

SUBSTITUTE FOR
HOUSE BILL NO. 4325

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending the title and sections 2, 3, 6, 11, 11a, 11g, 11j, 11k,
11m, 15, 18, 20, 20d, 22a, 22b, 24, 24a, 24c, 26a, 26b, 31a, 31d,
31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a,
62, 74, 81, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL
388.1602, 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g,
388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620,
388.1620d, 388.1622a, 388.1622b, 388.1624, 388.1624a, 388.1624c,
388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b,
388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a,
388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a,

388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 24c, 26a, 39a, 81, 94a, and 104 as amended by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding section 22f and articles II, III, and IV; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to make appropriations to aid in the support of the
3 public schools, ~~and the intermediate school districts,~~ **COMMUNITY**
4 **COLLEGES, AND PUBLIC UNIVERSITIES** of the state; to make
5 appropriations for certain other purposes relating to education; to
6 provide for the disbursement of the appropriations; ~~to supplement~~
7 ~~the school aid fund by the levy and collection of certain taxes;~~ to
8 authorize the issuance of certain bonds and provide for the
9 security of those bonds; to prescribe the powers and duties of
10 certain state departments, the state board of education, and
11 certain other boards and officials; to create certain funds and
12 provide for their expenditure; to prescribe penalties; and to
13 repeal acts and parts of acts.

14 ~~Article 1~~ **ARTICLE I**

15 **STATE AID TO PUBLIC SCHOOLS, EARLY CHILDHOOD, AND ADULT EDUCATION**

16 Sec. 2. ~~For the purposes of thi~~

~~s-act~~ **AS USED IN THIS ARTICLE**

AND ARTICLE IV, the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).

(2) "Board" means the governing body of a district or public school academy.

(3) "Center" means the center for educational performance and information created in section 94a.

(4) "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(5) "Department", except in section 107, means the department of education.

(6) "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 23, ~~29, 31a, 51a(15), 51A(14)~~, 105, 105c, and 166b, a public school academy. Except in sections 6(4), 6(6), 13, 20, 22a, ~~29, 51a(15), 51A(14)~~, 105, 105c, and 166b, district also includes a university school.

(7) "District of residence", except as otherwise provided in

1 this subsection, means the district in which a pupil's custodial
2 parent or parents or legal guardian resides. For a pupil described
3 in section 24b, the pupil's district of residence is the district
4 in which the pupil enrolls under that section. For a pupil
5 described in section 6(4)(d), the pupil's district of residence
6 shall be considered to be the district or intermediate district in
7 which the pupil is counted in membership under that section. For a
8 pupil under court jurisdiction who is placed outside the district
9 in which the pupil's custodial parent or parents or legal guardian
10 resides, the pupil's district of residence shall be considered to
11 be the educating district or educating intermediate district.

12 (8) "District superintendent" means the superintendent of a
13 district, the chief administrator of a public school academy, or
14 the chief administrator of a university school.

15 Sec. 6. (1) "Center program" means a program operated by a
16 district or by an intermediate district for special education
17 pupils from several districts in programs for pupils with autism
18 spectrum disorder, pupils with severe cognitive impairment, pupils
19 with moderate cognitive impairment, pupils with severe multiple
20 impairments, pupils with hearing impairment, pupils with visual
21 impairment, and pupils with physical impairment or other health
22 impairment. Programs for pupils with emotional impairment housed in
23 buildings that do not serve regular education pupils also qualify.
24 Unless otherwise approved by the department, a center program
25 either shall serve all constituent districts within an intermediate
26 district or shall serve several districts with less than 50% of the
27 pupils residing in the operating district. In addition, special

1 education center program pupils placed part-time in noncenter
2 programs to comply with the least restrictive environment
3 provisions of section 612 of part B of the individuals with
4 disabilities education act, 20 USC 1412, may be considered center
5 program pupils for pupil accounting purposes for the time scheduled
6 in either a center program or a noncenter program.

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

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

16 (4) "Membership", except as otherwise provided in this ~~act~~,
17 **ARTICLE**, means for a district, public school academy, university
18 school, or intermediate district the sum of the product of .75
19 times the number of full-time equated pupils in grades K to 12
20 actually enrolled and in regular daily attendance on the pupil
21 membership count day for the current school year, plus the product
22 of .25 times the final audited count from the supplemental count
23 day for the immediately preceding school year. All pupil counts
24 used in this subsection are as determined by the department and
25 calculated by adding the number of pupils registered for attendance
26 plus pupils received by transfer and minus pupils lost as defined
27 by rules promulgated by the superintendent, and as corrected by a

1 subsequent department audit. For the purposes of this section and
2 section 6a, for a school of excellence that is a cyber school, as
3 defined in section 551 of the revised school code, MCL 380.551, and
4 is in compliance with section 553a of the revised school code, MCL
5 380.553a, a pupil's participation in the cyber school's educational
6 program is considered regular daily attendance. The amount of the
7 foundation allowance for a pupil in membership is determined under
8 section 20. In making the calculation of membership, all of the
9 following, as applicable, apply to determining the membership of a
10 district, public school academy, university school, or intermediate
11 district:

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

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

27 (c) A special education pupil educated by the intermediate

1 district shall be counted in membership in the intermediate
2 district.

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

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

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

18 (g) A pupil enrolled in a university school shall be counted
19 in membership in the university school.

20 (h) A pupil enrolled in a public school academy shall be
21 counted in membership in the public school academy.

22 (i) For a new district, university school, or public school
23 academy beginning its operation after December 31, 1994, membership
24 for the first 2 full or partial fiscal years of operation shall be
25 determined as follows:

26 (i) If operations begin before the pupil membership count day
27 for the fiscal year, membership is the average number of full-time

1 equated pupils in grades K to 12 actually enrolled and in regular
2 daily attendance on the pupil membership count day for the current
3 school year and on the supplemental count day for the current
4 school year, as determined by the department and calculated by
5 adding the number of pupils registered for attendance on the pupil
6 membership count day plus pupils received by transfer and minus
7 pupils lost as defined by rules promulgated by the superintendent,
8 and as corrected by a subsequent department audit, plus the final
9 audited count from the supplemental count day for the current
10 school year, and dividing that sum by 2.

11 (ii) If operations begin after the pupil membership count day
12 for the fiscal year and not later than the supplemental count day
13 for the fiscal year, membership is the final audited count of the
14 number of full-time equated pupils in grades K to 12 actually
15 enrolled and in regular daily attendance on the supplemental count
16 day for the current school year.

17 (j) If a district is the authorizing body for a public school
18 academy, then, in the first school year in which pupils are counted
19 in membership on the pupil membership count day in the public
20 school academy, the determination of the district's membership
21 shall exclude from the district's pupil count for the immediately
22 preceding supplemental count day any pupils who are counted in the
23 public school academy on that first pupil membership count day who
24 were also counted in the district on the immediately preceding
25 supplemental count day.

26 (k) In a district, public school academy, university school,
27 or intermediate district operating an extended school year program

1 approved by the superintendent, a pupil enrolled, but not scheduled
2 to be in regular daily attendance on a pupil membership count day,
3 shall be counted.

4 (l) Pupils to be counted in membership shall be not less than 5
5 years of age on December 1 and less than 20 years of age on
6 September 1 of the school year except as follows:

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

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

14 (A) Is enrolled in a public school academy or an alternative
15 education high school diploma program, that is primarily focused on
16 educating homeless pupils and that is located in a city with a
17 population of more than 750,000.

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

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

22 (m) An individual who has obtained a high school diploma shall
23 not be counted in membership. An individual who has obtained a
24 general educational development (G.E.D.) certificate shall not be
25 counted in membership **UNLESS THE INDIVIDUAL IS A STUDENT WITH A**
26 **DISABILITY AS DEFINED IN R 340.1702 OF THE MICHIGAN ADMINISTRATIVE**
27 **CODE**. An individual participating in a job training program funded

1 under former section 107a or a jobs program funded under former
2 section 107b, administered by the Michigan strategic fund or the
3 ~~department of energy, labor, and economic growth, WORKFORCE~~
4 **DEVELOPMENT AGENCY**, or participating in any successor of either of
5 those 2 programs, shall not be counted in membership.

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

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

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

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

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

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

26 (r) ~~Except as otherwise provided in this subdivision, full-~~
27 ~~time~~ **FULL-TIME** equated memberships for pupils in kindergarten shall

1 be determined by dividing the number of class hours scheduled and
2 provided per year per kindergarten pupil by a number equal to 1/2
3 the number used for determining full-time equated memberships for
4 pupils in grades 1 to 12. **HOWEVER, BEGINNING IN 2012-2013, FULL-**
5 **TIME EQUATED MEMBERSHIPS FOR PUPILS IN KINDERGARTEN SHALL BE**
6 **DETERMINED BY DIVIDING THE NUMBER OF CLASS HOURS SCHEDULED AND**
7 **PROVIDED PER YEAR PER KINDERGARTEN PUPIL BY THE SAME NUMBER USED**
8 **FOR DETERMINING FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN GRADES**
9 **1 TO 12.**

10 (s) For a district, university school, or public school
11 academy that has pupils enrolled in a grade level that was not
12 offered by the district, university school, or public school
13 academy in the immediately preceding school year, the number of
14 pupils enrolled in that grade level to be counted in membership is
15 the average of the number of those pupils enrolled and in regular
16 daily attendance on the pupil membership count day and the
17 supplemental count day of the current school year, as determined by
18 the department. Membership shall be calculated by adding the number
19 of pupils registered for attendance in that grade level on the
20 pupil membership count day plus pupils received by transfer and
21 minus pupils lost as defined by rules promulgated by the
22 superintendent, and as corrected by subsequent department audit,
23 plus the final audited count from the supplemental count day for
24 the current school year, and dividing that sum by 2.

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

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

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

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

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

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

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

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

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

~~[(y) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and, beginning in 2007-2008, if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership~~

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1 figure calculated under this subdivision. If a district educates
2 and counts in its membership pupils in grades 9 to 12 who reside in
3 a contiguous district that does not operate grades 9 to 12 and if 1
4 or both of the affected districts request the department to use the
5 determination allowed under this sentence, the department shall
6 include the square mileage of both districts in determining the
7 number of pupils per square mile for each of the districts for the
8 purposes of this subdivision. **THE STATEWIDE CUMULATIVE TOTAL PAYMENTS
RESULTING FROM THE MEMBERSHIP ADJUSTMENT UNDER THIS SUBDIVISION AND
ALLOCATED UNDER SECTION 22B SHALL NOT EXCEED \$100.00.** The membership
9 figure calculated under this subdivision is the greater of the following:

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

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

17 (z)] If a public school academy that is not in its first or
18 second year of operation closes at the end of a school year and
19 does not reopen for the next school year, the department shall
20 adjust the membership count of the district in which a former pupil
21 of the public school academy enrolls and is in regular daily
22 attendance for the next school year to ensure that the district
23 receives the same amount of membership aid for the pupil as if the
24 pupil were counted in the district on the supplemental count day of
25 the preceding school year.

26 [(aa)] Full-time equated memberships for preprimary-aged
27 special education pupils who are not enrolled in kindergarten but

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are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are receiving ~~nonclassroom~~ **EARLY CHILDHOOD SPECIAL EDUCATION** services under R 340.1755 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per pupil by 180.

[(bb)] A pupil of a district that begins its school year after Labor day who is enrolled in an intermediate district program that begins before Labor day shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor day.

~~—— (cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.~~

[(CC)] ~~(dd)~~ A district that educates a pupil who attends a United States Olympic education center may count the pupil in membership regardless of whether or not the pupil is a resident of

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1 this state.

2 **[(DD)]** ~~(ee)~~—A pupil enrolled in a district other than the
3 pupil's district of residence pursuant to section 1148(2) of the
4 revised school code, MCL 380.1148, shall be counted in the
5 educating district.

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

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

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

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

17 (c) A pupil enrolled in a public school academy or university
18 school.

19 (d) A pupil enrolled in a district other than the pupil's
20 district of residence under an intermediate district schools of
21 choice pilot program as described in section 91a or former section
22 91 if the intermediate district and its constituent districts have
23 been exempted from section 105.

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

27 (f) A pupil who has made an official written complaint or

1 whose parent or legal guardian has made an official written
2 complaint to law enforcement officials and to school officials of
3 the pupil's district of residence that the pupil has been the
4 victim of a criminal sexual assault or other serious assault, if
5 the official complaint either indicates that the assault occurred
6 at school or that the assault was committed by 1 or more other
7 pupils enrolled in the school the pupil would otherwise attend in
8 the district of residence or by an employee of the district of
9 residence. A person who intentionally makes a false report of a
10 crime to law enforcement officials for the purposes of this
11 subdivision is subject to section 411a of the Michigan penal code,
12 1931 PA 328, MCL 750.411a, which provides criminal penalties for
13 that conduct. As used in this subdivision:

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

18 (ii) "Serious assault" means an act that constitutes a felony
19 violation of chapter XI of the Michigan penal code, 1931 PA 328,
20 MCL 750.81 to 750.90g, or that constitutes an assault and
21 infliction of serious or aggravated injury under section 81a of the
22 Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

13 (i) A pupil enrolled in the Michigan virtual high school, for
14 the pupil's enrollment in the Michigan virtual high school.

15 (j) A pupil who is the child of a person who works at the
16 district or who is the child of a person who worked at the district
17 as of the time the pupil first enrolled in the district but who no
18 longer works at the district due to a workforce reduction. As used
19 in this subdivision, "child" includes an adopted child, stepchild,
20 or legal ward.

21 (k) An expelled pupil who has been denied reinstatement by the
22 expelling district and is reinstated by another school board under
23 section 1311 or 1311a of the revised school code, MCL 380.1311 and
24 380.1311a.

25 ~~(l) A pupil enrolled in a district other than the pupil's~~
26 ~~district of residence in a program described in section 64 if the~~
27 ~~pupil's district of residence and the enrolling district are both~~

~~constituent districts of the same intermediate district.~~

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

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

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

However, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

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

(a) Except as provided in subdivision (b), the fourth Wednesday after Labor day each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

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

1 (i) Fourth Wednesday in July.

2 (ii) Fourth Wednesday after Labor day.

3 (iii) Second Wednesday in February.

4 (iv) Fourth Wednesday in April.

5 (8) "Pupils in grades K to 12 actually enrolled and in regular
6 daily attendance" means pupils in grades K to 12 in attendance and
7 receiving instruction in all classes for which they are enrolled on
8 the pupil membership count day or the supplemental count day, as
9 applicable. Except as otherwise provided in this subsection, a
10 pupil who is absent from any of the classes in which the pupil is
11 enrolled on the pupil membership count day or supplemental count
12 day and who does not attend each of those classes during the 10
13 consecutive school days immediately following the pupil membership
14 count day or supplemental count day, except for a pupil who has
15 been excused by the district, shall not be counted as 1.0 full-time
16 equated membership. A pupil who is excused from attendance on the
17 pupil membership count day or supplemental count day and who fails
18 to attend each of the classes in which the pupil is enrolled within
19 30 calendar days after the pupil membership count day or
20 supplemental count day shall not be counted as 1.0 full-time
21 equated membership. In addition, a pupil who was enrolled and in
22 attendance in a district, intermediate district, or public school
23 academy before the pupil membership count day or supplemental count
24 day of a particular year but was expelled or suspended on the pupil
25 membership count day or supplemental count day shall only be
26 counted as 1.0 full-time equated membership if the pupil resumed
27 attendance in the district, intermediate district, or public school

1 academy within 45 days after the pupil membership count day or
2 supplemental count day of that particular year. Pupils not counted
3 as 1.0 full-time equated membership due to an absence from a class
4 shall be counted as a prorated membership for the classes the pupil
5 attended. For purposes of this subsection, "class" means a period
6 of time in 1 day when pupils and a certificated teacher or legally
7 qualified substitute teacher are together and instruction is taking
8 place.

9 (9) "Rule" means a rule promulgated pursuant to the
10 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
11 24.328.

12 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
13 380.1852.

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

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

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

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

25 (15) "Supplemental count day" means the day on which the
26 supplemental pupil count is conducted under section 6a.

27 (16) "Tuition pupil" means a pupil of school age attending

1 school in a district other than the pupil's district of residence
2 for whom tuition may be charged. Tuition pupil does not include a
3 pupil who is a special education pupil or a pupil described in
4 subsection (6)(c) to (o). A pupil's district of residence shall not
5 require a high school tuition pupil, as provided under section 111,
6 to attend another school district after the pupil has been assigned
7 to a school district.

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

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

14 (19) "Textbook" means a book, **ELECTRONIC BOOK, OR OTHER**
15 **INSTRUCTIONAL PRINT OR ELECTRONIC RESOURCE** that is selected and
16 approved by the governing board of a district and that contains a
17 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
19 classroom pupils, or another type of course material that forms the
20 basis of classroom instruction.

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

25 (21) "University school" means an instructional program
26 operated by a public university under section 23 that meets the
27 requirements of section 23.

House Bill No. 4325 (H-1) as amended May 5, 2011

1 Sec. 11. (1) Subject to subsection ~~(5)~~, ~~(3)~~, for the fiscal
 2 year ending September 30, ~~2011~~, **2012**, there is appropriated for the
 3 public schools of this state and certain other state purposes
 4 relating to education the sum of ~~\$10,937,260,500.00~~
 5 **[\$10,111,241,700.00]** from the state school aid fund and the sum of
 6 ~~\$18,642,400.00~~ ~~\$461,172,700.00~~ from the general fund. ~~For the~~
 7 ~~fiscal year ending September 30, 2011, there is also appropriated~~
 8 ~~the remaining balance of the federal funding awarded to this state~~
 9 ~~under title XIV of the American recovery and reinvestment act of~~
 10 ~~2009, Public Law 111-5, estimated at \$184,256,600.00, to be used~~
 11 ~~solely for the purpose of funding the primary funding formula~~
 12 ~~calculated under section 20, in accordance with federal law.~~

13 **SUBJECT TO SUBSECTION (3), FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**
 14 **2013, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE**
 15 **AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF**
 16 **[\$10,143,345,100.00] FROM THE STATE SCHOOL AID FUND AND THE SUM OF**
 17 **\$393,872,700.00 FROM THE GENERAL FUND.** In addition, all other
 18 available federal funds ~~, except those otherwise appropriated under~~
 19 ~~section 11p,~~ are appropriated for the fiscal year ending September
 20 30, ~~2011~~-**2012 AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013.**

21 (2) The appropriations under this section shall be allocated
 22 as provided in this ~~act~~ **ARTICLE**. Money appropriated under this
 23 section from the general fund shall be expended to fund the
 24 purposes of this ~~act~~ **ARTICLE** before the expenditure of money
 25 appropriated under this section from the state school aid fund. ~~If~~
 26 ~~the maximum amount appropriated under this section from the state~~
 27 ~~school aid fund for a fiscal year exceeds the amount necessary to~~

~~fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a. For 2009-2010 only, if the department determines before bookclosing for the 2009-2010 state fiscal year that the maximum amount appropriated under this section from the state school aid fund for 2009-2010 exceeds the amount necessary to fully fund allocations under this act from the state school aid fund for 2009-2010 and that state support for elementary and secondary education for 2009-2010 will fall below the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, then there is appropriated for 2009-2010 from the school aid stabilization fund an amount equal to \$30,000,000.00 or the amount that the department determines is necessary for the state support for elementary and secondary education to meet the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, whichever is greater. The department shall use any funds appropriated under this subsection as follows:~~

~~—— (a) First, to allocate \$10,000,000.00 to provide funding to each intermediate district in an amount equal to the product of 14.75% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2009-2010 under 2010 PA 110.~~

~~—— (b) Second, to allocate the amount necessary, estimated at~~

~~\$10,000,000.00, to provide funding under this subdivision to districts for which the amount of per pupil funding calculated and allocated under section 11p(2) is less than \$154.00. The payment to a district under this subdivision is an amount equal to the difference between \$154.00 and the per pupil funding amount calculated and allocated under section 11p(2) for the district, multiplied by the district's 2010-2011 membership used for the October 2010 payment.~~

~~—— (c) Third, to allocate any remaining funds to reduce the amount of the per pupil reduction under section 11d(1) for 2009-2010.~~

~~—— (3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51e, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the~~

~~other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.~~

~~—— (4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:~~

~~—— (a) The department shall calculate the percentage of total~~

~~state school aid allocated under this act for the affected fiscal year for each of the following:~~

~~—— (i) Districts.~~

~~—— (ii) Intermediate districts.~~

~~—— (iii) Entities other than districts or intermediate districts.~~

~~(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a) (i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.~~

~~(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a) (ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal percentage basis.~~

~~(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a) (iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the~~

~~payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.~~

(3) ~~(5)~~ Any general fund allocations under this act ~~are~~ **ARTICLE** that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

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

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

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

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

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

(3) Money available in the school aid stabilization fund may not be expended without a specific appropriation from the school aid stabilization fund. Money in the school aid stabilization fund shall be expended only for purposes for which state school aid fund money may be expended.

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

1 investments.

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

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

19 (7) For ~~2010-2011, 2011-2012 AND FOR 2012-2013, IN ADDITION TO~~
20 **THE APPROPRIATIONS IN SECTION 11,** there is appropriated from the
21 school aid stabilization fund to the state school aid fund the
22 amount necessary to fully fund the allocations under this
23 ~~act.~~ **ARTICLE.**

24 Sec. 11g. (1) From the appropriation in section 11, there is
25 allocated for this section an amount not to exceed \$39,000,000.00
26 for the fiscal year ending September 30, ~~2011-2012, FOR THE FISCAL~~
27 **YEAR ENDING SEPTEMBER 30, 2013** and for each succeeding fiscal year

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

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

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

24 (a) If the district or intermediate district does not borrow
25 money and issue bonds under section 11i, 1/30 of the total amount
26 listed in section 11h for the district or intermediate district
27 through the fiscal year ending September 30, 2013.

1 (b) If the district or intermediate district borrows money and
2 issues bonds under section 11i, an amount in each fiscal year
3 calculated by the department of treasury that is equal to the debt
4 service amount in that fiscal year on the bonds issued by that
5 district or intermediate district under section 11i and that will
6 result in the total payments made to all districts and intermediate
7 districts in each fiscal year under this section being no more than
8 the amount appropriated under this section in each fiscal year.

9 (4) The entire amount of each payment under this section each
10 fiscal year shall be paid on May 15 of the applicable fiscal year
11 or on the next business day following that date. If a district or
12 intermediate district borrows money and issues bonds under section
13 11i, the district or intermediate district shall use funds received
14 under this section to pay debt service on bonds issued under
15 section 11i. If a district or intermediate district does not borrow
16 money and issue bonds under section 11i, the district or
17 intermediate district shall use funds received under this section
18 only for the following purposes, in the following order of
19 priority:

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

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

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

27 (5) To the extent payments under this section are used by a

1 district or intermediate district to pay debt service on debt
 2 payable from millage revenues, and to the extent permitted by law,
 3 the district or intermediate district may make a corresponding
 4 reduction in the number of mills levied for debt service.

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

9 Sec. 11j. From the appropriation in section 11, there is
 10 allocated an amount not to exceed ~~\$5,167,800.00~~ **\$93,575,300.00** for
 11 ~~2010-2011-2011-2012~~ **AND AN AMOUNT NOT TO EXCEED \$89,578,700.00 FOR**
 12 **2012-2013** for payments to the school loan bond redemption fund in
 13 the department of treasury on behalf of districts and intermediate
 14 districts. Notwithstanding section 11 or any other provision of
 15 this act, funds allocated under this section are not subject to
 16 proration and shall be paid in full.

17 Sec. 11k. For ~~2010-2011,~~ **2011-2012 AND FOR 2012-2013,** there is
 18 appropriated from the general fund to the school loan revolving
 19 fund an amount equal to the amount of school bond loans assigned to
 20 the Michigan finance authority, not to exceed the total amount of
 21 school bond loans held in reserve as long-term assets. As used in
 22 this section, "school loan revolving fund" means that fund created
 23 in section 16c of the shared credit rating act, 1985 PA 227, MCL
 24 141.1066c.

25 Sec. 11m. From the appropriations in section 11, there is
 26 allocated for ~~2009-2010-2011-2012~~ an amount not to exceed
 27 ~~\$12,000,000.00~~ **\$20,000,000.00** and for ~~2010-2011-~~ **2012-2013** there is

1 allocated an amount not to exceed ~~\$45,000,000.00~~ **\$30,000,000.00** for
2 fiscal year cash-flow borrowing costs solely related to the state
3 school aid fund established by section 11 of article IX of the
4 state constitution of 1963.

5 Sec. 15. (1) If a district or intermediate district fails to
6 receive its proper apportionment, the department, upon satisfactory
7 proof that the district or intermediate district was entitled
8 justly, shall apportion the deficiency in the next apportionment.
9 Subject to subsections (2) and (3), if a district or intermediate
10 district has received more than its proper apportionment, the
11 department, upon satisfactory proof, shall deduct the excess in the
12 next apportionment. Notwithstanding any other provision in this
13 ~~act, ARTICLE~~, state aid overpayments to a district, other than
14 overpayments in payments for special education or special education
15 transportation, may be recovered from any payment made under this
16 ~~act ARTICLE~~ other than a special education or special education
17 transportation payment. State aid overpayments made in special
18 education or special education transportation payments may be
19 recovered from subsequent special education or special education
20 transportation payments.

21 (2) If the result of an audit conducted by or for the
22 department affects the current fiscal year membership, affected
23 payments shall be adjusted in the current fiscal year. A deduction
24 due to an adjustment made as a result of an audit conducted by or
25 for the department, or as a result of information obtained by the
26 department from the district, an intermediate district, the
27 department of treasury, or the office of auditor general, shall be

deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment if the district would otherwise experience a significant hardship.

(3) If, because of the receipt of new or updated data, the department determines during a fiscal year that the amount paid to a district or intermediate district under this act for a prior fiscal year was incorrect under the law in effect for that year, the department may make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the improper amount was paid.

(4) Expenditures made by the department under this ~~act~~ **ARTICLE** that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated **EACH FISCAL YEAR** for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 18. (1) Except as provided in another section of this ~~act~~, **ARTICLE**, each district or other entity shall apply the money received by the district or entity under this ~~act~~ **ARTICLE** to

1 salaries and other compensation of teachers and other employees,
2 tuition, transportation, lighting, heating, ventilation, water
3 service, the purchase of textbooks which are designated by the
4 board to be used in the schools under the board's charge, other
5 supplies, and any other school operating expenditures defined in
6 section 7. However, not more than 20% of the total amount received
7 by a district under article 2 or intermediate district under
8 article 8 may be transferred by the board to either the capital
9 projects fund or to the debt retirement fund for debt service. The
10 money shall not be applied or taken for a purpose other than as
11 provided in this section. The department shall determine the
12 reasonableness of expenditures and may withhold from a recipient of
13 funds under this ~~act~~ **ARTICLE** the apportionment otherwise due upon a
14 violation by the recipient.

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

22 (a) The annual operating budget and subsequent budget
23 revisions.

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

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

3 (A) Salaries and wages.

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

7 (C) Retirement benefit costs.

8 (D) All other personnel costs.

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

11 (A) Instruction.

12 (B) Support services.

13 (C) Business and administration.

14 (D) Operations and maintenance.

15 (c) Links to all of the following:

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

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

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

24 (d) The total salary and a description and cost of each fringe
25 benefit included in the compensation package for the superintendent
26 of the district and for each employee of the district whose salary
27 exceeds \$100,000.00.

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

2 (f) The annual amount spent on lobbying or lobbying services.

3 As used in this subdivision, "lobbying" means that term as defined
4 in section 5 of 1978 PA 472, MCL 4.415.

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

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

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

21 (b) If a district operates in a single building with fewer
22 than 700 full-time equated pupils, if the district has stable
23 membership, and if the error rate of the immediately preceding 2
24 pupil accounting field audits of the district is less than 2%, the
25 district may have a pupil accounting field audit conducted
26 biennially but must continue to have desk audits for each pupil
27 count. The auditor must document compliance with the audit cycle in

the pupil auditing manual. As used in this subdivision, "stable membership" means that the district's membership for the current fiscal year varies from the district's membership for the immediately preceding fiscal year by less than 5%.

~~----- (c) An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report.~~

(C) ~~(d)~~ A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid.

(D) ~~(e)~~ The pupil **AND FINANCIAL** accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.

(E) ~~(f) Except as otherwise provided in this subsection, a~~ **ALL OF THE FOLLOWING SHALL BE DONE NOT LATER THAN NOVEMBER 15 EACH YEAR:**

(i) **A** district shall file the annual financial audit reports with the intermediate district ~~not later than 120 days after the end of each school fiscal year and the~~ **DEPARTMENT.**

(ii) **THE INTERMEDIATE DISTRICT SHALL FILE THE ANNUAL FINANCIAL AUDIT REPORTS FOR THE INTERMEDIATE DISTRICT WITH THE DEPARTMENT.**

(iii) **THE** intermediate district shall ~~forward the annual financial~~ **ENTER THE PUPIL MEMBERSHIP** audit reports for its constituent districts and for the intermediate district, ~~and the pupil accounting procedures report for the pupil membership count~~

1 day and supplemental count day, ~~to the department not later than~~
2 ~~November 15 of each year.~~ **IN THE MICHIGAN STUDENT DATA SYSTEM.**

3 (F) ~~(g)~~ The annual financial audit reports and pupil
4 accounting procedures reports shall be available to the public in
5 compliance with the freedom of information act, 1976 PA 442, MCL
6 15.231 to 15.246.

7 (G) ~~(h)~~ Not later than ~~December~~ **JANUARY** 31 of each year, the
8 department shall notify the state budget director and the
9 legislative appropriations subcommittees responsible for review of
10 the school aid budget of districts and intermediate districts that
11 have not filed an annual financial audit and pupil accounting
12 procedures report required under this section for the school year
13 ending in the immediately preceding fiscal year.

14 (5) By November 15 of each year, each district and
15 intermediate district shall submit to the center, in a manner
16 prescribed by the center, annual comprehensive financial data
17 consistent with accounting manuals and charts of accounts approved
18 and published by the department. For an intermediate district, the
19 report shall also contain the website address where the department
20 can access the report required under section 620 of the revised
21 school code, MCL 380.620. The department shall ensure that the
22 prescribed Michigan public school accounting manual chart of
23 accounts includes standard conventions to distinguish expenditures
24 by allowable fund function and object. The functions shall include
25 at minimum categories for instruction, pupil support, instructional
26 staff support, general administration, school administration,
27 business administration, transportation, facilities operation and

1 maintenance, facilities acquisition, and debt service; and shall
2 include object classifications of salary, benefits, including
3 categories for active employee health expenditures, purchased
4 services, supplies, capital outlay, and other. Districts shall
5 report the required level of detail consistent with the manual as
6 part of the comprehensive annual financial report. ~~The department~~
7 ~~shall make this information available online to districts and~~
8 ~~intermediate districts, and shall include per pupil amounts spent~~
9 ~~on instruction and instructional support service functions, and~~
10 ~~indicate how much of those costs were attributable to salaries.~~
11 ~~Districts and intermediate districts shall include a link on their~~
12 ~~websites to the website where the department posts this~~
13 ~~information.~~

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

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

22 (8) The department shall review its pupil accounting and pupil
23 auditing manuals at least annually and shall periodically update
24 those manuals to reflect changes in this ~~act~~. **ARTICLE.**

25 (9) If a district that is a public school academy purchases
26 property using money received under this ~~act~~, **ARTICLE**, the public
27 school academy shall retain ownership of the property unless the

1 public school academy sells the property at fair market value.

2 (10) If a district or intermediate district does not comply
3 with subsections (4), (5), (6), and (7), the department shall
4 withhold all state school aid due to the district or intermediate
5 district under this ~~act~~, **ARTICLE**, beginning with the next payment
6 due to the district or intermediate district, until the district or
7 intermediate district complies with subsections (4), (5), (6), and
8 (7). If the district or intermediate district does not comply with
9 subsections (4), (5), (6), and (7) by the end of the fiscal year,
10 the district or intermediate district forfeits the amount withheld.

11 ~~Article 2~~

12 Sec. 20. (1) For ~~2009-2010 and for 2010-2011, 2011-2012 AND~~
13 **2012-2013**, the basic foundation allowance is ~~\$8,489.00-\$8,022.00.~~

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

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

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

1 foundation allowance in an amount equal to the sum of the
2 district's foundation allowance for the immediately preceding state
3 fiscal year plus the difference between twice the dollar amount of
4 the adjustment from the immediately preceding state fiscal year to
5 the current state fiscal year made in the basic foundation
6 allowance and [(the dollar amount of the adjustment from the
7 immediately preceding state fiscal year to the current state fiscal
8 year made in the basic foundation allowance minus \$20.00) times
9 (the difference between the district's foundation allowance for the
10 immediately preceding state fiscal year and the sum of \$7,108.00
11 plus the total dollar amount of all adjustments made from 2006-2007
12 to the immediately preceding state fiscal year in the lowest
13 foundation allowance among all districts) divided by the difference
14 between the basic foundation allowance for the current state fiscal
15 year and the sum of \$7,108.00 plus the total dollar amount of all
16 adjustments made from 2006-2007 to the immediately preceding state
17 fiscal year in the lowest foundation allowance among all
18 districts]. For ~~2009-2010-2011-2012~~ and for ~~2010-2011,~~ **2012-2013**,
19 for a district that had a foundation allowance for the immediately
20 preceding state fiscal year that was at least equal to the sum of
21 \$7,108.00 plus the total dollar amount of all adjustments made from
22 2006-2007 to the immediately preceding state fiscal year in the
23 lowest foundation allowance among all districts, but less than the
24 basic foundation allowance for the immediately preceding state
25 fiscal year, the district shall receive a foundation allowance in
26 an amount equal to **0.965 TIMES** the district's foundation allowance
27 for the ~~immediately preceding state fiscal year.~~ **2010-2011, MINUS**

1 \$170.00. However, the foundation allowance for a district that had
2 less than the basic foundation allowance for the immediately
3 preceding state fiscal year shall not exceed the basic foundation
4 allowance for the current state fiscal year.

5 (b) Except as otherwise provided in this subsection, for a
6 district that in the immediately preceding state fiscal year had a
7 foundation allowance in an amount at least equal to the amount of
8 the basic foundation allowance for the immediately preceding state
9 fiscal year, the district shall receive a foundation allowance **FOR**
10 **2011-2012 AND FOR 2012-2013** in an amount equal to the ~~sum of the~~
11 district's foundation allowance for ~~the immediately preceding state~~
12 ~~fiscal year plus the dollar amount of the adjustment from the~~
13 ~~immediately preceding state fiscal year to the current state fiscal~~
14 ~~year in the basic foundation allowance.~~ **2010-2011, MINUS \$467.00.**

15 (c) Except as otherwise provided in subdivision (d), for a
16 district that in the 1994-95 state fiscal year had a foundation
17 allowance greater than \$6,500.00, the district's foundation
18 allowance is an amount equal to the sum of the district's
19 foundation allowance for the immediately preceding state fiscal
20 year plus the lesser of the increase in the basic foundation
21 allowance for the current state fiscal year, as compared to the
22 immediately preceding state fiscal year, or the product of the
23 district's foundation allowance for the immediately preceding state
24 fiscal year times the percentage increase in the United States
25 consumer price index in the calendar year ending in the immediately
26 preceding fiscal year as reported by the May revenue estimating
27 conference conducted under section 367b of the management and

1 budget act, 1984 PA 431, MCL 18.1367b. **EXCEPT AS OTHERWISE PROVIDED**
2 **IN SUBDIVISION (D), FOR 2011-2012 AND FOR 2012-2013, FOR A DISTRICT**
3 **THAT IN THE 1994-1995 STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE**
4 **GREATER THAN \$6,500.00, THE DISTRICT'S FOUNDATION ALLOWANCE IS AN**
5 **AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE 2010-**
6 **2011 FISCAL YEAR MINUS \$467.00.**

7 ~~(d) If House Bill No. 6212 of the 95th Legislature is enacted~~
8 ~~into law, then beginning in 2011-2012, for~~ **FOR** a district that in
9 the 1994-95 state fiscal year had a foundation allowance greater
10 than \$6,500.00 and that had a foundation allowance for the 2009-
11 2010 state fiscal year, as otherwise calculated under this section,
12 that was less than the basic foundation allowance, the district's
13 foundation allowance for 2011-2012 and each succeeding fiscal year
14 shall be considered to be an amount equal to the basic foundation
15 allowance.

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

19 (f) For a district that received a payment under section 22c
20 as that section was in effect for 2001-2002, the district's 2001-
21 2002 foundation allowance shall be considered to have been an
22 amount equal to the sum of the district's actual 2001-2002
23 foundation allowance as otherwise calculated under this section
24 plus the per pupil amount of the district's equity payment for
25 2001-2002 under section 22c as that section was in effect for 2001-
26 2002.

27 (g) For a district that received a payment under section 22c

1 as that section was in effect for 2006-2007, the district's 2006-
2 2007 foundation allowance shall be considered to have been an
3 amount equal to the sum of the district's actual 2006-2007
4 foundation allowance as otherwise calculated under this section
5 plus the per pupil amount of the district's equity payment for
6 2006-2007 under section 22c as that section was in effect for 2006-
7 2007.

