

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 4228, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 18, 18b, 19, 20, 20d, 22a, 22b, 22d, 22f, 22i, 22j, 24, 24a, 24c, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51a, 51b, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 95, 98, 99, 101, 102, 104, 107, 147, 147a, 147b, 147c, 152a, 201, 201a, 206, 209, 210, 224, 225, 229a, 230, 236, 236a, 236b, 241, 242, 244, 245, 246, 252, 256, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 276, 277, 278, 279, 280, 281, 282, 289, and 290 (MCL 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1618, 388.1618b, 388.1619, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1651a, 388.1651b, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1695, 388.1698, 388.1699, 388.1701, 388.1702, 388.1704, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1752a, 388.1801, 388.1801a, 388.1806, 388.1809, 388.1810, 388.1824, 388.1825, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1841, 388.1842, 388.1844, 388.1845, 388.1846, 388.1852, 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1873, 388.1874, 388.1874a, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1889, and 388.1890), sections 6, 11, 26b, and 201 as amended by 2012 PA 465, sections 11a, 11g, 11j, 11k, 11m, 12, 18, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32d, 39, 39a, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 102, 104, 107, 147, 147a, 147b, 152a, 201a, 206, 209, 210, 224, 225, 230, 236, 236a, 241, 242, 244, 245, 252, 256, 258, 263, 263a, 264, 265, 267, 268, 269, 270, 273, 274, 274a, 276, 277, 278, 279, 280, 281, 282, 289, and 290 as amended and sections 22i, 22j, 26c, 32p, 95, 147c, 229a, 236b, 246, and 265a as added by 2012 PA 201, section 15 as amended by 2012 PA 286, section 18b as amended by 2008 PA 268, section 51b as added by 1996 PA 300, and section 101 as amended by 2012 PA 516, and by adding sections 21f, 22c, 22k, 25e, 41, 99b, 236c, 259, and 272a; and to repeal acts and parts of acts.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 18, 18b, 19, 20, 20d, 22a, 22b, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51a, 51b, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 95, 98, 99, 101, 102, 104, 107, 147, 147a, 147b, 147c, 152a, 201, 201a, 206, 208, 209, 210, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 244, 245, 246, 252, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 289, and 290 (MCL 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1618, 388.1618b, 388.1619, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1651a, 388.1651b, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1695, 388.1698, 388.1699, 388.1701, 388.1702, 388.1704, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1752a, 388.1801, 388.1801a, 388.1806, 388.1808, 388.1809, 388.1810, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1841, 388.1844, 388.1845, 388.1846, 388.1852, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1875a, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1889, and 388.1890), sections 6, 11, 26b, and 201 as amended by 2012 PA 465, sections 11a, 11g, 11j, 11k, 11m, 12, 18, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32d, 39, 39a, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 102, 104, 107, 147, 147a, 147b, 152a, 201a, 206, 208, 209, 210, 224, 225, 229, 230, 236, 236a, 241, 244,

245, 252, 258, 263, 263a, 264, 265, 267, 268, 269, 270, 273, 274, 274a, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 289, and 290 as amended and sections 22g, 22i, 22j, 26c, 32p, 95, 147c, 229a, 236b, 246, and 265a as added by 2012 PA 201, section 15 as amended by 2012 PA 286, section 18b as amended by 2008 PA 268, section 51b as added by 1996 PA 300, and section 101 as amended by 2013 PA 29, and by adding sections 20f, 21f, 22c, 22k, 25e, 41, 64a, 99h, 201b, 210b, 229b, 236c, 259, 262a, and 272a; and to repeal acts and parts of acts.

Bill Rogers

Roger Kahn

Joe Haveman

John Moolenaar

Brandon Dillon

Hoon-Yung Hopgood

Conferees for the House

Conferees for the Senate

**SUBSTITUTE FOR
HOUSE BILL NO. 4228**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 18,
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26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51a, 51b, 51c,
51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 95, 98, 99, 101, 102, 104,
107, 147, 147a, 147b, 147c, 152a, 201, 201a, 206, 208, 209, 210,
224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 244, 245, 246, 252,
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388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k,
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THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual
7 impairment, and pupils with physical impairment or other health
8 impairment. Programs for pupils with emotional impairment housed in
9 buildings that do not serve regular education pupils also qualify.
10 Unless otherwise approved by the department, a center program
11 either shall serve all constituent districts within an intermediate
12 district or shall serve several districts with less than 50% of the
13 pupils residing in the operating district. In addition, special
14 education center program pupils placed part-time in noncenter
15 programs to comply with the least restrictive environment
16 provisions of section 612 of part B of the individuals with
17 disabilities education act, 20 USC 1412, may be considered center
18 program pupils for pupil accounting purposes for the time scheduled
19 in either a center program or a noncenter program.

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

23 (3) "District and high school graduation report" means a
24 report of the number of pupils, excluding adult participants, in
25 the district for the immediately preceding school year, adjusted
26 for those pupils who have transferred into or out of the district
27 or high school, who leave high school with a diploma or other

1 credential of equal status.

2 (4) "Membership", except as otherwise provided in this
3 article, means for a district, a public school academy, the
4 education achievement system, or an intermediate district the sum
5 of the product of .90 times the number of full-time equated pupils
6 in grades K to 12 actually enrolled and in regular daily attendance
7 on the pupil membership count day for the current school year, plus
8 the product of .10 times the final audited count from the
9 supplemental count day for the ~~immediately preceding~~ **CURRENT** school
10 year. A district's, public school academy's, or intermediate
11 district's membership shall be adjusted as provided under section
12 25 for pupils who enroll in the district, public school academy, or
13 intermediate district after the pupil membership count day. All
14 pupil counts used in this subsection are as determined by the
15 department and calculated by adding the number of pupils registered
16 for attendance plus pupils received by transfer and minus pupils
17 lost as defined by rules promulgated by the superintendent, and as
18 corrected by a subsequent department audit. For the purposes of
19 this section and section 6a, for a school of excellence that is a
20 cyber school, as defined in section 551 of the revised school code,
21 MCL 380.551, and is in compliance with section 553a of the revised
22 school code, MCL 380.553a, ~~or for the education achievement system,~~
23 a pupil's participation in the cyber school's educational program
24 ~~or in an online educational program of the education achievement~~
25 ~~system or of an achievement school~~ is considered regular daily
26 attendance; **FOR THE EDUCATION ACHIEVEMENT SYSTEM, A PUPIL'S**
27 **PARTICIPATION IN AN ONLINE EDUCATIONAL PROGRAM OF THE EDUCATION**

1 ACHIEVEMENT SYSTEM OR OF AN ACHIEVEMENT SCHOOL IS CONSIDERED
2 REGULAR DAILY ATTENDANCE; AND FOR A DISTRICT A PUPIL'S
3 PARTICIPATION IN AN ONLINE COURSE AS DEFINED IN SECTION 21F IS
4 CONSIDERED REGULAR DAILY ATTENDANCE. The amount of the foundation
5 allowance for a pupil in membership is determined under section 20.
6 In making the calculation of membership, all of the following, as
7 applicable, apply to determining the membership of a district, a
8 public school academy, the education achievement system, or an
9 intermediate district:

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

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

25 (c) A special education pupil educated by the intermediate
26 district shall be counted in membership in the intermediate
27 district.

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

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

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

16 (g) A pupil enrolled in a public school academy shall be
17 counted in membership in the public school academy.

18 (h) A pupil enrolled in an achievement school shall be counted
19 in membership in the education achievement system.

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

24 (i) If operations begin before the pupil membership count day
25 for the fiscal year, membership is the average number of full-time
26 equated pupils in grades K to 12 actually enrolled and in regular
27 daily attendance on the pupil membership count day for the current

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

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

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

24 (k) In a district, a public school academy, the education
25 achievement system, or an intermediate district operating an
26 extended school year program approved by the superintendent, a
27 pupil enrolled, but not scheduled to be in regular daily attendance

1 on a pupil membership count day, shall be counted.

2 (l) To be counted in membership, a pupil shall meet the minimum
3 age requirement to be eligible to attend school under section 1147
4 of the revised school code, MCL 380.1147, or shall be enrolled
5 under subsection (3) of that section, and shall be less than 20
6 years of age on 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 ~~500,000~~ 175,000.

