrolling participants in adult learning programs, tracking
24 participant progress, reporting participant outcomes, and
25 reporting other performance measures.

26 (17) A provider is not required to use certificated teachers
27 or certificated counselors to provide instructional and

1 counseling services in a program funded under this section.

2 (18) As used in this section:

3 (a) "Adult education", for the purposes of complying with
4 section 3 of article VIII of the state constitution of 1963,
5 means a high school pupil receiving educational services in a
6 nontraditional setting from a district or intermediate district
7 in order to receive a high school diploma.

8 (b) "Adult learning program" means a program approved by the
9 department of career development that improves reading, writing,
10 and math skills to workforce readiness standards; an English as a
11 second language program; a G.E.D. preparation program; a high
12 school completion program; or a workforce readiness program that
13 enhances employment opportunities.

14 (c) "Eligible adult learning provider" means a district,
15 public school academy, intermediate district, community college,
16 university, community-based organization, or other organization
17 approved by the department of career development that provides
18 adult learning programs under a contract with a local workforce
19 development board.

20 (d) "Participant" means an individual enrolled in an adult
21 learning program and receiving services from an eligible adult
22 learning provider.

23 (e) "Strategic plan" means a document approved by the
24 department of career development that incorporates adult learning
25 goals and objectives for the local workforce development board
26 region and is developed jointly by the local workforce
27 development board and the education advisory groups.

1 (f) "Workforce development board" means a local workforce
2 development board established pursuant to the workforce
3 investment act of 1998, Public Law 105-220, 112 Stat. 936, and
4 the school-to-work opportunities act of 1994, Public Law 103-239,
5 108 Stat. 568, or the equivalent.

6 (g) "Workforce readiness standard" means a proficiency level
7 approved by the department of career development in English
8 language, reading, writing, or mathematics, or any and all of
9 these, as determined by results from assessments approved for use
10 by the department of career development.

11 Enacting section 1. In accordance with section 30 of
12 article IX of the state constitution of 1963, total state
13 spending in this amendatory act and in 2003 PA 158 and 2002 PA
14 521 from state sources for fiscal year 2003-2004 is estimated at
15 \$11,290,087,100.00 and state appropriations to be paid to local
16 units of government for fiscal year 2003-2004 are estimated at
17 \$11,274,332,800.00.