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

1 certified mills and, for a district with certified mills exceeding
2 12, the product of the taxable value per membership pupil of
3 property in the district that is commercial personal property times
4 the certified mills minus 12 mills and the quotient of the ad
5 valorem property tax revenue of the district captured under tax
6 increment financing acts divided by the district's membership
7 excluding special education pupils. For a district that has a
8 millage reduction required under section 31 of article IX of the
9 state constitution of 1963, the state portion of the district's
10 foundation allowance shall be calculated as if that reduction did
11 not occur. ~~For the purposes of state law, federal funding awarded~~
12 ~~to this state under title XIV of the American recovery and~~
13 ~~reinvestment act of 2009, Public Law 111-5, that is appropriated~~
14 ~~under section 11 and allocated under section 22b, is considered to~~
15 ~~be part of the state portion of a district's foundation allowance~~
16 ~~and is considered to be part of the total state school aid paid to~~
17 ~~a public school academy.~~

18 (5) The allocation calculated under this section for a pupil
19 shall be based on the foundation allowance of the pupil's district
20 of residence. ~~However, for a pupil enrolled in a district other~~
21 ~~than the pupil's district of residence, if the foundation allowance~~
22 ~~of the pupil's district of residence has been adjusted pursuant to~~
23 ~~subsection (19), the allocation calculated under this section shall~~
24 ~~not include the adjustment described in subsection (19).~~ For a
25 pupil enrolled pursuant to section 105 or 105c in a district other
26 than the pupil's district of residence, the allocation calculated
27 under this section shall be based on the lesser of the foundation

1 allowance of the pupil's district of residence or the foundation
2 allowance of the educating district. For a pupil in membership in a
3 K-5, K-6, or K-8 district who is enrolled in another district in a
4 grade not offered by the pupil's district of residence, the
5 allocation calculated under this section shall be based on the
6 foundation allowance of the educating district if the educating
7 district's foundation allowance is greater than the foundation
8 allowance of the pupil's district of residence. ~~The calculation~~
9 ~~under this subsection shall take into account a district's per~~
10 ~~pupil allocation under section 20j(2).~~

11 (6) Subject to subsection (7) and except as otherwise provided
12 in this subsection, for pupils in membership, other than special
13 education pupils, in a public school academy or a university
14 school, the allocation calculated under this section is an amount
15 per membership pupil other than special education pupils in the
16 public school academy or university school equal to the foundation
17 allowance of the district in which the public school academy or
18 university school is located or the state maximum public school
19 academy allocation, whichever is less. However, a public school
20 academy or university school that had an allocation under this
21 subsection before 2009-2010 that was equal to the sum of the local
22 school operating revenue per membership pupil other than special
23 education pupils for the district in which the public school
24 academy or university school is located and the state portion of
25 that district's foundation allowance shall not have that allocation
26 reduced as a result of the 2010 amendment to this subsection.
27 Notwithstanding section 101, for a public school academy that

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

10 (7) If more than 25% of the pupils residing within a district
11 are in membership in 1 or more public school academies located in
12 the district, then the amount per membership pupil calculated under
13 this section for a public school academy located in the district
14 shall be reduced by an amount equal to the difference between the
15 sum of the product of the taxable value per membership pupil of all
16 property in the district that is nonexempt property times the
17 district's certified mills and, for a district with certified mills
18 exceeding 12, the product of the taxable value per membership pupil
19 of property in the district that is commercial personal property
20 times the certified mills minus 12 mills and the quotient of the ad
21 valorem property tax revenue of the district captured under tax
22 increment financing acts divided by the district's membership
23 excluding special education pupils, in the school fiscal year
24 ending in the current state fiscal year, calculated as if the
25 resident pupils in membership in 1 or more public school academies
26 located in the district were in membership in the district. In
27 order to receive state school aid under this act, ~~ARTICLE~~, a

1 district described in this subsection shall pay to the authorizing
2 body that is the fiscal agent for a public school academy located
3 in the district for forwarding to the public school academy an
4 amount equal to that local school operating revenue per membership
5 pupil for each resident pupil in membership other than special
6 education pupils in the public school academy, as determined by the
7 department.

8 ~~—— (8) If a district does not receive an amount calculated under~~
9 ~~subsection (9); if the number of mills the district may levy on a~~
10 ~~principal residence, qualified agricultural property, qualified~~
11 ~~forest property, supportive housing property, industrial personal~~
12 ~~property, and commercial personal property under section 1211 of~~
13 ~~the revised school code, MCL 380.1211, is 0.5 mills or less; and if~~
14 ~~the district elects not to levy those mills, the district instead~~
15 ~~shall receive a separate supplemental amount calculated under this~~
16 ~~subsection in an amount equal to the amount the district would have~~
17 ~~received had it levied those mills, as determined by the department~~
18 ~~of treasury. A district shall not receive a separate supplemental~~
19 ~~amount calculated under this subsection for a fiscal year unless in~~
20 ~~the calendar year ending in the fiscal year the district levies the~~
21 ~~district's certified mills on property that is nonexempt property.~~

22 ~~—— (9) For a district that had combined state and local revenue~~
23 ~~per membership pupil in the 1993-94 state fiscal year of more than~~
24 ~~\$6,500.00 and that had fewer than 350 pupils in membership, if the~~
25 ~~district elects not to reduce the number of mills from which a~~
26 ~~principal residence, qualified agricultural property, qualified~~
27 ~~forest property, supportive housing property, industrial personal~~

~~property, and commercial personal property are exempt and not to levy school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.~~

(8) ~~(10)~~ Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the

1 effective date of the consolidation or annexation shall be the
2 average of the foundation allowances of each of the original or
3 affected districts, calculated as provided in this section,
4 weighted as to the percentage of pupils in total membership in the
5 resulting district who reside in the geographic area of each of the
6 original or affected districts. ~~The calculation under this~~
7 ~~subsection shall take into account a district's per pupil~~
8 ~~allocation under section 20j(2).~~

9 (9) ~~(11)~~ Each fraction used in making calculations under this
10 section shall be rounded to the fourth decimal place and the dollar
11 amount of an increase in the basic foundation allowance shall be
12 rounded to the nearest whole dollar.

13 (10) ~~(12)~~ State payments related to payment of the foundation
14 allowance for a special education pupil are not calculated under
15 this section but are instead calculated under section 51a.

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

22 (a) The pupil membership factor shall be computed by dividing
23 the estimated membership in the school year ending in the current
24 state fiscal year, excluding intermediate district membership, by
25 the estimated membership for the school year ending in the
26 subsequent state fiscal year, excluding intermediate district
27 membership. If a consensus membership factor is not determined at

1 the revenue estimating conference, the principals of the revenue
2 estimating conference shall report their estimates to the house and
3 senate subcommittees responsible for school aid appropriations not
4 later than 7 days after the conclusion of the revenue conference.

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

23 (c) The index shall be calculated by multiplying the pupil
24 membership factor by the revenue adjustment factor. However, for
25 ~~2009-2010-2011-2012~~, **THE INDEX SHALL BE 0.94177**, and for ~~2010-2011~~,
26 **2012-2013**, the index shall be 1.00. If a consensus index is not
27 determined at the revenue estimating conference, the principals of

1 the revenue estimating conference shall report their estimates to
2 the house and senate subcommittees responsible for school aid
3 appropriations not later than 7 days after the conclusion of the
4 revenue conference.

5 (12) ~~(14)~~ If the principals at the revenue estimating
6 conference reach a consensus on the index described in subsection
7 ~~(13)(e)~~, **(11)(C)**, the lowest foundation allowance among all
8 districts for the subsequent state fiscal year shall be at least
9 the amount of that consensus index multiplied by the lowest
10 foundation allowance among all districts for the immediately
11 preceding state fiscal year.

12 ~~—— (15) If at the January revenue estimating conference it is~~
13 ~~estimated that pupil membership, excluding intermediate district~~
14 ~~membership, for the subsequent state fiscal year will be greater~~
15 ~~than 101% of the pupil membership, excluding intermediate district~~
16 ~~membership, for the current state fiscal year, then it is the~~
17 ~~intent of the legislature that the executive budget proposal for~~
18 ~~the school aid budget for the subsequent state fiscal year include~~
19 ~~a general fund/general purpose allocation sufficient to support the~~
20 ~~membership in excess of 101% of the current year pupil membership.~~

21 ~~—— (16) For a district that had combined state and local revenue~~
22 ~~per membership pupil in the 1993-94 state fiscal year of more than~~
23 ~~\$6,500.00, that had fewer than 7 pupils in membership in the 1993-~~
24 ~~94 state fiscal year, that has at least 1 child educated in the~~
25 ~~district in the current state fiscal year, and that levies the~~
26 ~~number of mills of school operating taxes authorized for the~~
27 ~~district under section 1211 of the revised school code, MCL~~

~~380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be \$67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.~~

~~—— (17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per~~

~~membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.~~

~~—— (18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus \$250.00.~~

~~—— (19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance~~

~~adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32c as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.~~

~~—— (20) An early intervening program that uses funds resulting~~

1 ~~from the adjustment under subsection (19) shall meet either or both~~
2 ~~of the following:~~

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

15 ~~—— (b) Shall provide early intervening strategies for pupils in~~
16 ~~grades K to 3 using schoolwide systems of academic and behavioral~~
17 ~~supports and shall be scientifically research based. The strategies~~
18 ~~to be provided shall include at least pupil performance indicators~~
19 ~~based upon response to intervention, instructional consultation for~~
20 ~~teachers, and ongoing progress monitoring. A schoolwide system of~~
21 ~~academic and behavioral support should be based on a support team~~
22 ~~available to the classroom teachers. The members of this team could~~
23 ~~include the principal, special education staff, reading teachers,~~
24 ~~and other appropriate personnel who would be available to~~
25 ~~systematically study the needs of the individual child and work~~
26 ~~with the teacher to match instruction to the needs of the~~
27 ~~individual child.~~

1 ~~—— (21) For a district that levied 1.9 mills in 1993 to finance~~
2 ~~an operating deficit, the district's foundation allowance shall be~~
3 ~~calculated as if those mills were included as operating mills in~~
4 ~~the calculation of the district's 1994-1995 foundation allowance. A~~
5 ~~district is not entitled to any retroactive payments for fiscal~~
6 ~~years before 2006-2007 due to this subsection. A district receiving~~
7 ~~an adjustment under this subsection shall not receive more than~~
8 ~~\$800,000.00 for a fiscal year as a result of this adjustment.~~

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

17 (13) ~~(23)~~ Payments to districts, university schools, or public
18 school academies shall not be made under this section. Rather, the
19 calculations under this section shall be used to determine the
20 amount of state payments under section 22b.

21 (14) ~~(24)~~ If an amendment to section 2 of article VIII of the
22 state constitution of 1963 allowing state aid to some or all
23 nonpublic schools is approved by the voters of this state, each
24 foundation allowance or per pupil payment calculation under this
25 section may be reduced.

26 (15) ~~(26)~~ As used in this section:

27 (a) "Certified mills" means the lesser of 18 mills or the

1 number of mills of school operating taxes levied by the district in
2 1993-94.

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

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

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

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

14 (f) "Local school operating revenue" means school operating
15 taxes levied under section 1211 of the revised school code, MCL
16 380.1211.

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

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

1 the immediately preceding state fiscal year to the current state
 2 fiscal year made in the basic foundation allowance minus \$20.00)
 3 times (the difference between the highest per-pupil allocation
 4 among all public school academies for the immediately preceding
 5 state fiscal year and the sum of \$7,108.00 plus the total dollar
 6 amount of all adjustments made from 2006-2007 to the immediately
 7 preceding state fiscal year in the lowest per-pupil allocation
 8 among all public school academies) divided by the difference
 9 between the basic foundation allowance for the current state fiscal
 10 year and the sum of \$7,108.00 plus the total dollar amount of all
 11 adjustments made from 2006-2007 to the immediately preceding state
 12 fiscal year in the lowest per-pupil allocation among all public
 13 school academies]. For ~~2009-2010 and 2010-2011~~, **2011-2012 AND 2012-**
 14 **2013**, maximum public school academy allocation means
 15 ~~\$7,580.00.~~ **\$7,145.00.**

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

19 (j) "Nonexempt property" means property that is not a
 20 principal residence, qualified agricultural property, qualified
 21 forest property, supportive housing property, industrial personal
 22 property, or commercial personal property.

23 (k) "Principal residence", "qualified agricultural property",
 24 "qualified forest property", "supportive housing property",
 25 "industrial personal property", and "commercial personal property"
 26 mean those terms as defined in section 1211 of the revised school
 27 code, MCL 380.1211.

1 (l) "School operating purposes" means the purposes included in
2 the operation costs of the district as prescribed in sections 7 and
3 18.

4 (m) "School operating taxes" means local ad valorem property
5 taxes levied under section 1211 of the revised school code, MCL
6 380.1211, and retained for school operating purposes.

7 (n) "Tax increment financing acts" means 1975 PA 197, MCL
8 125.1651 to 125.1681, the tax increment finance authority act, 1980
9 PA 450, MCL 125.1801 to 125.1830, the local development financing
10 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
11 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
12 or the corridor improvement authority act, 2005 PA 280, MCL
13 125.2871 to 125.2899.

14 (o) "Taxable value per membership pupil" means taxable value,
15 as certified by the department of treasury, for the calendar year
16 ending in the current state fiscal year divided by the district's
17 membership excluding special education pupils for the school year
18 ending in the current state fiscal year.

19 Sec. 20d. In making the final determination required under
20 former section 20a of a district's combined state and local revenue
21 per membership pupil in 1993-94 and in making calculations under
22 section 20 for ~~2010-2011, 2011-2012~~ **AND 2012-2013**, the department
23 and the department of treasury shall comply with all of the
24 following:

25 (a) For a district that had combined state and local revenue
26 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
27 or more and served as a fiscal agent for a state board designated

1 area vocational education center in the 1993-94 school year, total
2 state school aid received by or paid on behalf of the district
3 pursuant to this act in 1993-94 shall exclude payments made under
4 former section 146 and under section 147 on behalf of the
5 district's employees who provided direct services to the area
6 vocational education center. Not later than June 30, 1996, the
7 department shall make an adjustment under this subdivision to the
8 district's combined state and local revenue per membership pupil in
9 the 1994-95 state fiscal year and the department of treasury shall
10 make a final certification of the number of mills that may be
11 levied by the district under section 1211 of the revised school
12 code, MCL 380.1211, as a result of the adjustment under this
13 subdivision.

14 (b) If a district had an adjustment made to its 1993-94 total
15 state school aid that excluded payments made under former section
16 146 and under section 147 on behalf of the district's employees who
17 provided direct services for intermediate district center programs
18 operated by the district under article 5, if nonresident pupils
19 attending the center programs were included in the district's
20 membership for purposes of calculating the combined state and local
21 revenue per membership pupil for 1993-94, and if there is a signed
22 agreement by all constituent districts of the intermediate district
23 that an adjustment under this subdivision shall be made, the
24 foundation allowances for 1995-96 and 1996-97 of all districts that
25 had pupils attending the intermediate district center program
26 operated by the district that had the adjustment shall be
27 calculated as if their combined state and local revenue per

1 membership pupil for 1993-94 included resident pupils attending the
2 center program and excluded nonresident pupils attending the center
3 program.

4 Sec. 22a. (1) From the appropriation in section 11, there is
5 allocated an amount not to exceed ~~\$5,796,241,000.00~~
6 **\$5,682,000,000.00** for ~~2009-2010-2011-2012~~ and an amount not to
7 exceed ~~\$5,764,000,000.00~~ **\$5,602,000,000.00** for ~~2010-2011-2012-2013~~
8 for payments to districts, qualifying university schools, and
9 qualifying public school academies to guarantee each district,
10 qualifying university school, and qualifying public school academy
11 an amount equal to its 1994-95 total state and local per pupil
12 revenue for school operating purposes under section 11 of article
13 IX of the state constitution of 1963. Pursuant to section 11 of
14 article IX of the state constitution of 1963, this guarantee does
15 not apply to a district in a year in which the district levies a
16 millage rate for school district operating purposes less than it
17 levied in 1994. However, subsection (2) applies to calculating the
18 payments under this section. Funds allocated under this section
19 that are not expended in the state fiscal year for which they were
20 allocated, as determined by the department, may be used to
21 supplement the allocations under sections 22b and 51c in order to
22 fully fund those calculated allocations for the same fiscal year.

23 (2) To ensure that a district receives an amount equal to the
24 district's 1994-95 total state and local per pupil revenue for
25 school operating purposes, there is allocated to each district a
26 state portion of the district's 1994-95 foundation allowance in an
27 amount calculated as follows:

1 (a) Except as otherwise provided in this subsection, the state
2 portion of a district's 1994-95 foundation allowance is an amount
3 equal to the district's 1994-95 foundation allowance or \$6,500.00,
4 whichever is less, minus the difference between the sum of the
5 product of the taxable value per membership pupil of all property
6 in the district that is nonexempt property times the district's
7 certified mills and, for a district with certified mills exceeding
8 12, the product of the taxable value per membership pupil of
9 property in the district that is commercial personal property times
10 the certified mills minus 12 mills and the quotient of the ad
11 valorem property tax revenue of the district captured under tax
12 increment financing acts divided by the district's membership. For
13 a district that has a millage reduction required under section 31
14 of article IX of the state constitution of 1963, the state portion
15 of the district's foundation allowance shall be calculated as if
16 that reduction did not occur.

17 (b) For a district that had a 1994-95 foundation allowance
18 greater than \$6,500.00, the state payment under this subsection
19 shall be the sum of the amount calculated under subdivision (a)
20 plus the amount calculated under this subdivision. The amount
21 calculated under this subdivision shall be equal to the difference
22 between the district's 1994-95 foundation allowance minus \$6,500.00
23 and the current year hold harmless school operating taxes per
24 pupil. If the result of the calculation under subdivision (a) is
25 negative, the negative amount shall be an offset against any state
26 payment calculated under this subdivision. If the result of a
27 calculation under this subdivision is negative, there shall not be

1 a state payment or a deduction under this subdivision. The taxable
2 values per membership pupil used in the calculations under this
3 subdivision are as adjusted by ad valorem property tax revenue
4 captured under tax increment financing acts divided by the
5 district's membership.

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

15 (4) A district, qualifying university school, or qualifying
16 public school academy may use funds allocated under this section in
17 conjunction with any federal funds for which the district,
18 qualifying university school, or qualifying public school academy
19 otherwise would be eligible.

20 (5) For a district that is formed or reconfigured after June
21 1, 2000 by consolidation of 2 or more districts or by annexation,
22 the resulting district's 1994-95 foundation allowance under this
23 section beginning after the effective date of the consolidation or
24 annexation shall be the average of the 1994-95 foundation
25 allowances of each of the original or affected districts,
26 calculated as provided in this section, weighted as to the
27 percentage of pupils in total membership in the resulting district

1 in the state fiscal year in which the consolidation takes place who
2 reside in the geographic area of each of the original districts. If
3 an affected district's 1994-95 foundation allowance is less than
4 the 1994-95 basic foundation allowance, the amount of that
5 district's 1994-95 foundation allowance shall be considered for the
6 purpose of calculations under this subsection to be equal to the
7 amount of the 1994-95 basic foundation allowance.

8 (6) As used in this section:

9 (a) "1994-95 foundation allowance" means a district's 1994-95
10 foundation allowance calculated and certified by the department of
11 treasury or the superintendent under former section 20a as enacted
12 in 1993 PA 336 and as amended by 1994 PA 283.

13 (b) "Certified mills" means the lesser of 18 mills or the
14 number of mills of school operating taxes levied by the district in
15 1993-94.

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

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

22 (e) "Hold harmless millage" means, for a district with a 1994-
23 95 foundation allowance greater than \$6,500.00, the number of mills
24 by which the exemption from the levy of school operating taxes on a
25 homestead, qualified agricultural property, qualified forest
26 property, supportive housing property, industrial personal
27 property, and commercial personal property could be reduced as

1 provided in section 1211 of the revised school code, MCL 380.1211,
2 and the number of mills of school operating taxes that could be
3 levied on all property as provided in section 1211(2) of the
4 revised school code, MCL 380.1211, as certified by the department
5 of treasury for the 1994 tax year.

6 (f) "Homestead", "qualified agricultural property", "qualified
7 forest property", "supportive housing property", "industrial
8 personal property", and "commercial personal property" mean those
9 terms as defined in section 1211 of the revised school code, MCL
10 380.1211.

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

14 (h) "Nonexempt property" means property that is not a
15 principal residence, qualified agricultural property, qualified
16 forest property, supportive housing property, industrial personal
17 property, or commercial personal property.

18 (i) "Qualifying public school academy" means a public school
19 academy that was in operation in the 1994-95 school year and is in
20 operation in the current state fiscal year.

21 (j) "Qualifying university school" means a university school
22 that was in operation in the 1994-95 school year and is in
23 operation in the current fiscal year.

24 (k) "School operating taxes" means local ad valorem property
25 taxes levied under section 1211 of the revised school code, MCL
26 380.1211, and retained for school operating purposes.

27 (l) "Tax increment financing acts" means 1975 PA 197, MCL

House Bill No. 4325 (H-1) as amended May 5, 2011

125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property for the calendar year ending in the current state fiscal year.

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

Sec. 22b. (1) From the state funds appropriated in section 11, there is allocated for ~~2009-2010-2011-2012~~ an amount not to exceed ~~\$3,289,000,000.00~~ **[\$3,061,000,100.00]** and there is allocated for ~~2010-2011-2012-2013~~ an amount not to exceed ~~\$3,573,500,000.00~~

House Bill No. 4325 (H-1) as amended May 5, 2011

1 **[\$3,057,000,100.00]** for discretionary nonmandated payments to
 2 districts under this section. Funds allocated under this section
 3 that are not expended in the state fiscal year for which they were
 4 allocated, as determined by the department, may be used to
 5 supplement the allocations under sections 22a and 51c in order to
 6 fully fund those calculated allocations for the same fiscal year.

7 ~~—— (2) In addition to the funds allocated in subsection (1),~~
 8 ~~there is allocated an amount estimated at \$450,000,000.00 for 2009-~~
 9 ~~2010 and there is allocated an amount estimated at \$184,256,600.00~~
 10 ~~for 2010-2011 from the federal funds awarded to this state under~~
 11 ~~title XIV of the American recovery and reinvestment act of 2009,~~
 12 ~~Public Law 111-5. These funds shall be distributed in a form and~~
 13 ~~manner determined by the department based on an equal dollar amount~~
 14 ~~per the number of membership pupils used to calculate the final~~
 15 ~~state aid payment of the immediately preceding fiscal year and~~
 16 ~~shall be expended in a manner prescribed by federal law.~~

17 (2) ~~(3)~~ Subject to subsection ~~(4)~~ **(3)** and section 11, the
 18 allocation to a district under this section shall be an amount
 19 equal to the sum of the amounts calculated under sections 20, ~~20j,~~
 20 51a(2), 51a(3), and ~~51a(12),~~ **51A(11)**, minus the sum of the
 21 allocations to the district under sections 22a and 51c.

22 (3) ~~(4)~~ In order to receive an allocation under subsection
 23 (1), each district shall do all of the following:

24 (a) Administer in each grade level that it operates in grades
 25 1 to 5 a standardized assessment approved by the department of
 26 grade-appropriate basic educational skills. A district may use the
 27 Michigan literacy progress profile to satisfy this requirement for

1 grades 1 to 3. Also, if the revised school code is amended to
2 require annual assessments at additional grade levels, in order to
3 receive an allocation under this section each district shall comply
4 with that requirement.

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

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

10 (d) Comply with section 1230g of the revised school code, MCL
11 380.1230g.

12 (4) ~~(5)~~—Districts are encouraged to use funds allocated under
13 this section for the purchase and support of payroll, human
14 resources, and other business function software that is compatible
15 with that of the intermediate district in which the district is
16 located and with other districts located within that intermediate
17 district.

18 (5) ~~(6)~~—From the allocation in subsection (1), the department
19 shall pay up to \$1,000,000.00 in litigation costs incurred by this
20 state related to commercial or industrial property tax appeals,
21 including, but not limited to, appeals of classification, that
22 impact revenues dedicated to the state school aid fund.

23 (6) ~~(7)~~—From the allocation in subsection (1), the department
24 shall pay up to \$1,000,000.00 in litigation costs incurred by this
25 state associated with lawsuits filed by 1 or more districts or
26 intermediate districts against this state. If the allocation under
27 this section is insufficient to fully fund all payments required

1 under this section, the payments under this subsection shall be
2 made in full before any proration of remaining payments under this
3 section.

4 (7) ~~(8)~~—It is the intent of the legislature that all
5 constitutional obligations of this state have been fully funded
6 under sections 22a, 31d, 51a, and ~~51e.~~ **51C, AND 152A.** If a claim is
7 made by an entity receiving funds under this ~~act~~ **ARTICLE** that
8 challenges the legislative determination of the adequacy of this
9 funding or alleges that there exists an unfunded constitutional
10 requirement, the state budget director may escrow or allocate from
11 the discretionary funds for nonmandated payments under this section
12 the amount as may be necessary to satisfy the claim before making
13 any payments to districts under subsection ~~(3).~~ **(2).** If funds are
14 escrowed, the escrowed funds are a work project appropriation and
15 the funds are carried forward into the following fiscal year. The
16 purpose of the work project is to provide for any payments that may
17 be awarded to districts as a result of litigation. The work project
18 shall be completed upon resolution of the litigation.

19 (8) ~~(9)~~—If the local claims review board or a court of
20 competent jurisdiction makes a final determination that this state
21 is in violation of section 29 of article IX of the state
22 constitution of 1963 regarding state payments to districts, the
23 state budget director shall use work project funds under subsection
24 ~~(8).~~ **(7)** or allocate from the discretionary funds for nonmandated
25 payments under this section the amount as may be necessary to
26 satisfy the amount owed to districts before making any payments to
27 districts under subsection ~~(3).~~ **(2).**

1 (9) ~~(10)~~—If a claim is made in court that challenges the
2 legislative determination of the adequacy of funding for this
3 state's constitutional obligations or alleges that there exists an
4 unfunded constitutional requirement, any interested party may seek
5 an expedited review of the claim by the local claims review board.
6 If the claim exceeds \$10,000,000.00, this state may remove the
7 action to the court of appeals, and the court of appeals shall have
8 and shall exercise jurisdiction over the claim.

9 (10) ~~(11)~~—If payments resulting from a final determination by
10 the local claims review board or a court of competent jurisdiction
11 that there has been a violation of section 29 of article IX of the
12 state constitution of 1963 exceed the amount allocated for
13 discretionary nonmandated payments under this section, the
14 legislature shall provide for adequate funding for this state's
15 constitutional obligations at its next legislative session.

16 (11) ~~(12)~~—If a lawsuit challenging payments made to districts
17 related to costs reimbursed by federal title XIX medicaid funds is
18 filed against this state, then, for the purpose of addressing
19 potential liability under such a lawsuit, the state budget director
20 may place funds allocated under this section in escrow or allocate
21 money from the funds otherwise allocated under this section, up to
22 a maximum of 50% of the amount allocated in subsection (1). If
23 funds are placed in escrow under this subsection, those funds are a
24 work project appropriation and the funds are carried forward into
25 the following fiscal year. The purpose of the work project is to
26 provide for any payments that may be awarded to districts as a
27 result of the litigation. The work project shall be completed upon

1 resolution of the litigation. In addition, this state reserves the
2 right to terminate future federal title XIX medicaid reimbursement
3 payments to districts if the amount or allocation of reimbursed
4 funds is challenged in the lawsuit. As used in this subsection,
5 "title XIX" means title XIX of the social security act, 42 USC 1396
6 to 1396v.

7 SEC. 22F. (1) BEGINNING IN 2012-2013, THE LEGISLATURE SHALL
8 APPROPRIATE FUNDS TO PROVIDE INCENTIVE PAYMENTS, TO BE PAID ON A
9 PER PUPIL BASIS, TO DISTRICTS AND INTERMEDIATE DISTRICTS THAT ARE
10 ELIGIBLE FOR THE INCENTIVE UNDER THIS SECTION. IN ORDER TO BE
11 ELIGIBLE, A DISTRICT OR INTERMEDIATE DISTRICT MUST DEMONSTRATE BEST
12 PRACTICES INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

13 (A) IF A DISTRICT OR INTERMEDIATE DISTRICT PROVIDES MEDICAL,
14 PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER
15 TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES
16 BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE DISTRICT OR
17 INTERMEDIATE DISTRICT DOES NOT PAY ON BEHALF OF ANY EMPLOYEE A
18 TOTAL AMOUNT THAT IS GREATER THAN THE STATE MAXIMUM ALLOWABLE
19 EMPLOYER CONTRIBUTION FOR HEALTH CARE SERVICES BENEFITS, AS
20 DESCRIBED IN SUBSECTION (3), DEPENDING ON THE COVERAGE OPTION.

21 (B) IF A DISTRICT OR INTERMEDIATE DISTRICT DID NOT ENTER INTO
22 AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION
23 PLAN TO REDUCE SCHOOL OPERATING COSTS UNDER FORMER SECTION 11D AS
24 IT WAS IN EFFECT FOR 2010-2011, THE DISTRICT OR INTERMEDIATE
25 DISTRICT ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A
26 SERVICE CONSOLIDATION PLAN THAT IS IN COMPLIANCE WITH DEPARTMENT
27 GUIDELINES DESCRIBED IN SUBSECTION (2). IF A DISTRICT OR

1 INTERMEDIATE DISTRICT ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT
2 TO DEVELOP A SERVICE CONSOLIDATION PLAN UNDER FORMER SECTION 11D,
3 THE DISTRICT OR INTERMEDIATE DISTRICT CONTINUES TO IMPLEMENT THAT
4 PLAN AND REPORT TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1 OF EACH
5 FISCAL YEAR THE DISTRICT'S OR INTERMEDIATE DISTRICT'S PROGRESS IN
6 IMPLEMENTING THAT PLAN.

7 (2) THE DEPARTMENT SHALL MAINTAIN THE GUIDELINES FOR THE
8 SERVICE CONSOLIDATION PLANS THAT WERE DEVELOPED FOR FORMER SECTION
9 11D AS IT WAS IN EFFECT FOR 2010-2011. THE GUIDELINES MAY IDENTIFY,
10 BUT ARE NOT LIMITED TO, ALLOWABLE COST-SHARING ARRANGEMENTS FOR THE
11 PROVISION OF NONINSTRUCTIONAL AND INSTRUCTIONAL SERVICES AND THE
12 CREATION OF JOINT-OPERATING AGREEMENTS BETWEEN AND AMONG DISTRICTS,
13 INTERMEDIATE DISTRICTS, AND OTHER UNITS OF LOCAL GOVERNMENT. THE
14 DEPARTMENT SHALL CREATE BENCHMARKS TO MEASURE SUCCESS IN
15 IMPLEMENTING SERVICE CONSOLIDATION PLANS INCLUDING, BUT NOT LIMITED
16 TO, DEMONSTRATED COST REDUCTIONS AND EFFICIENCY. IN DETERMINING
17 ELIGIBILITY FOR INCENTIVE PAYMENTS, THE DEPARTMENT SHALL RECOGNIZE
18 SERVICE CONSOLIDATION AND COOPERATION AND COST REDUCTIONS ALREADY
19 IN EFFECT AS WELL AS CONTINUED PROGRESS.

20 (3) FOR THE PURPOSES OF THIS SECTION, FOR 2012-2013 THE STATE
21 MAXIMUM ALLOWABLE EMPLOYER CONTRIBUTION IS AN AMOUNT EQUAL TO 80%
22 OF THE TOTAL COSTS FOR 2011-2012 OF THE STATE HEALTH PLAN,
23 INCLUDING MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM
24 CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH
25 CARE SERVICES BENEFIT, FOR EACH OF THE FOLLOWING COVERAGE OPTIONS:

26 (A) EMPLOYEE ONLY COVERAGE.

27 (B) EMPLOYEE AND SPOUSE COVERAGE.

1 (C) EMPLOYEE AND CHILDREN COVERAGE.

2 (D) FULL FAMILY COVERAGE.

3 (4) FOR FISCAL YEARS AFTER 2012-2013, THE STATE MAXIMUM
4 ALLOWABLE EMPLOYER CONTRIBUTION IS AN AMOUNT EQUAL TO THE PRODUCT
5 OF THE STATE MAXIMUM ALLOWABLE EMPLOYER CONTRIBUTION FOR THE
6 IMMEDIATELY PRECEDING FISCAL YEAR TIMES THE PERCENTAGE INCREASE IN
7 THE DETROIT CONSUMER PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE
8 IMMEDIATELY PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE
9 ESTIMATING CONFERENCE CONDUCTED UNDER SECTION 367B OF THE
10 MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1367B.

11 Sec. 24. (1) From the appropriation in section 11, there is
12 allocated for ~~2010-2011~~ 2011-2012 AND FOR 2013-2013 an amount not
13 to exceed \$8,000,000.00 EACH FISCAL YEAR for payments to the
14 educating district or intermediate district for educating pupils
15 assigned by a court or the department of human services to reside
16 in or to attend a juvenile detention facility or child caring
17 institution licensed by the department of human services and
18 approved by the department to provide an on-grounds education
19 program. The amount of the payment under this section to a district
20 or intermediate district shall be calculated as prescribed under
21 subsection (2).

22 (2) The total amount allocated under this section shall be
23 allocated by paying to the educating district or intermediate
24 district an amount equal to the lesser of the district's or
25 intermediate district's added cost or the department's approved per
26 pupil allocation for the district or intermediate district. For the
27 purposes of this subsection:

1 (a) "Added cost" means 100% of the added cost each fiscal year
2 for educating all pupils assigned by a court or the department of
3 human services to reside in or to attend a juvenile detention
4 facility or child caring institution licensed by the department of
5 human services or the department of ~~energy, labor, and economic~~
6 ~~growth~~ **LICENSING AND REGULATORY AFFAIRS** and approved by the
7 department to provide an on-grounds education program. Added cost
8 shall be computed by deducting all other revenue received under
9 this ~~act~~ **ARTICLE** for pupils described in this section from total
10 costs, as approved by the department, in whole or in part, for
11 educating those pupils in the on-grounds education program or in a
12 program approved by the department that is located on property
13 adjacent to a juvenile detention facility or child caring
14 institution. Costs reimbursed by federal funds are not included.

15 (b) "Department's approved per pupil allocation" for a
16 district or intermediate district shall be determined by dividing
17 the total amount allocated under this section for a fiscal year by
18 the full-time equated membership total for all pupils approved by
19 the department to be funded under this section for that fiscal year
20 for the district or intermediate district.

21 (3) A district or intermediate district educating pupils
22 described in this section at a residential child caring institution
23 may operate, and receive funding under this section for, a
24 department-approved on-grounds educational program for those pupils
25 that is longer than 181 days, but not longer than 233 days, if the
26 child caring institution was licensed as a child caring institution
27 and offered in 1991-92 an on-grounds educational program that was

1 longer than 181 days but not longer than 233 days and that was
2 operated by a district or intermediate district.

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

5 Sec. 24a. From the appropriation in section 11, ~~there is~~
6 ~~allocated an amount not to exceed \$1,751,300.00 for 2009-2010 and~~
7 ~~there is allocated an amount not to exceed \$1,440,000.00~~
8 **\$1,197,500.00 EACH FISCAL YEAR for 2010-2011-2011-2012 AND FOR**
9 **2012-2013** for payments to intermediate districts for pupils who are
10 placed in juvenile justice service facilities operated by the
11 department of human services. Each intermediate district shall
12 receive an amount equal to the state share of those costs that are
13 clearly and directly attributable to the educational programs for
14 pupils placed in facilities described in this section that are
15 located within the intermediate district's boundaries. The
16 intermediate districts receiving payments under this section shall
17 cooperate with the department of human services to ensure that all
18 funding allocated under this section is utilized by the
19 intermediate district and department of human services for
20 educational programs for pupils described in this section. Pupils
21 described in this section are not eligible to be funded under
22 section 24. However, a program responsibility or other fiscal
23 responsibility associated with these pupils shall not be
24 transferred from the department of human services to a district or
25 intermediate district unless the district or intermediate district
26 consents to the transfer.

27 Sec. 24c. From the appropriation in section 11, there is

1 allocated an amount not to exceed ~~\$742,300.00~~ **\$644,800.00 EACH**
2 **FISCAL YEAR** for ~~2010-2011~~ **2011-2012 AND FOR 2012-2013** for payments
3 to districts for pupils who are enrolled in a nationally
4 administered community-based education and youth mentoring program,
5 known as the youth challenge program, that is located within the
6 district and is administered by the department of military and
7 veterans affairs. Both of the following apply to a district
8 receiving payments under this section:

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

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

16 Sec. 26a. From the state school aid fund appropriation in
17 section 11, there is allocated an amount not to exceed
18 \$26,300,000.00 **EACH FISCAL YEAR** for ~~2010-2011~~ **2011-2012 AND FOR**
19 **2012-2013** to reimburse districts and intermediate districts
20 pursuant to section 12 of the Michigan renaissance zone act, 1996
21 PA 376, MCL 125.2692, for taxes levied in ~~2010-2011~~ **OR 2012, AS**
22 **APPLICABLE**. The allocations shall be made not later than 60 days
23 after the department of treasury certifies to the department and to
24 the state budget director that the department of treasury has
25 received all necessary information to properly determine the
26 amounts due to each eligible recipient.

27 Sec. 26b. (1) From the appropriation in section 11, there is

1 allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** an amount not
 2 to exceed ~~\$3,400,000.00~~ **\$2,890,000.00 EACH FISCAL YEAR** for payments
 3 to districts, intermediate districts, and community college
 4 districts for the portion of the payment in lieu of taxes
 5 obligation that is attributable to districts, intermediate
 6 districts, and community college districts pursuant to section 2154
 7 of the natural resources and environmental protection act, 1994 PA
 8 451, MCL 324.2154.

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

13 ~~Article 3~~

14 Sec. 31a. (1) From the state school aid fund money
 15 appropriated in section 11, there is allocated for ~~2010-2011-2011-~~
 16 **2012 AND FOR 2012-2013** an amount not to exceed \$317,695,500.00 **EACH**
 17 **FISCAL YEAR** for payments to eligible districts and eligible public
 18 school academies under this section. Subject to subsection (14),
 19 the amount of the additional allowance under this section, other
 20 than funding under subsection (6) or (7), shall be based on the
 21 number of actual pupils in membership in the district or public
 22 school academy who met the income eligibility criteria for free
 23 breakfast, lunch, or milk in the immediately preceding state fiscal
 24 year, as determined under the Richard B. Russell national school
 25 lunch act, 42 USC 1751 to 1769i, and reported to the department by
 26 October 31 of the immediately preceding fiscal year and adjusted
 27 not later than December 31 of the immediately preceding fiscal year

1 **IN THE FORM AND MANNER PRESCRIBED BY THE CENTER.** However, for a
2 public school academy that began operations as a public school
3 academy after the pupil membership count day of the immediately
4 preceding school year, the basis for the additional allowance under
5 this section shall be the number of actual pupils in membership in
6 the public school academy who met the income eligibility criteria
7 for free breakfast, lunch, or milk in the current state fiscal
8 year, as determined under the Richard B. Russell national school
9 lunch act.

10 (2) To be eligible to receive funding under this section,
11 other than funding under subsection (6) or (7), a district or
12 public school academy that has not been previously determined to be
13 eligible shall apply to the department, in a form and manner
14 prescribed by the department, and a district or public school
15 academy must meet all of the following:

16 (a) The sum of the district's or public school academy's
17 combined state and local revenue per membership pupil in the
18 current state fiscal year, as calculated under section 20, ~~plus the~~
19 ~~amount of the district's per pupil allocation under section 20j(2),~~
20 is less than or equal to the basic foundation allowance under
21 section 20 for the current state fiscal year.