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 (iii) IF A CHILD BECOMES A RESIDENT OF A DISTRICT AND THE CHILD
23 DOES NOT MEET THE MINIMUM AGE REQUIREMENT TO BE ELIGIBLE TO ATTEND
24 SCHOOL FOR THAT SCHOOL YEAR UNDER SECTION 1147 OF THE REVISED
25 SCHOOL CODE, MCL 380.1147, BUT WILL BE 5 YEARS OF AGE NOT LATER
26 THAN DECEMBER 1 OF THAT SCHOOL YEAR, THE DISTRICT MAY COUNT THE
27 CHILD IN MEMBERSHIP FOR THAT SCHOOL YEAR IF THE PARENT OR LEGAL

1 GUARDIAN HAS NOTIFIED THE DISTRICT IN WRITING THAT HE OR SHE
2 INTENDS TO ENROLL THE CHILD IN KINDERGARTEN FOR THAT SCHOOL YEAR.

3 (m) An individual who has obtained a high school diploma shall
4 not be counted in membership. An individual who has obtained a
5 general educational development (G.E.D.) certificate shall not be
6 counted in membership unless the individual is a pupil with a
7 disability as defined in R 340.1702 of the Michigan administrative
8 code. An individual participating in a job training program funded
9 under former section 107a or a jobs program funded under former
10 section 107b, administered by the Michigan strategic fund, or
11 participating in any successor of either of those 2 programs, shall
12 not be counted in membership.

13 (n) If a pupil counted in membership in a public school
14 academy or the education achievement system is also educated by a
15 district or intermediate district as part of a cooperative
16 education program, the pupil shall be counted in membership only in
17 the public school academy or the education achievement system
18 unless a written agreement signed by all parties designates the
19 party or parties in which the pupil shall be counted in membership,
20 and the instructional time scheduled for the pupil in the district
21 or intermediate district shall be included in the full-time equated
22 membership determination under subdivision (q). However, for pupils
23 receiving instruction in both a public school academy or the
24 education achievement system and in a district or intermediate
25 district but not as a part of a cooperative education program, the
26 following apply:

27 (i) If the public school academy or the education achievement

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

11 (ii) If the public school academy or the education achievement
12 system provides instruction for less than 1/2 of the class hours
13 specified in subdivision (q), the district or intermediate district
14 providing the remainder of the hours of instruction shall receive
15 as its prorated share of the full-time equated membership for each
16 of those pupils an amount equal to 1 times the product of the hours
17 of instruction the district or intermediate district provides
18 divided by the number of hours specified in subdivision (q) for
19 full-time equivalency, and the remainder of the full-time
20 membership for each of those pupils shall be allocated to the
21 public school academy or the education achievement system.

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

27 (p) The department shall give a uniform interpretation of

1 full-time and part-time memberships.

2 (q) The number of class hours used to calculate full-time
3 equated memberships shall be consistent with section 101(3). In
4 determining full-time equated memberships for pupils who are
5 enrolled in a postsecondary institution, a pupil shall not be
6 considered to be less than a full-time equated pupil solely because
7 of the effect of his or her postsecondary enrollment, including
8 necessary travel time, on the number of class hours provided by the
9 district to the pupil.

10 (r) Beginning in 2012-2013, full-time equated memberships for
11 pupils in kindergarten shall be determined by dividing the number
12 of instructional hours scheduled and provided per year per
13 kindergarten pupil by the same number used for determining full-
14 time equated memberships for pupils in grades 1 to 12. However, to
15 the extent allowable under federal law, for a district or public
16 school academy that provides evidence satisfactory to the
17 department that it used federal title I money in the 2 immediately
18 preceding school fiscal years to fund full-time kindergarten, full-
19 time equated memberships for pupils in kindergarten shall be
20 determined by dividing the number of class hours scheduled and
21 provided per year per kindergarten pupil by a number equal to 1/2
22 the number used for determining full-time equated memberships for
23 pupils in grades 1 to 12. ~~Not later than December 1, 2012, the~~
24 ~~department shall seek a clarification from the federal department~~
25 ~~of education as to whether this is an allowable use of federal~~
26 ~~title I money.~~ The change in the counting of full-time equated
27 memberships for pupils in kindergarten that ~~takes~~ **TOOK** effect in

1 **FOR** 2012-2013 is not a mandate. ~~Not later than the fifth Wednesday~~
2 ~~after the pupil membership count day, each district or public~~
3 ~~school academy and the education achievement system shall report to~~
4 ~~the department and the center the number of instructional hours~~
5 ~~scheduled per kindergarten pupil for 2012-2013. If the number of~~
6 ~~instructional hours scheduled per kindergarten pupil is not equal~~
7 ~~for all kindergarten pupils in the district, the district or public~~
8 ~~school academy and the education achievement system shall report~~
9 ~~the number of kindergarten pupils who were scheduled to receive~~
10 ~~each of the different numbers of instructional hours scheduled.~~

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

27 (t) A pupil enrolled in a cooperative education program may be

1 counted in membership in the pupil's district of residence with the
2 written approval of all parties to the cooperative agreement.

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

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

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

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

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

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

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

15 (x) For a public school academy that has been in operation for
16 at least 2 years and that suspended operations for at least 1
17 semester and is resuming operations, membership is the sum of the
18 product of .90 times the number of full-time equated pupils in
19 grades K to 12 actually enrolled and in regular daily attendance on
20 the first pupil membership count day or supplemental count day,
21 whichever is first, occurring after operations resume, plus the
22 product of .10 times the final audited count from the most recent
23 pupil membership count day or supplemental count day that occurred
24 before suspending operations, as determined by the superintendent.

25 (y) If a district's membership for a particular fiscal year,
26 as otherwise calculated under this subsection, would be less than
27 1,550 pupils and the district has 4.5 or fewer pupils per square

1 mile, as determined by the department, and ~~, beginning in 2007-~~
2 ~~2008,~~ if the district does not receive funding under section
3 22d(2), the district's membership shall be considered to be the
4 membership figure calculated under this subdivision. If a district
5 educates and counts in its membership pupils in grades 9 to 12 who
6 reside in a contiguous district that does not operate grades 9 to
7 12 and if 1 or both of the affected districts request the
8 department to use the determination allowed under this sentence,
9 the department shall include the square mileage of both districts
10 in determining the number of pupils per square mile for each of the
11 districts for the purposes of this subdivision. The membership
12 figure calculated under this subdivision is the greater of the
13 following:

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

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

21 (z) If a public school academy that is not in its first or
22 second year of operation closes at the end of a school year and
23 does not reopen for the next school year, the department shall
24 adjust the membership count of the district or the education
25 achievement system in which a former pupil of the public school
26 academy enrolls and is in regular daily attendance for the next
27 school year to ensure that the district or the education

1 achievement system receives the same amount of membership aid for
2 the pupil as if the pupil were counted in the district or the
3 education achievement system on the supplemental count day of the
4 preceding school year.

5 (aa) Full-time equated memberships for special education
6 pupils who are not enrolled in kindergarten but are enrolled in a
7 classroom program under R 340.1754 of the Michigan administrative
8 code shall be determined by dividing the number of class hours
9 scheduled and provided per year by 450. Full-time equated
10 memberships for special education pupils who are not enrolled in
11 kindergarten but are receiving early childhood special education
12 services under R 340.1755 of the Michigan administrative code shall
13 be determined by dividing the number of hours of service scheduled
14 and provided per year per pupil by 180.

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

20 (cc) For the first year in which a pupil is counted in
21 membership on the pupil membership count day in a middle college
22 program, the membership is the average of the full-time equated
23 membership on the pupil membership count day and on the
24 supplemental count day for the current school year, as determined
25 by the department. If a pupil was counted by the operating district
26 on the immediately preceding supplemental count day, the pupil
27 shall be excluded from the district's immediately preceding

1 supplemental count for purposes of determining the district's
2 membership.

3 (dd) A district, a public school academy, or the education
4 achievement system that educates a pupil who attends a United
5 States Olympic education center may count the pupil in membership
6 regardless of whether or not the pupil is a resident of this state.

7 (ee) A pupil enrolled in a district other than the pupil's
8 district of residence pursuant to section 1148(2) of the revised
9 school code, MCL 380.1148, shall be counted in the educating
10 district or the education achievement system.

11 (ff) For a pupil enrolled in a dropout recovery program that
12 meets the requirements of section 23a, the pupil shall be counted
13 as 1/12 of a full-time equated membership for each month that the
14 district operating the program reports that the pupil was enrolled
15 in the program and was in full attendance. **HOWEVER, A PUPIL COUNTED**
16 **UNDER THIS SUBDIVISION SHALL NOT BE COUNTED AS MORE THAN 1.0 FTE IN**
17 **A FISCAL YEAR.** The district operating the program shall report to
18 the center the number of pupils who were enrolled in the program
19 and were in full attendance for a month not later than the tenth
20 day of the next month. A district shall not report a pupil as being
21 in full attendance for a month unless both of the following are
22 met:

23 (i) A personalized learning plan is in place on or before the
24 first school day of the month for the first month the pupil
25 participates in the program.