22 (b) The district or public school academy agrees to use the
23 funding only for purposes allowed under this section and to comply
24 with the program and accountability requirements under this
25 section.

26 (3) Except as otherwise provided in this subsection, an
27 eligible district or eligible public school academy shall receive

1 under this section for each membership pupil in the district or
2 public school academy who met the income eligibility criteria for
3 free breakfast, lunch, or milk, as determined under the Richard B.
4 Russell national school lunch act and as reported to the department
5 by October 31 of the immediately preceding fiscal year and adjusted
6 not later than December 31 of the immediately preceding fiscal
7 year, an amount per pupil equal to 11.5% of the sum of the
8 district's foundation allowance or public school academy's per
9 pupil amount calculated under section 20, ~~plus the amount of the~~
10 ~~district's per pupil allocation under section 20j(2),~~ not to exceed
11 the basic foundation allowance under section 20 for the current
12 state fiscal year, or of the public school academy's per membership
13 pupil amount calculated under section 20 for the current state
14 fiscal year. A public school academy that began operations as a
15 public school academy after the pupil membership count day of the
16 immediately preceding school year shall receive under this section
17 for each membership pupil in the public school academy who met the
18 income eligibility criteria for free breakfast, lunch, or milk, as
19 determined under the Richard B. Russell national school lunch act
20 and as reported to the department by October 31 of the current
21 fiscal year and adjusted not later than December 31 of the current
22 fiscal year, an amount per pupil equal to 11.5% of the public
23 school academy's per membership pupil amount calculated under
24 section 20 for the current state fiscal year.

25 (4) Except as otherwise provided in this section, a district
26 or public school academy receiving funding under this section shall
27 use that money only to provide instructional programs and direct

1 noninstructional services, including, but not limited to, medical
2 or counseling services, for at-risk pupils; for school health
3 clinics; and for the purposes of subsection (5), (6), or (7). In
4 addition, a district that is a school district of the first class
5 or a district or public school academy in which at least 50% of the
6 pupils in membership met the income eligibility criteria for free
7 breakfast, lunch, or milk in the immediately preceding state fiscal
8 year, as determined and reported as described in subsection (1),
9 may use not more than 20% of the funds it receives under this
10 section for school security. A district or public school academy
11 shall not use any of that money for administrative costs or to
12 supplant another program or other funds, except for funds allocated
13 to the district or public school academy under this section in the
14 immediately preceding year and already being used by the district
15 or public school academy for at-risk pupils. The instruction or
16 direct noninstructional services provided under this section may be
17 conducted before or after regular school hours or by adding extra
18 school days to the school year and may include, but are not limited
19 to, tutorial services, early childhood programs to serve children
20 age 0 to 5, and reading programs as described in former section 32f
21 as in effect for 2001-2002. A tutorial method may be conducted with
22 paraprofessionals working under the supervision of a certificated
23 teacher. The ratio of pupils to paraprofessionals shall be between
24 10:1 and 15:1. Only 1 certificated teacher is required to supervise
25 instruction using a tutorial method. As used in this subsection,
26 "to supplant another program" means to take the place of a
27 previously existing instructional program or direct

1 noninstructional services funded from a funding source other than
2 funding under this section.

3 (5) Except as otherwise provided in subsection (12), a
4 district or public school academy that receives funds under this
5 section and that operates a school breakfast program under section
6 1272a of the revised school code, MCL 380.1272a, shall use from the
7 funds received under this section an amount, not to exceed \$10.00
8 per pupil for whom the district or public school academy receives
9 funds under this section, necessary to pay for costs associated
10 with the operation of the school breakfast program.

11 (6) From the funds allocated under subsection (1), there is
12 allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** an amount not
13 to exceed \$3,557,300.00 **EACH FISCAL YEAR** to support child and
14 adolescent health centers. These grants shall be awarded for 5
15 consecutive years beginning with 2003-2004 in a form and manner
16 approved jointly by the department and the department of community
17 health. Each grant recipient shall remain in compliance with the
18 terms of the grant award or shall forfeit the grant award for the
19 duration of the 5-year period after the noncompliance. To continue
20 to receive funding for a child and adolescent health center under
21 this section a grant recipient shall ensure that the child and
22 adolescent health center has an advisory committee and that at
23 least one-third of the members of the advisory committee are
24 parents or legal guardians of school-aged children. A child and
25 adolescent health center program shall recognize the role of a
26 child's parents or legal guardian in the physical and emotional
27 well-being of the child. Funding under this subsection shall be

1 used to support child and adolescent health center services
2 provided to children up to age 21. If any funds allocated under
3 this subsection are not used for the purposes of this subsection
4 for the fiscal year in which they are allocated, those unused funds
5 shall be used that fiscal year to avoid or minimize any proration
6 that would otherwise be required under subsection (14) for that
7 fiscal year.

8 (7) From the funds allocated under subsection (1), there is
9 allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** an amount not
10 to exceed \$5,150,000.00 **EACH FISCAL YEAR** for the state portion of
11 the hearing and vision screenings as described in section 9301 of
12 the public health code, 1978 PA 368, MCL 333.9301. A local public
13 health department shall pay at least 50% of the total cost of the
14 screenings. The frequency of the screenings shall be as required
15 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of
16 the Michigan administrative code. Funds shall be awarded in a form
17 and manner approved jointly by the department and the department of
18 community health. Notwithstanding section 17b, payments to eligible
19 entities under this subsection shall be paid on a schedule
20 determined by the department.

21 (8) Each district or public school academy receiving funds
22 under this section shall submit to the department by July 15 of
23 each fiscal year a report, not to exceed 10 pages, on the usage by
24 the district or public school academy of funds under this section,
25 which report shall include at least a brief description of each
26 program conducted by the district or public school academy using
27 funds under this section, the amount of funds under this section

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

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

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

1 subsection (1) is at least 60% of the district's aggregate
2 percentage of those pupils and at least 30% of the total number of
3 pupils enrolled in the school building. To obtain a waiver, a
4 district must apply to the department and demonstrate to the
5 satisfaction of the department that the class size reductions would
6 be in the best interests of the district's at-risk pupils.

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

12 (12) For an individual school or schools operated by a
13 district or public school academy receiving funds under this
14 section that have been determined by the department to meet the
15 adequate yearly progress standards of the no child left behind act
16 of 2001, Public Law 107-110, in both mathematics and English
17 language arts at all applicable grade levels for all applicable
18 subgroups, the district or public school academy may submit to the
19 department an application for flexibility in using the funds
20 received under this section that are attributable to the pupils in
21 the school or schools. The application shall identify the affected
22 school or schools and the affected funds and shall contain a plan
23 for using the funds for specific purposes identified by the
24 district that are designed to benefit at-risk pupils in the school,
25 but that may be different from the purposes otherwise allowable
26 under this section. The department shall approve the application if
27 the department determines that the purposes identified in the plan

1 are reasonably designed to benefit at-risk pupils in the school. If
2 the department does not act to approve or disapprove an application
3 within 30 days after it is submitted to the department, the
4 application is considered to be approved. If an application for
5 flexibility in using the funds is approved, the district may use
6 the funds identified in the application for any purpose identified
7 in the plan.

8 (13) A district or public school academy that receives funds
9 under this section may use funds it receives under this section to
10 implement and operate an early intervening program for pupils in
11 grades K to 3 that meets either or both of the following:

12 (a) Monitors individual pupil learning and provides specific
13 support or learning strategies to pupils as early as possible in
14 order to reduce the need for special education placement. The
15 program shall include literacy and numeracy supports, sensory motor
16 skill development, behavior supports, instructional consultation
17 for teachers, and the development of a parent/school learning plan.
18 Specific support or learning strategies may include support in or
19 out of the general classroom in areas including reading, writing,
20 math, visual memory, motor skill development, behavior, or language
21 development. These would be provided based on an understanding of
22 the individual child's learning needs.

23 (b) Provides early intervening strategies using school-wide
24 systems of academic and behavioral supports and is scientifically
25 research-based. The strategies to be provided shall include at
26 least pupil performance indicators based upon response to
27 intervention, instructional consultation for teachers, and ongoing

1 progress monitoring. A school-wide system of academic and
2 behavioral support should be based on a support team available to
3 the classroom teachers. The members of this team could include the
4 principal, special education staff, reading teachers, and other
5 appropriate personnel who would be available to systematically
6 study the needs of the individual child and work with the teacher
7 to match instruction to the needs of the individual child.

8 (14) If necessary, and before any proration required under
9 section 11, the department shall prorate payments under this
10 section by reducing the amount of the per pupil payment under this
11 section by a dollar amount calculated by determining the amount by
12 which the amount necessary to fully fund the requirements of this
13 section exceeds the maximum amount allocated under this section and
14 then dividing that amount by the total statewide number of pupils
15 who met the income eligibility criteria for free breakfast, lunch,
16 or milk in the immediately preceding fiscal year, as described in
17 subsection (1).

18 (15) If a district is formed by consolidation after June 1,
19 1995, and if 1 or more of the original districts was not eligible
20 before the consolidation for an additional allowance under this
21 section, the amount of the additional allowance under this section
22 for the consolidated district shall be based on the number of
23 pupils described in subsection (1) enrolled in the consolidated
24 district who reside in the territory of an original district that
25 was eligible before the consolidation for an additional allowance
26 under this section.

27 (16) Except as otherwise provided in subsection (18), a

1 district or public school academy that does not meet the
2 eligibility requirement under subsection (2)(a) is eligible for
3 funding under this section if at least 1/4 of the pupils in
4 membership in the district or public school academy met the income
5 eligibility criteria for free breakfast, lunch, or milk in the
6 immediately preceding state fiscal year, as determined and reported
7 as described in subsection (1), and at least 4,500 of the pupils in
8 membership in the district or public school academy met the income
9 eligibility criteria for free breakfast, lunch, or milk in the
10 immediately preceding state fiscal year, as determined and reported
11 as described in subsection (1). A district or public school academy
12 that is eligible for funding under this section because the
13 district meets the requirements of this subsection shall receive
14 under this section for each membership pupil in the district or
15 public school academy who met the income eligibility criteria for
16 free breakfast, lunch, or milk in the immediately preceding fiscal
17 year, as determined and reported as described in subsection (1), an
18 amount per pupil equal to 11.5% of the sum of the district's
19 foundation allowance or public school academy's per pupil
20 allocation under section 20, ~~plus the amount of the district's per~~
21 ~~pupil allocation under section 20j(2),~~ not to exceed the basic
22 foundation allowance under section 20 for the current state fiscal
23 year.

24 (17) A district that does not meet the eligibility requirement
25 under subsection (2)(a) is eligible for funding under this section
26 if at least 75% of the pupils in membership in the district met the
27 income eligibility criteria for free breakfast, lunch, or milk in

1 the immediately preceding state fiscal year, as determined and
2 reported as described in subsection (1), the district receives an
3 adjustment under section 20(19), **AS IN EFFECT FOR 2010-2011**, and
4 the district does not receive any state portion of its foundation
5 allowance as calculated under section 20. A district that is
6 eligible for funding under this section because the district meets
7 the requirements of this subsection shall receive under this
8 section for each membership pupil in the district who met the
9 income eligibility criteria for free breakfast, lunch, or milk in
10 the immediately preceding fiscal year, as determined and reported
11 as described in subsection (1), an amount per pupil equal to 11.5%
12 of the sum of the district's foundation allowance under section 20,
13 not to exceed the basic foundation allowance under section 20 for
14 the current state fiscal year.

15 (18) For a district described in subsection (16), the total
16 allocation to the district otherwise due under this section, after
17 any reduction under subsection (14), shall be further reduced by
18 25%.

19 (19) As used in this section, "at-risk pupil" means a pupil
20 for whom the district has documentation that the pupil meets at
21 least 2 of the following criteria: is a victim of child abuse or
22 neglect; is below grade level in English language and communication
23 skills or mathematics; is a pregnant teenager or teenage parent; is
24 eligible for a federal free or reduced-price lunch subsidy; has
25 atypical behavior or attendance patterns; or has a family history
26 of school failure, incarceration, or substance abuse. For pupils
27 for whom the results of at least the applicable Michigan education

assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

(20) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE FUNDS RECEIVED UNDER THIS SECTION TO PROVIDE AN ANTI-BULLYING OR CRISIS INTERVENTION PROGRAM.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 **EACH FISCAL YEAR** for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this

1 section shall be used to pay the amount necessary to reimburse
2 districts for 6.0127% of the necessary costs of the state mandated
3 portion of the school lunch programs provided by those districts.
4 The amount due to each district under this section shall be
5 computed by the department using the methods of calculation adopted
6 by the Michigan supreme court in the consolidated cases known as
7 Durant v State of Michigan, Michigan supreme court docket no.
8 104458-104492.

9 (3) The payments made under this section include all state
10 payments made to districts so that each district receives at least
11 6.0127% of the necessary costs of operating the state mandated
12 portion of the school lunch program in a fiscal year.

13 (4) The payments made under this section to districts and
14 other eligible entities that are not required under section 1272a
15 of the revised school code, MCL 380.1272a, to provide a school
16 lunch program shall be in an amount not to exceed \$10.00 per
17 eligible pupil plus 5 cents for each free lunch and 2 cents for
18 each reduced price lunch provided, as determined by the department.

19 (5) From the federal funds appropriated in section 11, there
20 is allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** all
21 available federal funding, estimated at \$400,000,000.00 **EACH FISCAL**
22 **YEAR**, for the national school lunch program and all available
23 federal funding, estimated at \$2,506,000.00 **EACH FISCAL YEAR**, for
24 the emergency food assistance program.

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

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

5 Sec. 31f. (1) From the appropriations in section 11, there is
6 allocated an amount not to exceed \$9,625,000.00 **EACH FISCAL YEAR**
7 **for 2010-2011-2011-2012 AND FOR 2012-2013** for the purpose of making
8 payments to districts to reimburse for the cost of providing
9 breakfast.

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

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

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

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

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

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

5 Sec. 32b. (1) From the funds appropriated under section 11,
6 there is allocated an amount not to exceed \$6,000,000.00 for ~~2010-~~
7 ~~2011-2011-2012~~ for competitive grants to intermediate districts for
8 the creation and continuance of great start communities or other
9 community purposes as identified by the early childhood investment
10 corporation. These dollars may not be expended until both of the
11 following conditions have been met:

12 (a) The early childhood investment corporation has identified
13 matching dollars of at least an amount equal to the amount of the
14 matching dollars for 2006-2007.

15 (b) The executive committee of the corporation includes, in
16 addition to the members of the executive committee provided for by
17 the interlocal agreement creating the corporation under the urban
18 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to
19 124.512, 4 members appointed by the governor as provided in this
20 subdivision. Not later than 30 days after the convening of a
21 regular legislative session in an odd-numbered year, the speaker of
22 the house of representatives, the house minority leader, the senate
23 majority leader, and the senate minority leader shall each submit
24 to the governor a list of 3 or more individuals as nominees for
25 appointment as members of the executive committee of the
26 corporation. The corporation shall notify each of the legislative
27 leaders of this requirement to submit a list of nominees not later

1 than 30 days before the date that the list is due. Within 60 days
2 of the submission to the governor of nominees by each of the 4
3 legislative leaders, the governor shall appoint 1 member of the
4 executive committee from each list of nominees submitted by each of
5 the 4 legislative leaders. A member appointed under this
6 subdivision shall serve a term as a member of the executive
7 committee through the next regular legislative session unless he or
8 she resigns or is otherwise unable to serve. When a vacancy occurs
9 other than by expiration of a term, the corporation shall notify
10 the legislative leader who originally nominated the member of the
11 vacancy and that legislative leader shall submit to the governor a
12 list of 3 or more individuals as nominees for appointment to fill
13 the vacancy within 30 days after being notified by the corporation
14 of the vacancy. The governor shall make an appointment to fill that
15 vacancy in the same manner as the original appointment not later
16 than 60 days after the date the vacancy occurs.

17 (2) The early childhood investment corporation shall award
18 grants to eligible intermediate districts in an amount to be
19 determined by the corporation.

20 (3) In order to receive funding, each intermediate district
21 applicant shall agree to convene a local great start collaborative
22 to address the availability of the 6 components of a great start
23 system in its communities: physical health, social-emotional
24 health, family supports, basic needs, economic stability and
25 safety, and parenting education and early education and care, to
26 ensure that every child in the community is ready for kindergarten.
27 Specifically, each grant will fund the following:

1 (a) The completion of a community needs assessment and
2 strategic plan for the creation of a comprehensive system of early
3 childhood services and supports, accessible to all children from
4 birth to kindergarten and their families.

5 (b) Identification of local resources and services for
6 children with disabilities, developmental delays, or special needs
7 and their families.

8 (c) Coordination and expansion of infrastructure to support
9 high-quality early childhood and childcare programs.

10 (d) Evaluation of local programs.

11 (4) Not later than December 1 of each fiscal year, for the
12 grants awarded under this section for the immediately preceding
13 fiscal year, the department shall provide to the house and senate
14 appropriations subcommittees on state school aid, the state budget
15 director, and the house and senate fiscal agencies a report
16 detailing the amount of each grant awarded under this section, the
17 grant recipients, the activities funded by each grant under this
18 section, and an analysis of each grant recipient's success in
19 addressing the development of a comprehensive system of early
20 childhood services and supports.

21 (5) An intermediate district receiving funds under this
22 section may carry over any unexpended funds received under this
23 section into the next fiscal year and may expend those unused funds
24 in the next fiscal year. A recipient of a grant shall return any
25 unexpended grant funds to the department in the manner prescribed
26 by the department not later than September 30 of the next fiscal
27 year after the fiscal year in which the funds are received.

(6) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT START COLLABORATIVES UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START READINESS PROGRAMS UNDER SECTION 32D AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.

(7) ~~(6)~~ Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

Sec. 32d. (1) For ~~2010-2011~~, **2011-2012**, there is allocated to eligible ~~districts~~ **INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS** for great start readiness programs an amount not to exceed ~~\$89,400,000.00~~ **\$98,275,000.00** from the state school aid fund money appropriated in section 11. ~~In addition, from the general fund appropriation in section 11, there is allocated an amount not to exceed \$8,875,000.00 for competitive great start~~

~~readiness program grants.~~ Funds allocated under this section shall be used to provide part-day or full-day comprehensive free compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who ~~show evidence of 2 or more risk factors~~ **MEET THE PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES** as defined by the state board.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by a district for programs described in this subdivision shall not exceed the lesser of the amount spent by the district under this subdivision for 2006-2007 or the amount spent under this subdivision in any subsequent fiscal year.

~~(2) To be eligible to receive payments under this section, a district shall comply with this section and section 39. To receive competitive grant payments under this section, an eligible grant recipient shall comply with this section and section 32.~~ **FUNDS ALLOCATED UNDER THIS SECTION SHALL BE ALLOCATED TO INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS. AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING FUNDING UNDER THIS SECTION SHALL ACT AS THE FIDUCIARY FOR THE GREAT START READINESS PROGRAMS. FOR 2011-2012, THE FIDUCIARY INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS SHALL ALLOCATE**

1 THE FUNDING UNDER THIS SECTION AS FOLLOWS:

2 (A) AN AMOUNT NOT TO EXCEED \$89,400,000.00 ALLOCATED TO
3 DISTRICTS AND CONSORTIA OF DISTRICTS AS DIRECTED BY THE DEPARTMENT
4 BASED ON THE FORMULA IN SECTION 39. IN ORDER TO BE ELIGIBLE TO
5 RECEIVE FUNDS ALLOCATED UNDER THIS SUBDIVISION FROM AN INTERMEDIATE
6 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A DISTRICT OR
7 CONSORTIUM OF DISTRICTS SHALL COMPLY WITH THIS SECTION AND SECTION
8 39.

9 (B) AN AMOUNT NOT TO EXCEED \$8,875,000.00 ALLOCATED IN GRANTS
10 TO COMPETITIVE GREAT START READINESS PROGRAMS AS DIRECTED BY THE
11 DEPARTMENT BASED ON THE GRANT AWARD PROCESS IN SECTION 32/. IN ORDER
12 TO BE ELIGIBLE TO RECEIVE FUNDS ALLOCATED UNDER THIS SECTION FROM
13 AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A
14 COMPETITIVE GREAT START READINESS PROGRAM SHALL COMPLY WITH THIS
15 SECTION AND SECTION 32/.

16 (3) In addition to the allocation under subsection (1), from
17 the general fund money appropriated under section 11, there is
18 allocated an amount not to exceed \$300,000.00 **EACH FISCAL YEAR** for
19 ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** for a competitive grant to
20 continue a longitudinal evaluation of children who have
21 participated in great start readiness programs.

22 (4) To be eligible for funding under this section, a program
23 shall prepare children for success in school through comprehensive
24 part-day or full-day programs that contain all of the following
25 program components, as determined by the department:

26 (a) Participation in a collaborative recruitment and
27 enrollment process. At a minimum, the process shall include all

1 other funded preschool programs that may serve children in the same
2 geographic area, to assure that each child is enrolled in the
3 program most appropriate to his or her needs and to maximize the
4 use of federal, state, and local funds.

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

8 (c) Nutritional services for all program participants.

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

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

13 (f) Active and continuous involvement of the parents or
14 guardians of the program participants.

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

18 (h) Participation in a multidistrict, multiagency, school
19 readiness advisory committee that provides for the involvement of
20 classroom teachers, parents or guardians of program participants,
21 and community, volunteer, and social service agencies and
22 organizations, as appropriate. The advisory committee shall review
23 the program components listed in this subsection and make
24 recommendations for changes to the great start readiness program
25 for which it is an advisory committee.

26 (i) ~~For great start readiness programs operated by a district~~
27 ~~or consortium of districts, provide for the~~ **THE** ongoing

1 articulation of the ~~early childhood, kindergarten, and first grade~~
 2 programs offered by the ~~district or districts~~. **PROGRAM PROVIDER.**

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

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

8 (b) Ensure that more than 75% of the children participating in
 9 an eligible great start readiness program are children who live
 10 with families with a household income that is equal to or less than
 11 300% of the federal poverty level.

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

14 (i) Teachers possessing proper training. For programs ~~the~~
 15 ~~district manages itself,~~ **MANAGED DIRECTLY BY AN INTERMEDIATE**
 16 **DISTRICT**, a valid teaching certificate and an early childhood ~~(ZA)~~
 17 **(ZA OR ZS)** endorsement are required. This provision does not apply
 18 to a ~~an~~ **AN INTERMEDIATE** district **OR COMPETITIVE PROGRAM** that
 19 subcontracts with an eligible child development program. In that
 20 situation, a teacher must have a valid Michigan teaching
 21 certificate with an early childhood ~~(ZA)~~ **(ZA OR ZS)** endorsement, a
 22 valid Michigan **ELEMENTARY** teaching certificate with a child
 23 development associate credential, or a bachelor's degree in child
 24 development with specialization in preschool teaching. However,
 25 ~~both of the following apply to this subparagraph:~~

26 ~~—— (A) If a~~ **IF AN INTERMEDIATE** district demonstrates to the
 27 department that it is unable to fully comply with this subparagraph

1 after making reasonable efforts to comply, teachers who have
2 significant but incomplete training in early childhood education or
3 child development may be employed by the **INTERMEDIATE** district if
4 the **INTERMEDIATE** district provides to the department, and the
5 department approves, a plan for each teacher to come into
6 compliance with the standards in this subparagraph. A teacher's
7 compliance plan must be completed within ~~4-2~~ years of the date of
8 employment. Progress toward completion of the compliance plan shall
9 consist of at least 2 courses per calendar year.

10 ~~—— (B) For a subcontracted program, the department shall consider~~
11 ~~a teacher with 90 credit hours and at least 4 years' teaching~~
12 ~~experience in a qualified preschool program to meet the~~
13 ~~requirements under this subparagraph.~~

14 (ii) Paraprofessionals possessing proper training in early
15 childhood development, including an associate's degree in early
16 childhood education or child development or the equivalent, or a
17 child development associate (CDA) credential. ~~, or the equivalent~~
18 ~~as approved by the state board.~~ However, if a **AN INTERMEDIATE**
19 district demonstrates to the department that it is unable to fully
20 comply with this subparagraph after making reasonable efforts to
21 comply, the **INTERMEDIATE** district may employ paraprofessionals who
22 have completed at least 1 course **THAT EARNS COLLEGE CREDIT** in early
23 childhood education or child development if the **INTERMEDIATE**
24 district provides to the department, and the department approves, a
25 plan for each paraprofessional to come into compliance with the
26 standards in this subparagraph. A paraprofessional's compliance
27 plan must be completed within 2 years of the date of employment.

1 Progress toward completion of the compliance plan shall consist of
2 at least 2 courses or 60 clock hours of training per calendar year.

3 (d) Include a program budget that contains only those costs
4 that are not reimbursed or reimbursable by federal funding, that
5 are clearly and directly attributable to the great start readiness
6 program, and that would not be incurred if the program were not
7 being offered. The program budget shall indicate the extent to
8 which these funds will supplement other federal, state, local, or
9 private funds. Funds received under this section shall not be used
10 to supplant any federal funds by the applicant to serve children
11 eligible for a federally funded existing preschool program that has
12 the capacity to serve those children.

13 (6) For a grant recipient that enrolls pupils in a full-day
14 program funded under this section, each child enrolled in the full-
15 day program shall be counted as 2 children served by the program
16 for purposes of determining the number of children to be served and
17 for determining the amount of the grant award. A grant award shall
18 not be increased solely on the basis of providing a full-day
19 program. As used in this subsection, "full-day program" means a
20 program that operates for at least the same length of day as a
21 district's first grade program for a minimum of 4 days per week, 30
22 weeks per year. A classroom that offers a full-day program must
23 enroll all children for the full day to be considered a full-day
24 program.

25 (7) ~~A district or consortium of districts~~ **AN INTERMEDIATE**
26 **DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** receiving a grant
27 under this section may contract with for-profit or nonprofit

1 preschool center providers that meet all requirements of subsection
2 (4) and retain for administrative services an amount equal to not
3 more than 5% of the grant amount. ~~A~~**AN INTERMEDIATE** district, ~~or~~
4 consortium of **INTERMEDIATE** districts, **OR COMPETITIVE GRANT PROGRAM**
5 may expend not more than 10% of the total grant amount for
6 administration of the program.

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

14 (9) A recipient of funds under this section shall report to
15 the department ~~on the midyear report~~**IN A FORM AND MANNER**
16 **PRESCRIBED BY THE DEPARTMENT** the number of children participating
17 in the program who meet the income or other eligibility criteria
18 prescribed by the department and the total number of children
19 participating in the program. For children participating in the
20 program who meet the income or other eligibility criteria specified
21 under subsection (5)(b), a recipient shall also report whether or
22 not a parent is available to provide care based on employment
23 status. For the purposes of this subsection, "employment status"
24 shall be defined by the department of human services in a manner
25 consistent with maximizing the amount of spending that may be
26 claimed for temporary assistance for needy families maintenance of
27 effort purposes.

1 (10) As used in this section, "part-day program" means a
2 program that operates at least 4 days per week, 30 weeks per year,
3 for at least 3 hours of teacher-child contact time per day but for
4 fewer hours of teacher-child contact time per day than a full-day
5 program as defined in subsection (6).

6 (11) A ~~district or intermediate district~~ **GRANT RECIPIENT**
7 receiving funds under this section is encouraged to establish a
8 sliding scale of tuition rates based upon a child's family income
9 for the purpose of expanding eligible programs under this section.
10 A ~~district or intermediate district~~ **GRANT RECIPIENT** may charge
11 tuition for programs provided under this section according to that
12 sliding scale of tuition rates on a uniform basis for any child who
13 does not meet the program eligibility requirements under this
14 section.

15 (12) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE
16 LEGISLATURE TO TRANSFER FUNDING FOR GREAT START READINESS PROGRAMS
17 UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM,
18 ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER SECTION 32B
19 AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION
20 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO
21 INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO
22 ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY
23 CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START
24 COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND
25 EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK
26 WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES,
27 AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A

1 REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND
2 DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY
3 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS
4 RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.

5 Sec. 32j. (1) From the appropriations in section 11, there is
6 allocated an amount not to exceed \$5,000,000.00 for ~~2010-2011-2011-~~
7 2012 for great parents, great start grants to intermediate
8 districts to provide programs for parents with young children. The
9 purpose of these programs is to encourage early mathematics and
10 reading literacy, improve school readiness, reduce the need for
11 special education services, and foster the maintenance of stable
12 families by encouraging positive parenting skills.

13 (2) To qualify for funding under this section, a program shall
14 provide services to all families with children age 5 or younger
15 residing within the intermediate district who choose to
16 participate, including at least all of the following services:

17 (a) Providing parents with information on child development
18 from birth to age 5.

19 (b) Providing parents with methods to enhance parent-child
20 interaction that promote social and emotional development and age-
21 appropriate language, mathematics, and early reading skills for
22 young children; including, but not limited to, encouraging parents
23 to read to their preschool children at least 1/2 hour per day.

24 (c) Providing parents with examples of learning opportunities
25 to promote intellectual, physical, and social growth of young
26 children, including the acquisition of age-appropriate language,
27 mathematics, and early reading skills.

1 (d) Promoting access to needed community services through a
2 community-school-home partnership.

3 (3) To receive a grant under this section, an intermediate
4 district shall submit a plan to the department not later than
5 October 15, ~~2010~~ 2011 in the form and manner prescribed by the
6 department. The plan shall do all of the following in a manner
7 prescribed by the department:

8 (a) Provide a plan for the delivery of the program components
9 described in subsection (2) that targets resources based on family
10 need and provides for educators trained in child development to
11 help parents understand their role in their child's developmental
12 process, thereby promoting school readiness and mitigating the need
13 for special education services.

14 (b) Demonstrate an adequate collaboration of local entities
15 involved in providing programs and services for preschool children
16 and their parents and, where there is a great start collaborative,
17 demonstrate that the planned services are part of the community's
18 great start strategic plan.

19 (c) Provide a projected budget for the program to be funded.
20 The intermediate district shall provide at least a 20% local match
21 from local public or private resources for the funds received under
22 this section. Not more than 1/2 of this matching requirement, up to
23 a total of 10% of the total project budget, may be satisfied
24 through in-kind services provided by participating providers of
25 programs or services. In addition, not more than 10% of the grant
26 may be used for program administration.

27 (4) Each intermediate district receiving a grant under this

1 section shall agree to include a data collection system approved by
2 the department. The data collection system shall provide a report
3 by October 15 of each year on the number of children in families
4 with income below 200% of the federal poverty level that received
5 services under this program and the total number of children who
6 received services under this program.

7 (5) The department or superintendent, as applicable, shall do
8 all of the following:

9 (a) The superintendent shall approve or disapprove the plans
10 and notify the intermediate district of that decision not later
11 than November 15, ~~2010~~-2011. The amount allocated to each
12 intermediate district shall be at least an amount equal to 100% of
13 the intermediate district's ~~2009-2010-2010-2011~~ payment under this
14 section.

15 (b) The department shall ensure that all programs funded under
16 this section utilize the most current validated research-based
17 methods and curriculum for providing the program components
18 described in subsection (2).

19 ~~— (c) The department shall submit a report to the state budget~~
20 ~~director and the senate and house fiscal agencies summarizing the~~
21 ~~data collection reports described in subsection (4) by December 1~~
22 ~~of each year.~~

23 (6) An intermediate district receiving funds under this
24 section shall use the funds only for the program funded under this
25 section. An intermediate district receiving funds under this
26 section may carry over any unexpended funds received under this
27 section into the next fiscal year and may expend those unused funds

1 in the next fiscal year. A recipient of a grant shall return any
2 unexpended grant funds to the department in the manner prescribed
3 by the department not later than September 30 of the next fiscal
4 year after the fiscal year in which the funds are received.

5 (7) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE
6 LEGISLATURE TO TRANSFER FUNDING FOR GREAT PARENTS, GREAT START
7 PROGRAMS UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT
8 PROGRAM, ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER
9 SECTION 32B AND FUNDING FOR GREAT START READINESS PROGRAMS UNDER
10 SECTION 32D. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE
11 FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE
12 DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF
13 REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR
14 REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY,
15 EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE
16 DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT
17 START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT
18 CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION
19 PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR
20 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL
21 REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS
22 REQUIRED UNDER THIS SUBSECTION.

23 Sec. 39. (1) A district receiving funds FROM AN INTERMEDIATE
24 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS under section 32d
25 shall submit a preapplication, in a form and manner prescribed by
26 the department, by a date specified by the department in the
27 immediately preceding state fiscal year. The preapplication shall

1 include a comprehensive needs assessment and community
2 collaboration plan, which is endorsed by the local great start
3 collaborative and is part of the community's great start strategic
4 plan that includes, but is not limited to, great start readiness
5 program and head start providers, and shall identify all of the
6 following:

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

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

14 (c) The number of children the district will be able to serve
15 who meet the criteria of section 32d including a verification of
16 physical facility and staff resources capacity.

17 (d) The estimated number of children who meet the criteria of
18 section 32d who will remain unserved after the district and
19 community early childhood programs have met their funded
20 enrollments. The school district shall maintain a waiting list of
21 identified unserved eligible children who would be served when
22 openings are available.

23 (2) A district receiving funds **FROM AN INTERMEDIATE DISTRICT**
24 **OR CONSORTIUM OF INTERMEDIATE DISTRICTS** under section 32d shall
25 also submit a final application for approval, in a form and manner
26 prescribed by the department, by a date specified by the
27 department, that details how the district complies with the program

1 components established by the department pursuant to section 32d.

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

13 (4) Beginning in 2008-2009, the initial allocation for each
14 fiscal year to each eligible district under section 32d shall be
15 determined by multiplying the number of children determined by the
16 formula under subsection (3) or the number of children the district
17 indicates it will be able to serve under subsection (1)(c),
18 whichever is less, by \$3,400.00 and shall be distributed among
19 districts in decreasing order of concentration of eligible children
20 as determined by the formula under subsection (3). If the number of
21 children a district indicates it will be able to serve under
22 subsection (1)(c) includes children able to be served in a full-day
23 program, then the number able to be served in a full-day program
24 shall be doubled for the purposes of making this calculation of the
25 lesser of the number of children determined by the formula under
26 subsection (3) and the number of children the district indicates it
27 will be able to serve under subsection (1)(c) and determining the

1 amount of the initial allocation to the district under section 32d.
2 A district may contract with a head start agency to serve children
3 enrolled in head start with a full-day program by blending head
4 start funds with a part-day great start readiness program
5 allocation. All head start and great start readiness program
6 policies and regulations apply to the blended program.

7 (5) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in
8 section 32d remain after the initial allocation under subsection
9 (4), the allocation under this subsection shall be distributed to
10 each eligible district under section 32d in decreasing order of
11 concentration of eligible children as determined by the formula
12 under subsection (3). The allocation shall be determined by
13 multiplying the number of children each eligible district served in
14 the immediately preceding fiscal year ~~, including the number of~~
15 ~~children the district would have served if it had not satisfied all~~
16 ~~or part of the reduction under section 11d from funding under this~~
17 ~~section,~~ or the number of children the district indicates it will
18 be able to serve under subsection (1)(c), whichever is less, minus
19 the number of children for which the district received funding in
20 subsection (4) by \$3,400.00.

21 (6) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in
22 section 32d remain after the allocations under subsections (4) and
23 (5), remaining funds shall be distributed to each eligible district
24 under section 32d in decreasing order of concentration of eligible
25 children as determined by the formula under subsection (3). If the
26 number of children the district indicates it will be able to serve
27 under subsection (1)(c) exceeds the number of children for which

1 funds have been received under subsections (4) and (5), the
2 allocation under this subsection shall be determined by multiplying
3 the number of children the district indicates it will be able to
4 serve under subsection (1)(c) less the number of children for which
5 funds have been received under subsections (4) and (5) by \$3,400.00
6 until the funds allocated for eligible districts in section 32d are
7 distributed.

8 (7) If a district is participating in a program under section
9 32d for the first year, the maximum allocation under this section
10 is 32 multiplied by \$3,400.00.

11 (8) A district that offers supplementary ~~day~~-**CHILD** care funded
12 by funds other than those received under this section and therefore
13 offers full-day programs as part of its early childhood development
14 program shall receive priority in the allocation of funds under
15 section 32d over other eligible districts.

16 (9) For any district with 315 or more eligible pupils, the
17 number of eligible pupils shall be 65% of the number calculated
18 using the formula under subsection (3). However, none of these
19 districts may have less than 315 pupils for purposes of calculating
20 the tentative allocation for eligible districts under section 32d.

21 (10) If, taking into account the total amount to be allocated
22 to the district as calculated under this section, a district
23 determines that it is able to include additional eligible children
24 in the great start readiness program without additional funds under
25 section 32d, the district may include additional eligible children
26 but shall not receive additional funding under section 32d for
27 those children.

1 (11) A consortium of 2 or more districts shall be eligible for
2 an allocation under section 32d if the districts designate a
3 district or intermediate district to serve as the fiscal agent for
4 the consortium's allocation. A consortium shall submit a single
5 application for the total number of children to be served. The
6 consortium may decide, with approval of all consortium members, to
7 serve numbers of children based on the allocation to each district
8 or based on the allocation to the entire consortium, allowing
9 children residing in any district in the consortium to be served by
10 the consortium at any location.

11 Sec. 39a. (1) From the federal funds appropriated in section
12 11, there is allocated **EACH FISCAL YEAR** for ~~2010-2011-2011-2012~~ **AND**
13 **FOR 2012-2013** to districts, intermediate districts, and other
14 eligible entities all available federal funding, estimated at
15 \$761,973,600.00, for the federal programs under the no child left
16 behind act of 2001, Public Law 107-110. These funds are allocated
17 as follows:

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

22 (b) An amount estimated at \$7,461,800.00 for the purpose of
23 improving teaching and learning through a more effective use of
24 technology, funded from DED-OESE, educational technology state
25 grant funds.

26 (c) An amount estimated at \$109,411,900.00 for the purpose of
27 preparing, training, and recruiting high-quality teachers and class

1 size reduction, funded from DED-OESE, improving teacher quality
2 funds.

3 (d) An amount estimated at \$10,322,300.00 for programs to
4 teach English to limited English proficient (LEP) children, funded
5 from DED-OESE, language acquisition state grant funds.

6 (e) An amount estimated at \$8,550,000.00 for the Michigan
7 charter school subgrant program, funded from DED-OESE, charter
8 school funds.

9 (f) An amount estimated at \$1,760,000.00 for rural and low
10 income schools, funded from DED-OESE, rural and low income school
11 funds.