26 (ii) The pupil meets the district's definition under section
27 23a of satisfactory monthly progress for that month or, if the

1 pupil does not meet that definition of satisfactory monthly
2 progress for that month, the pupil did meet that definition of
3 satisfactory monthly progress in the immediately preceding month
4 and appropriate interventions are implemented within 10 school days
5 after it is determined that the pupil does not meet that definition
6 of satisfactory monthly progress.

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

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

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

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

18 (c) A pupil enrolled in a public school academy or the
19 education achievement system.

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

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

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

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

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

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

1 resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

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

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

22 (k) An expelled pupil who has been denied reinstatement by the
23 expelling district and is reinstated by another school board under
24 section 1311 or 1311a of the revised school code, MCL 380.1311 and
25 380.1311a.

26 (l) A pupil enrolled in a district other than the pupil's
27 district of residence in a middle college program if the pupil's

1 district of residence and the enrolling district are both
2 constituent districts of the same intermediate district.

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

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

9 (o) A pupil who enrolls in a district other than the pupil's
10 district of residence as a result of the pupil's school not making
11 adequate yearly progress under the no child left behind act of
12 2001, Public Law 107-110.

13 ~~—— (p) A pupil enrolled in a district other than the pupil's~~
14 ~~district of residence as a qualifying pupil under section 22h(2).~~

15 **(P) AN ONLINE LEARNING PUPIL ENROLLED IN A DISTRICT OTHER THAN**
16 **THE PUPIL'S DISTRICT OF RESIDENCE AS AN ELIGIBLE PUPIL UNDER**
17 **SECTION 21F.**

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

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

26 (a) Except as provided in subdivision (b), the first Wednesday
27 in October each school year or, for a district or building in which

1 school is not in session on that Wednesday due to conditions not
2 within the control of school authorities, with the approval of the
3 superintendent, the immediately following day on which school is in
4 session in the district or building.

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

7 (i) Fourth Wednesday in July.

8 (ii) First Wednesday in October.

9 (iii) Second Wednesday in February.

10 (iv) Fourth Wednesday in April.

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

1 attendance in a district, an intermediate district, a public school
2 academy, or the education achievement system before the pupil
3 membership count day or supplemental count day of a particular year
4 but was expelled or suspended on the pupil membership count day or
5 supplemental count day shall only be counted as 1.0 full-time
6 equated membership if the pupil resumed attendance in the district,
7 intermediate district, public school academy, or education
8 achievement system within 45 days after the pupil membership count
9 day or supplemental count day of that particular year. Pupils not
10 counted as 1.0 full-time equated membership due to an absence from
11 a class shall be counted as a prorated membership for the classes
12 the pupil attended. For purposes of this subsection, "class" means
13 a period of time in 1 day when pupils and a certificated teacher or
14 legally qualified substitute teacher are together and instruction
15 is taking place.

16 (9) "Rule" means a rule promulgated pursuant to the
17 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
18 24.328.

19 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
20 380.1852.

21 (11) "School district of the first class", "first class school
22 district", and "district of the first class" mean a district that
23 had at least 60,000 pupils in membership for the immediately
24 preceding fiscal year.

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

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

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

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

7 (16) "Tuition pupil" means a pupil of school age attending
8 school in a district other than the pupil's district of residence
9 for whom tuition may be charged **TO THE DISTRICT OF RESIDENCE.**

10 Tuition pupil does not include a pupil who is a special education
11 pupil, ~~or~~ a pupil described in subsection (6)(c) to ~~(e)~~ **(P), OR A**
12 **PUPIL WHOSE PARENT OR GUARDIAN VOLUNTARILY ENROLLS THE PUPIL IN A**
13 **DISTRICT THAT IS NOT THE PUPIL'S DISTRICT OF RESIDENCE.** A pupil's
14 district of residence shall not require a high school tuition
15 pupil, as provided under section 111, to attend another school
16 district after the pupil has been assigned to a school district.

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

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

23 (19) "Textbook" means a book, electronic book, or other
24 instructional print or electronic resource that is selected and
25 approved by the governing board of a district or, for an
26 achievement school, by the chancellor of the achievement authority
27 and that contains a presentation of principles of a subject, or

1 that is a literary work relevant to the study of a subject required
2 for the use of classroom pupils, or another type of course material
3 that forms the basis of classroom instruction.

4 (20) "Total state aid" or "total state school aid" means the
5 total combined amount of all funds due to a district, intermediate
6 district, or other entity under all of the provisions of this
7 article.

8 Sec. 11. (1) ~~Subject to subsection (3), for~~ **FOR** the fiscal
9 year ending September 30, 2013, there is appropriated for the
10 public schools of this state and certain other state purposes
11 relating to education the sum of ~~\$10,961,245,600.00~~
12 **\$10,928,614,200.00** from the state school aid fund and the sum of
13 **\$282,400,000.00** from the general fund. **FOR THE FISCAL YEAR ENDING**
14 **SEPTEMBER 30, 2014, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF**
15 **THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION**
16 **THE SUM OF \$11,211,382,300.00 FROM THE STATE SCHOOL AID FUND, THE**
17 **SUM OF \$156,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM**
18 **RESERVE FUND CREATED UNDER SECTION 147B, AND THE SUM OF**
19 **\$230,000,000.00 FROM THE GENERAL FUND.** In addition, all other
20 available federal funds, except those otherwise appropriated under
21 section 11p, are appropriated for the fiscal year ending September
22 30, 2013 **AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014.**

23 (2) The appropriations under this section shall be allocated
24 as provided in this article. Money appropriated under this section
25 from the general fund shall be expended to fund the purposes of
26 this article before the expenditure of money appropriated under
27 this section from the state school aid fund.

1 (3) Any general fund allocations under this article that are
2 not expended by the end of the state fiscal year are transferred to
3 the school aid stabilization fund created under section 11a.

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

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

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

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

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

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

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

26 (5) Money in the school aid stabilization fund at the close of
27 a fiscal year shall remain in the school aid stabilization fund and

1 shall not lapse to the unreserved school aid fund balance or the
2 general fund.

3 (6) If the maximum amount appropriated under section 11 from
4 the state school aid fund for a fiscal year exceeds the amount
5 available for expenditure from the state school aid fund for that
6 fiscal year, there is appropriated from the school aid
7 stabilization fund to the state school aid fund an amount equal to
8 the projected shortfall as determined by the department of
9 treasury, but not to exceed available money in the school aid
10 stabilization fund. If the money in the school aid stabilization
11 fund is insufficient to fully fund an amount equal to the projected
12 shortfall, the state budget director shall notify the legislature
13 as required under section ~~11(3)~~ **296(2)** and state payments in an
14 amount equal to the remainder of the projected shortfall shall be
15 prorated in the manner provided under section ~~11(4)~~ **296(3)**.

16 (7) For ~~2012-2013, 2013-2014~~, in addition to the
17 appropriations in section 11, there is appropriated from the school
18 aid stabilization fund to the state school aid fund the amount
19 necessary to fully fund the allocations under this article.

20 ~~—— (8) Effective February 24, 2012, in addition to any amounts~~
21 ~~otherwise deposited into the school aid stabilization fund, there~~
22 ~~is transferred from the state school aid fund to the school aid~~
23 ~~stabilization fund an amount equal to \$100,000,000.00.~~

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 **\$39,500,000.00** for the fiscal year ending September 30, ~~2013, 2014~~
27 and for ~~each succeeding fiscal year through~~ the fiscal year ending

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

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

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

23 (a) If the district or intermediate district does not borrow
24 money and issue bonds under section 11i, 1/30 of the total amount
25 listed in section 11h for the district or intermediate district
26 through the fiscal year ending September 30, ~~2013~~ 2015.

27 (b) If the district or intermediate district borrows money and

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

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

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

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

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

26 (5) To the extent payments under this section are used by a
27 district or intermediate district to pay debt service on debt

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

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

8 Sec. 11j. From the appropriation in section 11, there is
9 allocated an amount not to exceed ~~\$120,390,000.00 for 2012-2013~~
10 **\$131,660,000.00 FOR 2013-2014** for payments to the school loan bond
11 redemption fund in the department of treasury on behalf of
12 districts and intermediate districts. Notwithstanding section ~~11~~
13 **296** or any other provision of this act, funds allocated under this
14 section are not subject to proration and shall be paid in full.

15 Sec. 11k. For ~~2012-2013,~~ **2013-2014**, there is appropriated from
16 the general fund to the school loan revolving fund an amount equal
17 to the amount of school bond loans assigned to the Michigan finance
18 authority, not to exceed the total amount of school bond loans held
19 in reserve as long-term assets. As used in this section, "school
20 loan revolving fund" means that fund created in section 16c of the
21 shared credit rating act, 1985 PA 227, MCL 141.1066c.

22 Sec. 11m. From the appropriations in section 11, ~~there is~~
23 ~~allocated for 2011-2012 an amount not to exceed \$2,100,000.00 and~~
24 there is allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed
25 ~~\$3,200,000.00~~ **\$4,000,000.00** for fiscal year cash-flow borrowing
26 costs solely related to the state school aid fund established by
27 section 11 of article IX of the state constitution of 1963.

1 Sec. 12. It is the intent of the legislature to appropriate
2 and allocate for the fiscal year ending September 30, ~~2014~~**2015** the
3 same amounts of money from the same sources for the same purposes
4 as are appropriated and allocated under this article for the fiscal
5 year ending September 30, ~~2013~~**2014**, as adjusted for changes in
6 pupil membership, taxable values, special education costs, interest
7 costs, and available revenue. These adjustments will be determined
8 after the January ~~2013~~**2014** consensus revenue estimating
9 conference.

10 Sec. 15. (1) If a district or intermediate district fails to
11 receive its proper apportionment, the department, upon satisfactory
12 proof that the district or intermediate district was entitled
13 justly, shall apportion the deficiency in the next apportionment.
14 Subject to subsections (2) and (3), if a district or intermediate
15 district has received more than its proper apportionment, the
16 department, upon satisfactory proof, shall deduct the excess in the
17 next apportionment. Notwithstanding any other provision in this
18 article, state aid overpayments to a district, other than
19 overpayments in payments for special education or special education
20 transportation, may be recovered from any payment made under this
21 article other than a special education or special education
22 transportation payment, from the proceeds of a loan to the district
23 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
24 141.942, or from the proceeds of millage levied or pledged under
25 section 1211 of the revised school code, MCL 380.1211. State aid
26 overpayments made in special education or special education
27 transportation payments may be recovered from subsequent special

1 education or special education transportation payments, from the
2 proceeds of a loan to the district under the emergency municipal
3 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
4 of millage levied or pledged under section 1211 of the revised
5 school code, MCL 380.1211.

6 (2) If the result of an audit conducted by or for the
7 department affects the current fiscal year membership, affected
8 payments shall be adjusted in the current fiscal year. A deduction
9 due to an adjustment made as a result of an audit conducted by or
10 for the department, or as a result of information obtained by the
11 department from the district, an intermediate district, the
12 department of treasury, or the office of auditor general, shall be
13 deducted from the district's apportionments when the adjustment is
14 finalized. At the request of the district and upon the district
15 presenting evidence satisfactory to the department of the hardship,
16 the department may grant up to an additional 4 years for the
17 adjustment and may advance payments to the district otherwise
18 authorized under this ~~act~~ **ARTICLE** if the district would otherwise
19 experience a significant hardship in satisfying its financial
20 obligations.

21 (3) If, because of the receipt of new or updated data, the
22 department determines during a fiscal year that the amount paid to
23 a district or intermediate district under this article for a prior
24 fiscal year was incorrect under the law in effect for that year,
25 the department may make the appropriate deduction or payment in the
26 district's or intermediate district's allocation for the fiscal
27 year in which the determination is made. The deduction or payment

1 shall be calculated according to the law in effect in the fiscal
2 year in which the improper amount was paid. If the district does
3 not receive an allocation for the fiscal year or if the allocation
4 is not sufficient to pay the amount of any deduction, the amount of
5 any deduction otherwise applicable shall be satisfied from the
6 proceeds of a loan to the district under the emergency municipal
7 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
8 of millage levied or pledged under section 1211 of the revised
9 school code, MCL 380.1211, as determined by the department.

10 (4) Expenditures made by the department under this article
11 that are caused by the write-off of prior year accruals may be
12 funded by revenue from the write-off of prior year accruals.

13 (5) In addition to funds appropriated in section 11 for all
14 programs and services, there is appropriated for ~~2012-2013-2013-~~
15 **2014** for obligations in excess of applicable appropriations an
16 amount equal to the collection of overpayments, but not to exceed
17 amounts available from overpayments.

18 Sec. 18. (1) Except as provided in another section of this
19 article, each district or other entity shall apply the money
20 received by the district or entity under this article to salaries
21 and other compensation of teachers and other employees, tuition,
22 transportation, lighting, heating, ventilation, water service, the
23 purchase of textbooks, other supplies, and any other school
24 operating expenditures defined in section 7. However, not more than
25 20% of the total amount received by a district or intermediate
26 district under this article may be transferred by the board to
27 either the capital projects fund or to the debt retirement fund for

1 debt service. The money shall not be applied or taken for a purpose
2 other than as provided in this section. The department shall
3 determine the reasonableness of expenditures and may withhold from
4 a recipient of funds under this article the apportionment otherwise
5 due upon a violation by the recipient.

6 (2) Within 30 days after a board adopts its annual operating
7 budget for the following school fiscal year, or after a board
8 adopts a subsequent revision to that budget, the district shall
9 make all of the following available through a link on its website
10 home page, or may make the information available through a link on
11 its intermediate district's website home page, in a form and manner
12 prescribed by the department:

13 (a) The annual operating budget and subsequent budget
14 revisions.

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

19 (i) A chart of personnel expenditures, broken into the
20 following subcategories:

21 (A) Salaries and wages.

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

25 (C) Retirement benefit costs.

26 (D) All other personnel costs.

27 (ii) A chart of all district expenditures, broken into the

1 following subcategories:

2 (A) Instruction.

3 (B) Support services.

4 (C) Business and administration.

5 (D) Operations and maintenance.

6 (c) Links to all of the following:

7 (i) The current collective bargaining agreement for each
8 bargaining unit.

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

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

15 (iv) The bids required under section 5 of the public employee
16 health benefits act, 2007 PA 106, MCL 124.75.

17 (d) The total salary and a description and cost of each fringe
18 benefit included in the compensation package for the superintendent
19 of the district and for each employee of the district whose salary
20 exceeds \$100,000.00.

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

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

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

25 (3) For the information required under subsection (2)(a),
26 (2)(b)(i), and (2)(c), an intermediate district shall provide the
27 same information in the same manner as required for a district

1 under subsection (2).

2 (4) For the purpose of determining the reasonableness of
3 expenditures and whether a violation of this article has occurred,
4 all of the following apply:

5 (a) The department shall require that each district and
6 intermediate district have an audit of the district's or
7 intermediate district's financial and pupil accounting records
8 conducted at least annually at the expense of the district or
9 intermediate district, as applicable, by a certified public
10 accountant or by the intermediate district superintendent, as may
11 be required by the department, or in the case of a district of the
12 first class by a certified public accountant, the intermediate
13 superintendent, or the auditor general of the city.

14 (b) If a district operates in a single building with fewer
15 than 700 full-time equated pupils, if the district has stable
16 membership, and if the error rate of the immediately preceding 2
17 pupil accounting field audits of the district is less than 2%, the
18 district may have a pupil accounting field audit conducted
19 biennially but must continue to have desk audits for each pupil
20 count. The auditor must document compliance with the audit cycle in
21 the pupil auditing manual. As used in this subdivision, "stable
22 membership" means that the district's membership for the current
23 fiscal year varies from the district's membership for the
24 immediately preceding fiscal year by less than 5%.

25 (c) A district's or intermediate district's annual financial
26 audit shall include an analysis of the financial and pupil
27 accounting data used as the basis for distribution of state school

1 aid.

2 (d) The pupil and financial accounting records and reports,
3 audits, and management letters are subject to requirements
4 established in the auditing and accounting manuals approved and
5 published by the department.

6 (e) All of the following shall be done not later than November
7 15 each year:

8 (i) A district shall file the annual financial audit reports
9 with the intermediate district and the department.

10 (ii) The intermediate district shall file the annual financial
11 audit reports for the intermediate district with the department.

12 (iii) The intermediate district shall enter the pupil membership
13 audit reports for its constituent districts and for the
14 intermediate district, for the pupil membership count day and
15 supplemental count day, in the Michigan student data system.

16 (f) The annual financial audit reports and pupil accounting
17 procedures reports shall be available to the public in compliance
18 with the freedom of information act, 1976 PA 442, MCL 15.231 to
19 15.246.

20 (g) Not later than January 31 of each year, the department
21 shall notify the state budget director and the legislative
22 appropriations subcommittees responsible for review of the school
23 aid budget of districts and intermediate districts that have not
24 filed an annual financial audit and pupil accounting procedures
25 report required under this section for the school year ending in
26 the immediately preceding fiscal year.