12 (g) An amount estimated at \$1,000.00 to help schools develop
13 and implement comprehensive school reform programs, funded from
14 DED-OESE, title I and title X, comprehensive school reform funds.

15 (h) An amount estimated at \$517,479,800.00 to provide
16 supplemental programs to enable educationally disadvantaged
17 children to meet challenging academic standards, funded from DED-
18 OESE, title I, disadvantaged children funds.

19 (i) An amount estimated at \$2,152,700.00 for the purpose of
20 providing unified family literacy programs, funded from DED-OESE,
21 title I, even start funds.

22 (j) An amount estimated at \$8,807,200.00 for the purpose of
23 identifying and serving migrant children, funded from DED-OESE,
24 title I, migrant education funds.

25 (k) An amount estimated at \$24,733,200.00 to promote high-
26 quality school reading instruction for grades K-3, funded from DED-
27 OESE, title I, reading first state grant funds.

1 (l) An amount estimated at \$2,849,000.00 for the purpose of
2 implementing innovative strategies for improving student
3 achievement, funded from DED-OESE, title VI, innovative strategies
4 funds.

5 (m) An amount estimated at \$40,050,000.00 for the purpose of
6 providing high-quality extended learning opportunities, after
7 school and during the summer, for children in low-performing
8 schools, funded from DED-OESE, twenty-first century community
9 learning center funds.

10 (n) An amount estimated at \$17,586,100.00 to help support
11 local school improvement efforts, funded from DED-OESE, title I,
12 local school improvement grants.

13 (2) From the federal funds appropriated in section 11, there
14 is allocated **EACH FISCAL YEAR** for ~~2010-2011~~ **2011-2012 AND FOR 2012-**
15 **2013** to districts, intermediate districts, and other eligible
16 entities all available federal funding, estimated at
17 \$32,359,700.00, for the following programs that are funded by
18 federal grants:

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

22 (b) An amount estimated at \$1,814,100.00 to provide services
23 to homeless children and youth, funded from DED-OVAE, homeless
24 children and youth funds.

25 (c) An amount estimated at \$1,445,600.00 for serve America
26 grants, funded from the corporation for national and community
27 service funds.

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

4 (3) To the extent allowed under federal law, the funds
5 allocated under subsection (1)(h), (i), (k), and (n) may be used
6 for 1 or more reading improvement programs that meet at least 1 of
7 the following:

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

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

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

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

26 (4) All federal funds allocated under this section shall be
27 distributed in accordance with federal law and with flexibility

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

(5) For the purposes of applying for federal grants appropriated under this act, ~~ARTICLE~~, the department shall allow an intermediate district to submit a ~~consolidated~~ **CONSORTIUM** application on behalf of 2 or more districts with the agreement of those districts **AS APPROPRIATE ACCORDING TO FEDERAL RULES AND GUIDELINES.**

(6) As used in this section:

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

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

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

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

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

~~Article 4~~

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance. ~~and shall report not later than November 15 of each even-numbered year its findings and~~

~~recommendations to the senate and house appropriations
subcommittees responsible for district funding and the senate and
house committees responsible for education legislation and the
state budget director.~~

~~Article 5~~

Sec. 51a. (1) From the appropriation in section 11, there is
allocated for ~~2009-2010-2011-2012~~ an amount not to exceed
~~\$1,016,342,000.00~~ **\$976,469,100.00** and there is allocated for ~~2010-~~
~~2011-2012-2013~~ an amount not to exceed ~~\$1,057,883,000.00~~
\$1,027,769,100.00 from state sources and all available federal
funding under sections 611 to 619 of part B of the individuals with
disabilities education act, 20 USC 1411 to 1419, estimated at
~~\$350,700,000.00 for 2009-2010 and estimated at \$385,700,000.00~~
\$363,400,000.00 for 2010-2011, 2011-2012 AND FOR 2012-2013, plus
any carryover federal funds from previous year appropriations. The
allocations under this subsection are for the purpose of
reimbursing districts and intermediate districts for special
education programs, services, and special education personnel as
prescribed in article 3 of the revised school code, MCL 380.1701 to
380.1766; net tuition payments made by intermediate districts to
the Michigan schools for the deaf and blind; and special education
programs and services for pupils who are eligible for special
education programs and services according to statute or rule. For
meeting the costs of special education programs and services not
reimbursed under this article, a district or intermediate district
may use money in general funds or special education funds, not
otherwise restricted, or contributions from districts to

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

14 (2) From the funds allocated under subsection (1), there is
 15 allocated each fiscal year the amount necessary, estimated at
 16 ~~\$234,780,000.00~~ **\$245,500,000.00** for ~~2009-2010~~ **2011-2012** and
 17 estimated at ~~\$248,200,000.00~~ **\$258,600,000.00** for ~~2010-2011,~~ **2012-**
 18 **2013**, for payments toward reimbursing districts and intermediate
 19 districts for 28.6138% of total approved costs of special
 20 education, excluding costs reimbursed under section 53a, and
 21 70.4165% of total approved costs of special education
 22 transportation. Allocations under this subsection shall be made as
 23 follows:

24 (a) The initial amount allocated to a district under this
 25 subsection toward fulfilling the specified percentages shall be
 26 calculated by multiplying the district's special education pupil
 27 membership, excluding pupils described in subsection ~~(12)~~, **(11)**,

1 times ~~the sum of~~ the foundation allowance under section 20 of the
 2 pupil's district of residence, ~~plus the amount of the district's~~
 3 ~~per pupil allocation under section 20j(2),~~ not to exceed the basic
 4 foundation allowance under section 20 for the current fiscal year,
 5 or, for a special education pupil in membership in a district that
 6 is a public school academy or university school, times an amount
 7 equal to the amount per membership pupil calculated under section
 8 20(6). For an intermediate district, the amount allocated under
 9 this subdivision toward fulfilling the specified percentages shall
 10 be an amount per special education membership pupil, excluding
 11 pupils described in subsection ~~(12),~~ **(11)**, and shall be calculated
 12 in the same manner as for a district, using the foundation
 13 allowance under section 20 of the pupil's district of residence,
 14 not to exceed the basic foundation allowance under section 20 for
 15 the current fiscal year. ~~, and that district's per pupil allocation~~
 16 ~~under section 20j(2).~~

17 (b) After the allocations under subdivision (a), districts and
 18 intermediate districts for which the payments calculated under
 19 subdivision (a) do not fulfill the specified percentages shall be
 20 paid the amount necessary to achieve the specified percentages for
 21 the district or intermediate district.

22 (3) From the funds allocated under subsection (1), there is
 23 allocated each fiscal year for ~~2009-2010-2011-2012~~ and for ~~2010-~~
 24 ~~2011-2012-2013~~ the amount necessary ~~, estimated at \$1,329,000.00~~
 25 ~~for 2009-2010 and estimated at \$1,400,000.00 for 2010-2011,~~ to make
 26 payments to districts ~~and intermediate districts~~ under this
 27 subsection. If the amount allocated to a district ~~or intermediate~~

1 ~~district~~ for a fiscal year under subsection (2)(b) is less than the
2 sum of the amounts allocated to the district ~~or intermediate~~
3 ~~district~~ for 1996-97 under sections 52 and 58, there is allocated
4 to the district ~~or intermediate district~~ for the fiscal year an
5 amount equal to that difference, adjusted by applying the same
6 proration factor that was used in the distribution of funds under
7 section 52 in 1996-97 as adjusted to the district's ~~or intermediate~~
8 ~~district's~~ necessary costs of special education used in
9 calculations for the fiscal year. This adjustment is to reflect
10 reductions in special education program operations or services
11 between 1996-97 and subsequent fiscal years. Adjustments for
12 reductions in special education program operations or services
13 shall be made in a manner determined by the department and shall
14 include adjustments for program or service shifts.

15 (4) If the department determines that the sum of the amounts
16 allocated for a fiscal year to a district ~~or intermediate district~~
17 under subsection (2)(a) and (b) is not sufficient to fulfill the
18 specified percentages in subsection (2), then the shortfall shall
19 be paid to the district ~~or intermediate district~~ during the fiscal
20 year beginning on the October 1 following the determination and
21 payments under subsection (3) shall be adjusted as necessary. If
22 the department determines that the sum of the amounts allocated for
23 a fiscal year to a district ~~or intermediate district~~ under
24 subsection (2)(a) and (b) exceeds the sum of the amount necessary
25 to fulfill the specified percentages in subsection (2), then the
26 department shall deduct the amount of the excess from the
27 district's ~~or intermediate district's~~ payments under this act

1 **ARTICLE** for the fiscal year beginning on the October 1 following
 2 the determination and payments under subsection (3) shall be
 3 adjusted as necessary. However, if the amount allocated under
 4 subsection (2)(a) in itself exceeds the amount necessary to fulfill
 5 the specified percentages in subsection (2), there shall be no
 6 deduction under this subsection.

7 (5) State funds shall be allocated on a total approved cost
 8 basis. Federal funds shall be allocated under applicable federal
 9 requirements, except that an amount not to exceed \$3,500,000.00 may
 10 be allocated by the department each fiscal year for ~~2009-2010-2011-~~
 11 **2012** and for ~~2010-2011-2012-2013~~ to districts, intermediate
 12 districts, or other eligible entities on a competitive grant basis
 13 for programs, equipment, and services that the department
 14 determines to be designed to benefit or improve special education
 15 on a statewide scale.

16 (6) From the amount allocated in subsection (1), there is
 17 allocated ~~an amount not to exceed \$1,750,000.00 for 2009-2010 and~~
 18 an amount not to exceed \$2,200,000.00 **EACH FISCAL YEAR** for ~~2010-~~
 19 **2011-2011-2012 AND FOR 2012-2013** to reimburse 100% of the net
 20 increase in necessary costs incurred by a district or intermediate
 21 district in implementing the revisions in the administrative rules
 22 for special education that became effective on July 1, 1987. As
 23 used in this subsection, "net increase in necessary costs" means
 24 the necessary additional costs incurred solely because of new or
 25 revised requirements in the administrative rules minus cost savings
 26 permitted in implementing the revised rules. Net increase in
 27 necessary costs shall be determined in a manner specified by the

1 department.

2 (7) For purposes of ~~this article,~~ **SECTIONS 51A TO 58**, all of
3 the following apply:

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

25 (b) Beginning with the 2004-2005 fiscal year, a district or
26 intermediate district that employed special education support
27 services staff to provide special education support services in

1 2003-2004 or in a subsequent fiscal year and that in a fiscal year
2 after 2003-2004 receives the same type of support services from
3 another district or intermediate district shall report the cost of
4 those support services for special education reimbursement purposes
5 under this ~~act~~. **ARTICLE**. This subdivision does not prohibit the
6 transfer of special education classroom teachers and special
7 education classroom aides if the pupils counted in membership
8 associated with those special education classroom teachers and
9 special education classroom aides are transferred and counted in
10 membership in the other district or intermediate district in
11 conjunction with the transfer of those teachers and aides.

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

1 shall be prorated on an equal percentage basis.

2 (d) Reimbursement for ancillary and other related services, as
3 defined by R 340.1701c of the Michigan administrative code, shall
4 not be provided when those services are covered by and available
5 through private group health insurance carriers or federal
6 reimbursed program sources unless the department and district or
7 intermediate district agree otherwise and that agreement is
8 approved by the state budget director. Expenses, other than the
9 incidental expense of filing, shall not be borne by the parent. In
10 addition, the filing of claims shall not delay the education of a
11 pupil. A district or intermediate district shall be responsible for
12 payment of a deductible amount and for an advance payment required
13 until the time a claim is paid.

14 (e) Beginning with calculations for 2004-2005, if an
15 intermediate district purchases a special education pupil
16 transportation service from a constituent district that was
17 previously purchased from a private entity; if the purchase from
18 the constituent district is at a lower cost, adjusted for changes
19 in fuel costs; and if the cost shift from the intermediate district
20 to the constituent does not result in any net change in the revenue
21 the constituent district receives from payments under sections 22b
22 and 51c, then upon application by the intermediate district, the
23 department shall direct the intermediate district to continue to
24 report the cost associated with the specific identified special
25 education pupil transportation service and shall adjust the costs
26 reported by the constituent district to remove the cost associated
27 with that specific service.

1 ~~(8) From the allocation in subsection (1), there is allocated~~
2 ~~each fiscal year for 2009-2010 and for 2010-2011 an amount not to~~
3 ~~exceed \$15,313,900.00 to intermediate districts. The payment under~~
4 ~~this subsection to each intermediate district shall be equal to the~~
5 ~~amount of the 1996-97 allocation to the intermediate district under~~
6 ~~subsection (6) of this section as in effect for 1996-97.~~

7 (8) ~~(9)~~ A pupil who is enrolled in a full-time special
8 education program conducted or administered by an intermediate
9 district or a pupil who is enrolled in the Michigan schools for the
10 deaf and blind shall not be included in the membership count of a
11 district, but shall be counted in membership in the intermediate
12 district of residence.

13 (9) ~~(10)~~ Special education personnel transferred from 1
14 district to another to implement the revised school code shall be
15 entitled to the rights, benefits, and tenure to which the person
16 would otherwise be entitled had that person been employed by the
17 receiving district originally.

18 (10) ~~(11)~~ If a district or intermediate district uses money
19 received under this section for a purpose other than the purpose or
20 purposes for which the money is allocated, the department may
21 require the district or intermediate district to refund the amount
22 of money received. Money that is refunded shall be deposited in the
23 state treasury to the credit of the state school aid fund.

24 (11) ~~(12)~~ From the funds allocated in subsection (1), there is
25 allocated each fiscal year the amount necessary, estimated at
26 ~~\$6,200,000.00 for 2009-2010 and estimated at \$6,600,000.00~~
27 ~~\$6,800,000.00 for 2010-2011, 2011-2012 AND FOR 2012-2013,~~ to pay

1 the foundation allowances for pupils described in this subsection.
 2 The allocation to a district under this subsection shall be
 3 calculated by multiplying the number of pupils described in this
 4 subsection who are counted in membership in the district times ~~the~~
 5 ~~sum of~~ the foundation allowance under section 20 of the pupil's
 6 district of residence, ~~plus the amount of the district's per pupil~~
 7 ~~allocation under section 20j(2),~~ not to exceed the basic foundation
 8 allowance under section 20 for the current fiscal year, or, for a
 9 pupil described in this subsection who is counted in membership in
 10 a district that is a public school academy or university school,
 11 times an amount equal to the amount per membership pupil under
 12 section 20(6). The allocation to an intermediate district under
 13 this subsection shall be calculated in the same manner as for a
 14 district, using the foundation allowance under section 20 of the
 15 pupil's district of residence, not to exceed the basic foundation
 16 allowance under section 20 for the current fiscal year. ~~, and that~~
 17 ~~district's per pupil allocation under section 20j(2).~~ This
 18 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
 21 who are not special education pupils and are served by the
 22 intermediate district in a juvenile detention or child caring
 23 facility.
- 24 (c) ~~Emotionally impaired pupils~~ **PUPILS WITH AN EMOTIONAL**
 25 **IMPAIRMENT** counted in membership by an intermediate district and
 26 provided educational services by the department of community
 27 health.

1 **(12)** ~~(13)~~ If it is determined that funds allocated under
 2 subsection (2) or ~~(12)~~ **(11)** or under section 51c will not be
 3 expended, funds up to the amount necessary and available may be
 4 used to supplement the allocations under subsection (2) or ~~(12)~~
 5 **(11)** or under section 51c in order to fully fund those allocations.
 6 After payments under subsections (2) and ~~(12)~~ **(11)** and section 51c,
 7 the remaining expenditures from the allocation in subsection (1)
 8 shall be made in the following order:

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

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

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

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

13 ~~(e) 100% of the payment required under subsection (8).~~

14 **(E)** ~~(f)~~ 100% of the payments under section 56.

15 **(13)** ~~(14)~~ The allocations under subsections (2), (3), and ~~(12)~~
 16 **(11)** shall be allocations to intermediate districts only and shall
 17 not be allocations to districts, but instead shall be calculations
 18 used only to determine the state payments under section 22b.

19 **(14)** ~~(15)~~ If a public school academy enrolls pursuant to this
 20 section a pupil who resides outside of the intermediate district in
 21 which the public school academy is located and who is eligible for
 22 special education programs and services according to statute or
 23 rule, or who is a child with disabilities, as defined under the
 24 individuals with disabilities education act, Public Law 108-446,
 25 the provision of special education programs and services and the
 26 payment of the added costs of special education programs and
 27 services for the pupil are the responsibility of the district and

1 intermediate district in which the pupil resides unless the
2 enrolling district or intermediate district has a written agreement
3 with the district or intermediate district in which the pupil
4 resides or the public school academy for the purpose of providing
5 the pupil with a free appropriate public education and the written
6 agreement includes at least an agreement on the responsibility for
7 the payment of the added costs of special education programs and
8 services for the pupil.

9 Sec. 51c. As required by the court in the consolidated cases
10 known as Durant v State of Michigan, Michigan supreme court docket
11 no. 104458-104492, from the allocation under section 51a(1), there
12 is allocated each fiscal year for ~~2009-2010-2011-2012~~ and for ~~2010-~~
13 ~~2011-2012-2013~~ the amount necessary, estimated at ~~\$702,500,000.00~~
14 **\$669,900,000.00** for ~~2009-2010-2011-2012~~ and estimated at
15 ~~\$732,100,000.00~~ **\$708,100,000.00**, for 2010-2011, for payments to
16 reimburse districts for 28.6138% of total approved costs of special
17 education excluding costs reimbursed under section 53a, and
18 70.4165% of total approved costs of special education
19 transportation. Funds allocated under this section that are not
20 expended in the state fiscal year for which they were allocated, as
21 determined by the department, may be used to supplement the
22 allocations under sections 22a and 22b in order to fully fund those
23 calculated allocations for the same fiscal year.

24 Sec. 51d. (1) From the federal funds appropriated in section
25 11, there is allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013**
26 all available federal funding, estimated at \$74,000,000.00 **EACH**
27 **FISCAL YEAR**, for special education programs that are funded by

1 federal grants. All federal funds allocated under this section
2 shall be distributed in accordance with federal law.
3 Notwithstanding section 17b, payments of federal funds to
4 districts, intermediate districts, and other eligible entities
5 under this section shall be paid on a schedule determined by the
6 department.

7 (2) From the federal funds allocated under subsection (1), the
8 following amounts are allocated **EACH FISCAL YEAR** for ~~2010-~~
9 ~~2011-2011-2012 AND FOR 2012-2013:~~

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

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

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

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

22 Sec. 53a. (1) For districts, reimbursement for pupils
23 described in subsection (2) shall be 100% of the total approved
24 costs of operating special education programs and services approved
25 by the department and included in the intermediate district plan
26 adopted pursuant to article 3 of the revised school code, MCL
27 380.1701 to 380.1766, minus the district's foundation allowance

1 calculated under section 20. ~~, and minus the amount calculated for~~
2 ~~the district under section 20j.~~ For intermediate districts,
3 reimbursement for pupils described in subsection (2) shall be
4 calculated in the same manner as for a district, using the
5 foundation allowance under section 20 of the pupil's district of
6 residence, not to exceed the basic foundation allowance under
7 section 20 for the current fiscal year. ~~, and under section 20j.~~

8 (2) Reimbursement under subsection (1) is for the following
9 special education pupils:

10 (a) Pupils assigned to a district or intermediate district
11 through the community placement program of the courts or a state
12 agency, if the pupil was a resident of another intermediate
13 district at the time the pupil came under the jurisdiction of the
14 court or a state agency.

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

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

20 (d) Pupils enrolled in a department-approved on-grounds
21 educational program longer than 180 days, but not longer than 233
22 days, at a residential child care institution, if the child care
23 institution offered in 1991-92 an on-grounds educational program
24 longer than 180 days but not longer than 233 days.

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

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

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

8 (5) Not more than \$13,500,000.00 of the allocation for ~~2010-~~
9 ~~2011-2011-2012~~ **AND FOR 2012-2013** in section 51a(1) shall be
10 allocated **EACH FISCAL YEAR** under this section.

11 Sec. 54. Each intermediate district shall receive an amount
12 per pupil for each pupil in attendance at the Michigan schools for
13 the deaf and blind. The amount shall be proportionate to the total
14 instructional cost at each school. Not more than \$1,688,000.00 of
15 the allocation for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** in section
16 51a(1) shall be allocated **EACH FISCAL YEAR** under this section.

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

18 (a) "Membership" means for a particular fiscal year the total
19 membership for the immediately preceding fiscal year of the
20 intermediate district and the districts constituent to the
21 intermediate district.

22 (b) "Millage levied" means the millage levied for special
23 education pursuant to part 30 of the revised school code, MCL
24 380.1711 to 380.1743, including a levy for debt service
25 obligations.

26 (c) "Taxable value" means the total taxable value of the
27 districts constituent to an intermediate district, except that if a

1 district has elected not to come under part 30 of the revised
2 school code, MCL 380.1711 to 380.1743, membership and taxable value
3 of the district shall not be included in the membership and taxable
4 value of the intermediate district.

5 (2) From the allocation under section 51a(1), there is
6 ~~allocated an amount not to exceed \$39,281,100.00 for 2009-2010 and~~
7 ~~an amount not to exceed \$36,881,100.00~~ **EACH FISCAL YEAR** ~~for 2010-~~
8 ~~2011-2011-2012 AND FOR 2012-2013~~ to reimburse intermediate
9 districts levying millages for special education pursuant to part
10 30 of the revised school code, MCL 380.1711 to 380.1743. The
11 purpose, use, and expenditure of the reimbursement shall be limited
12 as if the funds were generated by these millages and governed by
13 the intermediate district plan adopted pursuant to article 3 of the
14 revised school code, MCL 380.1701 to 380.1766. As a condition of
15 receiving funds under this section, an intermediate district
16 distributing any portion of special education millage funds to its
17 constituent districts shall submit for departmental approval and
18 implement a distribution plan.

19 (3) Reimbursement for those millages levied in ~~2008-2009-2010-~~
20 ~~2011~~ shall be made in ~~2009-2010-2011-2012~~ at an amount per ~~2008-~~
21 ~~2009-2010-2011~~ membership pupil computed by subtracting from
22 ~~\$180,600.00~~ **\$174,700.00** the ~~2008-2009-2010-2011~~ taxable value
23 behind each membership pupil and multiplying the resulting
24 difference by the ~~2008-2009-2010-2011~~ millage levied. Reimbursement
25 for those millages levied in ~~2009-2010-2011-2012~~ shall be made in
26 ~~2010-2011-2012-2013~~ at an amount per ~~2009-2010-2011-2012~~ membership
27 pupil computed by subtracting from ~~\$181,700.00~~ **\$173,000.00** the

1 ~~2009-2010-2011-2012~~ taxable value behind each membership pupil and
2 multiplying the resulting difference by the ~~2009-2010-2011-2012~~
3 millage levied.

4 ~~Article 6~~

5 Sec. 61a. (1) From the appropriation in section 11, there is
6 allocated an amount not to exceed \$26,611,300.00 **EACH FISCAL YEAR**
7 for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** to reimburse on an added
8 cost basis districts, except for a district that served as the
9 fiscal agent for a vocational education consortium in the 1993-94
10 school year, and secondary area vocational-technical education
11 centers for secondary-level career and technical education programs
12 according to rules approved by the superintendent. Applications for
13 participation in the programs shall be submitted in the form
14 prescribed by the department. The department shall determine the
15 added cost for each career and technical education program area.
16 The allocation of added cost funds shall be based on the type of
17 career and technical education programs provided, the number of
18 pupils enrolled, and the length of the training period provided,
19 and shall not exceed 75% of the added cost of any program. With the
20 approval of the department, the board of a district maintaining a
21 secondary career and technical education program may offer the
22 program for the period from the close of the school year until
23 September 1. The program shall use existing facilities and shall be
24 operated as prescribed by rules promulgated by the superintendent.

25 (2) Except for a district that served as the fiscal agent for
26 a vocational education consortium in the 1993-94 school year,
27 districts and intermediate districts shall be reimbursed for local

1 career and technical education administration, shared time career
2 and technical education administration, and career education
3 planning district career and technical education administration.
4 The definition of what constitutes administration and reimbursement
5 shall be pursuant to guidelines adopted by the superintendent. Not
6 more than \$800,000.00 of the allocation in subsection (1) shall be
7 distributed under this subsection.

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

9 (a) "Membership" means for a particular fiscal year the total
10 membership for the immediately preceding fiscal year of the
11 intermediate district and the districts constituent to the
12 intermediate district or the total membership for the immediately
13 preceding fiscal year of the area vocational-technical program.

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

20 (c) "Taxable value" means the total taxable value of the
21 districts constituent to an intermediate district or area
22 vocational-technical education program, except that if a district
23 has elected not to come under sections 681 to 690 of the revised
24 school code, MCL 380.681 to 380.690, the membership and taxable
25 value of that district shall not be included in the membership and
26 taxable value of the intermediate district. However, the membership
27 and taxable value of a district that has elected not to come under

sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

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

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

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,000,000.00 each fiscal year for ~~2009-~~
~~2010 and for 2010-2011-~~**2011-2012 AND FOR 2012-2013** to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in ~~2008-2009-2010-~~
~~2011~~ shall be made in ~~2009-2010-~~**2011-2012** at an amount per ~~2008-~~
~~2009-2010-2011~~ membership pupil computed by subtracting from ~~\$191,000.00-~~**\$190,400.00** the ~~2008-2009-2010-2011~~ taxable value behind each membership pupil and multiplying the resulting

1 difference by the ~~2008-2009-2010-2011~~ millage levied. Reimbursement
 2 for the millages levied in ~~2009-2010-2011-2012~~ shall be made in
 3 ~~2010-2011-2012-2013~~ at an amount per ~~2009-2010-2011-2012~~ membership
 4 pupil computed by subtracting from ~~\$194,700.00~~ **\$188,300.00** the
 5 ~~2009-2010-2011-2012~~ taxable value behind each membership pupil and
 6 multiplying the resulting difference by the ~~2009-2010-2011-2012~~
 7 millage levied.

8 ~~Article 7~~

9 Sec. 74. (1) From the amount appropriated in section 11, ~~there~~
 10 ~~is allocated an amount not to exceed \$3,028,500.00 for 2009-2010~~
 11 ~~and there is allocated an amount not to exceed \$2,058,800.00~~
 12 **\$3,154,600.00 EACH FISCAL YEAR** for ~~2010-2011-2011-2012 AND FOR~~
 13 **2012-2013** for the purposes of this section.

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

1 instruction.

2 (3) From the allocation in subsection (1), there is allocated
3 each fiscal year the amount necessary to pay the reasonable costs
4 of nonspecial education auxiliary services transportation provided
5 pursuant to section 1323 of the revised school code, MCL 380.1323.
6 Districts funded under this subsection shall not receive funding
7 under any other section of this ~~act~~ **ARTICLE** for nonspecial
8 education auxiliary services transportation.

9 (4) From the funds allocated in subsection (1), there is
10 ~~allocated an amount not to exceed \$1,403,500.00 for 2009-2010 and~~
11 ~~an amount not to exceed \$433,800.00~~ **\$1,529,600.00 EACH FISCAL YEAR**
12 ~~for 2010-2011-2011-2012 AND FOR 2012-2013~~ for reimbursement to
13 districts and intermediate districts for costs associated with the
14 inspection of school buses and pupil transportation vehicles by the
15 department of state police as required under section 715a of the
16 Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of
17 the pupil transportation act, 1990 PA 187, MCL 257.1839. The
18 department of state police shall prepare a statement of costs
19 attributable to each district for which bus inspections are
20 provided and submit it to the department and to each affected
21 district in a time and manner determined jointly by the department
22 and the department of state police. The department shall reimburse
23 each district and intermediate district for costs detailed on the
24 statement within 30 days after receipt of the statement. Districts
25 for which services are provided shall make payment in the amount
26 specified on the statement to the department of state police within
27 45 days after receipt of the statement. The total reimbursement of

1 costs under this subsection shall not exceed the amount allocated
2 under this subsection. Notwithstanding section 17b, payments to
3 eligible entities under this subsection shall be paid on a schedule
4 prescribed by the department.

5 ~~Article 8~~

6 Sec. 81. (1) Except as otherwise provided in this section,
7 from the appropriation in section 11, there is allocated for ~~2010-~~
8 ~~2011-2011-2012 AND FOR 2012-2013~~ to the intermediate districts the
9 sum necessary, but not to exceed ~~\$65,376,800.00~~ **\$62,108,000.00 EACH**
10 **FISCAL YEAR**, to provide state aid to intermediate districts under
11 this section. Except as otherwise provided in this section, there
12 shall be allocated **EACH FISCAL YEAR** to each intermediate district
13 for ~~2010-2011-2011-2012 AND FOR 2012-2013~~ an amount equal to ~~80%~~
14 **95%** of the amount allocated under this subsection for ~~2008-2009-~~
15 **2010-2011**. Funding provided under this section shall be used to
16 comply with requirements of this ~~act~~ **ARTICLE** and the revised school
17 code that are applicable to intermediate districts, and for which
18 funding is not provided elsewhere in this ~~act~~, **ARTICLE**, and to
19 provide technical assistance to districts as authorized by the
20 intermediate school board.

21 (2) Intermediate districts receiving funds under this section
22 shall collaborate with the department to develop expanded
23 professional development opportunities for teachers to update and
24 expand their knowledge and skills needed to support the Michigan
25 merit curriculum.

26 (3) From the allocation in subsection (1), there is allocated
27 to an intermediate district, formed by the consolidation or

1 annexation of 2 or more intermediate districts or the attachment of
2 a total intermediate district to another intermediate school
3 district or the annexation of all of the constituent K-12 districts
4 of a previously existing intermediate school district which has
5 disorganized, an additional allotment of \$3,500.00 each fiscal year
6 for each intermediate district included in the new intermediate
7 district for 3 years following consolidation, annexation, or
8 attachment.

9 (4) During a fiscal year, the department shall not increase an
10 intermediate district's allocation under subsection (1) because of
11 an adjustment made by the department during the fiscal year in the
12 intermediate district's taxable value for a prior year. Instead,
13 the department shall report the adjustment and the estimated amount
14 of the increase to the house and senate fiscal agencies and the
15 state budget director not later than June 1 of the fiscal year, and
16 the legislature shall appropriate money for the adjustment in the
17 next succeeding fiscal year.

18 (5) In order to receive funding under this section, an
19 intermediate district shall do all of the following:

20 (a) Demonstrate to the satisfaction of the department that the
21 intermediate district employs at least 1 person who is trained in
22 pupil counting procedures, rules, and regulations.

23 (b) Demonstrate to the satisfaction of the department that the
24 intermediate district employs at least 1 person who is trained in
25 rules, regulations, and district reporting procedures for the
26 individual-level student data that serves as the basis for the
27 calculation of the district and high school graduation and dropout

1 rates.

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

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

7 (e) Comply with section 1230g of the revised school code, MCL
8 380.1230g.

9 (f) Comply with section 761 of the revised school code, MCL
10 380.761.

11 ~~—— (6) If the amount of the allocation to intermediate districts~~
12 ~~under subsection (1) is reduced in a fiscal year after 2010-2011~~
13 ~~from the amount of that allocation for 2010-2011, that reduced~~
14 ~~allocation shall not result in an intermediate district's~~
15 ~~allocation being less than the funding actually received by or paid~~
16 ~~on behalf of the intermediate district for the 1994-95 fiscal year~~
17 ~~under former section 146a(1) and section 147(1), as those sections~~
18 ~~were in effect for the 1994-95 fiscal year.~~

19 ~~Article 9~~

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

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

27 (b) Create, maintain, and enhance this state's statewide

1 longitudinal data system and ensure that it meets the requirements
2 of subsection ~~(6)~~ (4).

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

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

11 (i) Data sets that link teachers to student information,
12 allowing districts to assess individual teacher impact on student
13 performance and consider student growth factors in teacher and
14 principal evaluation systems.

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

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

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

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

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

26 (2) Each state department, officer, or agency that collects
27 information from districts, intermediate districts, or

1 postsecondary institutions as required under state or federal law
2 shall make arrangements with the center to ensure that the state
3 department, officer, or agency is in compliance with subsection
4 (1). This subsection does not apply to information collected by the
5 department of treasury under the uniform budgeting and accounting
6 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
7 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
8 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
9 388.1939; or section 1351a of the revised school code, MCL
10 380.1351a.

11 ~~—— (3) The state budget director shall appoint a CEPI advisory~~
12 ~~committee to provide advice to the director. The CEPI advisory~~
13 ~~committee shall consist of the following members:~~

14 ~~—— (a) One representative from the house fiscal agency.~~

15 ~~—— (b) One representative from the senate fiscal agency.~~

16 ~~—— (c) One representative from the state budget office.~~

17 ~~—— (d) One representative from the state education agency.~~

18 ~~—— (e) One representative each from the department of energy,~~
19 ~~labor, and economic growth and the department of treasury.~~

20 ~~—— (f) Three representatives from intermediate school districts.~~

21 ~~—— (g) One representative from each of the following educational~~
22 ~~organizations:~~

23 ~~—— (i) Michigan association of school boards.~~

24 ~~—— (ii) Michigan association of school administrators.~~

25 ~~—— (iii) Michigan school business officials.~~

26 ~~—— (h) One representative representing private sector firms~~
27 ~~responsible for auditing school records.~~

~~1 (i) Other representatives as the state budget director
2 determines are necessary.~~

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

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

~~10 (b) Defining the roles of all stakeholders in the data
11 collection system.~~

~~12 (c) Recommending timelines for the implementation and ongoing
13 collection of data.~~

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

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

~~19 (f) Establishing and maintaining state and model local
20 policies related to data collection, including, but not limited to,
21 privacy policies related to individual student data. These privacy
22 policies shall ensure that a student's social security number is
23 not released to the public for any purpose.~~

~~24 (g) Working with stakeholders to develop a state research
25 agenda.~~

~~26 (h) Other matters as determined by the state budget director
27 or the director of the center.~~

1 (3) ~~(5)~~—The center may enter into any interlocal agreements
2 necessary to fulfill its functions.

3 (4) ~~(6)~~—The center shall ensure that the statewide
4 longitudinal data system required under subsection (1)(b) meets all
5 of the following:

6 (a) Includes data at the individual student level from
7 preschool through postsecondary education and into the workforce.

8 (b) Supports interoperability by using standard data
9 structures, data formats, and data definitions to ensure linkage
10 and connectivity in a manner that facilitates the exchange of data
11 among agencies and institutions within the state and between
12 states.

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

16 (d) Enables the matching of individual teachers with
17 information about their certification and the institutions that
18 prepared and recommended those teachers for state certification.

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

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

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

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

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

4 (ii) Contains student-level enrollment, demographic, and
5 program participation information.

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

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

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

13 (i) Contains yearly test records of individual students for
14 assessments approved by DED-OESE for accountability purposes under
15 section 1111(b) of the elementary and secondary education act of
16 1965, 20 USC 6311, including information on individual students not
17 tested, by grade and subject.

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

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

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

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

26 (A) Enrollment in remedial coursework.

27 (B) Completion of 1 year's worth of college credit applicable

1 to a degree within 2 years of enrollment.

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

5 (5) ~~(7)~~—From the general fund appropriation in section 11,
6 there is allocated an amount not to exceed ~~\$3,621,100.00~~
7 **\$5,501,700.00 EACH FISCAL YEAR** for ~~2010-2011-2011-2012 AND FOR~~
8 **2012-2013** to the department of technology, management, and budget
9 to support the operations of the center. In addition, from the
10 federal funds appropriated in section 11 there is allocated **EACH**
11 **FISCAL YEAR** for ~~2010-2011-2011-2012 AND FOR 2012-2013~~ the amount
12 necessary, estimated at ~~\$10,067,800.00 for 2010-2011,~~ **\$2,893,200.00**
13 **EACH FISCAL YEAR** to support the operations of the center **AND TO**
14 **ESTABLISH A LONGITUDINAL DATA SYSTEM AS PROVIDED UNDER THIS SECTION**
15 **IN COMPLIANCE WITH THE ASSURANCE PROVIDED TO THE UNITED STATES**
16 **DEPARTMENT OF EDUCATION IN ORDER TO RECEIVE STATE FISCAL**
17 **STABILIZATION FUNDS.** The center shall cooperate with the state
18 education agency to ensure that this state is in compliance with
19 federal law and is maximizing opportunities for increased federal
20 funding to improve education in this state.

21 (6) ~~(8)~~—From the federal funds allocated in subsection ~~(7)~~,
22 (5), there is allocated for ~~2010-2011-2011-2012 AND FOR 2012-2013~~
23 an amount not to exceed \$850,000.00 **EACH FISCAL YEAR** funded from
24 the competitive grants of DED-OESE, title II, educational
25 technology funds for the purposes of this subsection. Not later
26 than November 30 of each fiscal year, the department shall award a
27 single grant to an eligible partnership that includes an

1 intermediate district with at least 1 high-need local school
2 district and the center.

3 ~~—— (9) In addition to the amount allocated under subsection (7)~~
4 ~~there is also allocated from the general fund money appropriated in~~
5 ~~section 11 for 2010-2011 an additional amount not to exceed~~
6 ~~\$1,800,000.00 for the purpose of establishing a longitudinal data~~
7 ~~system as provided under this section in compliance with the~~
8 ~~assurance provided to the federal department of education in order~~
9 ~~to receive state fiscal stabilization funds. In addition, there is~~
10 ~~allocated for 2010-2011 from the state school aid fund money~~
11 ~~appropriated under section 11 an amount not to exceed \$8,440,000.00~~
12 ~~to support the efforts of districts to match individual teacher and~~
13 ~~student records. The funds shall be distributed to districts in an~~
14 ~~amount and manner determined by the center.~~

15 (7) ~~(10)~~ From the federal funds allocated in subsection ~~(7)~~,
16 (5), there is allocated for ~~2010-2011~~ **2011-2012 AND FOR 2012-2013**
17 an amount not to exceed \$242,000.00 **EACH FISCAL YEAR** to support the
18 efforts of postsecondary institutions to comply with the
19 requirements of this state's statewide longitudinal data system.
20 The funds shall be distributed to postsecondary institutions in an
21 amount and manner determined by the center.

22 (8) ~~(11)~~ The center and the department shall work
23 cooperatively to develop a cost allocation plan that pays for
24 center expenses from the appropriate federal fund and state
25 restricted fund revenues.

26 (9) ~~(12)~~ Funds allocated under this section that are not
27 expended in the fiscal year in which they were allocated may be

1 carried forward to a subsequent fiscal year and are appropriated
2 for the purposes for which the funds were originally allocated.