27 (5) By November 15 of each year, each district and

1 intermediate district shall submit to the center, in a manner
2 prescribed by the center, annual comprehensive financial data
3 consistent with accounting manuals and charts of accounts approved
4 and published by the department. For an intermediate district, the
5 report shall also contain the website address where the department
6 can access the report required under section 620 of the revised
7 school code, MCL 380.620. The department shall ensure that the
8 prescribed Michigan public school accounting manual chart of
9 accounts includes standard conventions to distinguish expenditures
10 by allowable fund function and object. The functions shall include
11 at minimum categories for instruction, pupil support, instructional
12 staff support, general administration, school administration,
13 business administration, transportation, facilities operation and
14 maintenance, facilities acquisition, and debt service; and shall
15 include object classifications of salary, benefits, including
16 categories for active employee health expenditures, purchased
17 services, supplies, capital outlay, and other. Districts shall
18 report the required level of detail consistent with the manual as
19 part of the comprehensive annual financial report.

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

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

(8) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this article.

(9) If a district that is a public school academy purchases property using money received under this article, the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value.

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

(11) Not later than ~~October 1, 2012,~~ **SEPTEMBER 1, 2014**, if a district or intermediate district offers online learning, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the online learning. The report shall include ~~, on a per pupil basis,~~ at least all of the following ~~costs~~: **INFORMATION CONCERNING THE OPERATION OF ONLINE LEARNING FOR THE SCHOOL FISCAL YEAR ENDING JUNE 30, 2014:**

(a) ~~Textbooks, instructional materials, and supplies, including electronic instructional material.~~ **THE NAME OF THE DISTRICT OPERATING THE ONLINE LEARNING AND OF EACH DISTRICT THAT ENROLLED STUDENTS IN THE ONLINE LEARNING.**

1 ~~(b) Computer and other electronic equipment, including~~
2 ~~internet and telephone access.~~ THE TOTAL NUMBER OF STUDENTS ENROLLED
3 IN THE ONLINE LEARNING AND THE TOTAL NUMBER OF MEMBERSHIP PUPILS
4 ENROLLED IN THE ONLINE LEARNING.

5 ~~(c) Salaries and benefits for the online learning employees.~~
6 FOR EACH PUPIL WHO IS ENROLLED IN A DISTRICT OTHER THAN THE
7 DISTRICT OFFERING ONLINE LEARNING, THE NAME OF THAT DISTRICT.

8 ~~(d) Purchased courses and curricula.~~ THE DISTRICT IN WHICH THE
9 PUPIL WAS ENROLLED BEFORE ENROLLING IN THE DISTRICT OFFERING ONLINE
10 LEARNING.

11 ~~(e) Fees associated with oversight and regulation.~~ THE NUMBER
12 OF PARTICIPATING STUDENTS WHO HAD PREVIOUSLY DROPPED OUT OF SCHOOL.

13 ~~(f) Travel costs associated with school activities and~~
14 ~~testing.~~ THE NUMBER OF PARTICIPATING STUDENTS WHO HAD PREVIOUSLY
15 BEEN EXPELLED FROM SCHOOL.

16 ~~(g) Facilities costs.~~ THE TOTAL COST TO ENROLL A STUDENT IN THE
17 PROGRAM. THIS COST SHALL BE REPORTED ON A PER-PUPIL, PER-COURSE,
18 PER-SEMESTER OR TRIMESTER BASIS. THE TOTAL SHALL INCLUDE COSTS
19 BROKEN DOWN BY COST FOR TRAINING, PERSONNEL, HARDWARE AND SOFTWARE,
20 PAYMENT TO EACH ONLINE LEARNING PROVIDER, AND OTHER COSTS
21 ASSOCIATED WITH OPERATING ONLINE LEARNING.

22 ~~(h) Costs associated with special education.~~ THE NAME OF EACH
23 ONLINE EDUCATION PROVIDER CONTRACTED BY THE DISTRICT AND THE STATE
24 IN WHICH EACH ONLINE EDUCATION PROVIDER IS HEADQUARTERED.

25 ~~—— (12) Not later than December 31, 2012, the department shall~~
26 ~~issue a report to the legislature including the following:~~

27 ~~—— (a) A review of the data submitted under subsection (11).~~

~~—— (b) A comparison with costs of substantially similar programs in other states and relevant national research on the costs of online learning.~~

~~—— (c) Any conclusions concerning factors or characteristics of online learning programs that make a difference in the costs of operating the programs.~~

Sec. 18b. (1) Property of a public school academy that was acquired substantially with funds appropriated under this ~~act~~ **ARTICLE** shall be transferred to this state by the public school academy corporation if any of the following occur:

(a) The public school academy has been ineligible to receive funding under this ~~act~~ **ARTICLE** for 18 consecutive months.

(b) The public school academy's contract has been revoked or terminated for any reason.

(c) The public school academy's contract has **EXPIRED AND HAS** not been reissued by the authorizing body.

(2) A PUBLIC SCHOOL ACADEMY CORPORATION SHALL INITIATE THE PROCESS OF TRANSFERRING PROPERTY TO THIS STATE AS REQUIRED UNDER SUBSECTION (1) WITHIN 30 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT TRIGGERS THE PROCESS UNDER SUBSECTION (1).

(3) ~~(2)~~Property required to be transferred to this state under this section includes title to all real and personal property, interests in real or personal property, and other assets owned by the public school academy corporation that were substantially acquired with funds appropriated under this ~~act~~ **ARTICLE**.

(4) ~~(3)~~The state treasurer, or his or her designee, is

1 authorized to dispose of property transferred to this state under
2 this section. Except as otherwise provided in this section, the
3 state treasurer shall deposit in the state school aid fund any
4 money included in that property and the net proceeds from the sale
5 of the property or interests in property, after payment by the
6 state treasurer of any public school academy debt secured by the
7 property or interest in property.

8 (5) ~~(4)~~—This section does not impose any liability on this
9 state, any agency of this state, or an authorizing body for any
10 debt incurred by a public school academy.

11 (6) ~~(5)~~—As used in this section and section 18c, "authorizing
12 body" means an authorizing body defined under section 501 or 1311b
13 of the revised school code, MCL 380.501 and 380.1311b.

14 Sec. 19. (1) A district or intermediate district shall comply
15 with all applicable reporting requirements specified in state and
16 federal law. Data provided to the center, in a form and manner
17 prescribed by the center, shall be aggregated and disaggregated as
18 required by state and federal law. In addition, a district or
19 intermediate district shall cooperate with all measures taken by
20 the center to establish and maintain a statewide P-20 longitudinal
21 data system.

22 (2) Each district shall furnish to the center not later than 5
23 weeks after the pupil membership count day and by June 30 of the
24 school fiscal year ending in the fiscal year, in a manner
25 prescribed by the center, the information necessary for the
26 preparation of the district and high school graduation report. This
27 information shall meet requirements established in the pupil

1 auditing manual approved and published by the department. The
2 center shall calculate an annual graduation and pupil dropout rate
3 for each high school, each district, and this state, in compliance
4 with nationally recognized standards for these calculations. The
5 center shall report all graduation and dropout rates to the senate
6 and house education committees and appropriations committees, the
7 state budget director, and the department not later than 30 days
8 after the publication of the list described in subsection (6).

9 (3) By the first business day in December and by June 30 of
10 each year, a district shall furnish to the center, in a manner
11 prescribed by the center, information related to educational
12 personnel as necessary for reporting required by state and federal
13 law.

14 (4) By June 30 of each year, a district shall furnish to the
15 center, in a manner prescribed by the center, information related
16 to safety practices and criminal incidents as necessary for
17 reporting required by state and federal law.

18 (5) If a district or intermediate district fails to meet the
19 requirements of this section, the department shall withhold 5% of
20 the total funds for which the district or intermediate district
21 qualifies under this article until the district or intermediate
22 district complies with all of those subsections. If the district or
23 intermediate district does not comply with all of those subsections
24 by the end of the fiscal year, the department shall place the
25 amount withheld in an escrow account until the district or
26 intermediate district complies with all of those subsections.

27 (6) Before publishing a list of ~~schools or districts~~

1 ~~determined to have failed to make adequate yearly progress~~ **SCHOOL**
2 **OR DISTRICT ACCOUNTABILITY DESIGNATIONS** as required by the no child
3 left behind act of 2001, Public Law 107-110, the department shall
4 allow a school or district to appeal that determination. The
5 department shall consider and act upon the appeal within 30 days
6 after it is submitted and shall not publish the list until after
7 all appeals have been considered and decided.

8 (7) It is the intent of the legislature to implement not later
9 than 2014-2015 statewide standard reporting requirements for
10 education data approved by the department in conjunction with the
11 center. The department shall work with the center, intermediate
12 districts, districts, and other interested stakeholders to develop
13 recommendations on the implementation of this policy change. A
14 district or intermediate district shall implement the statewide
15 standard reporting requirements not later than 2014-2015 or when a
16 district or intermediate district updates its education data
17 reporting system, whichever is later.