3 (10) ~~(13)~~—The center may bill departments as necessary in
4 order to fulfill reporting requirements of state and federal law.
5 The center may also enter into agreements to supply custom data,
6 analysis, and reporting to other principal executive departments,
7 state agencies, local units of government, and other individuals
8 and organizations. The center may receive and expend funds in
9 addition to those authorized in subsection ~~(7)~~—(5) to cover the
10 costs associated with salaries, benefits, supplies, materials, and
11 equipment necessary to provide such data, analysis, and reporting
12 services.

13 (11) ~~(14)~~—As used in this section:

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

16 (b) "High-need local school district" means a local
17 educational agency as defined in the enhancing education through
18 technology part of the no child left behind act of 2001, Public Law
19 107-110.

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

21 Sec. 98. (1) From the general fund money appropriated in
22 section 11, there is allocated an amount not to exceed
23 \$1,687,500.00 **EACH FISCAL YEAR** for ~~2010-2011-2011-2012~~ **AND FOR**
24 **2012-2013** to provide a grant to the Michigan virtual university for
25 the development, implementation, and operation of the Michigan
26 virtual high school; to provide professional development
27 opportunities for educators; and to fund other purposes described

1 in this section. In addition, from the federal funds appropriated
2 in section 11, there is allocated for ~~2010-2011~~ **2011-2012 AND FOR**
3 **2012-2013** an amount estimated at \$2,700,000.00 **EACH FISCAL YEAR.**

4 (2) The Michigan virtual high school shall have the following
5 goals:

6 (a) Significantly expand curricular offerings for high schools
7 across this state through agreements with districts or licenses
8 from other recognized providers.

9 (b) Create statewide instructional models using interactive
10 multimedia tools delivered by electronic means, including, but not
11 limited to, the internet, digital broadcast, or satellite network,
12 for distributed learning at the high school level.

13 (c) Provide pupils with opportunities to develop skills and
14 competencies through online learning.

15 (d) Grant high school diplomas through a dual enrollment
16 method with districts.

17 (e) Act as a broker for college level equivalent courses, as
18 defined in section 1471 of the revised school code, MCL 380.1471,
19 and dual enrollment courses from postsecondary education
20 institutions.

21 (f) Maintain the accreditation status of the Michigan virtual
22 high school from recognized national and international accrediting
23 entities.

24 (3) The Michigan virtual high school course offerings shall
25 include, but are not limited to, all of the following:

26 (a) Information technology courses.

27 (b) College level equivalent courses, as defined in section

1 1471 of the revised school code, MCL 380.1471.

2 (c) Courses and dual enrollment opportunities.

3 (d) Programs and services for at-risk pupils.

4 (e) General education development test preparation courses for
5 adjudicated youth.

6 (f) Special interest courses.

7 (g) Professional development programs that teach Michigan
8 educators how to develop and deliver online instructional services.

9 (4) From the federal funds allocated in subsection (1), there
10 is allocated for ~~2010-2011~~ **2011-2012 AND FOR 2012-2013** an amount
11 estimated at \$1,700,000.00 **EACH FISCAL YEAR** from DED-OESE, title
12 II, improving teacher quality funds for a grant to the Michigan
13 virtual university for the purpose of this subsection. With the
14 approval of the department, the Michigan virtual university shall
15 coordinate the following activities related to DED-OESE, title II,
16 improving teacher quality funds in accordance with federal law:

17 (a) Develop, and assist districts in the development and use
18 of, proven, innovative strategies to deliver intensive professional
19 development programs that are both cost-effective and easily
20 accessible, such as strategies that involve delivery through the
21 use of technology, peer networks, and distance learning.

22 (b) Encourage and support the training of teachers and
23 administrators to effectively integrate technology into curricula
24 and instruction.

25 (c) Coordinate the activities of eligible partnerships that
26 include higher education institutions for the purposes of providing
27 professional development activities for teachers,

1 paraprofessionals, and principals as defined in federal law.

2 (d) Offer teachers opportunities to learn new skills and
3 strategies for developing and delivering instructional services.

4 (e) Provide online professional development opportunities for
5 educators to update and expand knowledge and skills needed to
6 support the Michigan merit curriculum core content standards and
7 credit requirements.

8 (5) The Michigan virtual university shall offer at least 200
9 hours of online professional development for classroom teachers
10 under this section each fiscal year beginning in 2006-2007 without
11 charge to the teachers or to districts or intermediate districts.

12 (6) From the federal funds appropriated in subsection (1),
13 there is allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** an
14 amount estimated at \$1,000,000.00 **EACH FISCAL YEAR** from the DED-
15 OESE, title II, educational technology grant funds to support e-
16 learning and virtual school initiatives consistent with the goals
17 contained in the United States national educational technology plan
18 issued in January 2005. These funds shall be used to support
19 activities designed to build the capacity of the Michigan virtual
20 university and shall not be used to supplant other funding. Not
21 later than November 30, 2010, from the funds allocated in this
22 subsection, the department shall award a single grant of
23 \$1,000,000.00 to a consortium or partnership established by the
24 Michigan virtual university that meets the requirements of this
25 subsection. To be eligible for this funding, a consortium or
26 partnership established by the Michigan virtual university shall
27 include at least 1 intermediate district and at least 1 high-need

1 local district. All of the following apply to this funding:

2 (a) An eligible consortium or partnership must demonstrate the
3 following:

4 (i) Prior success in delivering online courses and
5 instructional services to K-12 pupils throughout this state.

6 (ii) Expertise in designing, developing, and evaluating online
7 K-12 course content.

8 (iii) Experience in maintaining a statewide help desk service
9 for pupils, online teachers, and other school personnel.

10 (iv) Knowledge and experience in providing technical assistance
11 and support to K-12 schools in the area of online education.

12 (v) Experience in training and supporting K-12 educators in
13 this state to teach online courses.

14 (vi) Demonstrated technical expertise and capacity in managing
15 complex technology systems.

16 (vii) Experience promoting twenty-first century learning skills
17 through the use of online technologies.

18 (b) The Michigan virtual university, which operates the
19 Michigan virtual high school, shall perform the following tasks
20 related to this funding:

21 (i) Strengthen its capacity by pursuing activities, policies,
22 and practices that increase the overall number of Michigan virtual
23 high school course enrollments and course completions by at-risk
24 students.

25 (ii) Examine the curricular and specific course content needs
26 of middle and high school students in the areas of mathematics and
27 science.

1 (iii) Design, develop, and acquire online courses and related
2 supplemental resources aligned to state standards to create a
3 comprehensive and rigorous statewide catalog of online courses and
4 instructional services.

5 (iv) Continue to evaluate and conduct pilot programs for new
6 and innovative online tools, resources, and courses.

7 (v) Evaluate existing online teaching and learning practices
8 and develop continuous improvement strategies to enhance student
9 achievement.

10 (vi) Develop, support, and maintain the technology
11 infrastructure and related software required to deliver online
12 courses and instructional services to students statewide.

13 (7) If a home-schooled or nonpublic school student is a
14 resident of a district that subscribes to services provided by the
15 Michigan virtual high school, the student may use the services
16 provided by the Michigan virtual high school to the district
17 without charge to the student beyond what is charged to a district
18 pupil using the same services.

19 (8) Not later than December 1 ~~, 2010,~~ **OF EACH FISCAL YEAR,** the
20 Michigan virtual university shall provide a report to the house and
21 senate appropriations subcommittees on state school aid, the state
22 budget director, the house and senate fiscal agencies, and the
23 department that includes at least all of the following information
24 related to the Michigan virtual high school for the preceding state
25 fiscal year:

26 (a) A list of the Michigan schools served by the Michigan
27 virtual high school.

1 (b) A list of online course titles available to Michigan
2 schools.

3 (c) The total number of online course enrollments and
4 information on registrations and completions by course.

5 (d) The overall course completion rate percentage.

6 (e) A summary of DED-OESE, title IIA, teacher quality grant
7 and DED-OESE, title IID, education technology grant expenditures.

8 (f) Identification of unmet educational needs that could be
9 addressed by the Michigan virtual high school.

10 (9) As used in this section:

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

13 (b) "High-need local district" means a local educational
14 agency as defined in the enhancing education through technology
15 part of the no child left behind act of 2001, Public Law 107-110.

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

17 Sec. 99. (1) From the state school aid fund money appropriated
18 in section 11, there is allocated an amount not to exceed
19 \$2,515,000.00 **EACH FISCAL YEAR** for ~~2010-2011-2011-2012~~ **AND FOR**
20 **2012-2013** and from the general fund appropriation in section 11,
21 there is allocated an amount not to exceed \$110,000.00 **EACH FISCAL**
22 **YEAR** for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** to support the
23 activities and programs of mathematics and science centers and for
24 other purposes as described in this section. In addition, from the
25 federal funds appropriated in section 11, there is allocated for
26 2010-2011 an amount estimated at \$5,249,300.00 from DED-OESE, title
27 II, mathematics and science partnership grants.

1 (2) Within a service area designated locally, approved by the
2 department, and consistent with the comprehensive master plan for
3 mathematics and science centers developed by the department and
4 approved by the state board, an established mathematics and science
5 center shall provide 2 or more of the following 6 basic services,
6 as described in the master plan, to constituent districts and
7 communities: leadership, pupil services, curriculum support,
8 community involvement, professional development, and resource
9 clearinghouse services.

10 (3) The department shall not award a state grant under this
11 section to more than 1 mathematics and science center located in a
12 designated region as prescribed in the 2007 master plan unless each
13 of the grants serves a distinct target population or provides a
14 service that does not duplicate another program in the designated
15 region.

16 (4) As part of the technical assistance process, the
17 department shall provide minimum standard guidelines that may be
18 used by the mathematics and science center for providing fair
19 access for qualified pupils and professional staff as prescribed in
20 this section.

21 (5) Allocations under this section to support the activities
22 and programs of mathematics and science centers shall be continuing
23 support grants to all 33 established mathematics and science
24 centers. Each established mathematics and science center that was
25 funded in ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** shall
26 receive state funding in an amount equal to 100% of the amount it
27 was allocated under this subsection for ~~2009-2010~~. **THE IMMEDIATELY**

1 **PRECEDING FISCAL YEAR.** If a center declines state funding or a
2 center closes, the remaining money available under this section
3 shall be distributed to the remaining centers, as determined by the
4 department.

5 (6) From the funds allocated in subsection (1), there is
6 allocated for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** an amount not
7 to exceed \$750,000.00 **EACH FISCAL YEAR** in a form and manner
8 determined by the department to those centers able to provide
9 curriculum and professional development support to assist districts
10 in implementing the Michigan merit curriculum components for
11 mathematics and science. Funding under this subsection is in
12 addition to funding allocated under subsection (5).

13 (7) In order to receive state or federal funds under this
14 section, a grant recipient shall allow access for the department or
15 the department's designee to audit all records related to the
16 program for which it receives such funds. The grant recipient shall
17 reimburse the state for all disallowances found in the audit.

18 (8) Not later than September 30, 2013, the department shall
19 reevaluate and update the comprehensive master plan described in
20 subsection (1).

21 (9) The department shall give preference in awarding the
22 federal grants allocated in subsection (1) to eligible existing
23 mathematics and science centers.

24 (10) In order to receive state funds under this section, a
25 grant recipient shall provide at least a 10% local match from local
26 public or private resources for the funds received under this
27 section.

(11) NOT LATER THAN JULY 1 OF EACH YEAR, A MATHEMATICS AND SCIENCE CENTER THAT RECEIVES FUNDS UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT ON THE FOLLOWING PERFORMANCE MEASURES:

(A) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR STUDENTS WHO ENROLLED IN MATHEMATICS AND SCIENCE ACTIVITIES PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE CENTER.

(B) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR TEACHERS WHO ENROLLED IN PROFESSIONAL DEVELOPMENT ACTIVITIES PROVIDED BY THE MATHEMATICS AND SCIENCE CENTER.

(12) ~~(11)~~ As used in this section:

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

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

~~Article 10~~

Sec. 104. (1) In order to receive state aid under this ~~act~~, **ARTICLE**, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated **AN AMOUNT NOT TO EXCEED \$35,194,400.00** for ~~2010-2011~~ **2011-2012** **AND** an amount not to exceed ~~\$40,194,400.00~~ **\$26,694,400.00** **FOR 2012-2013** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** **AND FOR 2012-2013** an amount

1 estimated at ~~\$3,250,000.00~~ **\$8,250,000.00 EACH FISCAL YEAR**, funded
2 from DED-OSERS, section 504 of part B of the individuals with
3 disabilities education act, Public Law 94-142, plus any carryover
4 federal funds from previous year appropriations, for the purposes
5 of complying with the federal no child left behind act of 2001,
6 Public Law 107-110.

7 (2) The results of each test administered as part of the
8 Michigan educational assessment program, including tests
9 administered to high school students, shall include an item
10 analysis that lists all items that are counted for individual pupil
11 scores and the percentage of pupils choosing each possible
12 response.

13 (3) All federal funds allocated under this section shall be
14 distributed in accordance with federal law and with flexibility
15 provisions outlined in Public Law 107-116, and in the education
16 flexibility partnership act of 1999, Public Law 106-25.

17 (4) Notwithstanding section 17b, payments on behalf of
18 districts, intermediate districts, and other eligible entities
19 under this section shall be paid on a schedule determined by the
20 department.

21 (5) As used in this section:

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

23 (b) "DED-OSERS" means the DED office of special education and
24 rehabilitative services.

25 Sec. 107. (1) From the appropriation in section 11, there is
26 allocated an amount not to exceed \$22,000,000.00 **EACH FISCAL YEAR**
27 for ~~2010-2011-2011-2012~~ **AND FOR 2012-2013** for adult education

1 programs authorized under this section. Funds ~~appropriated~~
2 **ALLOCATED** under this section are restricted for adult education
3 programs as authorized under this section only. A recipient of
4 funds under this section shall not use those funds for any other
5 purpose.

6 (2) To be eligible for funding under this section, a program
7 shall employ certificated teachers and qualified administrative
8 staff and shall offer continuing education opportunities for
9 teachers to allow them to maintain certification.

10 (3) To be eligible to be a participant funded under this
11 section, a person shall be enrolled in an adult basic education
12 program, an adult English as a second language program, a general
13 educational development (G.E.D.) test preparation program, a job or
14 employment related program, or a high school completion program,
15 that meets the requirements of this section, and shall meet either
16 of the following, as applicable:

17 (a) If the individual has obtained a high school diploma or a
18 general educational development (G.E.D.) certificate, the
19 individual meets 1 of the following:

20 (i) Is less than 20 years of age on September 1 of the school
21 year and is enrolled in the Michigan career and technical
22 institute.

23 (ii) Is less than 20 years of age on September 1 of the school
24 year, is not attending an institution of higher education, and is
25 enrolled in a job or employment-related program through a referral
26 by an employer.

27 (iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) Except as otherwise provided in subsection (5), from the amount allocated under subsection (1), at least \$21,800,000.00 **EACH FISCAL YEAR** shall be distributed as follows:

(a) For districts and consortia that received payments for ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under this section, the amount allocated to each for ~~2010-2011~~ **THE CURRENT FISCAL YEAR** shall be based on the number of participants served by the district or consortium for ~~2010-2011~~, **THE CURRENT FISCAL YEAR**, using the amount allocated per full-time equated participant under subsection (7), up to a maximum total allocation under this subsection in an amount equal to 100% of the amount the district or consortium received for ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under this section before any reallocations made for ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under subsection (5).

(b) A district or consortium that received funding in ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under this section may operate independently of a consortium or join or form a consortium

1 for ~~2010-2011.~~ **THE CURRENT FISCAL YEAR.** The allocation for ~~2010-~~
2 ~~2011~~ **THE CURRENT FISCAL YEAR** to the district or the newly formed
3 consortium under this subsection shall be determined by the
4 department and shall be based on the proportion of the amounts that
5 are attributable to the district or consortium that received
6 funding in ~~2009-2010.~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR.** A
7 district or consortium described in this subdivision shall notify
8 the department of its intention with regard to ~~2010-2011~~ **THE**
9 **CURRENT FISCAL YEAR** by October 1, ~~2010.~~ **1 OF THE CURRENT FISCAL**
10 **YEAR.**

11 (c) If a district had a declaration of financial emergency in
12 place under the local government fiscal responsibility act, 1990 PA
13 72, MCL 141.1201 to 141.1291, and that declaration was revoked
14 during 2005, the district may operate a program under this section
15 independently of a consortium or may join or form a consortium to
16 operate a program under this section. The allocation for ~~2010-2011~~
17 **THE CURRENT FISCAL YEAR** to the district or the newly formed
18 consortium under this subsection shall be determined by the
19 department and shall be based on the proportion of the amounts that
20 are attributable to the district or consortium that received
21 funding in ~~2009-2010.~~ **FOR THE IMMEDIATELY PRECEDING FISCAL YEAR** or,
22 for a district for which a declaration of financial emergency was
23 revoked during 2005, based on the amount the district received
24 under this section using a 3-year average of the 3 most recent
25 fiscal years the district received funding under this section. A
26 district or consortium described in this subdivision shall notify
27 the department of its intention with regard to ~~2010-2011~~ **THE**

1 **CURRENT FISCAL YEAR** by October 1, ~~2010~~ **1 OF THE CURRENT FISCAL**
2 **YEAR.**

3 (5) A district that operated an adult education program in
4 ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** and does not intend
5 to operate a program in ~~2010-2011~~ **THE CURRENT FISCAL YEAR** shall
6 notify the department by October 1, ~~2010~~ **1 OF THE CURRENT FISCAL**
7 **YEAR** of its intention. The money intended to be allocated under
8 this section to a district that does not operate a program in ~~2010-~~
9 ~~2011~~ **THE CURRENT FISCAL YEAR** and the unspent money originally
10 allocated under this section to a district or consortium that
11 subsequently operates a program at less than the level of funding
12 allocated under subsection (4) and any other unallocated money
13 under this section shall instead be proportionately reallocated to
14 the other districts described in subsection (4)(a) that are
15 operating an adult education program in ~~2010-2011~~ **THE CURRENT**
16 **FISCAL YEAR** under this section.

17 (6) From the amount allocated under subsection (1), up to a
18 maximum of \$200,000.00 shall be allocated for not more than 1 grant
19 not to exceed \$200,000.00 for expansion of an existing innovative
20 community college program that focuses on educating adults. Grants
21 may be used for program operating expenses such as staffing, rent,
22 equipment, and other expenses. To be eligible for this grant
23 funding, a program must meet the following criteria:

24 (a) Collaborates with local districts and businesses to
25 determine area academic needs and to promote the learning
26 opportunities.

27 (b) Is located off-campus in an urban residential setting with

1 documented high poverty and low high school graduation rates.

2 (c) Provides general educational development (G.E.D.) test
3 preparation courses and workshops.

4 (d) Provides developmental courses taught by college faculty
5 that prepare students to be successful in college-level courses.

6 (e) Uses learning communities to allow for shared, rather than
7 isolated, learning experiences.

8 (f) Provides on-site tutoring.

9 (g) Provides access to up-to-date technology, including
10 personal computers.

11 (h) Partners with a financial institution to provide financial
12 literacy education.

13 (i) Assists students in gaining access to financial aid.

14 (j) Provides on-site academic advising to students.

15 (k) Provides vouchers for reduced G.E.D. testing costs.

16 (l) Partners with local agencies to provide referrals for
17 social services as needed.

18 (m) Enrolls participants as students of the community college.

19 (n) Partners with philanthropic and business entities to
20 provide capital funding.

21 (7) The amount allocated under this section per full-time
22 equated participant is \$2,850.00 for a 450-hour program. The amount
23 shall be proportionately reduced for a program offering less than
24 450 hours of instruction.

25 (8) An adult basic education program or an adult English as a
26 second language program operated on a year-round or school year
27 basis may be funded under this section, subject to all of the

1 following:

2 (a) The program enrolls adults who are determined by a
3 department-approved assessment, in a form and manner prescribed by
4 the department, to be below ninth grade level in reading or
5 mathematics, or both, or to lack basic English proficiency.

6 (b) The program tests individuals for eligibility under
7 subdivision (a) before enrollment and upon completion of the
8 program in compliance with the state-approved assessment policy.

9 (c) A participant in an adult basic education program is
10 eligible for reimbursement until 1 of the following occurs:

11 (i) The participant's reading and mathematics proficiency are
12 assessed at or above the ninth grade level.

13 (ii) The participant fails to show progress on 2 successive
14 assessments after having completed at least 450 hours of
15 instruction.

16 (d) A funding recipient enrolling a participant in an English
17 as a second language program is eligible for funding according to
18 subsection (12) until the participant meets 1 of the following:

19 (i) The participant is assessed as having attained basic
20 English proficiency as determined by a department-approved
21 assessment.

22 (ii) The participant fails to show progress on 2 successive
23 department-approved assessments after having completed at least 450
24 hours of instruction. The department shall provide information to a
25 funding recipient regarding appropriate assessment instruments for
26 this program.

27 (9) A general educational development (G.E.D.) test

1 preparation program operated on a year-round or school year basis
2 may be funded under this section, subject to all of the following:

3 (a) The program enrolls adults who do not have a high school
4 diploma.

5 (b) The program shall administer a G.E.D. pre-test approved by
6 the department before enrolling an individual to determine the
7 individual's potential for success on the G.E.D. test, and shall
8 administer a post-test upon completion of the program in compliance
9 with the state-approved assessment policy.

10 (c) A funding recipient shall receive funding according to
11 subsection (12) for a participant, and a participant may be
12 enrolled in the program until 1 of the following occurs:

13 (i) The participant passes the G.E.D. test.

14 (ii) The participant fails to show progress on 2 successive
15 department-approved assessments used to determine readiness to take
16 the G.E.D. test after having completed at least 450 hours of
17 instruction.

18 (10) A high school completion program operated on a year-round
19 or school year basis may be funded under this section, subject to
20 all of the following:

21 (a) The program enrolls adults who do not have a high school
22 diploma.

23 (b) The program tests participants described in subdivision
24 (a) before enrollment and upon completion of the program in
25 compliance with the state-approved assessment policy.

26 (c) A funding recipient shall receive funding according to
27 subsection (12) for a participant in a course offered under this

1 subsection until 1 of the following occurs:

2 (i) The participant passes the course and earns a high school
3 diploma.

4 (ii) The participant fails to earn credit in 2 successive
5 semesters or terms in which the participant is enrolled after
6 having completed at least 900 hours of instruction.

7 (11) A job or employment-related adult education program
8 operated on a year-round or school year basis may be funded under
9 this section, subject to all of the following:

10 (a) The program enrolls adults referred by their employer who
11 are less than 20 years of age, have a high school diploma, are
12 determined to be in need of remedial mathematics or communication
13 arts skills and are not attending an institution of higher
14 education.

15 (b) An individual may be enrolled in this program and the
16 grant recipient shall receive funding according to subsection (12)
17 until 1 of the following occurs:

18 (i) The individual achieves the requisite skills as determined
19 by department-approved assessment instruments administered at least
20 after every 90 hours of attendance.

21 (ii) The individual fails to show progress on 2 successive
22 assessments after having completed at least 450 hours of
23 instruction. The department shall provide information to a funding
24 recipient regarding appropriate assessment instruments for this
25 program.

26 (12) A funding recipient shall receive payments under this
27 section in accordance with the following:

1 (a) Ninety percent for enrollment of eligible participants.

2 (b) Ten percent for completion of the adult basic education
3 objectives by achieving an increase of at least 1 grade level of
4 proficiency in reading or mathematics; for achieving basic English
5 proficiency, as defined by the department in the adult education
6 guidebook; for obtaining a G.E.D. or passage of 1 or more
7 individual G.E.D. tests; for attainment of a high school diploma or
8 passage of a course required for a participant to attain a high
9 school diploma; or for completion of the course and demonstrated
10 proficiency in the academic skills to be learned in the course, as
11 applicable.

12 (13) As used in this section, "participant" means the sum of
13 the number of full-time equated individuals enrolled in and
14 attending a department-approved adult education program under this
15 section, using quarterly participant count days on the schedule
16 described in section 6(7)(b).

17 (14) A person who is not eligible to be a participant funded
18 under this section may receive adult education services upon the
19 payment of tuition. In addition, a person who is not eligible to be
20 served in a program under this section due to the program
21 limitations specified in subsection (8), (9), (10), or (11) may
22 continue to receive adult education services in that program upon
23 the payment of tuition. The tuition level shall be determined by
24 the local or intermediate district conducting the program.

25 (15) An individual who is an inmate in a state correctional
26 facility shall not be counted as a participant under this section.

27 (16) A district shall not commingle money received under this

1 section or from another source for adult education purposes with
2 any other funds of the district. A district receiving adult
3 education funds shall establish a separate ledger account for those
4 funds. This subsection does not prohibit a district from using
5 general funds of the district to support an adult education or
6 community education program.

7 (17) A district or intermediate district receiving funds under
8 this section may establish a sliding scale of tuition rates based
9 upon a participant's family income. A district or intermediate
10 district may charge a participant tuition to receive adult
11 education services under this section from that sliding scale of
12 tuition rates on a uniform basis. The amount of tuition charged per
13 participant shall not exceed the actual operating cost per
14 participant minus any funds received under this section per
15 participant. A district or intermediate district may not charge a
16 participant tuition under this section if the participant's income
17 is at or below 200% of the federal poverty guidelines published by
18 the United States department of health and human services.

19 (18) In order to receive funds under this section, a district
20 shall furnish to the department, in a form and manner determined by
21 the department, all information needed to administer this program
22 and meet federal reporting requirements; shall allow the department
23 or the department's designee to review all records related to the
24 program for which it receives funds; and shall reimburse the state
25 for all disallowances found in the review, as determined by the
26 department.

27 (19) All intermediate district participant audits of adult

1 education programs shall be performed pursuant to the adult
2 education participant auditing and accounting manuals published by
3 the department.

4 (20) As used in this section, "department" means the
5 ~~department of energy, labor, and economic growth~~ **WORKFORCE**
6 **DEVELOPMENT AGENCY**.

7 Sec. 109. (1) Subject to subsection (2), in order to receive
8 funds under this ~~act~~, **ARTICLE**, each district or intermediate
9 district shall provide appropriate instructional services, as
10 determined by the district or intermediate district, to an enrolled
11 pupil who is certified by the pupil's attending physician as having
12 a medical condition that requires the pupil to be hospitalized or
13 confined to his or her home during regular school hours and that is
14 expected to require the hospitalization or confinement for a period
15 longer than 5 school days. The district or intermediate district
16 may provide the services itself or may contract with an
17 intermediate district, a hospital, a treatment center, or another
18 district to provide the services. In choosing a provider for the
19 instructional services, the district or intermediate district shall
20 consider which of those potential providers is best able to deliver
21 the appropriate instructional services. The district or
22 intermediate district shall pay reasonable costs as agreed upon
23 between the district or intermediate district and the provider for
24 services provided to a pupil under this section.

25 (2) A district or intermediate district is required to provide
26 instructional services under subsection (1) to a pupil placed in a
27 hospital, treatment center, or other treatment facility without the

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district's or intermediate district's prior knowledge only if the district or intermediate district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd-numbered year, the department shall prepare and distribute **ELECTRONICALLY** to each district and intermediate district ~~a written~~ **AND MAKE AVAILABLE ON ITS WEBSITE AN** explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation **ELECTRONICALLY** to any other person upon request.

~~Article 11~~

~~Article 12~~

~~Article 14~~

Sec. 147. **[(1)]** The allocation for 2010-2011 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget. ~~The~~ **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, THE** annual level percentage of payroll contribution rate is estimated at ~~19.41% for the 2010-2011 state~~ **15.96% FOR PENSION AND AT 8.50% FOR RETIREE**

House Bill No. 4325 (H-1) as amended May 5, 2011 (1 of 2)

1 HEALTH CARE FOR THE 2011-2012 fiscal year. FOR PUBLIC SCHOOL
 2 EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR
 3 AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
 4 CONTRIBUTION RATE IS ESTIMATED AT 14.73% FOR PENSION AND 8.50% FOR
 5 RETIREE HEALTH CARE FOR THE 2011-2012 FISCAL YEAR. FOR PUBLIC
 6 SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
 7 UNIT BEFORE JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
 8 CONTRIBUTION RATE IS ESTIMATED AT 18.62% FOR PENSION AND 8.75% FOR
 9 RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL YEAR. FOR PUBLIC
 10 SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
 11 UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF
 12 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 17.39% FOR PENSION AND
 13 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL YEAR. The
 14 portion of the contribution rate assigned to districts and
 15 intermediate districts for each fiscal year is all of the total
 16 percentage points. This contribution rate reflects an amortization
 17 period of ~~27-26~~ years for ~~2010-2011~~. However, the contribution rate
 18 ~~for 2010-2011 may be reduced by an amount approved by the public~~
 19 ~~school employees' retirement system board if reforms in the public~~
 20 ~~school employees' retirement system are enacted and in effect by~~
 21 ~~December 31, 2010. 2011-2012 AND FOR 2012-2013.~~ The public school
 22 employees' retirement system board shall notify each district and
 23 intermediate district by February 28 of each fiscal year of the
 24 estimated contribution rate for the next fiscal year.

[(2) IF THERE IS MONEY APPROPRIATED FOR THE PURPOSES OF THIS
 SUBSECTION UNDER SECTION 274A(2), THAT MONEY IS ALLOCATED TO THE PUBLIC
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR 2011-2012. THIS ALLOCATION IS
 INTENDED TO REDUCE THE ESTIMATED REQUIRED EMPLOYER CONTRIBUTION RATES FOR
 PENSION FOR THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM. THE PUBLIC
 SCHOOL EMPLOYEES RETIREMENT BOARD AND THE DEPARTMENT OF TECHNOLOGY,
 MANAGEMENT, AND BUDGET SHALL RECALCULATE THE ESTIMATED ANNUAL LEVEL
 PERCENTAGE OF PAYROLL CONTRIBUTION RATES FOR 2011-2012 FOR PENSION BASED
 ON THIS ALLOCATION AND SHALL REPORT THE REVISED CONTRIBUTION RATES TO
 DISTRICTS, INTERMEDIATE DISTRICTS, AND THE LEGISLATURE NOT LATER THAN
 JANUARY 1, 2012.]

~~Article 15~~

House Bill No. 4325 (H-1) as amended May 5, 2011 (2 of 2)

26 Sec. 152a. (1) As required by the court in the consolidated
27 cases known as Adair v State of Michigan, Michigan supreme court

docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for ~~2010-2011-2011-~~ **2012 AND FOR 2012-2013** an amount not to exceed ~~\$25,624,500.00~~ **\$34,064,500.00 EACH FISCAL YEAR** to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

~~Article 16~~

~~Article 17~~

ARTICLE II

STATE AID TO COMMUNITY COLLEGES

SEC. 201. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN SUBSECTION (2) ARE APPROPRIATED FOR COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN SUBSECTION (2):

(A) THE GROSS APPROPRIATION IS \$251,996,800.00. AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION IS \$251,996,800.00.

(B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:

1 (i) TOTAL FEDERAL REVENUES, \$0.00.

2 (ii) TOTAL LOCAL REVENUES, \$0.00.

3 (iii) TOTAL PRIVATE REVENUES, \$0.00.

4 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$195,880,500.00.

5 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,116,300.00.

6 (2) SUBJECT TO SUBSECTION (3), THE AMOUNT APPROPRIATED FOR
7 COMMUNITY COLLEGE OPERATIONS IS \$251,996,800.00, ALLOCATED AS
8 FOLLOWS:

9 (A) ALPENA COMMUNITY COLLEGE, \$4,436,200.00.

10 (B) BAY DE NOC COMMUNITY COLLEGE, \$4,489,800.00.

11 (C) DELTA COLLEGE, \$11,798,400.00.

12 (D) GLEN OAKS COMMUNITY COLLEGE, \$2,061,100.00.

13 (E) GOGEBIC COMMUNITY COLLEGE, \$3,688,600.00.

14 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$14,776,500.00.

15 (G) HENRY FORD COMMUNITY COLLEGE, \$17,941,300.00.

16 (H) JACKSON COMMUNITY COLLEGE, \$9,970,800.00.

17 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$10,194,300.00.

18 (J) KELLOGG COMMUNITY COLLEGE, \$8,045,800.00.

19 (K) KIRTLAND COMMUNITY COLLEGE, \$2,542,600.00.

20 (L) LAKE MICHIGAN COLLEGE, \$4,407,300.00.

21 (M) LANSING COMMUNITY COLLEGE, \$25,440,000.00.

22 (N) MACOMB COMMUNITY COLLEGE, \$27,089,000.00.

23 (O) MID MICHIGAN COMMUNITY COLLEGE, \$3,769,500.00.

24 (P) MONROE COUNTY COMMUNITY COLLEGE, \$3,622,300.00.

25 (Q) MONTCALM COMMUNITY COLLEGE, \$2,601,100.00.

26 (R) C.S. MOTT COMMUNITY COLLEGE, \$12,906,700.00.

27 (S) MUSKEGON COMMUNITY COLLEGE, \$7,337,400.00.

1 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$2,560,100.00.

2 (U) NORTHWESTERN MICHIGAN COLLEGE, \$7,509,900.00.

3 (V) OAKLAND COMMUNITY COLLEGE, \$17,258,900.00.

4 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$5,811,500.00.

5 (X) SCHOOLCRAFT COLLEGE, \$10,120,000.00.

6 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$5,492,000.00.

7 (Z) WASHTENAW COMMUNITY COLLEGE, \$10,436,100.00.

8 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$13,684,600.00.

9 (BB) WEST SHORE COMMUNITY COLLEGE, \$2,005,000.00.

10 (3) THE AMOUNT APPROPRIATED IN SUBSECTION (2) FOR COMMUNITY
11 COLLEGE OPERATIONS IS APPROPRIATED FROM THE FOLLOWING:

12 (A) SCHOOL AID FUND, \$195,880,500.00.

13 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,116,300.00.

14 SEC. 201A. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS
15 ARTICLE, THE AMOUNTS LISTED IN SUBSECTION (2) ARE ANTICIPATED TO BE
16 APPROPRIATED FOR COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING
17 SEPTEMBER 30, 2013, FROM THE FUNDS INDICATED IN THIS SECTION. THE
18 FOLLOWING IS A SUMMARY OF THE ANTICIPATED APPROPRIATIONS FOR FISCAL
19 YEAR 2012-2013 IN SUBSECTION (2):

20 (A) THE GROSS ANTICIPATED APPROPRIATION IS \$251,996,800.00.
21 AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND
22 INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED
23 GROSS ANTICIPATED APPROPRIATION IS \$251,996,800.00.

24 (B) THE SOURCES OF THE ADJUSTED GROSS ANTICIPATED
25 APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:

26 (i) TOTAL FEDERAL REVENUES, \$0.00.

27 (ii) TOTAL LOCAL REVENUES, \$0.00.

1 (iii) TOTAL PRIVATE REVENUES, \$0.00.

2 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$195,880,500.00.

3 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,116,300.00.

4 (2) SUBJECT TO SUBSECTION (3), THE ANTICIPATED APPROPRIATION
5 FOR COMMUNITY COLLEGE OPERATIONS FOR FISCAL YEAR 2012-2013 IS
6 \$251,996,800.00, ALLOCATED AS FOLLOWS:

7 (A) ALPENA COMMUNITY COLLEGE, \$4,436,200.00.

8 (B) BAY DE NOC COMMUNITY COLLEGE, \$4,489,800.00.

9 (C) DELTA COLLEGE, \$11,798,400.00.

10 (D) GLEN OAKS COMMUNITY COLLEGE, \$2,061,100.00.

11 (E) GOGEBIC COMMUNITY COLLEGE, \$3,688,600.00.

12 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$14,776,500.00.

13 (G) HENRY FORD COMMUNITY COLLEGE, \$17,941,300.00.

14 (H) JACKSON COMMUNITY COLLEGE, \$9,970,800.00.

15 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$10,194,300.00.

16 (J) KELLOGG COMMUNITY COLLEGE, \$8,045,800.00.

17 (K) KIRTLAND COMMUNITY COLLEGE, \$2,542,600.00.

18 (L) LAKE MICHIGAN COLLEGE, \$4,407,300.00.

19 (M) LANSING COMMUNITY COLLEGE, \$25,440,000.00.

20 (N) MACOMB COMMUNITY COLLEGE, \$27,089,000.00.

21 (O) MID MICHIGAN COMMUNITY COLLEGE, \$3,769,500.00.

22 (P) MONROE COUNTY COMMUNITY COLLEGE, \$3,622,300.00.

23 (Q) MONTCALM COMMUNITY COLLEGE, \$2,601,100.00.

24 (R) C.S. MOTT COMMUNITY COLLEGE, \$12,906,700.00.

25 (S) MUSKEGON COMMUNITY COLLEGE, \$7,337,400.00.

26 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$2,560,100.00.

27 (U) NORTHWESTERN MICHIGAN COLLEGE, \$7,509,900.00.

1 (V) OAKLAND COMMUNITY COLLEGE, \$17,258,900.00.

2 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$5,811,500.00.

3 (X) SCHOOLCRAFT COLLEGE, \$10,120,000.00.

4 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$5,492,000.00.

5 (Z) WASHTENAW COMMUNITY COLLEGE, \$10,436,100.00.

6 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$13,684,600.00.

7 (BB) WEST SHORE COMMUNITY COLLEGE, \$2,005,000.00.

8 (3) THE FOLLOWING ARE THE ANTICIPATED SOURCES OF THE
9 ANTICIPATED APPROPRIATION FOR FISCAL YEAR 2012-2013 IN SUBSECTION
10 (2):

11 (A) SCHOOL AID FUND, \$195,880,500.00.

12 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,116,300.00.

13 SEC. 202. THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE
14 SUBJECT TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101
15 TO 18.1594.

16 SEC. 203. UNLESS OTHERWISE SPECIFIED, A COMMUNITY COLLEGE
17 RECEIVING APPROPRIATIONS IN SECTION 201 AND THE WORKFORCE
18 DEVELOPMENT AGENCY SHALL USE THE INTERNET TO FULFILL THE REPORTING
19 REQUIREMENTS OF THIS ARTICLE. THIS REQUIREMENT MAY INCLUDE
20 TRANSMISSION OF REPORTS VIA ELECTRONIC MAIL TO THE RECIPIENTS
21 IDENTIFIED FOR EACH REPORTING REQUIREMENT OR IT MAY INCLUDE
22 PLACEMENT OF REPORTS ON AN INTERNET OR INTRANET SITE.