18 Sec. 20. (1) For ~~2011-2012, and for 2012-2013, 2013-2014,~~ the
19 basic foundation allowance is ~~\$8,019.00.~~ **\$8,049.00.**

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

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

27 (a) For a district that had a foundation allowance for the

1 immediately preceding state fiscal year that was at least equal to
2 the sum of \$7,108.00 plus the total dollar amount of all
3 adjustments made from 2006-2007 to the immediately preceding state
4 fiscal year in the lowest foundation allowance among all districts,
5 but less than the basic foundation allowance for the immediately
6 preceding state fiscal year, the district shall receive a
7 foundation allowance in an amount equal to the sum of the **GREATER**
8 **OF \$6,966.00 OR THE** district's foundation allowance for the
9 immediately preceding state fiscal year plus the difference between
10 twice the dollar amount of the adjustment from the immediately
11 preceding state fiscal year to the current state fiscal year made
12 in the basic foundation allowance and [(the dollar amount of the
13 adjustment from the immediately preceding state fiscal year to the
14 current state fiscal year made in the basic foundation allowance
15 minus ~~\$20.00~~—**\$10.00**) times (the difference between the district's
16 foundation allowance for the immediately preceding state fiscal
17 year and the sum of \$7,108.00 plus the total dollar amount of all
18 adjustments made from 2006-2007 to the immediately preceding state
19 fiscal year in the lowest foundation allowance among all districts)
20 divided by the difference between the basic foundation allowance
21 for the current state fiscal year and the sum of \$7,108.00 plus the
22 total dollar amount of all adjustments made from 2006-2007 to the
23 immediately preceding state fiscal year in the lowest foundation
24 allowance among all districts]. For 2011-2012, for a district that
25 had a foundation allowance for the immediately preceding state
26 fiscal year that was at least equal to the sum of \$7,108.00 plus
27 the total dollar amount of all adjustments made from 2006-2007 to

1 the immediately preceding state fiscal year in the lowest
2 foundation allowance among all districts, but less than the basic
3 foundation allowance for the immediately preceding state fiscal
4 year, the district shall receive a foundation allowance in an
5 amount equal to the district's foundation allowance for 2010-2011,
6 minus \$470.00. Except as otherwise provided in subdivision (h), for
7 ~~2012-2013,~~ **2013-2014**, for a district that had a foundation
8 allowance for the immediately preceding state fiscal year that was
9 at least equal to the sum of \$7,108.00 plus the total dollar amount
10 of all adjustments made from 2006-2007 to the immediately preceding
11 state fiscal year in the lowest foundation allowance among all
12 districts, but less than the basic foundation allowance for the
13 immediately preceding state fiscal year, the district shall receive
14 a foundation allowance in an amount equal to the district's
15 foundation allowance for the immediately preceding state fiscal
16 year. However, the foundation allowance for a district that had
17 less than the basic foundation allowance for the immediately
18 preceding state fiscal year shall not exceed the basic foundation
19 allowance for the current state fiscal year.

20 (b) Except as otherwise provided in this subsection, for a
21 district that in the immediately preceding state fiscal year had a
22 foundation allowance in an amount at least equal to the amount of
23 the basic foundation allowance for the immediately preceding state
24 fiscal year, the district shall receive a foundation allowance for
25 2011-2012 in an amount equal to the district's foundation allowance
26 for 2010-2011, minus \$470.00. For ~~2012-2013,~~ **2013-2014**, except as
27 otherwise provided in this subsection, for a district that in the

1 immediately preceding state fiscal year had a foundation allowance
2 in an amount at least equal to the amount of the basic foundation
3 allowance for the immediately preceding state fiscal year, the
4 district shall receive a foundation allowance ~~for 2012-2013~~ in an
5 amount equal to the district's foundation allowance for the
6 immediately preceding state fiscal year.

7 (c) Except as otherwise provided in subdivision (d), for a
8 district that in the 1994-95 state fiscal year had a foundation
9 allowance greater than \$6,500.00, the district's foundation
10 allowance is an amount equal to the sum of the district's
11 foundation allowance for the immediately preceding state fiscal
12 year plus the lesser of the increase in the basic foundation
13 allowance for the current state fiscal year, as compared to the
14 immediately preceding state fiscal year, or the product of the
15 district's foundation allowance for the immediately preceding state
16 fiscal year times the percentage increase in the United States
17 consumer price index in the calendar year ending in the immediately
18 preceding fiscal year as reported by the May revenue estimating
19 conference conducted under section 367b of the management and
20 budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided
21 in subdivision (d), for 2011-2012, for a district that in the 1994-
22 1995 state fiscal year had a foundation allowance greater than
23 \$6,500.00, the district's foundation allowance is an amount equal
24 to the district's foundation allowance for the 2010-2011 fiscal
25 year minus \$470.00. For ~~2012-2013~~, **2013-2014**, except as otherwise
26 provided in subdivision (d), for a district that in the 1994-1995
27 state fiscal year had a foundation allowance greater than

1 \$6,500.00, the district's foundation allowance is an amount equal
2 to the district's foundation allowance for the immediately
3 preceding state fiscal year.

4 (d) For a district that in the 1994-95 state fiscal year had a
5 foundation allowance greater than \$6,500.00 and that had a
6 foundation allowance for the 2009-2010 state fiscal year, as
7 otherwise calculated under this section, that was less than the
8 basic foundation allowance, the district's foundation allowance for
9 2011-2012 and each succeeding fiscal year shall be considered to be
10 an amount equal to the basic foundation allowance.

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

14 (f) For a district that received a payment under section 22c
15 as that section was in effect for 2001-2002, the district's 2001-
16 2002 foundation allowance shall be considered to have been an
17 amount equal to the sum of the district's actual 2001-2002
18 foundation allowance as otherwise calculated under this section
19 plus the per pupil amount of the district's equity payment for
20 2001-2002 under section 22c as that section was in effect for 2001-
21 2002.

22 (g) For a district that received a payment under section 22c
23 as that section was in effect for 2006-2007, the district's 2006-
24 2007 foundation allowance shall be considered to have been an
25 amount equal to the sum of the district's actual 2006-2007
26 foundation allowance as otherwise calculated under this section
27 plus the per pupil amount of the district's equity payment for

1 2006-2007 under section 22c as that section was in effect for 2006-
2 2007.

3 (h) For 2012-2013, for a district that had a foundation
4 allowance for the 2011-2012 state fiscal year of less than
5 \$6,966.00, the district's foundation allowance is an amount equal
6 to \$6,966.00.

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

1 12, the product of the taxable value per membership pupil of
2 property in the district that is commercial personal property times
3 the certified mills minus 12 mills and the quotient of the ad
4 valorem property tax revenue of the district captured under tax
5 increment financing acts divided by the district's membership
6 excluding special education pupils. For a district that has a
7 millage reduction required under section 31 of article IX of the
8 state constitution of 1963, the state portion of the district's
9 foundation allowance shall be calculated as if that reduction did
10 not occur.

11 (5) The allocation calculated under this section for a pupil
12 shall be based on the foundation allowance of the pupil's district
13 of residence. For a pupil enrolled pursuant to section 105 or 105c
14 in a district other than the pupil's district of residence, the
15 allocation calculated under this section shall be based on the
16 lesser of the foundation allowance of the pupil's district of
17 residence or the foundation allowance of the educating district.
18 For a pupil in membership in a K-5, K-6, or K-8 district who is
19 enrolled in another district in a grade not offered by the pupil's
20 district of residence, the allocation calculated under this section
21 shall be based on the foundation allowance of the educating
22 district if the educating district's foundation allowance is
23 greater than the foundation allowance of the pupil's district of
24 residence.

25 (6) Except as otherwise provided in this subsection, for
26 pupils in membership, other than special education pupils, in a
27 public school academy, the allocation calculated under this section

1 is an amount per membership pupil other than special education
2 pupils in the public school academy equal to the foundation
3 allowance of the district in which the public school academy is
4 located or the state maximum public school academy allocation,
5 whichever is less. However, a public school academy that had an
6 allocation under this subsection before 2009-2010 that was equal to
7 the sum of the local school operating revenue per membership pupil
8 other than special education pupils for the district in which the
9 public school academy is located and the state portion of that
10 district's foundation allowance shall not have that allocation
11 reduced as a result of the 2010 amendment to this subsection.
12 Notwithstanding section 101, for a public school academy that
13 begins operations after the pupil membership count day, the amount
14 per membership pupil calculated under this subsection shall be
15 adjusted by multiplying that amount per membership pupil by the
16 number of hours of pupil instruction provided by the public school
17 academy after it begins operations, as determined by the
18 department, divided by the minimum number of hours of pupil
19 instruction required under section 101(3). The result of this
20 calculation shall not exceed the amount per membership pupil
21 otherwise calculated under this subsection.