23 SEC. 204. FUNDS APPROPRIATED IN SECTION 201 SHALL NOT BE USED
24 FOR THE PURCHASE OF FOREIGN GOODS OR SERVICES, OR BOTH, IF
25 COMPETITIVELY PRICED AND OF COMPARABLE QUALITY AMERICAN GOODS OR
26 SERVICES, OR BOTH, ARE AVAILABLE. PREFERENCE SHOULD BE GIVEN TO
27 GOODS OR SERVICES, OR BOTH, MANUFACTURED OR PROVIDED BY MICHIGAN

1 BUSINESSES, IF THEY ARE COMPETITIVELY PRICED AND OF COMPARABLE
2 QUALITY. IN ADDITION, PREFERENCE SHOULD BE GIVEN TO GOODS OR
3 SERVICES, OR BOTH, THAT ARE MANUFACTURED OR PROVIDED BY MICHIGAN
4 BUSINESSES OWNED AND OPERATED BY VETERANS, IF THEY ARE
5 COMPETITIVELY PRICED AND OF COMPARABLE QUALITY.

6 SEC. 205. THE PRINCIPAL EXECUTIVE OFFICER OF EACH COMMUNITY
7 COLLEGE RECEIVING APPROPRIATIONS IN SECTION 201 SHALL TAKE ALL
8 REASONABLE STEPS TO ENSURE BUSINESSES IN DEPRIVED AND DEPRESSED
9 COMMUNITIES COMPETE FOR AND PERFORM CONTRACTS TO PROVIDE SERVICES
10 OR SUPPLIES, OR BOTH. EACH PRINCIPAL EXECUTIVE OFFICER SHALL
11 STRONGLY ENCOURAGE FIRMS WITH WHICH THE COMMUNITY COLLEGE CONTRACTS
12 TO SUBCONTRACT WITH CERTIFIED BUSINESSES IN DEPRESSED AND DEPRIVED
13 COMMUNITIES FOR SERVICES OR SUPPLIES, OR BOTH.

14 SEC. 206. THE FUNDS APPROPRIATED IN SECTION 201 ARE
15 APPROPRIATED FOR COMMUNITY COLLEGES WITH FISCAL YEARS ENDING JUNE
16 30, 2012 AND SHALL BE PAID OUT OF THE STATE TREASURY AND
17 DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE COMMUNITY
18 COLLEGES IN 11 MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH,
19 OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16,
20 2011. EACH COMMUNITY COLLEGE SHALL ACCRUE ITS JULY AND AUGUST 2012
21 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2012.
22 HOWEVER, IF A COMMUNITY COLLEGE FAILS TO SUBMIT ALL VERIFIED
23 MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION STRUCTURE
24 DATA FOR SCHOOL YEAR 2010-2011 TO THE WORKFORCE DEVELOPMENT AGENCY
25 BY NOVEMBER 1, 2011, THE MONTHLY INSTALLMENTS SHALL BE WITHHELD
26 FROM THAT COMMUNITY COLLEGE UNTIL THOSE DATA ARE SUBMITTED.

27 SEC. 207. (1) A COMMUNITY COLLEGE SHALL PAY THE EMPLOYER'S

1 CONTRIBUTIONS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
2 SYSTEM CREATED BY THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF
3 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AS A CONDITION OF
4 RECEIVING FUNDS APPROPRIATED UNDER THIS ARTICLE.

5 (2) A COMMUNITY COLLEGE SHALL NOT PAY AN EMPLOYER'S
6 CONTRIBUTION TO MORE THAN 1 RETIREMENT FUND PROVIDING BENEFITS FOR
7 AN EMPLOYEE.

8 SEC. 208. FUNDS APPROPRIATED IN SECTION 201 SHALL NOT BE USED
9 TO PAY FOR THE CONSTRUCTION OR MAINTENANCE OF A SELF-LIQUIDATING
10 PROJECT. A COMMUNITY COLLEGE RECEIVING FUNDS UNDER THIS ARTICLE
11 SHALL COMPLY WITH THE CURRENT USE AND FINANCE REQUIREMENTS OF THE
12 JOINT CAPITAL OUTLAY SUBCOMMITTEE (JCOS) FOR ANY CONSTRUCTION,
13 RENOVATION, OR OTHER CAPITAL OUTLAY PROJECTS PURSUANT TO JCOS
14 POLICY. FAILURE TO COMPLY WITH JCOS USE AND FINANCE POLICY MAY
15 RESULT IN THE FORFEITURE OF FUTURE JCOS CONSIDERATION OF CAPITAL
16 OUTLAY PROJECTS PUT BEFORE THE SUBCOMMITTEE BY THE COMMUNITY
17 COLLEGE.

18 SEC. 209. FROM THE FUNDS APPROPRIATED IN SECTION 201, EACH
19 COMMUNITY COLLEGE SHALL DEVELOP, POST, AND MAINTAIN, ON A USER-
20 FRIENDLY AND PUBLICLY ACCESSIBLE INTERNET SITE, A COMPREHENSIVE
21 REPORT CATEGORIZING ALL INSTITUTIONAL GENERAL FUND EXPENDITURES
22 MADE BY THE COMMUNITY COLLEGE WITHIN A FISCAL YEAR. THE REPORT
23 SHALL INCLUDE INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS
24 CATEGORIZED BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR
25 EXTERNAL INITIATIVE WITHIN THE COMMUNITY COLLEGE AND BY MAJOR
26 EXPENDITURE CATEGORY, INCLUDING FACULTY AND STAFF SALARIES AND
27 FRINGE BENEFITS, FACILITY-RELATED COSTS, SUPPLIES AND EQUIPMENT,

1 CONTRACTS, AND TRANSFERS TO AND FROM OTHER COMMUNITY COLLEGE FUNDS.
2 THE REPORT SHALL ALSO INCLUDE A LIST OF ALL EMPLOYEE POSITIONS
3 FUNDED PARTIALLY OR WHOLLY THROUGH INSTITUTIONAL GENERAL FUND
4 REVENUE THAT INCLUDES THE POSITION TITLE, NAME, AND ANNUAL SALARY
5 OR WAGE AMOUNT FOR EACH POSITION. THE COMMUNITY COLLEGE SHALL NOT
6 PROVIDE FINANCIAL INFORMATION ON ITS WEBSITE UNDER THIS SECTION IF
7 DOING SO WOULD VIOLATE A FEDERAL OR STATE LAW, RULE, REGULATION, OR
8 GUIDELINE THAT ESTABLISHES PRIVACY OR SECURITY STANDARDS APPLICABLE
9 TO THAT FINANCIAL INFORMATION.

10 SEC. 210. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A
11 PROCESS TO IMPROVE THE TRANSFERABILITY OF CORE COLLEGE COURSES
12 BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A STATEWIDE
13 BASIS. BUILDING OFF OF THE MICHIGAN ASSOCIATION OF COLLEGE
14 REGISTRARS AND ACADEMIC OFFICERS AGREEMENT AND EXISTING
15 ARTICULATION AGREEMENTS IN PLACE BETWEEN INDIVIDUAL INSTITUTIONS,
16 THE COMMITTEE SHALL WORK TO DEVELOP EQUIVALENCY STANDARDS OF CORE
17 COLLEGE COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY THE
18 INSTITUTIONS.

19 (2) THE COMMITTEE SHALL BE COMPOSED OF THE FOLLOWING:

20 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
21 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

22 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY
23 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

24 (C) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE
25 SPEAKER OF THE HOUSE.

26 (D) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE
27 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

1 (E) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MAJORITY
2 LEADER.

3 (F) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MINORITY
4 LEADER.

5 (3) THE COMMITTEE SHALL SUBMIT AN INTERIM PROJECT STATUS
6 REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
7 COMMUNITY COLLEGES AND HIGHER EDUCATION, THE SENATE AND HOUSE
8 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY MARCH 1, 2012.

9 SEC. 211. COMMUNITY COLLEGES SHALL DO THE FOLLOWING:

10 (A) UNDERTAKE ACTIVE MEASURES TO PROMOTE EQUAL OPPORTUNITIES,
11 ELIMINATE DISCRIMINATION, AND FOSTER A DIVERSE STUDENT BODY AND
12 ADMINISTRATION AMONG ALL PEOPLE INCLUDING, BUT NOT LIMITED TO,
13 WOMEN, MINORITIES, SENIORS, VETERANS, AND PEOPLE WITH DISABILITIES.

14 (B) REVIEW, ANALYZE, AND ERADICATE ACTIVITIES THAT MAY TEND TO
15 DISCRIMINATE.

16 SEC. 212. IT IS THE INTENT OF THE LEGISLATURE TO ENCOURAGE
17 COMMUNITY COLLEGE DISTRICTS TO EVALUATE AND PURSUE EFFICIENCY AND
18 COST-CONTAINMENT MEASURES THAT MAXIMIZE STATE FUNDING. COMMUNITY
19 COLLEGES SHALL IDENTIFY PRACTICES THAT INCREASE EFFICIENCIES,
20 INCLUDING, BUT NOT LIMITED TO, ESTABLISHING JOINT VENTURES,
21 CONSOLIDATING SERVICES, UTILIZING PROGRAM COLLABORATIONS,
22 MAXIMIZING EDUCATIONAL BENEFITS THROUGH OPTIMAL CLASS SIZES AND
23 FREQUENCY OF COURSE OFFERINGS, INCREASING WEB-BASED INSTRUCTION,
24 ELIMINATING LOW-ENROLLMENT AND HIGH-COST INSTRUCTIONAL PROGRAMS,
25 USING SELF-INSURANCE, PRACTICING ENERGY CONSERVATION, AND UTILIZING
26 GROUP PURCHASING. EFFICIENCY EFFORTS SHALL ALSO INCLUDE REVIEWING
27 PROPOSED CAPITAL OUTLAY PROJECTS TO INCREASE COORDINATION AND

1 UTILIZATION OF NEW FACILITIES, RENOVATION PROJECTS, AND TECHNOLOGY
2 IMPROVEMENTS.

3 SEC. 213. IT IS THE INTENT OF THE LEGISLATURE THAT COMMUNITY
4 COLLEGES WORK WITH PUBLIC UNIVERSITIES IN THE STATE TO IMPLEMENT
5 STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
6 STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF
7 THE NECESSARY CREDITS. IN DOING SO, THE INSTITUTIONS SHOULD WORK
8 COLLABORATIVELY AND COOPERATIVELY TO REMOVE ADMINISTRATIVE BARRIERS
9 THAT RESULT IN UNDERSTATING THE ACADEMIC ATTAINMENT OF MICHIGAN'S
10 CITIZENS. IT IS THE INTENT OF THE LEGISLATURE THAT BY AUGUST 1,
11 2012, STATEWIDE AGREEMENTS BE IN PLACE BETWEEN COMMUNITY COLLEGES
12 AND PUBLIC UNIVERSITIES THAT ENABLE STUDENTS WHO HAVE EARNED A
13 SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER
14 TO A BACCALAUREATE-GRANTING INSTITUTION BEFORE COMPLETING A DEGREE
15 TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION
16 BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL
17 OF VALUE.

18 SEC. 214. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A COMMON
19 SET OF SCORES USING THE ACT ASSESSMENT TO DETERMINE PLACEMENT IN
20 DEVELOPMENTAL COURSES AT COMMUNITY COLLEGES FOR STUDENTS WHO
21 RECENTLY COMPLETED HIGH SCHOOL. THE COMMITTEE SHALL BE COMPOSED OF
22 THE FOLLOWING:

23 (A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE
24 MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1
25 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.

26 (B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE
27 DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE

1 DESIGNATED BY THE SENATE MINORITY LEADER.

2 (C) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY COLLEGES
3 DESIGNATED BY THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION.

4 (D) FOUR INDIVIDUALS REPRESENTING K-12 EDUCATION, WITH THE
5 SPEAKER OF THE HOUSE, HOUSE MINORITY LEADER, SENATE MAJORITY
6 LEADER, AND SENATE MINORITY LEADER EACH DESIGNATING 1 MEMBER.

7 (2) BY MARCH 1, 2012, THE COMMITTEE CREATED UNDER SUBSECTION
8 (1) SHALL SUBMIT A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS
9 SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL
10 AGENCIES, AND THE STATE BUDGET OFFICE OUTLINING THE PROGRESS TOWARD
11 IMPLEMENTING A COMMON SET OF ACT CUTOFF SCORES FOR PLACEMENT INTO
12 DEVELOPMENTAL EDUCATION AND CREDIT-BEARING COURSES.

13 SEC. 215. (1) EACH COMMUNITY COLLEGE SHALL REPORT THE
14 FOLLOWING INFORMATION TO THE SENATE AND HOUSE APPROPRIATIONS
15 SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL
16 AGENCIES, AND THE STATE BUDGET OFFICE BY NOVEMBER 15, 2011:

17 (A) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM
18 TUITION AND FEES.

19 (B) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM
20 STATE APPROPRIATIONS.

21 (C) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM
22 PROPERTY TAXES.

23 (D) BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND REVENUE.

24 (E) BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND
25 EXPENDITURES.

26 (F) PROJECTED FISCAL YEAR 2011-2012 TOTAL FISCAL YEAR EQUATED
27 STUDENT ENROLLMENT.

1 (G) PROJECTED FISCAL YEAR 2011-2012 TOTAL CONTACT HOUR EQUATED
2 STUDENT ENROLLMENT.

3 (2) IT IS THE INTENT OF THE LEGISLATURE THAT A COMMUNITY
4 COLLEGE SHALL MAKE THE INFORMATION THE COMMUNITY COLLEGE IS
5 REQUIRED TO PROVIDE UNDER SUBSECTION (1) AVAILABLE TO THE PUBLIC ON
6 ITS INTERNET WEBSITE.

7 SEC. 216. (1) IT IS THE INTENT OF THE LEGISLATURE THAT THE
8 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
9 COLLEGES, TOGETHER WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION
10 AND OTHER INTERESTED STAKEHOLDERS, REVIEW ANY STATUTORY MANDATES
11 IMPOSED ON COMMUNITY COLLEGES, INCLUDING THOSE IDENTIFIED BY THE
12 LEGISLATIVE COMMISSION ON STATUTORY MANDATES ESTABLISHED UNDER
13 FORMER CHAPTER 7B OF THE LEGISLATIVE COUNCIL ACT, 1986 PA 268, AND
14 DETERMINE WHETHER THOSE MANDATES ARE NECESSARY FOR THE HEALTH AND
15 SAFETY OF STUDENTS; ARE ESSENTIAL TO THE ACADEMIC INTEGRITY OF THE
16 COMMUNITY COLLEGES; EXCEED ANY APPLICABLE FEDERAL REQUIREMENTS; ARE
17 SUPERFLUOUS TO THE CORE ACADEMIC PROGRAMS OF THE COMMUNITY
18 COLLEGES; AND MATERIALLY IMPACT LOCAL CONTROL AND GOVERNANCE OF THE
19 COLLEGES.

20 (2) THE SENATE AND HOUSE SUBCOMMITTEES ON COMMUNITY COLLEGES
21 SHALL REVIEW THE ESTIMATED COSTS AND BENEFITS OF EACH STATUTORY
22 MANDATE REVIEWED UNDER SUBSECTION (1) AND SHALL REPORT THEIR
23 FINDINGS TO THE STATE BUDGET DIRECTOR.

24 SEC. 217. UNLESS OTHERWISE STATED, ALL DATA ITEMS USED IN
25 DETERMINING STATE AID IN THIS ARTICLE ARE AS DEFINED IN THE "2001
26 MANUAL FOR UNIFORM FINANCIAL REPORTING, MICHIGAN PUBLIC COMMUNITY
27 COLLEGES", WHICH SHALL BE THE BASIS FOR REPORTING DATA, AND THE

1 "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY
2 COLLEGES", AS AMENDED, WHICH SHALL BE USED TO DOCUMENT FINANCIAL
3 NEEDS OF THE COMMUNITY COLLEGES.

4 SEC. 218. A COMMUNITY COLLEGE SHALL NOT INCLUDE IN THE
5 ENROLLMENT DATA REPORTED FOR DETERMINING STATE AID UNDER THIS
6 ARTICLE ANY STUDENT CREDIT HOURS OR STUDENT CONTACT HOURS FOR A
7 STUDENT INCARCERATED IN A MICHIGAN PENAL INSTITUTION. EXCLUSION OF
8 THESE STUDENTS IS INTENDED TO AVOID THE PAYMENT OF STATE AID UNDER
9 THIS ARTICLE FOR THE SAME INDIVIDUALS FOR WHOM REIMBURSEMENT IS
10 PROVIDED BY THE STATE CORRECTIONAL SYSTEM.

11 SEC. 219. A COMMUNITY COLLEGE RECEIVING FUNDS IN SECTION 201
12 SHALL COOPERATE WITH THE STATE'S EFFORTS TO ESTABLISH A STATEWIDE
13 P-20 EDUCATION LONGITUDINAL DATA SYSTEM TO COMPLY WITH THE STATE
14 FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN RECOVERY AND
15 REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.

16 SEC. 220. (1) THE AUDITOR GENERAL OR A CERTIFIED PUBLIC
17 ACCOUNTANT APPOINTED BY THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE
18 AUDITS OF COMMUNITY COLLEGES AS THE AUDITOR GENERAL CONSIDERS
19 NECESSARY.

20 (2) NOT MORE THAN 60 DAYS AFTER AN AUDIT REPORT IS RELEASED BY
21 THE OFFICE OF THE AUDITOR GENERAL, THE PRINCIPAL EXECUTIVE OFFICER
22 OF THE COMMUNITY COLLEGE THAT WAS AUDITED SHALL SUBMIT TO THE HOUSE
23 AND SENATE APPROPRIATIONS COMMITTEES, THE HOUSE AND SENATE FISCAL
24 AGENCIES, THE WORKFORCE DEVELOPMENT AGENCY, THE AUDITOR GENERAL,
25 AND THE STATE BUDGET DIRECTOR A PLAN TO COMPLY WITH AUDIT
26 RECOMMENDATIONS. THE PLAN SHALL CONTAIN PROJECTED DATES AND
27 RESOURCES REQUIRED, IF ANY, TO ACHIEVE COMPLIANCE WITH THE AUDIT

1 RECOMMENDATIONS, OR A DOCUMENTED EXPLANATION OF THE COLLEGE'S
2 NONCOMPLIANCE WITH THE AUDIT RECOMMENDATIONS CONCERNING THE MATTERS
3 ON WHICH THE AUDITED COMMUNITY COLLEGE AND OFFICE OF THE AUDITOR
4 GENERAL DISAGREE.

5 SEC. 221. (1) A COMMUNITY COLLEGE SHALL RETAIN CERTIFIED CLASS
6 SUMMARIES, CLASS LISTS, REGISTRATION DOCUMENTS, AND STUDENT
7 TRANSCRIPTS THAT ARE CONSISTENT WITH THE TAXONOMY OF COURSES. FOR
8 EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR, THESE CERTIFIED
9 DOCUMENTS SHALL IDENTIFY CLEARLY BY COURSE THE NUMBER OF IN-
10 DISTRICT AND OUT-OF-DISTRICT STUDENT CREDIT AND CONTACT HOURS. THE
11 CLASS SUMMARIES AND CLASS LISTS SHALL BE CONSISTENT WITH EACH OTHER
12 AND SHALL INCLUDE THE COURSE PREFIX AND NUMBERS, COURSE TITLE,
13 COURSE CREDIT AND CONTACT HOURS, CREDIT AND CONTACT HOURS GENERATED
14 BY EACH STUDENT, AND ACTIVITY CLASSIFICATIONS CONSISTENT WITH THE
15 TAXONOMY. AN AUDITABLE PROCESS SHALL BE USED BY THE COMMUNITY
16 COLLEGE TO DETERMINE THE UNDUPLICATED HEAD COUNT FOR IN-DISTRICT
17 STUDENTS, OUT-OF-DISTRICT STUDENTS, AND PRISONERS FOR EACH
18 ENROLLMENT PERIOD DURING THE FISCAL YEAR.

19 (2) CONTRACTS BETWEEN THE COMMUNITY COLLEGE AND AGENCIES THAT
20 REIMBURSE THE COMMUNITY COLLEGE FOR THE COSTS OF INSTRUCTION SHALL
21 BE RETAINED FOR AUDIT PURPOSES.

22 SEC. 222. EACH COMMUNITY COLLEGE SHALL HAVE AN ANNUAL AUDIT OF
23 ALL INCOME AND EXPENDITURES PERFORMED BY AN INDEPENDENT AUDITOR AND
24 SHALL FURNISH THE INDEPENDENT AUDITOR'S MANAGEMENT LETTER AND AN
25 ANNUAL AUDITED ACCOUNTING OF ALL GENERAL AND CURRENT FUNDS INCOME
26 AND EXPENDITURES INCLUDING AUDITS OF COLLEGE FOUNDATIONS TO THE
27 MEMBERS OF THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON

1 COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, THE
2 AUDITOR GENERAL, THE WORKFORCE DEVELOPMENT AGENCY, AND THE STATE
3 BUDGET DIRECTOR BEFORE NOVEMBER 15, 2011. IF A COMMUNITY COLLEGE
4 FAILS TO FURNISH THE AUDIT MATERIALS, THE MONTHLY STATE AID
5 INSTALLMENTS SHALL BE WITHHELD FROM THAT COLLEGE UNTIL THE
6 INFORMATION IS SUBMITTED. ALL REPORTING SHALL CONFORM TO THE
7 REQUIREMENTS SET FORTH IN THE "2001 MANUAL FOR UNIFORM FINANCIAL
8 REPORTING, MICHIGAN PUBLIC COMMUNITY COLLEGES". IT IS THE INTENT OF
9 THE LEGISLATURE THAT A COMMUNITY COLLEGE SHALL MAKE THE INFORMATION
10 THE COMMUNITY COLLEGE IS REQUIRED TO PROVIDE UNDER THIS SECTION
11 AVAILABLE TO THE PUBLIC ON ITS INTERNET WEBSITE.

12 SEC. 223. EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING TO
13 THE WORKFORCE DEVELOPMENT AGENCY NO LATER THAN NOVEMBER 1, 2011:

14 (A) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH
15 TERM FOR THE PREVIOUS FISCAL YEAR, USING GUIDELINES AND PROCEDURES
16 DEVELOPED BY THE WORKFORCE DEVELOPMENT AGENCY AND THE MICHIGAN
17 COMMISSION ON INDIAN AFFAIRS.

18 (B) THE NUMBER OF NORTH AMERICAN INDIAN TUITION WAIVERS
19 GRANTED EACH TERM, AND THE MONETARY VALUE OF THE WAIVERS FOR THE
20 PREVIOUS FISCAL YEAR.

21 SEC. 224. UPON REQUEST, A COMMUNITY COLLEGE SHALL INFORM
22 INTERESTED MICHIGAN HIGH SCHOOLS OF THE AGGREGATE ACADEMIC STATUS
23 OF ITS STUDENTS FOR THE PRIOR ACADEMIC YEAR, IN A MANNER PRESCRIBED
24 BY THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND IN COOPERATION
25 WITH THE MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.

26 SEC. 225. EACH COMMUNITY COLLEGE SHALL REPORT TO THE HOUSE AND
27 SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE

1 WORKFORCE DEVELOPMENT AGENCY BY AUGUST 31, 2011, THE TUITION AND
2 MANDATORY FEES PAID BY A FULL-TIME IN-DISTRICT STUDENT AND A FULL-
3 TIME OUT-OF-DISTRICT STUDENT AS ESTABLISHED BY THE COLLEGE
4 GOVERNING BOARD FOR THE 2010-2011 ACADEMIC YEAR. THIS REPORT SHOULD
5 ALSO INCLUDE THE ANNUAL COST OF ATTENDANCE BASED ON A FULL-TIME
6 COURSE LOAD OF 30 CREDITS. EACH COMMUNITY COLLEGE SHALL ALSO REPORT
7 ANY REVISIONS TO THE REPORTED 2010-2011 ACADEMIC YEAR TUITION AND
8 MANDATORY FEES ADOPTED BY THE COLLEGE GOVERNING BOARD TO THE HOUSE
9 AND SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE
10 WORKFORCE DEVELOPMENT AGENCY WITHIN 15 DAYS OF BEING ADOPTED.

11 SEC. 226. EACH COMMUNITY COLLEGE SHALL REPORT TO THE WORKFORCE
12 DEVELOPMENT AGENCY THE NUMBERS AND TYPE OF ASSOCIATE DEGREES AND
13 OTHER CERTIFICATES AWARDED DURING THE PREVIOUS FISCAL YEAR. THE
14 REPORT SHALL BE MADE NOT LATER THAN NOVEMBER 15, 2011.

15 ARTICLE III

16 STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

17 SEC. 236. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS
18 ARTICLE, THE AMOUNTS LISTED IN SUBSECTIONS (2) TO (5) ARE
19 APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL YEAR ENDING
20 SEPTEMBER 30, 2012, FROM THE FUNDS INDICATED IN THIS SECTION. THE
21 FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN SUBSECTIONS (2) TO
22 (5):

23 (A) THE GROSS APPROPRIATION IS \$1,362,278,400.00. AFTER
24 DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL
25 TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION
26 IS \$1,362,278,400.00.

27 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED

1 IN SUBDIVISION (A) ARE AS FOLLOWS:

2 (i) TOTAL FEDERAL REVENUES, \$98,326,400.00.

3 (ii) TOTAL LOCAL REVENUES, \$0.00.

4 (iii) TOTAL PRIVATE REVENUES, \$0.00.

5 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$699,919,500.00.

6 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$564,032,500.00.

7 (2) AMOUNTS APPROPRIATED FOR PUBLIC UNIVERSITIES ARE AS
8 FOLLOWS:

9 (A) THE APPROPRIATION FOR CENTRAL MICHIGAN UNIVERSITY IS
10 \$68,416,700.00, \$61,708,700.00 FOR OPERATIONS AND \$6,708,000.00 FOR
11 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

12 (i) STATE SCHOOL AID FUND, \$39,654,700.00.

13 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$28,762,000.00.

14 (B) THE APPROPRIATION FOR EASTERN MICHIGAN UNIVERSITY IS
15 \$64,850,900.00, \$61,539,900.00 FOR OPERATIONS AND \$3,311,000.00 FOR
16 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

17 (i) STATE SCHOOL AID FUND, \$37,587,900.00.

18 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$27,263,000.00.

19 (C) THE APPROPRIATION FOR FERRIS STATE UNIVERSITY IS
20 \$41,474,000.00, \$38,109,200.00 FOR OPERATIONS AND \$3,364,800.00 FOR
21 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

22 (i) STATE SCHOOL AID FUND, \$24,038,500.00.

23 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$17,435,500.00.

24 (D) THE APPROPRIATION FOR GRAND VALLEY STATE UNIVERSITY IS
25 \$53,005,200.00, \$48,732,900.00 FOR OPERATIONS AND \$4,272,300.00 FOR
26 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

27 (i) STATE SCHOOL AID FUND, \$30,722,100.00.

1 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$22,283,100.00.

2 (E) THE APPROPRIATION FOR LAKE SUPERIOR STATE UNIVERSITY IS
3 \$10,856,700.00, \$10,117,700.00 FOR OPERATIONS AND \$739,000.00 FOR
4 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

5 (i) STATE SCHOOL AID FUND, \$6,292,600.00.

6 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$4,564,100.00.

7 (F) THE APPROPRIATION FOR MICHIGAN STATE UNIVERSITY IS
8 \$293,544,000.00, \$222,609,000.00 FOR OPERATIONS, \$18,309,200.00 FOR
9 TUITION RESTRAINT INCENTIVE, AND \$52,625,800.00 FOR AGRICULTURAL
10 EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES, APPROPRIATED FROM
11 THE FOLLOWING:

12 (i) STATE SCHOOL AID FUND, \$139,637,400.00.

13 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$153,906,600.00.

14 (G) THE APPROPRIATION FOR MICHIGAN TECHNOLOGICAL UNIVERSITY IS
15 \$40,761,200.00, \$37,435,000.00 FOR OPERATIONS AND \$3,326,200.00 FOR
16 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

17 (i) STATE SCHOOL AID FUND, \$23,625,400.00.

18 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$17,135,800.00.

19 (H) THE APPROPRIATION FOR NORTHERN MICHIGAN UNIVERSITY IS
20 \$38,422,100.00, \$36,276,800.00 FOR OPERATIONS AND \$2,145,300.00 FOR
21 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

22 (i) STATE SCHOOL AID FUND, \$22,269,700.00.

23 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$16,152,400.00.

24 (I) THE APPROPRIATION FOR OAKLAND UNIVERSITY IS
25 \$43,378,600.00, \$39,526,400.00 FOR OPERATIONS AND \$3,852,200.00 FOR
26 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

27 (i) STATE SCHOOL AID FUND, \$25,142,500.00.

1 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$18,236,100.00.

2 (J) THE APPROPRIATION FOR SAGINAW VALLEY STATE UNIVERSITY IS
3 \$23,692,000.00, \$22,091,000.00 FOR OPERATIONS AND \$1,601,000.00 FOR
4 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

5 (i) STATE SCHOOL AID FUND, \$13,732,000.00.

6 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,960,000.00.

7 (K) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - ANN ARBOR
8 IS \$268,002,300.00, \$254,172,100.00 FOR OPERATIONS AND
9 \$13,830,200.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM
10 THE FOLLOWING:

11 (i) STATE SCHOOL AID FUND, \$155,335,500.00.

12 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$112,666,800.00.

13 (l) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - DEARBORN IS
14 \$21,105,900.00, \$19,711,100.00 FOR OPERATIONS AND \$1,394,800.00 FOR
15 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

16 (i) STATE SCHOOL AID FUND, \$12,233,100.00.

17 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$8,872,800.00.

18 (M) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - FLINT IS
19 \$17,855,800.00, \$16,767,100.00 FOR OPERATIONS AND \$1,088,700.00 FOR
20 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

21 (i) STATE SCHOOL AID FUND, \$10,349,300.00.

22 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$7,506,500.00.

23 (N) THE APPROPRIATION FOR WAYNE STATE UNIVERSITY IS
24 \$181,151,700.00, \$168,386,600.00 FOR OPERATIONS AND \$12,765,100.00
25 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

26 (i) STATE SCHOOL AID FUND, \$104,996,500.00.

27 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$76,155,200.00.

1 (O) THE APPROPRIATION FOR WESTERN MICHIGAN UNIVERSITY IS
2 \$93,343,400.00, \$87,030,000.00 FOR OPERATIONS AND \$6,313,400.00 FOR
3 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

4 (i) STATE SCHOOL AID FUND, \$54,102,300.00.

5 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$39,241,100.00.

6 (3) THE AMOUNT APPROPRIATED FOR STATE AND REGIONAL PROGRAMS IS
7 \$200,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY
8 AND ALLOCATED AS FOLLOWS:

9 (A) HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION,
10 \$105,000.00.

11 (B) MIDWESTERN HIGHER EDUCATION COMPACT, \$95,000.00.

12 (4) THE AMOUNT APPROPRIATED FOR THE MARTIN LUTHER KING, JR. -
13 CESAR CHAVEZ - ROSA PARKS PROGRAM IS \$2,691,500.00, APPROPRIATED
14 FROM GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:

15 (A) SELECT STUDENT SUPPORT SERVICES, \$1,956,100.00.

16 (B) MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM,
17 \$586,800.00.

18 (C) MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM,
19 \$148,600.00.

20 (5) SUBJECT TO SUBSECTION (6), THE AMOUNT APPROPRIATED FOR
21 GRANTS AND FINANCIAL AID IS \$99,526,400.00, ALLOCATED AS FOLLOWS:

22 (A) STATE COMPETITIVE SCHOLARSHIPS, \$19,861,700.00.

23 (B) TUITION GRANTS, \$31,664,700.00.

24 (C) TUITION INCENTIVE PROGRAM, \$43,800,000.00.

25 (D) ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM, \$1,500,000.00.

26 (E) CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT
27 PROGRAMS, \$1,200,000.00.

1 (F) PROJECT GEAR-UP, \$1,500,000.00.

2 (6) THE MONEY APPROPRIATED IN SUBSECTION (5) FOR GRANTS AND
3 FINANCIAL AID IS APPROPRIATED FROM THE FOLLOWING:

4 (A) FEDERAL REVENUES UNDER THE HIGHER EDUCATION ACT OF 1965,
5 TITLE IV, 20 USC, \$1,500,000.00.

6 (B) FEDERAL REVENUES UNDER THE HIGHER EDUCATION ACT OF 1965,
7 TITLE IV, PART A, \$1,500,000.00.

8 (C) FEDERAL REVENUES UNDER THE UNITED STATES DEPARTMENT OF
9 EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP
10 PROGRAM, \$1,500,000.00.

11 (D) FEDERAL REVENUES FROM TEMPORARY ASSISTANCE FOR NEEDY
12 FAMILIES, \$93,826,400.00.

13 (E) CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT
14 PROGRAM, \$200,000.00.

15 (F) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,000,000.00.

16 SEC. 236A. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS
17 ARTICLE, THE AMOUNTS LISTED IN SUBSECTIONS (2) TO (6) ARE
18 ANTICIPATED TO BE APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL
19 YEAR ENDING SEPTEMBER 30, 2013, FROM THE FUNDS INDICATED IN THIS
20 SECTION. THE FOLLOWING IS A SUMMARY OF THE ANTICIPATED
21 APPROPRIATIONS FOR FISCAL YEAR 2012-2013 IN SUBSECTIONS (2) TO (6):

22 (A) THE GROSS ANTICIPATED APPROPRIATION IS \$1,371,038,400.00.
23 AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND
24 INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED
25 GROSS ANTICIPATED APPROPRIATION IS \$1,371,038,400.00.

26 (B) THE SOURCES OF THE ADJUSTED GROSS ANTICIPATED
27 APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:

1 (i) TOTAL FEDERAL REVENUES, \$107,086,400.00.

2 (ii) TOTAL LOCAL REVENUES, \$0.00.

3 (iii) TOTAL PRIVATE REVENUES, \$0.00.

4 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$699,919,500.00.

5 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$564,032,500.00.

6 (2) THE ANTICIPATED APPROPRIATION FOR FISCAL YEAR 2012-2013
7 FOR PUBLIC UNIVERSITY OPERATIONS IS \$1,207,234,700.00, APPROPRIATED
8 FROM THE FOLLOWING:

9 (i) STATE SCHOOL AID FUND, \$699,719,500.00.

10 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$507,515,200.00.

11 (3) THE ANTICIPATED APPROPRIATION FOR FISCAL YEAR 2012-2013 TO
12 MICHIGAN STATE UNIVERSITY FOR AGRICULTURAL EXPERIMENT AND
13 COOPERATIVE EXTENSION ACTIVITIES APPROPRIATED FROM STATE GENERAL
14 FUND/GENERAL PURPOSE MONEY IS \$52,625,800.00.

15 (4) THE ANTICIPATED APPROPRIATION FOR FISCAL YEAR 2012-2013
16 FOR STATE AND REGIONAL PROGRAMS IS \$200,000.00, APPROPRIATED FROM
17 GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:

18 (A) HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION,
19 \$105,000.00.

20 (B) MIDWESTERN HIGHER EDUCATION COMPACT, \$95,000.00.

21 (5) THE ANTICIPATED APPROPRIATION FOR FISCAL YEAR 2012-2013
22 FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM
23 IS \$2,691,500.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE
24 MONEY AND ALLOCATED AS FOLLOWS:

25 (A) SELECT STUDENT SUPPORT SERVICES, \$1,956,100.00.

26 (B) MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM,
27 \$586,800.00.

1 (C) MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM,
2 \$148,600.00.

3 (6) SUBJECT TO SUBSECTION (7), THE ANTICIPATED APPROPRIATION
4 FOR FISCAL YEAR 2012-2013 FOR GRANTS AND FINANCIAL AID IS
5 \$108,286,400.00, ALLOCATED AS FOLLOWS:

6 (A) STATE COMPETITIVE SCHOLARSHIPS, \$19,861,700.00.

7 (B) TUITION GRANTS, \$31,664,700.00.

8 (C) TUITION INCENTIVE PROGRAM, \$52,560,000.00.

9 (D) ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM, \$1,500,000.00.

10 (E) CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT
11 PROGRAMS, \$1,200,000.00.

12 (F) PROJECT GEAR-UP, \$1,500,000.00.

13 (7) THE MONEY FOR THE ANTICIPATED APPROPRIATION DESCRIBED IN
14 SUBSECTION (6) FOR GRANTS AND FINANCIAL AID IS ANTICIPATED TO BE
15 APPROPRIATED FROM THE FOLLOWING:

16 (A) FEDERAL REVENUES UNDER THE HIGHER EDUCATION ACT OF 1965,
17 TITLE IV, 20 USC, \$1,500,000.00.

18 (B) FEDERAL REVENUES UNDER THE HIGHER EDUCATION ACT OF 1965,
19 TITLE IV, PART A, \$1,500,000.00.

20 (C) FEDERAL REVENUES UNDER THE UNITED STATES DEPARTMENT OF
21 EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP
22 PROGRAM, \$1,500,000.00.

23 (D) FEDERAL REVENUES FROM TEMPORARY ASSISTANCE FOR NEEDY
24 FAMILIES, \$102,586,400.00.

25 (E) CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT
26 PROGRAM, \$200,000.00.

27 (F) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,000,000.00.

1 SEC. 237. THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE
2 SUBJECT TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101
3 TO 18.1594.

4 SEC. 238. UNLESS OTHERWISE SPECIFIED, PUBLIC UNIVERSITIES
5 RECEIVING APPROPRIATIONS IN SECTION 236 SHALL USE THE INTERNET TO
6 FULFILL THE REPORTING REQUIREMENTS OF THIS ARTICLE. THIS
7 REQUIREMENT MAY INCLUDE TRANSMISSION OF REPORTS VIA ELECTRONIC MAIL
8 TO THE RECIPIENTS IDENTIFIED FOR EACH REPORTING REQUIREMENT, OR IT
9 MAY INCLUDE PLACEMENT OF REPORTS ON AN INTERNET OR INTRANET SITE.

10 SEC. 239. FUNDS APPROPRIATED IN SECTION 236 SHALL NOT BE USED
11 FOR THE PURCHASE OF FOREIGN GOODS OR SERVICES, OR BOTH, IF
12 COMPETITIVELY PRICED AND OF COMPARABLE QUALITY AMERICAN GOODS AND
13 SERVICES, OR BOTH, ARE AVAILABLE. PREFERENCE SHALL BE GIVEN TO
14 GOODS OR SERVICES, OR BOTH, MANUFACTURED OR PROVIDED BY MICHIGAN
15 BUSINESSES IF THEY ARE COMPETITIVELY PRICED AND OF COMPARABLE
16 VALUE. IN ADDITION, PREFERENCE SHALL BE GIVEN TO GOODS OR SERVICES,
17 OR BOTH, THAT ARE MANUFACTURED OR PROVIDED BY MICHIGAN BUSINESSES
18 OWNED AND OPERATED BY VETERANS IF THEY ARE COMPETITIVELY PRICED AND
19 OF COMPARABLE QUALITY.

20 SEC. 240. THE PRINCIPAL EXECUTIVE OFFICER OF EACH PUBLIC
21 UNIVERSITY RECEIVING APPROPRIATIONS IN SECTION 236 SHALL TAKE ALL
22 REASONABLE STEPS TO ENSURE THAT BUSINESSES IN DEPRIVED AND
23 DEPRESSED COMMUNITIES COMPETE FOR AND PERFORM CONTRACTS TO PROVIDE
24 SERVICES, SUPPLIES, OR BOTH. EACH PRINCIPAL EXECUTIVE OFFICER SHALL
25 STRONGLY ENCOURAGE FIRMS WITH WHICH THE UNIVERSITY CONTRACTS TO
26 SUBCONTRACT WITH BUSINESSES IN DEPRESSED AND DEPRIVED COMMUNITIES
27 FOR SERVICES, SUPPLIES, OR BOTH.

1 SEC. 241. (1) THE FUNDS APPROPRIATED IN SECTION 236 TO PUBLIC
2 UNIVERSITIES SHALL BE PAID OUT OF THE STATE TREASURY AND
3 DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE INSTITUTIONS
4 IN 11 EQUAL MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR
5 THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16, 2011.
6 EXCEPT FOR WAYNE STATE UNIVERSITY, EACH INSTITUTION SHALL ACCRUE
7 ITS JULY AND AUGUST 2012 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR
8 ENDING JUNE 30, 2012.

9 (2) ALL PUBLIC UNIVERSITIES SHALL SUBMIT HIGHER EDUCATION
10 INSTITUTIONAL DATA INVENTORY (HEIDI) DATA AND ASSOCIATED FINANCIAL
11 AND PROGRAM INFORMATION REQUESTED BY AND IN A MANNER PRESCRIBED BY
12 THE STATE BUDGET DIRECTOR. FOR PUBLIC UNIVERSITIES WITH FISCAL
13 YEARS ENDING JUNE 30, 2011, THESE DATA SHALL BE SUBMITTED TO THE
14 STATE BUDGET DIRECTOR BY OCTOBER 15, 2011. PUBLIC UNIVERSITIES WITH
15 A FISCAL YEAR ENDING SEPTEMBER 30, 2011 SHALL SUBMIT PRELIMINARY
16 HEIDI DATA BY NOVEMBER 15, 2011 AND FINAL DATA BY DECEMBER 15,
17 2011. IF A PUBLIC UNIVERSITY FAILS TO SUBMIT HEIDI DATA AND
18 ASSOCIATED FINANCIAL AID PROGRAM INFORMATION IN ACCORDANCE WITH
19 THIS REPORTING SCHEDULE, THE STATE TREASURER SHALL WITHHOLD THE
20 MONTHLY INSTALLMENTS UNDER SUBSECTION (1) TO THE PUBLIC UNIVERSITY
21 UNTIL THOSE DATA ARE SUBMITTED.

22 (3) A DETAILED DESCRIPTION OF PROCEDURES UTILIZED TO ARRIVE AT
23 THE AMOUNTS APPROPRIATED IN SECTION 236 SHALL BE SUBMITTED TO EACH
24 INSTITUTION BY THE SENATE AND HOUSE FISCAL AGENCIES.

25 SEC. 242. FUNDS RECEIVED BY THE STATE FROM THE FEDERAL
26 GOVERNMENT OR PRIVATE SOURCES FOR THE USE OF A COLLEGE OR
27 UNIVERSITY ARE APPROPRIATED FOR THE PURPOSES FOR WHICH THEY ARE

1 PROVIDED. THE ACCEPTANCE AND USE OF FEDERAL OR PRIVATE FUNDS DO NOT
2 PLACE AN OBLIGATION UPON THE LEGISLATURE TO CONTINUE THE PURPOSES
3 FOR WHICH THE FUNDS ARE MADE AVAILABLE.

4 SEC. 243. A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER THIS
5 ARTICLE SHALL FURNISH ALL PROGRAM AND FINANCIAL INFORMATION THAT IS
6 REQUIRED BY AND IN A MANNER PRESCRIBED BY THE STATE BUDGET DIRECTOR
7 OR THE HOUSE OR SENATE APPROPRIATIONS COMMITTEE.

8 SEC. 244. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236
9 SHALL COOPERATE WITH ALL MEASURES TAKEN BY THE STATE TO ESTABLISH A
10 STATEWIDE P-20 EDUCATION LONGITUDINAL DATA SYSTEM TO COMPLY WITH
11 THE STATE FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN
12 RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.

13 SEC. 245. FROM THE FUNDS APPROPRIATED IN SECTION 236, EACH
14 PUBLIC UNIVERSITY SHALL DEVELOP, POST, AND MAINTAIN, ON A USER-
15 FRIENDLY AND PUBLICLY ACCESSIBLE INTERNET SITE, A COMPREHENSIVE
16 REPORT CATEGORIZING ALL INSTITUTIONAL GENERAL FUND EXPENDITURES
17 MADE BY THE UNIVERSITY WITHIN A FISCAL YEAR. THE REPORT SHALL
18 INCLUDE INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS CATEGORIZED
19 BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR EXTERNAL
20 INITIATIVE WITHIN THE UNIVERSITY AND BY MAJOR EXPENDITURE CATEGORY,
21 INCLUDING FACULTY AND STAFF SALARIES AND FRINGE BENEFITS, FACILITY-
22 RELATED COSTS, SUPPLIES AND EQUIPMENT, CONTRACTS, AND TRANSFERS TO
23 AND FROM OTHER UNIVERSITY FUNDS. THE REPORT SHALL ALSO INCLUDE A
24 LIST OF ALL EMPLOYEE POSITIONS FUNDED PARTIALLY OR WHOLLY THROUGH
25 INSTITUTIONAL GENERAL FUND REVENUE THAT INCLUDES THE POSITION
26 TITLE, NAME, AND ANNUAL SALARY OR WAGE AMOUNT FOR EACH POSITION.
27 THE UNIVERSITY SHALL NOT PROVIDE FINANCIAL INFORMATION ON ITS

1 WEBSITE UNDER THIS SECTION IF DOING SO WOULD VIOLATE A FEDERAL OR
2 STATE LAW, RULE, REGULATION, OR GUIDELINE THAT ESTABLISHES PRIVACY
3 OR SECURITY STANDARDS APPLICABLE TO THAT FINANCIAL INFORMATION.

4 SEC. 246. FUNDS APPROPRIATED IN SECTION 236 SHALL NOT BE USED
5 TO PAY FOR THE CONSTRUCTION OR MAINTENANCE OF A SELF-LIQUIDATING
6 PROJECT. A PUBLIC UNIVERSITY RECEIVING FUNDS UNDER THIS ARTICLE
7 SHALL COMPLY WITH THE CURRENT REPORTING REQUIREMENTS OF THE JOINT
8 CAPITAL OUTLAY SUBCOMMITTEE (JCOS) FOR NON-STATE-FUNDED PROJECTS.
9 FAILURE TO COMPLY WITH JCOS REPORTING REQUIREMENTS MAY RESULT IN
10 THE FORFEITURE OF FUTURE JCOS CONSIDERATION OF CAPITAL OUTLAY
11 PROJECTS PUT BEFORE JCOS BY THE PUBLIC UNIVERSITY.

12 SEC. 251. (1) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 236
13 FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM SHALL BE DISTRIBUTED
14 PURSUANT TO 1964 PA 208, MCL 390.971 TO 390.981.

15 (2) PURSUANT TO SECTION 6 OF 1964 PA 208, MCL 390.976, THE
16 DEPARTMENT OF TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM STATE
17 COMPETITIVE SCHOLARSHIP AWARD PER STUDENT, WHICH SHALL BE NO LESS
18 THAN \$600.00, THAT ENSURES THAT THE AGGREGATE PAYMENTS FOR THE
19 STATE COMPETITIVE SCHOLARSHIP PROGRAM DO NOT EXCEED THE
20 APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE COMPETITIVE
21 SCHOLARSHIP PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT
22 FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT
23 LEAST \$600.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE
24 AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
25 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
26 REGARDING THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO
27 ESTABLISH A \$600.00 MAXIMUM AWARD AMOUNT.

1 (3) THE DEPARTMENT OF TREASURY SHALL IMPLEMENT A PROPORTIONAL
2 COMPETITIVE SCHOLARSHIP MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED
3 LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM.

4 (4) IF A STUDENT WHO RECEIVES AN AWARD UNDER THIS SECTION HAS
5 HIS OR HER TUITION AND FEES PAID UNDER THE MICHIGAN EDUCATIONAL
6 TRUST PROGRAM, PURSUANT TO THE MICHIGAN EDUCATION TRUST ACT, 1986
7 PA 316, MCL 390.1421 TO 390.1442, AND STILL HAS FINANCIAL NEED, THE
8 FUNDS AWARDED UNDER THIS SECTION MAY BE USED FOR EDUCATIONAL
9 EXPENSES OTHER THAN TUITION AND FEES.

10 (5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD
11 PER ELIGIBLE STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL
12 YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE NUMBER OF
13 ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER
14 OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE
15 PROPORTIONAL FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS.

16 (6) VETERANS ADMINISTRATION BENEFITS SHALL NOT BE CONSIDERED
17 IN DETERMINING ELIGIBILITY FOR THE AWARD OF SCHOLARSHIPS UNDER 1964
18 PA 208, MCL 390.971 TO 390.981.

19 SEC. 252. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE
20 STATE TUITION GRANT PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1966
21 PA 313, MCL 390.991 TO 390.997A.

22 (2) TUITION GRANT AWARDS SHALL BE MADE TO ALL ELIGIBLE
23 MICHIGAN RESIDENTS ENROLLED IN UNDERGRADUATE DEGREE PROGRAMS WHO
24 APPLY BEFORE JULY 1, 2011 AND WHO ARE QUALIFIED.

25 (3) PURSUANT TO SECTION 5 OF 1966 PA 313, MCL 390.995, AND
26 SUBJECT TO SUBSECTION (7), THE DEPARTMENT OF TREASURY SHALL
27 DETERMINE AN ACTUAL MAXIMUM TUITION GRANT AWARD PER STUDENT, WHICH

1 SHALL BE NO LESS THAN \$1,512.00, THAT ENSURES THAT THE AGGREGATE
2 PAYMENTS FOR THE TUITION GRANT PROGRAM DO NOT EXCEED THE
3 APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE TUITION GRANT
4 PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT FUNDS ARE
5 AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT LEAST
6 \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND
7 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE
8 AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING
9 THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A
10 \$1,512.00 MAXIMUM AWARD AMOUNT. BY DECEMBER 15, 2011, AND AGAIN BY
11 FEBRUARY 1, 2012, THE DEPARTMENT SHALL ANALYZE THE STATUS OF AWARD
12 COMMITMENTS, SHALL MAKE ANY NECESSARY ADJUSTMENTS, AND SHALL
13 CONFIRM THAT THOSE AWARD COMMITMENTS WILL NOT EXCEED THE
14 APPROPRIATION CONTAINED IN SECTION 236 FOR THE TUITION GRANT
15 PROGRAM. THE DETERMINATION AND ACTIONS SHALL BE REPORTED TO THE
16 STATE BUDGET DIRECTOR AND THE HOUSE AND SENATE FISCAL AGENCIES NO
17 LATER THAN FEBRUARY 15, 2012. IF AWARD ADJUSTMENTS ARE NECESSARY,
18 THE STUDENTS SHALL BE NOTIFIED OF THE ADJUSTMENT BY THE THIRD
19 MONDAY IN FEBRUARY.

20 (4) ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON
21 SEPTEMBER 30, 2012 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR
22 THE TUITION GRANT PROGRAM SHALL NOT LAPSE ON SEPTEMBER 30, 2012,
23 BUT SHALL CONTINUE TO BE AVAILABLE FOR EXPENDITURE FOR TUITION
24 GRANTS PROVIDED IN THE 2012-2013 FISCAL YEAR UNDER A WORK PROJECT
25 ACCOUNT. THE USE OF THESE UNEXPENDED FISCAL YEAR 2011-2012 FUNDS
26 SHALL TERMINATE AT THE END OF THE 2012-2013 FISCAL YEAR.

27 (5) THE DEPARTMENT OF TREASURY SHALL CONTINUE A PROPORTIONAL

1 TUITION GRANT MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN
2 FULL-TIME IN A GIVEN SEMESTER OR TERM.

3 (6) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD
4 PER ELIGIBLE STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL
5 YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE NUMBER OF
6 ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER
7 OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE
8 PROPORTIONAL FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS FOR FISCAL
9 YEAR 2011-2012.

10 (7) THE DEPARTMENT OF TREASURY SHALL NOT AWARD MORE THAN
11 \$3,000,000.00 IN TUITION GRANTS TO ELIGIBLE STUDENTS ENROLLED IN
12 THE SAME INDEPENDENT NONPROFIT COLLEGE OR UNIVERSITY IN THIS STATE.
13 ANY DECREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL FOR ALL
14 ELIGIBLE STUDENTS ENROLLED IN THAT COLLEGE OR UNIVERSITY, AS
15 DETERMINED BY THE DEPARTMENT.

16 SEC. 253. THE AUDITOR GENERAL MAY AUDIT SELECTED ENROLLMENTS,
17 DEGREES, AND AWARDS AT SELECTED INDEPENDENT COLLEGES AND
18 UNIVERSITIES RECEIVING AWARDS ADMINISTERED BY THE DEPARTMENT OF
19 TREASURY. THE AUDITS SHALL BE BASED UPON DEFINITIONS AND
20 REQUIREMENTS ESTABLISHED BY THE DEPARTMENT OF TREASURY, THE STATE
21 BUDGET DIRECTOR, AND THE SENATE AND HOUSE FISCAL AGENCIES. THE
22 AUDITOR GENERAL SHALL ACCEPT THE FREE APPLICATION FOR FEDERAL
23 STUDENT AID (FAFSA) FORM AS THE STANDARD OF RESIDENCY
24 DOCUMENTATION.

25 SEC. 254. THE SUMS APPROPRIATED IN SECTION 236 FOR THE STUDENT
26 FINANCIAL AID PROGRAMS SHALL BE PAID OUT OF THE STATE TREASURY AND
27 SHALL BE DISTRIBUTED TO THE RESPECTIVE INSTITUTIONS UNDER A

1 QUARTERLY PAYMENT SYSTEM AS FOLLOWS:

2 (A) FOR THE STATE COMPETITIVE SCHOLARSHIP AND TUITION GRANT
3 PROGRAMS, 40% SHALL BE PAID AT THE BEGINNING OF THE STATE'S FIRST
4 FISCAL QUARTER, 40% AT THE BEGINNING OF THE STATE'S SECOND FISCAL
5 QUARTER, 10% AT THE BEGINNING OF THE STATE'S THIRD FISCAL QUARTER,
6 AND 10% AT THE BEGINNING OF THE STATE'S FOURTH FISCAL QUARTER.

7 (B) FOR THE TUITION INCENTIVE AND ROBERT C. BYRD HONORS
8 SCHOLARSHIP PROGRAMS, 50% SHALL BE PAID AT THE BEGINNING OF THE
9 STATE'S FIRST FISCAL QUARTER AND 50% AT THE BEGINNING OF THE
10 STATE'S SECOND FISCAL QUARTER.

11 SEC. 255. THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS
12 ANALYSIS CRITERIA FOR STUDENTS TO QUALIFY FOR THE STATE COMPETITIVE
13 SCHOLARSHIP PROGRAM AND TUITION GRANT PROGRAM. TO BE CONSISTENT
14 WITH FEDERAL REQUIREMENTS, STUDENT WAGES MAY BE TAKEN INTO
15 CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE AWARD.

16 SEC. 256. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE
17 TUITION INCENTIVE PROGRAM SHALL BE DISTRIBUTED AS PROVIDED IN THIS
18 SECTION AND PURSUANT TO THE ADMINISTRATIVE PROCEDURES FOR THE
19 TUITION INCENTIVE PROGRAM OF THE DEPARTMENT OF TREASURY.

20 (2) AS USED IN THIS SECTION:

21 (A) "PHASE I" MEANS THE FIRST PART OF THE TUITION INCENTIVE
22 ASSISTANCE PROGRAM DEFINED AS THE ACADEMIC PERIOD OF 80 SEMESTER OR
23 120 TERM CREDITS, OR LESS, LEADING TO AN ASSOCIATE DEGREE OR
24 CERTIFICATE.

25 (B) "PHASE II" MEANS THE SECOND PART OF THE TUITION INCENTIVE
26 ASSISTANCE PROGRAM WHICH PROVIDES ASSISTANCE IN THE THIRD AND
27 FOURTH YEAR OF 4-YEAR DEGREE PROGRAMS.

1 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

2 (3) A PERSON SHALL MEET THE FOLLOWING BASIC CRITERIA AND
3 FINANCIAL THRESHOLDS TO BE ELIGIBLE FOR TUITION INCENTIVE BENEFITS:

4 (A) TO BE ELIGIBLE FOR PHASE I, A PERSON SHALL MEET ALL OF THE
5 FOLLOWING CRITERIA:

6 (i) APPLY FOR CERTIFICATION TO THE DEPARTMENT BEFORE GRADUATING
7 FROM HIGH SCHOOL OR COMPLETING THE GENERAL EDUCATION DEVELOPMENT
8 (GED) CERTIFICATE.

9 (ii) BE LESS THAN 20 YEARS OF AGE AT THE TIME OF HIGH SCHOOL
10 GRADUATION OR GED COMPLETION.

11 (iii) BE A UNITED STATES CITIZEN AND A RESIDENT OF MICHIGAN
12 ACCORDING TO INSTITUTIONAL CRITERIA.

13 (iv) BE AT LEAST A HALF-TIME STUDENT, EARNING LESS THAN 80
14 SEMESTER OR 120 TERM CREDITS AT A PARTICIPATING EDUCATIONAL
15 INSTITUTION WITHIN 4 YEARS OF HIGH SCHOOL GRADUATION OR GED
16 CERTIFICATE COMPLETION.

17 (v) REQUEST INFORMATION ON FILING A FAFSA.

18 (B) TO BE ELIGIBLE FOR PHASE II, A PERSON SHALL MEET EITHER OF
19 THE FOLLOWING CRITERIA IN ADDITION TO THE CRITERIA IN SUBDIVISION
20 (A) :

21 (i) COMPLETE AT LEAST 56 TRANSFERABLE SEMESTER OR 84
22 TRANSFERABLE TERM CREDITS.

23 (ii) OBTAIN AN ASSOCIATE DEGREE OR CERTIFICATE AT A
24 PARTICIPATING INSTITUTION.

25 (C) TO BE ELIGIBLE FOR PHASE I OR PHASE II, A PERSON MUST NOT
26 BE INCARCERATED AND MUST BE FINANCIALLY ELIGIBLE AS DETERMINED BY
27 THE DEPARTMENT. A PERSON IS FINANCIALLY ELIGIBLE FOR THE TUITION

1 INCENTIVE PROGRAM IF THAT PERSON WAS MEDICAID ELIGIBLE FOR 24
2 MONTHS WITHIN THE 36 MONTHS BEFORE APPLICATION. CERTIFICATION OF
3 ELIGIBILITY MAY BEGIN IN THE SIXTH GRADE.

4 (4) FOR PHASE I, THE DEPARTMENT SHALL PROVIDE PAYMENT ON
5 BEHALF OF A PERSON ELIGIBLE UNDER SUBSECTION (3). THE DEPARTMENT
6 SHALL REJECT BILLINGS THAT ARE EXCESSIVE OR OUTSIDE THE GUIDELINES
7 FOR THE TYPE OF EDUCATIONAL INSTITUTION.

8 (5) FOR PHASE I, ALL OF THE FOLLOWING APPLY:

9 (A) PAYMENTS FOR ASSOCIATE DEGREE OR CERTIFICATE PROGRAMS
10 SHALL NOT BE MADE FOR MORE THAN 80 SEMESTER OR 120 TERM CREDITS FOR
11 ANY INDIVIDUAL STUDENT AT ANY PARTICIPATING INSTITUTION.

12 (B) FOR PERSONS ENROLLED AT A MICHIGAN COMMUNITY COLLEGE, THE
13 DEPARTMENT SHALL PAY THE CURRENT IN-DISTRICT TUITION AND MANDATORY
14 FEES. FOR PERSONS RESIDING IN AN AREA THAT IS NOT INCLUDED IN ANY
15 COMMUNITY COLLEGE DISTRICT, THE OUT-OF-DISTRICT TUITION RATE MAY BE
16 AUTHORIZED.

17 (C) FOR PERSONS ENROLLED AT A MICHIGAN PUBLIC UNIVERSITY, THE
18 DEPARTMENT SHALL PAY LOWER DIVISION RESIDENT TUITION AND MANDATORY
19 FEES FOR THE CURRENT YEAR.

20 (D) FOR PERSONS ENROLLED AT A MICHIGAN INDEPENDENT, NONPROFIT
21 DEGREE-GRANTING COLLEGE OR UNIVERSITY, OR A MICHIGAN FEDERAL
22 TRIBALLY CONTROLLED COMMUNITY COLLEGE, OR FOCUS: HOPE, THE
23 DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT YEAR AND A PER-
24 CREDIT PAYMENT THAT DOES NOT EXCEED THE AVERAGE COMMUNITY COLLEGE
25 IN-DISTRICT PER-CREDIT TUITION RATE AS REPORTED ON AUGUST 1, FOR
26 THE IMMEDIATELY PRECEDING ACADEMIC YEAR.

27 (6) A PERSON PARTICIPATING IN PHASE II MAY BE ELIGIBLE FOR

1 ADDITIONAL FUNDS NOT TO EXCEED \$500.00 PER SEMESTER OR \$400.00 PER
2 TERM UP TO A MAXIMUM OF \$2,000.00 SUBJECT TO THE FOLLOWING
3 CONDITIONS:

4 (A) CREDITS ARE EARNED IN A 4-YEAR PROGRAM AT A MICHIGAN
5 DEGREE-GRANTING 4-YEAR COLLEGE OR UNIVERSITY.

6 (B) THE TUITION REIMBURSEMENT IS FOR COURSEWORK COMPLETED
7 WITHIN 30 MONTHS OF COMPLETION OF THE PHASE I REQUIREMENTS.

8 (7) THE DEPARTMENT SHALL WORK CLOSELY WITH PARTICIPATING
9 INSTITUTIONS TO DEVELOP AN APPLICATION AND ELIGIBILITY
10 DETERMINATION PROCESS THAT WILL PROVIDE THE HIGHEST LEVEL OF
11 PARTICIPATION AND ENSURE THAT ALL REQUIREMENTS OF THE PROGRAM ARE
12 MET.

13 (8) APPLICATIONS FOR THE TUITION INCENTIVE PROGRAM MAY BE
14 APPROVED AT ANY TIME AFTER THE STUDENT BEGINS THE SIXTH GRADE. IF A
15 DETERMINATION OF FINANCIAL ELIGIBILITY IS MADE, THAT DETERMINATION
16 IS VALID AS LONG AS THE STUDENT MEETS ALL OTHER PROGRAM
17 REQUIREMENTS AND CONDITIONS.

18 (9) EACH INSTITUTION SHALL ENSURE THAT ALL KNOWN AVAILABLE
19 RESTRICTED GRANTS FOR TUITION AND FEES ARE USED PRIOR TO BILLING
20 THE TUITION INCENTIVE PROGRAM FOR ANY PORTION OF A STUDENT'S
21 TUITION AND FEES.

22 (10) THE DEPARTMENT SHALL ENSURE THAT THE TUITION INCENTIVE
23 PROGRAM IS WELL PUBLICIZED AND THAT ELIGIBLE MEDICAID CLIENTS ARE
24 PROVIDED INFORMATION ON THE PROGRAM. THE DEPARTMENT SHALL PROVIDE
25 THE NECESSARY FUNDING AND STAFF TO FULLY OPERATE THE PROGRAM.

26 SEC. 257. TO ENABLE THE LEGISLATURE AND THE STATE BUDGET
27 DIRECTOR TO EVALUATE THE APPROPRIATION NEEDS OF HIGHER EDUCATION,

1 EACH INDEPENDENT COLLEGE AND UNIVERSITY SHALL MAKE AVAILABLE TO THE
2 LEGISLATURE OR STATE BUDGET DIRECTOR, UPON REQUEST, DATA REGARDING
3 GRANTS FOR THE PRECEDING, CURRENT, AND ENSUING FISCAL YEARS.

4 SEC. 258. BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF
5 TREASURY SHALL SUBMIT A REPORT TO THE STATE BUDGET DIRECTOR, THE
6 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
7 AND THE HOUSE AND SENATE FISCAL AGENCIES FOR THE PRECEDING FISCAL
8 YEAR ON ALL STUDENT FINANCIAL AID PROGRAMS FOR WHICH FUNDS ARE
9 APPROPRIATED IN SECTION 236. FOR EACH STUDENT FINANCIAL AID
10 PROGRAM, THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE TOTAL
11 NUMBER OF AWARDS PAID IN THE PRECEDING FISCAL YEAR, THE TOTAL
12 DOLLAR AMOUNT OF THOSE AWARDS, AND THE NUMBER OF STUDENTS RECEIVING
13 AWARDS AND THE TOTAL AMOUNT OF THOSE AWARDS AT EACH ELIGIBLE
14 POSTSECONDARY INSTITUTION. TO THE EXTENT INFORMATION IS AVAILABLE,
15 THE REPORT SHALL ALSO INCLUDE INFORMATION ON THE AVERAGE EXAM
16 PERFORMANCE, HOUSEHOLD INCOME, AND OTHER DEMOGRAPHIC
17 CHARACTERISTICS OF STUDENTS RECEIVING AWARDS UNDER EACH PROGRAM AND
18 HISTORICAL INFORMATION ON THE NUMBER OF AWARDS AND TOTAL AWARD
19 AMOUNTS FOR EACH PROGRAM.

20 SEC. 261. THE UNIVERSITY OF MICHIGAN BIOLOGICAL STATION AT
21 DOUGLAS LAKE IN CHEBOYGAN COUNTY IS REGARDED AS A UNIQUE RESOURCE
22 AND IS DESIGNATED AS A SPECIAL RESEARCH RESERVE. IT IS THE INTENT
23 OF THE LEGISLATURE TO PROTECT AND PRESERVE THE UNIQUE LONG-TERM
24 RESEARCH VALUE AND CAPABILITIES OF THE BIOLOGICAL STATION AREA AND
25 DOUGLAS LAKE. THE LEGISLATURE FURTHER INTENDS THAT NO STATE
26 PROGRAMS OR POLICIES BE DEVELOPED THAT WOULD HAVE A DELETERIOUS
27 IMPACT ON THE RESEARCH VALUE OF DOUGLAS LAKE.

1 SEC. 263. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR
2 AGRICULTURAL EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES IS
3 \$5,628,100.00 FOR PROJECT GREEN. PROJECT GREEN IS INTENDED TO
4 ADDRESS CRITICAL REGULATORY, FOOD SAFETY, ECONOMIC, AND
5 ENVIRONMENTAL PROBLEMS FACED BY THIS STATE'S PLANT-BASED
6 AGRICULTURE, FORESTRY, AND PROCESSING INDUSTRIES. "GREEN" IS AN
7 ACRONYM FOR GENERATING RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL
8 AND ECONOMIC NEEDS.

9 (2) THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND
10 MICHIGAN STATE UNIVERSITY, IN CONSULTATION WITH AGRICULTURAL
11 COMMODITY GROUPS AND OTHER INTERESTED PARTIES, SHALL DEVELOP
12 PROJECT GREEN AND ITS PROGRAM PRIORITIES.

13 (3) BY SEPTEMBER 30, 2012, MICHIGAN STATE UNIVERSITY SHALL
14 SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
15 SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE HOUSE AND
16 SENATE STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE
17 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR FOR THE PRECEDING
18 SCHOOL FISCAL YEAR REGARDING EXPENDITURES AND PROGRAMMATIC OUTCOMES
19 OF THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE EXTENSION
20 SERVICE. THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO:

21 (A) TOTAL FUNDS EXPENDED BY THE AGRICULTURAL EXPERIMENT
22 STATION AND COOPERATIVE EXTENSION SERVICE IDENTIFIED BY STATE,
23 LOCAL, PRIVATE, FEDERAL, AND UNIVERSITY FUND SOURCES.

24 (B) THE DOLLAR AMOUNT OF EACH PROJECT GREEN PROJECT AND A
25 REVIEW OF EACH PROJECT'S PERFORMANCE AND ACCOMPLISHMENTS.

26 (C) THE DOLLAR AMOUNT OF EACH BIOECONOMY RESEARCH AND
27 DEVELOPMENT PROJECT AND A REVIEW OF EACH PROJECT'S PERFORMANCE AND

1 ACCOMPLISHMENTS.

2 (D) THE DOLLAR AMOUNT AND DESCRIPTION OF ALL OTHER INDIVIDUAL
3 PROGRAMS AND SERVICES PROVIDED BY THE AGRICULTURAL EXPERIMENT
4 STATION AND COOPERATIVE EXTENSION SERVICE AND A REVIEW OF EACH
5 PROJECT'S PERFORMANCE AND ACCOMPLISHMENTS.

6 (E) THE NUMBER OF BUSINESSES CREATED OR THAT HAD INCREASED
7 EMPLOYMENT AND THE NUMBER OF PATENTS GENERATED AS A RESULT OF WORK
8 CONDUCTED BY THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE
9 EXTENSION SERVICE.

10 (4) MICHIGAN STATE UNIVERSITY, IN CONSULTATION WITH ALL
11 STAKEHOLDERS OF THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE
12 EXTENSION SERVICE, SHALL DEVELOP AN ANNUAL SET OF RESEARCH AND
13 OUTREACH PROGRAM PRIORITIES. BY SEPTEMBER 30, 2012, THE UNIVERSITY
14 SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
15 SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE HOUSE AND
16 SENATE STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE
17 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR PROVIDING A LIST OF
18 THE STAKEHOLDER GROUPS FROM OUTSIDE THE UNIVERSITY THAT WERE ACTIVE
19 IN DEVELOPING THE ANNUAL SET OF RESEARCH AND OUTREACH PROGRAM
20 PRIORITIES AND DETAILING THE PRIORITIES RESULTING FROM CONSULTATION
21 WITH THOSE GROUPS.

22 SEC. 264. INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR
23 MICHIGAN STATE UNIVERSITY IS \$80,000.00 FOR THE MICHIGAN FUTURE
24 FARMERS OF AMERICA ASSOCIATION. THIS \$80,000.00 APPROPRIATION SHALL
25 NOT SUPPLANT ANY EXISTING SUPPORT THAT MICHIGAN STATE UNIVERSITY
26 PROVIDES TO THE MICHIGAN FUTURE FARMERS OF AMERICA ASSOCIATION.

27 SEC. 265. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR

1 PUBLIC UNIVERSITY TUITION RESTRAINT INCENTIVES SHALL ONLY BE PAID
2 TO A PUBLIC UNIVERSITY THAT CERTIFIES TO THE STATE BUDGET DIRECTOR
3 BY AUGUST 31, 2011 THAT ITS BOARD DID NOT ADOPT AN INCREASE IN
4 TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS AFTER
5 FEBRUARY 1, 2011 FOR THE 2010-2011 ACADEMIC YEAR AND THAT ITS BOARD
6 WILL NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT
7 UNDERGRADUATE STUDENTS FOR THE 2011-2012 ACADEMIC YEAR THAT IS
8 GREATER THAN THE CALCULATED AVERAGE OF ANNUAL STATEWIDE CHANGES IN
9 TUITION AND FEE RATES FOR ACADEMIC YEARS 2006-2007 THROUGH 2010-
10 2011, AS DETERMINED BY THE STATE BUDGET DIRECTOR. AS USED IN THIS
11 SUBSECTION:

12 (A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY
13 MORE THAN 1/2 OF ALL RESIDENT UNDERGRADUATE STUDENTS AT LEAST ONCE
14 DURING THEIR ENROLLMENT AT A PUBLIC UNIVERSITY. A UNIVERSITY
15 INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF STUDENTS OR
16 COURSES SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE
17 INCREASE APPLIED TO THAT SUBSET WILL NOT CAUSE THE INCREASE IN THE
18 AVERAGE AMOUNT OF BOARD-AUTHORIZED TOTAL TUITION AND FEES PAID BY
19 RESIDENT UNDERGRADUATE STUDENTS IN THE 2011-2012 ACADEMIC YEAR TO
20 EXCEED THE LIMIT ESTABLISHED IN THIS SUBSECTION.

21 (B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF RATES FOR ALL
22 UNDERGRADUATE CLASSES, BASED ON THE HIGHEST BOARD-AUTHORIZED RATE
23 FOR ANY SEMESTER DURING THE ACADEMIC YEAR.

24 (2) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM
25 REPORTING REQUIREMENTS TO ENSURE THAT A PUBLIC UNIVERSITY RECEIVING
26 AN APPROPRIATION UNDER SECTION 236 HAS SATISFIED THE TUITION
27 RESTRAINT REQUIREMENTS OF THIS SECTION. THE STATE BUDGET DIRECTOR

1 SHALL HAVE THE SOLE AUTHORITY TO DETERMINE IF A STATE UNIVERSITY
2 HAS MET THE REQUIREMENTS OF THIS SECTION. INFORMATION REPORTED BY A
3 PUBLIC UNIVERSITY TO THE STATE BUDGET DIRECTOR UNDER THIS
4 SUBSECTION SHALL ALSO BE REPORTED TO THE HOUSE AND SENATE
5 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION AND THE HOUSE AND
6 SENATE FISCAL AGENCIES.

7 (3) IN CONJUNCTION WITH THE UNIFORM REPORTING REQUIREMENTS
8 ESTABLISHED UNDER SUBSECTION (2), EACH PUBLIC UNIVERSITY SHALL ALSO
9 REPORT THE FOLLOWING INFORMATION TO THE HOUSE AND SENATE
10 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND
11 SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY AUGUST 31,
12 2011:

13 (A) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
14 2011-2012 TOTAL GENERAL FUND TUITION AND FEE REVENUE.

15 (B) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
16 2011-2012 TOTAL GENERAL FUND REVENUE.

17 (C) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
18 2011-2012 GENERAL FUND EXPENDITURES FOR STUDENT FINANCIAL AID.

19 (D) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
20 2011-2012 TOTAL GENERAL FUND EXPENDITURES.

21 (E) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
22 2011-2012 TOTAL FISCAL YEAR EQUATED STUDENT ENROLLMENT.

23 SEC. 266. IT IS THE INTENT OF THE LEGISLATURE THAT, IN
24 SUBSEQUENT BUDGET YEARS, PUBLIC UNIVERSITY OPERATIONS FUNDING
25 APPROPRIATED BY THE LEGISLATURE SHALL BE ALLOCATED TO EACH
26 UNIVERSITY USING A FORMULA DEVELOPED AND ENACTED BY THE
27 LEGISLATURE. SUCH A FORMULA SHALL INCENT UNIVERSITIES TO PROVIDE,

1 IN A COST-EFFECTIVE AND TIMELY MANNER, POSTSECONDARY OPPORTUNITIES
2 FOR STUDENTS THAT ARE BOTH ACCESSIBLE AND AFFORDABLE AND THAT
3 RESULT IN A HIGHLY SKILLED WORKFORCE.

4 SEC. 267. ALL PUBLIC UNIVERSITIES SHALL SUBMIT THE AMOUNT OF
5 TUITION AND FEES ACTUALLY CHARGED TO A FULL-TIME RESIDENT
6 UNDERGRADUATE STUDENT FOR ACADEMIC YEAR 2011-2012 AS PART OF THEIR
7 HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA BY
8 AUGUST 31, 2011. A PUBLIC UNIVERSITY SHALL REPORT ANY REVISIONS FOR
9 ANY SEMESTER OF THE REPORTED ACADEMIC YEAR 2011-2012 TUITION AND
10 FEE CHARGES TO HEIDI WITHIN 15 DAYS OF BEING ADOPTED.

11 SEC. 268. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, IT IS
12 THE INTENT OF THE LEGISLATURE THAT FUNDS BE ALLOCATED FOR UNFUNDED
13 NORTH AMERICAN INDIAN TUITION WAIVER COSTS INCURRED BY PUBLIC
14 UNIVERSITIES UNDER 1976 PA 174, MCL 390.1251 TO 390.1253, FROM THE
15 GENERAL FUND/GENERAL PURPOSE UNRESERVED BALANCES AT THE CLOSE OF
16 THE 2010-2011 FISCAL YEAR.

17 SEC. 269. FROM THE AMOUNT APPROPRIATED IN SECTION 236 TO
18 CENTRAL MICHIGAN UNIVERSITY FOR OPERATIONS, \$29,700.00 SHALL BE
19 PAID TO SAGINAW CHIPPEWA TRIBAL COLLEGE FOR THE COSTS OF WAIVING
20 TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251
21 TO 390.1253.

22 SEC. 270. FROM THE AMOUNT APPROPRIATED IN SECTION 236 TO LAKE
23 SUPERIOR STATE UNIVERSITY FOR OPERATIONS, \$100,000.00 SHALL BE PAID
24 TO BAY MILLS COMMUNITY COLLEGE FOR THE COSTS OF WAIVING TUITION FOR
25 NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

26 SEC. 271. BY FEBRUARY 15, 2012, EACH PUBLIC UNIVERSITY
27 RECEIVING FUNDS IN SECTION 236 SHALL SUBMIT A REPORT TO THE HOUSE

1 AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
2 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
3 REGARDING ACADEMIC PROGRAM ACCREDITATION. THE REPORT SHALL INCLUDE
4 A LIST OF ALL INDIVIDUALLY ACCREDITED ACADEMIC PROGRAMS AT THE
5 UNIVERSITY, THE ASSOCIATED ACCREDITING BODIES, AND THE TIME PERIODS
6 FOR WHICH EACH ACCREDITATION IS VALID, AS WELL AS AN ACCOUNTING OF
7 ALL FEES, DUES, AND OTHER DIRECT EXPENDITURES MADE BY THE
8 UNIVERSITY FOR EACH PROGRAM ACCREDITATION PROCESS CONDUCTED IN THE
9 PRIOR YEAR. EXPENDITURE DATA MAY BE REPORTED ON EITHER A CALENDAR
10 YEAR OR FISCAL YEAR BASIS.