22 (7) Except as otherwise provided in this subsection, for
23 pupils attending an achievement school and in membership in the
24 education achievement system, other than special education pupils,
25 the allocation calculated under this section is an amount per
26 membership pupil other than special education pupils equal to the
27 foundation allowance of the district in which the achievement

1 school is located, not to exceed the basic foundation allowance.
2 Notwithstanding section 101, for an achievement school that begins
3 operation after the pupil membership count day, the amount per
4 membership pupil calculated under this subsection shall be adjusted
5 by multiplying that amount per membership pupil by the number of
6 hours of pupil instruction provided by the achievement school after
7 it begins operations, as determined by the department, divided by
8 the minimum number of hours of pupil instruction required under
9 section 101(3). The result of this calculation shall not exceed the
10 amount per membership pupil otherwise calculated under this
11 subsection. For the purposes of this subsection, if a public school
12 is transferred from a district to the state school reform/redesign
13 district or the achievement authority under section 1280c of the
14 revised school code, that public school is considered to be an
15 achievement school within the education achievement system and not
16 a school that is part of a district, and a pupil attending that
17 public school is considered to be in membership in the education
18 achievement system and not in membership in the district that
19 operated the school before the transfer.

20 (8) Subject to subsection (4), for a district that is formed
21 or reconfigured after June 1, 2002 by consolidation of 2 or more
22 districts or by annexation, the resulting district's foundation
23 allowance under this section beginning after the effective date of
24 the consolidation or annexation shall be **LESSER OF THE SUM OF** the
25 average of the foundation allowances of each of the original or
26 affected districts, calculated as provided in this section,
27 weighted as to the percentage of pupils in total membership in the

1 resulting district who reside in the geographic area of each of the
2 original or affected districts **PLUS \$100.00 OR THE HIGHEST**
3 **FOUNDATION ALLOWANCE AMONG THE ORIGINAL OR AFFECTED DISTRICTS.**

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

8 (10) State payments related to payment of the foundation
9 allowance for a special education pupil are not calculated under
10 this section but are instead calculated under section 51a.

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

17 (a) The pupil membership factor shall be computed by dividing
18 the estimated membership in the school year ending in the current
19 state fiscal year, excluding intermediate district membership, by
20 the estimated membership for the school year ending in the
21 subsequent state fiscal year, excluding intermediate district
22 membership. If a consensus membership factor is not determined at
23 the revenue estimating conference, the principals of the revenue
24 estimating conference shall report their estimates to the house and
25 senate subcommittees responsible for school aid appropriations not
26 later than 7 days after the conclusion of the revenue conference.

27 (b) The revenue adjustment factor shall be computed by

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

18 (c) The index shall be calculated by multiplying the pupil
19 membership factor by the revenue adjustment factor. ~~However, for~~
20 ~~2011-2012, the index shall be 0.93575 and for 2012-2013, the index~~
21 ~~shall be 1.00.~~ If a consensus index is not determined at the
22 revenue estimating conference, the principals of the revenue
23 estimating conference shall report their estimates to the house and
24 senate subcommittees responsible for school aid appropriations not
25 later than 7 days after the conclusion of the revenue conference.
26 ~~—— (12) For a district in which 7.75 mills levied in 1992 for~~
27 ~~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. A district receiving an adjustment under this subsection shall not receive as a result of this adjustment an amount that exceeds 50% of the amount the district received as a result of this adjustment for 2010-2011. This adjustment shall not be made after 2011-2012.~~

~~—— (13) 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. A district receiving an adjustment under this subsection shall not receive as a result of this adjustment an amount that exceeds 50% of the amount the district received as a result of this adjustment for 2010-2011. This adjustment shall not be made after 2011-2012.~~

1 (12) ~~(14)~~—For a district that received a grant under former
 2 section 32e for 2001-2002, the district's foundation allowance for
 3 2002-2003 and each succeeding fiscal year shall be adjusted to be
 4 an amount equal to the sum of the district's foundation allowance,
 5 as otherwise calculated under this section, plus the quotient of
 6 100% of the amount of the grant award to the district for 2001-2002
 7 under former section 32e divided by the number of pupils in the
 8 district's membership for 2001-2002 who were residents of and
 9 enrolled in the district. **ALL OF THE FOLLOWING APPLY TO DISTRICTS**

10 **RECEIVING A FOUNDATION ALLOWANCE ADJUSTMENT UNDER THIS SUBSECTION:**

11 (A) Except as otherwise provided in this ~~subsection~~,
 12 **SUBDIVISION**, a district qualifying for a foundation allowance
 13 adjustment under this subsection shall use the funds resulting from
 14 this adjustment for at least 1 of grades K to 3 for purposes
 15 allowable under former section 32e as in effect for 2001-2002. For
 16 an individual school or schools operated by a district qualifying
 17 for a foundation allowance **ADJUSTMENT** under this subsection that
 18 have been determined by the department to meet the adequate yearly
 19 progress standards of the federal no child left behind act of 2001,
 20 Public Law 107-110, in both mathematics and English language arts
 21 at all applicable grade levels for all applicable subgroups, the
 22 district may submit to the department an application for
 23 flexibility in using the funds resulting from this adjustment that
 24 are attributable to the pupils in the school or schools. The
 25 application shall identify the affected school or schools and the
 26 affected funds and shall contain a plan for using the funds for
 27 specific purposes identified by the district that are designed to

1 reduce class size, but that may be different from the purposes
2 otherwise allowable under this ~~subsection.~~ **SUBDIVISION.** The
3 department shall approve the application if the department
4 determines that the purposes identified in the plan are reasonably
5 designed to reduce class size. If the department does not act to
6 approve or disapprove an application within 30 days after it is
7 submitted to the department, the application is considered to be
8 approved. If an application for flexibility in using the funds is
9 approved, the district may use the funds identified in the
10 application for any purpose identified in the plan.

11 (B) A district receiving an adjustment under this subsection
12 shall not receive as a result of this adjustment an amount that
13 exceeds 68.5% of the amount the district received as a result of
14 this adjustment for 2010-2011.

15 (C) **NOTWITHSTANDING SUBSECTION (8), FOR A DISTRICT THAT IS**
16 **FORMED OR RECONFIGURED BY CONSOLIDATION OF 2 OR MORE DISTRICTS, 1**
17 **OF WHICH RECEIVED AN ADJUSTMENT UNDER THIS SUBSECTION FOR 2012-**
18 **2013, THE RESULTING DISTRICT'S FOUNDATION ALLOWANCE FOR 2013-2014**
19 **AND EACH SUCCEEDING FISCAL YEAR SHALL BE ADJUSTED TO BE AN AMOUNT**
20 **EQUAL TO THE SUM OF THE RESULTING DISTRICT'S FOUNDATION ALLOWANCE**
21 **AS CALCULATED UNDER SUBSECTION (8) EXCLUDING ANY ADJUSTMENT**
22 **CALCULATED UNDER THIS SUBSECTION PLUS [(THE ORIGINAL DISTRICT'S**
23 **ADJUSTMENT UNDER THIS SUBSECTION IN 2012-2013 TIMES THE NUMBER OF**
24 **PUPILS IN THE ORIGINAL DISTRICT'S MEMBERSHIP FOR 2012-2013) DIVIDED**
25 **BY THE NUMBER OF PUPILS IN THE RESULTING DISTRICT'S MEMBERSHIP FOR**
26 **2013-2014].**

27 (D) BEGINNING IN 2013-2014, FOR A DISTRICT THAT RECEIVED AN

1 ADJUSTMENT FOR THE IMMEDIATELY PRECEDING FISCAL YEAR AND THAT HAD A
2 FOUNDATION ALLOWANCE AS ADJUSTED BY THIS SUBSECTION FOR THE
3 IMMEDIATELY PRECEDING FISCAL YEAR EQUAL TO \$6,966.00, THE DISTRICT
4 SHALL NOT RECEIVE AN ADJUSTMENT UNDER THIS SECTION FOR THE CURRENT
5 FISCAL YEAR.