11 SEC. 272. BY FEBRUARY 15, 2012, EACH PUBLIC UNIVERSITY
12 RECEIVING FUNDS UNDER SECTION 236 SHALL SUBMIT A REPORT TO THE
13 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
14 THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
15 REGARDING THE REJECTION OF TRANSFER CREDITS BY THE UNIVERSITY IN
16 THE PRIOR YEAR. THE REPORT SHALL INCLUDE INFORMATION ON THE NUMBER
17 OF CREDITS EARNED BY INCOMING STUDENTS AT OTHER POSTSECONDARY
18 INSTITUTIONS, WITH THE EQUIVALENT OF A LETTER GRADE OF C OR HIGHER,
19 THAT WERE REJECTED BY THE UNIVERSITY FOR TRANSFER, REPORTED BY BOTH
20 ACADEMIC PROGRAM AREA AND PRIOR INSTITUTION, ALONG WITH EXPLANATORY
21 INFORMATION REGARDING THE RATIONALE FOR THE REJECTION OF THE
22 CREDITS. DATA MAY BE REPORTED ON EITHER AN ACADEMIC OR CALENDAR
23 YEAR BASIS.

24 SEC. 273. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC
25 UNIVERSITY SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE
26 APPROPRIATIONS COMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES,
27 AND THE STATE BUDGET DIRECTOR BY OCTOBER 15, 2011, ON THE

House Bill No. 4325 (H-1) as amended May 5, 2011 (1 of 2)

1 UNIVERSITY'S EFFORTS TO ACCOMMODATE THE SINCERELY HELD RELIGIOUS
2 BELIEFS OF STUDENTS ENROLLED IN ACCREDITED COUNSELING DEGREE
3 PROGRAMS AT THE UNIVERSITY.

4 SEC. 274. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC
5 UNIVERSITY THAT HAS RECEIVED A DONATION OF HUMAN EMBRYOS THAT IS
6 SUBJECT TO SECTION 27 OF ARTICLE I OF THE STATE CONSTITUTION OF
7 1963, OR THAT IS CONDUCTING ONGOING RESEARCH USING HUMAN EMBRYONIC
8 STEM CELLS DERIVED FROM DONATED HUMAN EMBRYOS PURSUANT TO SECTION
9 27 OF ARTICLE I OF THE STATE CONSTITUTION OF 1963, SHALL SUBMIT A
10 REPORT TO THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY HEALTH BY
11 DECEMBER 1, 2011 THAT INCLUDES ALL OF THE FOLLOWING:

12 (A) THE NUMBER OF HUMAN EMBRYOS AND THE NUMBER OF HUMAN EMBRYO
13 STEM CELL LINES RECEIVED BY THE UNIVERSITY DURING FISCAL YEAR 2010-
14 2011.

15 (B) THE NUMBER OF HUMAN EMBRYOS UTILIZED FOR RESEARCH PURPOSES
16 DURING FISCAL YEAR 2010-2011.

17 (C) THE NUMBER OF HUMAN EMBRYO STEM CELL LINES CREATED FROM
18 THE EMBRYOS RECEIVED DURING FISCAL YEAR 2010-2011.

19 (D) THE NUMBER OF DONATED HUMAN EMBRYOS BEING HELD IN STORAGE
20 BY THE UNIVERSITY AS OF SEPTEMBER 30, 2011.

21 (E) THE NUMBER OF RESEARCH PROJECTS USING HUMAN EMBRYONIC STEM
22 CELLS DERIVED FROM DONATED EMBRYOS BEING CONDUCTED BY THE
23 UNIVERSITY.

[SEC. 274A. (1) AN AMOUNT EQUAL TO 5.0% OF THE TOTAL AMOUNT
APPROPRIATED TO EACH PUBLIC UNIVERSITY UNDER SECTION 236 FOR 2011-2012
SHALL BE WITHHELD UNTIL DECEMBER 1, 2011 FROM THAT PORTION OF THE
PAYMENTS TO THE PUBLIC UNIVERSITY THAT IS FUNDED FROM THE STATE SCHOOL
AID FUND. IF A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SUBMITS
VERIFICATION TO THE DEPARTMENT OF TREASURY NOT LATER THAN DECEMBER 1,
2011 THAT THE UNIVERSITY IS NOT PROVIDING HEALTH INSURANCE OR OTHER
FRINGE BENEFITS FOR ANY ADULT CORESIDENT OF AN EMPLOYEE OF THE UNIVERSITY
WHO IS NOT MARRIED TO THAT EMPLOYEE OR FOR A DEPENDENT OF SUCH AN ADULT
CORESIDENT, THEN THE DEPARTMENT OF TREASURY SHALL PAY THE AMOUNT THAT HAD
BEEN WITHHELD TO THE PUBLIC UNIVERSITY. THE VERIFICATION SHALL BE
SUBMITTED IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF
TREASURY.

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(2) ANY FUNDS AVAILABLE DUE TO MONEY THAT IS UNPAID FROM THE STATE SCHOOL AID FUND UNDER SUBSECTION (1) AFTER DECEMBER 1, 2011 ARE INSTEAD APPROPRIATED FROM THE STATE SCHOOL AID FUND AND ALLOCATED FOR REDUCING THE ESTIMATED REQUIRED EMPLOYER CONTRIBUTION RATES FOR PENSION FOR THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER SECTION 147(2), AS PROVIDED UNDER THAT SECTION.]

24 SEC. 275. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH
25 PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION IN SECTION 236 DO ALL
26 OF THE FOLLOWING:
27 (A) MEET THE PROVISIONS OF SECTION 5003 OF THE POST-911

1 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW
2 110-252, 38 USC 3301 TO 3324, INCLUDING VOLUNTARY PARTICIPATION IN
3 THE YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM ESTABLISHED IN
4 THAT ACT IN 38 USC 3317. BY OCTOBER 1 OF EACH YEAR, EACH PUBLIC
5 UNIVERSITY SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
6 SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL
7 AGENCIES, AND THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF
8 MICHIGAN ON WHETHER OR NOT IT HAS CHOSEN TO PARTICIPATE IN THE
9 YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM. IF AT ANY TIME
10 DURING THE FISCAL YEAR A UNIVERSITY PARTICIPATING IN THE YELLOW
11 RIBBON PROGRAM CHOOSES TO LEAVE THE YELLOW RIBBON PROGRAM, IT SHALL
12 NOTIFY THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER
13 EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE PRESIDENTS
14 COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

15 (B) ESTABLISH AN ON-CAMPUS VETERANS' LIAISON TO PROVIDE
16 INFORMATION AND ASSISTANCE TO ALL STUDENT VETERANS.

17 (C) PROVIDE FLEXIBLE ENROLLMENT APPLICATION DEADLINES FOR ALL
18 VETERANS.

19 (2) AS USED IN THIS SECTION, "VETERAN" MEANS AN HONORABLY
20 DISCHARGED VETERAN ENTITLED TO EDUCATIONAL ASSISTANCE UNDER THE
21 PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS EDUCATIONAL
22 ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW 110-252, 38 USC 3301
23 TO 3324.

24 SEC. 276. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC
25 UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
26 JR. - CESAR CHAVEZ - ROSA PARKS FUTURE FACULTY PROGRAM THAT IS
27 INTENDED TO INCREASE THE POOL OF ACADEMICALLY OR ECONOMICALLY

1 DISADVANTAGED CANDIDATES PURSUING FACULTY TEACHING CAREERS IN
2 POSTSECONDARY EDUCATION. PREFERENCE MAY NOT BE GIVEN TO APPLICANTS
3 ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
4 INSTITUTIONS SHOULD ENCOURAGE APPLICATIONS FROM APPLICANTS WHO
5 WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE GRADUATE
6 STUDENT AND FACULTY POPULATIONS. EACH PUBLIC UNIVERSITY SHALL APPLY
7 THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE
8 CALCULATION OF APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS
9 ALLOCATED TO THE FUTURE FACULTY PROGRAM.

10 (2) THE PROGRAM SHALL BE ADMINISTERED BY EACH PUBLIC
11 UNIVERSITY IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT
12 AGENCY. THE WORKFORCE DEVELOPMENT AGENCY SHALL USE A GOOD FAITH
13 EFFORT STANDARD TO EVALUATE WHETHER A FELLOWSHIP IS IN DEFAULT.

14 SEC. 277. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC
15 UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
16 JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE DAY PROGRAM THAT IS
17 INTENDED TO INTRODUCE ACADEMICALLY OR ECONOMICALLY DISADVANTAGED
18 SCHOOLCHILDREN TO THE POTENTIAL OF A COLLEGE EDUCATION. PREFERENCE
19 MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR,
20 ETHNICITY, GENDER, OR NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD
21 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
22 ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

23 (2) INDIVIDUAL PROGRAM PLANS OF EACH PUBLIC UNIVERSITY SHALL
24 INCLUDE A BUDGET OF EQUAL CONTRIBUTIONS FROM THIS PROGRAM, THE
25 PARTICIPATING PUBLIC UNIVERSITY, THE PARTICIPATING SCHOOL DISTRICT,
26 AND THE PARTICIPATING INDEPENDENT DEGREE-GRANTING COLLEGE. COLLEGE
27 DAY FUNDS SHALL NOT BE EXPENDED TO COVER INDIRECT COSTS. NOT MORE

1 THAN 20% OF THE UNIVERSITY MATCH SHALL BE ATTRIBUTABLE TO INDIRECT
2 COSTS. EACH PUBLIC UNIVERSITY SHALL APPLY THE PERCENTAGE CHANGE
3 APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF
4 APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS ALLOCATED TO
5 THE COLLEGE DAY PROGRAM.

6 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
7 ADMINISTERED BY EACH PUBLIC UNIVERSITY IN A MANNER PRESCRIBED BY
8 THE WORKFORCE DEVELOPMENT AGENCY.

9 SEC. 278. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE
10 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS SELECT STUDENT
11 SUPPORT SERVICES PROGRAM FOR DEVELOPING ACADEMICALLY OR
12 ECONOMICALLY DISADVANTAGED STUDENT RETENTION PROGRAMS FOR 4-YEAR
13 PUBLIC AND INDEPENDENT EDUCATIONAL INSTITUTIONS IN THIS STATE.
14 PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE,
15 COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD
16 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
17 ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

18 (2) AN AWARD MADE UNDER THIS PROGRAM TO ANY 1 INSTITUTION
19 SHALL NOT BE GREATER THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL
20 BE MATCHED ON A 70% STATE, 30% COLLEGE OR UNIVERSITY BASIS.

21 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
22 ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.

23 SEC. 279. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE
24 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS
25 COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM BETWEEN 4-YEAR PUBLIC AND
26 INDEPENDENT COLLEGES AND UNIVERSITIES AND PUBLIC COMMUNITY
27 COLLEGES, WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY

1 OR ECONOMICALLY DISADVANTAGED STUDENTS WHO TRANSFER FROM COMMUNITY
2 COLLEGES INTO BACCALAUREATE PROGRAMS. PREFERENCE MAY NOT BE GIVEN
3 TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR
4 NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM
5 THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE
6 TRANSFER STUDENT POPULATION.

7 (2) THE GRANTS SHALL BE MADE UNDER THE PROGRAM DESCRIBED IN
8 THIS SECTION TO MICHIGAN PUBLIC AND INDEPENDENT COLLEGES AND
9 UNIVERSITIES. AN AWARD TO ANY 1 INSTITUTION SHALL NOT BE GREATER
10 THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70%
11 STATE, 30% COLLEGE OR UNIVERSITY BASIS.

12 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
13 ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.

14 SEC. 280. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC
15 UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
16 JR. - CESAR CHAVEZ - ROSA PARKS VISITING PROFESSORS PROGRAM WHICH
17 IS INTENDED TO INCREASE THE NUMBER OF INSTRUCTORS IN THE CLASSROOM
18 TO PROVIDE ROLE MODELS FOR ACADEMICALLY OR ECONOMICALLY
19 DISADVANTAGED STUDENTS. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS
20 ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
21 PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO
22 WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT
23 POPULATION.

24 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
25 ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.

26 SEC. 281. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 IS
27 FUNDING UNDER THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA

1 PARKS INITIATIVE FOR THE MORRIS HOOD, JR. EDUCATOR DEVELOPMENT
2 PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR
3 ECONOMICALLY DISADVANTAGED STUDENTS WHO ENROLL IN AND COMPLETE K-12
4 TEACHER EDUCATION PROGRAMS AT THE BACCALAUREATE LEVEL. PREFERENCE
5 MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR,
6 ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD
7 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
8 ADEQUATELY BE REPRESENTED IN THE TEACHER EDUCATION STUDENT
9 POPULATION.

10 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
11 ADMINISTERED BY EACH STATE-APPROVED TEACHER EDUCATION INSTITUTION
12 IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY.

13 (3) APPROVED TEACHER EDUCATION INSTITUTIONS MAY AND ARE
14 ENCOURAGED TO USE STUDENT SUPPORT SERVICES FUNDING IN COORDINATION
15 WITH THE MORRIS HOOD, JR. FUNDING TO ACHIEVE THE GOALS OF THE
16 PROGRAM DESCRIBED IN THIS SECTION.

17 SEC. 282. EACH INSTITUTION RECEIVING FUNDS UNDER SECTION 278,
18 279, OR 281 SHALL NOTIFY THE WORKFORCE DEVELOPMENT AGENCY BY APRIL
19 15, 2012 AS TO WHETHER IT WILL EXPEND BY THE END OF ITS FISCAL YEAR
20 THE FUNDS RECEIVED UNDER SECTION 278, 279, OR 281. NOTWITHSTANDING
21 THE AWARD LIMITATIONS IN SECTIONS 278 AND 279, THE AMOUNT OF
22 FUNDING REPORTED AS NOT BEING EXPENDED WILL BE REALLOCATED TO THE
23 INSTITUTIONS THAT INTEND TO EXPEND ALL FUNDING RECEIVED UNDER
24 SECTION 278, 279, OR 281.

25 SEC. 283. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE
26 PUBLIC UNIVERSITIES SHALL SYSTEMATICALLY INFORM MICHIGAN HIGH
27 SCHOOLS REGARDING THE ACADEMIC STATUS OF STUDENTS FROM EACH HIGH

1 SCHOOL IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE
2 UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN
3 ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.

4 (2) THE MICHIGAN HIGH SCHOOLS SHALL SYSTEMATICALLY INFORM THE
5 PUBLIC UNIVERSITIES ABOUT THE USE OF INFORMATION RECEIVED UNDER
6 THIS SECTION IN A MANNER PRESCRIBED BY THE MICHIGAN ASSOCIATION OF
7 SECONDARY SCHOOL PRINCIPALS IN COOPERATION WITH THE PRESIDENTS
8 COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

9 SEC. 284. FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE
10 PUBLIC UNIVERSITIES SHALL INFORM MICHIGAN COMMUNITY COLLEGES
11 REGARDING THE ACADEMIC STATUS OF COMMUNITY COLLEGE TRANSFER
12 STUDENTS IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE
13 UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN COMMUNITY
14 COLLEGE ASSOCIATION.

15 SEC. 285. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A
16 PROCESS TO IMPROVE THE TRANSFERABILITY OF CORE COLLEGE COURSES
17 BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A STATEWIDE
18 BASIS. BUILDING OFF OF THE MICHIGAN ASSOCIATION OF COLLEGE
19 REGISTRARS AND ADMISSIONS OFFICERS AGREEMENT AND EXISTING
20 ARTICULATION AGREEMENTS IN PLACE BETWEEN INDIVIDUAL INSTITUTIONS,
21 THE COMMITTEE SHALL WORK TO DEVELOP EQUIVALENCY STANDARDS OF CORE
22 COLLEGE COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY THE
23 INSTITUTIONS.

24 (2) THE COMMITTEE SHALL BE COMPOSED OF THE FOLLOWING:

25 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
26 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

27 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY

1 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

2 (C) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE
3 SPEAKER OF THE HOUSE.

4 (D) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE
5 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

6 (E) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MAJORITY
7 LEADER.

8 (F) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MINORITY
9 LEADER.

10 (3) THE COMMITTEE SHALL SUBMIT AN INTERIM PROJECT STATUS
11 REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON
12 COMMUNITY COLLEGES AND HIGHER EDUCATION, THE HOUSE AND SENATE
13 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY MARCH 1, 2012.

14 SEC. 286. IT IS THE INTENT OF THE LEGISLATURE THAT PUBLIC
15 UNIVERSITIES WORK WITH COMMUNITY COLLEGES IN THE STATE TO IMPLEMENT
16 STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
17 STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF
18 THE NECESSARY CREDITS. IN DOING SO, THE INSTITUTIONS SHOULD WORK
19 COLLABORATIVELY AND COOPERATIVELY TO REMOVE ADMINISTRATIVE BARRIERS
20 THAT RESULT IN UNDERSTATING THE ACADEMIC ATTAINMENT OF MICHIGAN'S
21 CITIZENS. IT IS THE INTENT OF THE LEGISLATURE THAT BY AUGUST 1,
22 2012, STATEWIDE AGREEMENTS ARE IN PLACE BETWEEN COMMUNITY COLLEGES
23 AND PUBLIC UNIVERSITIES THAT ENABLE STUDENTS WHO HAVE EARNED A
24 SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER
25 TO A BACCALAUREATE GRANTING INSTITUTION BEFORE COMPLETING A DEGREE
26 TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION
27 BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL

1 OF VALUE.

2 SEC. 289. (1) THE AUDITOR GENERAL SHALL REVIEW HIGHER
3 EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) ENROLLMENT DATA
4 SUBMITTED BY ALL PUBLIC UNIVERSITIES AND MAY PERFORM AUDITS OF
5 SELECTED PUBLIC UNIVERSITIES IF DETERMINED NECESSARY. THE REVIEW
6 AND AUDITS SHALL BE BASED UPON THE DEFINITIONS, REQUIREMENTS, AND
7 UNIFORM REPORTING CATEGORIES ESTABLISHED BY THE STATE BUDGET
8 DIRECTOR IN CONSULTATION WITH THE HEIDI ADVISORY COMMITTEE. THE
9 AUDITOR GENERAL SHALL SUBMIT A REPORT OF FINDINGS TO THE HOUSE AND
10 SENATE APPROPRIATIONS COMMITTEES AND THE STATE BUDGET DIRECTOR NO
11 LATER THAN JULY 1, 2012.

12 (2) STUDENT CREDIT HOURS REPORTS SHALL NOT INCLUDE THE
13 FOLLOWING:

14 (A) STUDENT CREDIT HOURS GENERATED THROUGH INSTRUCTIONAL
15 ACTIVITY BY FACULTY OR STAFF IN CLASSROOMS LOCATED OUTSIDE
16 MICHIGAN, WITH THE EXCEPTION OF INSTRUCTIONAL ACTIVITY RELATED TO
17 STUDY-ABROAD PROGRAMS OR FIELD PROGRAMS.

18 (B) STUDENT CREDIT HOURS GENERATED THROUGH DISTANCE LEARNING
19 INSTRUCTION FOR STUDENTS NOT ELIGIBLE FOR THE PUBLIC UNIVERSITY'S
20 IN-STATE MAIN CAMPUS RESIDENT TUITION RATE. HOWEVER, IN INSTANCES
21 WHERE A STUDENT IS ENROLLED IN DISTANCE EDUCATION AND NON-DISTANCE
22 EDUCATION CREDIT HOURS IN A GIVEN TERM AND THE STUDENT'S NON-
23 DISTANCE EDUCATION ENROLLMENT IS AT A CAMPUS OR SITE LOCATED WITHIN
24 MICHIGAN, STUDENT CREDIT HOURS PER THE STUDENT'S ELIGIBILITY FOR
25 IN-STATE OR OUT-OF-STATE TUITION RATES MAY BE REPORTED.

26 (C) STUDENT CREDIT HOURS GENERATED THROUGH CREDIT BY
27 EXAMINATION.

1 (D) STUDENT CREDIT HOURS GENERATED THROUGH INMATE PRISON
2 PROGRAMS REGARDLESS OF TEACHING LOCATION.

3 (E) STUDENT CREDIT HOURS GENERATED IN NEW DEGREE PROGRAMS
4 AFTER JANUARY 1, 1975, THAT HAVE NOT BEEN SPECIFICALLY AUTHORIZED
5 FOR FUNDING BY THE LEGISLATURE, EXCEPT SPIN-OFF PROGRAMS CONVERTED
6 FROM EXISTING CORE PROGRAMS THAT DO ALL OF THE FOLLOWING:

7 (i) REPRESENT NEW OPTIONS, FIELDS, OR CONCENTRATIONS WITHIN
8 EXISTING PROGRAMS.

9 (ii) ARE CONSISTENT WITH THE CURRENT INSTITUTIONAL ROLE AND
10 MISSION.

11 (iii) ARE ACCOMMODATED WITHIN THE CONTINUING FUNDING BASE OF THE
12 PUBLIC UNIVERSITY.

13 (iv) DO NOT REQUIRE A NEW DEGREE LEVEL BEYOND THAT WHICH THE
14 PUBLIC UNIVERSITY IS CURRENTLY AUTHORIZED TO GRANT WITHIN THAT
15 DISCIPLINE OR FIELD.

16 (v) DO NOT REQUIRE FUNDING FROM THE STATE OTHER THAN THAT
17 PROVIDED BY THE STUDENT CREDIT HOURS GENERATED WITHIN THE PROGRAM,
18 EITHER BEFORE PROGRAM INITIATION OR WITHIN THE FIRST 3 YEARS OF
19 PROGRAM OPERATION.

20 (3) THE AUDITOR GENERAL SHALL PERIODICALLY AUDIT HIGHER
21 EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA AS SUBMITTED BY
22 THE PUBLIC UNIVERSITIES FOR COMPLIANCE WITH THE DEFINITIONS
23 ESTABLISHED BY THE STATE BUDGET DIRECTOR IN CONSULTATION WITH THE
24 HEIDI ADVISORY COMMITTEE FOR THE HEIDI DATABASE.

25 (4) "DISTANCE LEARNING INSTRUCTION" AS USED IN SUBSECTION (2)
26 MEANS INSTRUCTION THAT OCCURS SOLELY IN OTHER THAN A TRADITIONAL
27 CLASSROOM SETTING WHERE THE STUDENT AND INSTRUCTOR ARE IN THE SAME

1 PHYSICAL LOCATION AND FOR WHICH A STUDENT RECEIVES COURSE CREDITS
2 AND IS CHARGED TUITION AND FEES. EXAMPLES OF DISTANCE LEARNING
3 INSTRUCTION ARE INSTRUCTION DELIVERED SOLELY THROUGH THE INTERNET,
4 CABLE TELEVISION, TELECONFERENCE, OR MAIL.

5 SEC. 290. (1) PURSUANT TO SECTION 289(2)(E), PUBLIC
6 UNIVERSITIES MAY ESTABLISH THE FOLLOWING DEGREE PROGRAMS:

7 (A) BACHELOR'S DEGREE PROGRAMS:

8 CENTRAL MICHIGAN UNIVERSITY, ATHLETIC TRAINING, B.S.A.T.
9 GRAND VALLEY STATE UNIVERSITY, COMPREHENSIVE SCIENCE AND ARTS FOR
10 TEACHING (CSAT), B.A./B.S.
11 NORTHERN MICHIGAN UNIVERSITY, FISHERIES AND WILDLIFE MANAGEMENT,
12 B.S.
13 NORTHERN MICHIGAN UNIVERSITY, GERMAN STUDIES, BACCALAUREATE
14 OAKLAND UNIVERSITY, BACHELOR OF LIBERAL STUDIES, B.A.
15 UNIVERSITY OF MICHIGAN-DEARBORN, BIO-ENGINEERING, B.S.E.
16 UNIVERSITY OF MICHIGAN-DEARBORN, INTEGRATED SCIENCE, B.S.
17 UNIVERSITY OF MICHIGAN-FLINT, ECONOMICS, B.S.
18 UNIVERSITY OF MICHIGAN-FLINT, ENERGY AND SUSTAINABLE SYSTEMS, B.S.
19 UNIVERSITY OF MICHIGAN-FLINT, ENGLISH WITH A SPECIALIZATION IN
20 LINGUISTICS, B.A.
21 WAYNE STATE UNIVERSITY, ASTRONOMY, B.A.
22 WAYNE STATE UNIVERSITY, BIOMEDICAL ENGINEERING, B.S.

23 (B) MASTER'S DEGREE PROGRAMS:

24 EASTERN MICHIGAN UNIVERSITY, TEACHING - SECONDARY MATHEMATICS, M.A.
25 MICHIGAN STATE UNIVERSITY, EDUCATION FOR THE HEALTH PROFESSIONS,
26 M.A.
27 MICHIGAN STATE UNIVERSITY, MARKETING RESEARCH, M.S.

1 OAKLAND UNIVERSITY, CLINICAL NURSE LEADERSHIP, M.S.N
2 OAKLAND UNIVERSITY, MASTER OF ARTS COMMUNICATION, M.A.C
3 OAKLAND UNIVERSITY, MECHATRONICS, M.S.
4 UNIVERSITY OF MICHIGAN-ANN ARBOR, ORAL AND MAXILLOFACIAL PATHOLOGY
5 PROGRAM, M.S.
6 UNIVERSITY OF MICHIGAN-FLINT, MASTER OF PUBLIC HEALTH, M.P.H.
7 WAYNE STATE UNIVERSITY, ELECTRIC-DRIVE VEHICLE ENGINEERING, M.S.
8 WESTERN MICHIGAN UNIVERSITY, ENGINEERING (CHEMICAL), M.S.

9 (C) DOCTORAL DEGREE PROGRAMS:

10 CENTRAL MICHIGAN UNIVERSITY, DOCTOR OF MEDICINE, M.D.
11 MICHIGAN TECHNOLOGICAL UNIVERSITY, ENVIRONMENTAL AND ENERGY POLICY,
12 PH.D.
13 MICHIGAN TECHNOLOGICAL UNIVERSITY, GEOPHYSICS, PH.D.
14 OAKLAND UNIVERSITY, DOCTOR OF MEDICINE, M.D.
15 UNIVERSITY OF MICHIGAN-ANN ARBOR, DOCTOR OF NURSING PRACTICE,
16 D.N.P.
17 UNIVERSITY OF MICHIGAN-ANN ARBOR, DOCTORAL DEGREE GRANTING PROGRAM
18 IN CANCER BIOLOGY, DOCTORAL
19 UNIVERSITY OF MICHIGAN-DEARBORN, EDUCATION SPECIALIST, ED.S.
20 UNIVERSITY OF MICHIGAN-FLINT, DOCTOR OF ANESTHESIA PRACTICE,
21 DR.A.P.
22 UNIVERSITY OF MICHIGAN-FLINT, DOCTOR OF OCCUPATIONAL THERAPY,
23 DR.O.T.
24 WESTERN MICHIGAN UNIVERSITY, ENGINEERING AND APPLIED SCIENCES,
25 PH.D.

26 (2) THE LISTING OF DEGREE PROGRAMS IN SUBSECTION (1) DOES NOT
27 CONSTITUTE LEGISLATIVE INTENT TO PROVIDE ADDITIONAL DOLLARS FOR

1 THOSE PROGRAMS.

2 (3) WHEN SUBMITTING THE LISTING OF NEW DEGREE PROGRAMS FOR
3 PURPOSES OF SECTION 289(2)(E), THE PRESIDENTS COUNCIL OF STATE
4 UNIVERSITIES SHALL ALSO PROVIDE A LISTING OF DEGREE PROGRAMS THAT
5 INSTITUTIONS OF HIGHER EDUCATION WILL NO LONGER OFFER IN SUBSEQUENT
6 ACADEMIC YEARS.

7 SEC. 291. THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS
8 OF PUBLIC UNIVERSITIES RECEIVING FUNDS IN SECTION 236 DURING THE
9 FISCAL YEAR ENDING SEPTEMBER 30, 2012 AS THE AUDITOR GENERAL
10 CONSIDERS NECESSARY.

11 ARTICLE IV

12 GENERAL PROVISIONS

13 SEC. 296. (1) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER THIS
14 ACT FROM THE STATE SCHOOL AID FUND FOR A FISCAL YEAR EXCEEDS THE
15 AMOUNT NECESSARY TO FULLY FUND ALLOCATIONS UNDER THIS ACT FROM THE
16 STATE SCHOOL AID FUND, THAT EXCESS AMOUNT SHALL NOT BE EXPENDED IN
17 THAT STATE FISCAL YEAR AND SHALL NOT LAPSE TO THE GENERAL FUND, BUT
18 INSTEAD SHALL BE DEPOSITED INTO THE SCHOOL AID STABILIZATION FUND
19 CREATED IN SECTION 11A.

20 (2) IF THE TOTAL MAXIMUM AMOUNT APPROPRIATED UNDER ALL
21 ARTICLES OF THIS ACT FROM THE STATE SCHOOL AID FUND AND THE SCHOOL
22 AID STABILIZATION FUND EXCEEDS THE AMOUNT AVAILABLE FOR EXPENDITURE
23 FROM THE STATE SCHOOL AID FUND FOR THAT FISCAL YEAR, PAYMENTS UNDER
24 SECTIONS 11F, 11G, 11J, 22A, 26A, 26B, 31D, 31F, 51A(2), 51A(11),
25 51C, 53A, 56, AND 152A SHALL BE MADE IN FULL. IN ADDITION, FOR
26 DISTRICTS BEGINNING OPERATIONS AFTER 1994-95 THAT QUALIFY FOR
27 PAYMENTS UNDER SECTION 22B, PAYMENTS UNDER SECTION 22B SHALL BE

1 MADE SO THAT THE QUALIFYING DISTRICTS RECEIVE THE LESSER OF AN
2 AMOUNT EQUAL TO THE 1994-95 FOUNDATION ALLOWANCE OF THE DISTRICT IN
3 WHICH THE DISTRICT BEGINNING OPERATIONS AFTER 1994-95 IS LOCATED OR
4 \$5,500.00. THE AMOUNT OF THE PAYMENT TO BE MADE UNDER SECTION 22B
5 FOR THESE QUALIFYING DISTRICTS SHALL BE AS CALCULATED UNDER SECTION
6 22A, WITH THE BALANCE OF THE PAYMENT UNDER SECTION 22B BEING
7 SUBJECT TO THE PRORATION OTHERWISE PROVIDED UNDER THIS SUBSECTION
8 AND SUBSECTION (3). IF PRORATION IS NECESSARY, STATE PAYMENTS UNDER
9 EACH OF THE OTHER SECTIONS OF ARTICLE I FROM ALL STATE FUNDING
10 SOURCES, AND STATE APPROPRIATIONS TO COMMUNITY COLLEGES AND PUBLIC
11 UNIVERSITIES UNDER ARTICLES II AND III FROM THE STATE SCHOOL AID
12 FUND, SHALL BE PRORATED IN THE MANNER PRESCRIBED IN SUBSECTION (3)
13 AS NECESSARY TO REFLECT THE AMOUNT AVAILABLE FOR EXPENDITURE FROM
14 THE STATE SCHOOL AID FUND FOR THE AFFECTED FISCAL YEAR. HOWEVER, IF
15 THE DEPARTMENT OF TREASURY DETERMINES THAT PRORATION WILL BE
16 REQUIRED UNDER THIS SUBSECTION, OR IF THE DEPARTMENT OF TREASURY
17 DETERMINES THAT FURTHER PRORATION IS REQUIRED UNDER THIS SUBSECTION
18 AFTER AN INITIAL PRORATION HAS ALREADY BEEN MADE FOR A FISCAL YEAR,
19 THE DEPARTMENT OF TREASURY SHALL NOTIFY THE STATE BUDGET DIRECTOR,
20 AND THE STATE BUDGET DIRECTOR SHALL NOTIFY THE LEGISLATURE AT LEAST
21 30 CALENDAR DAYS OR 6 LEGISLATIVE SESSION DAYS, WHICHEVER IS MORE,
22 BEFORE THE DEPARTMENT REDUCES ANY PAYMENTS UNDER THIS ACT BECAUSE
23 OF THE PRORATION. DURING THE 30-CALENDAR-DAY OR 6-LEGISLATIVE-
24 SESSION-DAY PERIOD AFTER THAT NOTIFICATION BY THE STATE BUDGET
25 DIRECTOR, THE DEPARTMENT SHALL NOT REDUCE ANY PAYMENTS UNDER THIS
26 ACT BECAUSE OF PRORATION UNDER THIS SUBSECTION. THE LEGISLATURE MAY
27 PREVENT PRORATION FROM OCCURRING BY, WITHIN THE 30-CALENDAR-DAY OR

1 6-LEGISLATIVE-SESSION-DAY PERIOD AFTER THAT NOTIFICATION BY THE
2 STATE BUDGET DIRECTOR, ENACTING LEGISLATION APPROPRIATING
3 ADDITIONAL FUNDS FROM THE GENERAL FUND, COUNTERCYCLICAL BUDGET AND
4 ECONOMIC STABILIZATION FUND, STATE SCHOOL AID FUND BALANCE, OR
5 ANOTHER SOURCE TO FUND THE AMOUNT OF THE PROJECTED SHORTFALL.

6 (3) IF PRORATION IS NECESSARY UNDER SUBSECTION (2), THE
7 DEPARTMENT SHALL CALCULATE THE PRORATION IN DISTRICT AND
8 INTERMEDIATE DISTRICT PAYMENTS UNDER ARTICLE I THAT IS REQUIRED
9 UNDER SUBSECTION (2), AND THE DEPARTMENT OF TREASURY SHALL
10 CALCULATE THE PRORATION IN COMMUNITY COLLEGE AND PUBLIC UNIVERSITY
11 PAYMENTS UNDER ARTICLES II AND III THAT IS REQUIRED UNDER
12 SUBSECTION (2), AS FOLLOWS:

13 (A) THE DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL
14 CALCULATE THE PERCENTAGE OF TOTAL STATE SCHOOL AID FUND MONEY THAT
15 IS APPROPRIATED AND ALLOCATED UNDER THIS ACT FOR THE AFFECTED
16 FISCAL YEAR FOR EACH OF THE FOLLOWING:

17 (i) DISTRICTS.

18 (ii) INTERMEDIATE DISTRICTS.

19 (iii) ENTITIES RECEIVING FUNDING FROM THE STATE SCHOOL AID FUND
20 UNDER ARTICLE I OTHER THAN DISTRICTS OR INTERMEDIATE DISTRICTS.

21 (iv) COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT RECEIVE
22 FUNDING FROM THE STATE SCHOOL AID FUND.

23 (B) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION
24 AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE
25 PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (i) FOR DISTRICTS BY
26 REDUCING PAYMENTS TO DISTRICTS. THIS REDUCTION SHALL BE MADE BY
27 CALCULATING AN EQUAL DOLLAR AMOUNT PER PUPIL AS NECESSARY TO

1 RECOVER THIS PERCENTAGE OF THE PRORATION AMOUNT AND REDUCING EACH
2 DISTRICT'S TOTAL STATE SCHOOL AID FROM STATE SOURCES, OTHER THAN
3 PAYMENTS UNDER SECTIONS 11F, 11G, 11J, 22A, 26A, 26B, 31D, 31F,
4 51A(2), 51A(11), 51C, 53A, AND 152A, BY THAT AMOUNT.

5 (C) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION
6 AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE
7 PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (ii) FOR INTERMEDIATE
8 DISTRICTS BY REDUCING PAYMENTS TO INTERMEDIATE DISTRICTS. THIS
9 REDUCTION SHALL BE MADE BY REDUCING THE PAYMENTS TO EACH
10 INTERMEDIATE DISTRICT, OTHER THAN PAYMENTS UNDER SECTIONS 11F, 11G,
11 26A, 26B, 51A(2), 51A(11), 53A, 56, AND 152A, ON AN EQUAL
12 PERCENTAGE BASIS.

13 (D) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION
14 AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE
15 PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (iii) FOR ENTITIES
16 RECEIVING FUNDING FROM THE STATE SCHOOL AID FUND UNDER ARTICLE I
17 OTHER THAN DISTRICTS AND INTERMEDIATE DISTRICTS BY REDUCING
18 PAYMENTS TO THESE ENTITIES. THIS REDUCTION SHALL BE MADE BY
19 REDUCING THE PAYMENTS TO EACH OF THESE ENTITIES, OTHER THAN
20 PAYMENTS UNDER SECTIONS 11J, 26A, AND 26B, ON AN EQUAL PERCENTAGE
21 BASIS.

22 (E) THE DEPARTMENT OF TREASURY SHALL RECOVER A PERCENTAGE OF
23 THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO
24 THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (iv) FOR COMMUNITY
25 COLLEGES AND PUBLIC UNIVERSITIES THAT RECEIVE FUNDING FROM THE
26 STATE SCHOOL AID FUND BY REDUCING THAT PORTION OF THE PAYMENTS
27 UNDER ARTICLES II AND III TO THESE COMMUNITY COLLEGES AND PUBLIC

House Bill No. 4325 (H-1) as amended May 5, 2011

**UNIVERSITIES THAT IS FROM THE STATE SCHOOL AID FUND ON AN EQUAL
PERCENTAGE BASIS.**

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I as amended by this amendatory act from state sources for fiscal year 2011-2012 is estimated at [\$10,572,414,400.00] and the amount of those state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at [\$10,416,660,400.00].

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state resources for community colleges for fiscal year 2011-2012 under article II as added by this amendatory act is estimated at \$251,996,800.00 and the amount of that state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is estimated at \$251,996,800.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state resources for higher education for fiscal year 2011-2012 under article III as added by this amendatory act is estimated at \$1,263,952,000.00 and the amount of that state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is estimated at \$0.

Enacting section 2. Sections 11d, 11p, 20j, 20k, 22d, 22e, 29, 32c, 41, 64, 65, 92, 93, 99i, 99p, 158b, and 166c, of the state school aid act of 1979, 1979 PA 94, MCL 388.1611d, 388.1611p, 388.1620j, 388.1620k, 388.1622d, 388.1622e, 388.1629, 388.1632c,

1 388.1641, 388.1664, 388.1665, 388.1692, 388.1693, 388.1699i,
2 388.1699p, 388.1758b, and 388.1766c, are repealed effective October
3 1, 2011.

4 Enacting section 3. This amendatory act takes effect October
5 1, 2011.