6 ~~—— (15) For a district that levied 1.9 mills in 1993 to finance~~
7 ~~an operating deficit, the district's foundation allowance shall be~~
8 ~~calculated as if those mills were included as operating mills in~~
9 ~~the calculation of the district's 1994-1995 foundation allowance. A~~
10 ~~district is not entitled to any retroactive payments for fiscal~~
11 ~~years before 2006-2007 due to this subsection. A district receiving~~
12 ~~an adjustment under this subsection shall not receive more than~~
13 ~~\$800,000.00 for a fiscal year as a result of this adjustment. A~~
14 ~~district receiving an adjustment under this subsection shall not~~
15 ~~receive as a result of this adjustment an amount that exceeds 50%~~
16 ~~of the amount the district received as a result of this adjustment~~
17 ~~for 2010-2011. This adjustment shall not be made after 2011-2012.~~

18 ~~—— (16) For a district that levied 2.23 mills in 1993 to finance~~
19 ~~an operating deficit, the district's foundation allowance shall be~~
20 ~~calculated as if those mills were included as operating mills in~~
21 ~~the calculation of the district's 1994-1995 foundation allowance. A~~
22 ~~district is not entitled to any retroactive payments for fiscal~~
23 ~~years before 2006-2007 due to this subsection. A district receiving~~
24 ~~an adjustment under this subsection shall not receive more than~~
25 ~~\$500,000.00 for a fiscal year as a result of this adjustment. A~~
26 ~~district receiving an adjustment under this subsection shall not~~
27 ~~receive as a result of this adjustment an amount that exceeds 50%~~

~~of the amount the district received as a result of this adjustment
for 2010-2011. This adjustment shall not be made after 2011-2012.~~

(13) ~~(17)~~ Payments to districts, public school academies, or the education achievement system shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

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

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

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

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

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

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

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

(f) "Local school operating revenue" means school operating

1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211.

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

6 (h) "Maximum public school academy allocation", except as
7 otherwise provided in this subdivision, means the maximum per-pupil
8 allocation as calculated by adding the highest per-pupil allocation
9 among all public school academies for the immediately preceding
10 state fiscal year plus the difference between twice the dollar
11 amount of the adjustment from the immediately preceding state
12 fiscal year to the current state fiscal year made in the basic
13 foundation allowance and [(the dollar amount of the adjustment from
14 the immediately preceding state fiscal year to the current state
15 fiscal year made in the basic foundation allowance minus ~~\$20.00~~
16 **\$10.00**) times (the difference between the highest per-pupil
17 allocation among all public school academies for the immediately
18 preceding state fiscal year and the sum of \$7,108.00 plus the total
19 dollar amount of all adjustments made from 2006-2007 to the
20 immediately preceding state fiscal year in the lowest per-pupil
21 allocation among all public school academies) divided by the
22 difference between the basic foundation allowance for the current
23 state fiscal year and the sum of \$7,108.00 plus the total dollar
24 amount of all adjustments made from 2006-2007 to the immediately
25 preceding state fiscal year in the lowest per-pupil allocation
26 among all public school academies]. ~~For 2011-2012 and 2012-2013,~~
27 ~~maximum public school academy allocation means \$7,110.00.~~

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

4 (j) "Nonexempt property" means property that is not a
5 principal residence, qualified agricultural property, qualified
6 forest property, supportive housing property, industrial personal
7 property, or commercial personal property.

8 (k) "Principal residence", "qualified agricultural property",
9 "qualified forest property", "supportive housing property",
10 "industrial personal property", and "commercial personal property"
11 mean those terms as defined in section 1211 of the revised school
12 code, MCL 380.1211.

13 (l) "School operating purposes" means the purposes included in
14 the operation costs of the district as prescribed in sections 7 and
15 18.

16 (m) "School operating taxes" means local ad valorem property
17 taxes levied under section 1211 of the revised school code, MCL
18 380.1211, and retained for school operating purposes.

19 (n) "Tax increment financing acts" means 1975 PA 197, MCL
20 125.1651 to 125.1681, the tax increment finance authority act, 1980
21 PA 450, MCL 125.1801 to 125.1830, the local development financing
22 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
23 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
24 or the corridor improvement authority act, 2005 PA 280, MCL
25 125.2871 to 125.2899.

26 (o) "Taxable value per membership pupil" means taxable value,
27 as certified by the department of treasury, for the calendar year

1 ending in the current state fiscal year divided by the district's
2 membership excluding special education pupils for the school year
3 ending in the current state fiscal year.

4 Sec. 20d. In making the final determination required under
5 former section 20a of a district's combined state and local revenue
6 per membership pupil in 1993-94 and in making calculations under
7 section 20 for ~~2012-2013~~, **2013-2014**, the department and the
8 department of treasury shall comply with all of the following:

9 (a) For a district that had combined state and local revenue
10 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
11 or more and served as a fiscal agent for a state board designated
12 area vocational education center in the 1993-94 school year, total
13 state school aid received by or paid on behalf of the district
14 pursuant to this act in 1993-94 shall exclude payments made under
15 former section 146 and under section 147 on behalf of the
16 district's employees who provided direct services to the area
17 vocational education center. Not later than June 30, 1996, the
18 department shall make an adjustment under this subdivision to the
19 district's combined state and local revenue per membership pupil in
20 the 1994-95 state fiscal year and the department of treasury shall
21 make a final certification of the number of mills that may be
22 levied by the district under section 1211 of the revised school
23 code, MCL 380.1211, as a result of the adjustment under this
24 subdivision.

25 (b) If a district had an adjustment made to its 1993-94 total
26 state school aid that excluded payments made under former section
27 146 and under section 147 on behalf of the district's employees who

1 provided direct services for intermediate district center programs
2 operated by the district under article 5, if nonresident pupils
3 attending the center programs were included in the district's
4 membership for purposes of calculating the combined state and local
5 revenue per membership pupil for 1993-94, and if there is a signed
6 agreement by all constituent districts of the intermediate district
7 that an adjustment under this subdivision shall be made, the
8 foundation allowances for 1995-96 and 1996-97 of all districts that
9 had pupils attending the intermediate district center program
10 operated by the district that had the adjustment shall be
11 calculated as if their combined state and local revenue per
12 membership pupil for 1993-94 included resident pupils attending the
13 center program and excluded nonresident pupils attending the center
14 program.

15 SEC. 20F. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE
16 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR 2013-2014
17 FOR PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SECTION. A DISTRICT
18 IS ELIGIBLE FOR FUNDING UNDER THIS SECTION IF THE SUM OF THE
19 FOLLOWING IS LESS THAN \$5.00:

20 (A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR PER
21 PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2012-2013 TO
22 2013-2014.

23 (B) THE DISTRICT'S EQUITY PAYMENT PER MEMBERSHIP PUPIL UNDER
24 SECTION 22C.

25 (C) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
26 147A FOR 2012-2013 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
27 2012-2013 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER

1 SECTION 147A FOR 2013-2014 DIVIDED BY THE DISTRICT'S MEMBERSHIP
2 PUPILS FOR 2013-2014.

3 (2) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER THIS
4 SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$5.00 MINUS THE
5 SUM OF THE FOLLOWING:

6 (A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR PER
7 PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2012-2013 TO
8 2013-2014.

9 (B) THE DISTRICT'S EQUITY PAYMENT PER MEMBERSHIP PUPIL UNDER
10 SECTION 22C.

11 (C) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
12 147A FOR 2012-2013 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
13 2012-2013 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
14 SECTION 147A FOR 2013-2014 DIVIDED BY THE DISTRICT'S MEMBERSHIP
15 PUPILS FOR 2013-2014.

16 SEC. 21F. (1) A PUPIL ENROLLED IN A DISTRICT IN ANY OF GRADES
17 5 TO 12 IS ELIGIBLE TO ENROLL IN AN ONLINE COURSE AS PROVIDED FOR
18 IN THIS SECTION. HOWEVER, THIS SECTION DOES NOT APPLY TO A PUPIL
19 ENROLLED IN A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS
20 DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.

21 (2) WITH THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN,
22 A DISTRICT SHALL ENROLL AN ELIGIBLE PUPIL IN UP TO 2 ONLINE COURSES
23 AS REQUESTED BY THE PUPIL DURING AN ACADEMIC TERM, SEMESTER, OR
24 TRIMESTER. IT IS THE INTENT OF THE LEGISLATURE TO CONSIDER
25 INCREASING THE LIMIT ON THE NUMBER OF ONLINE COURSES THAT A PUPIL
26 MAY ENROLL IN BEGINNING IN 2014-2015 FOR PUPILS WHO HAVE
27 DEMONSTRATED PREVIOUS SUCCESS WITH ONLINE COURSES. CONSENT OF THE

1 PUPIL'S PARENT OR LEGAL GUARDIAN IS NOT REQUIRED IF THE PUPIL IS AT
2 LEAST AGE 18 OR IS AN EMANCIPATED MINOR.

3 (3) AN ELIGIBLE PUPIL MAY ENROLL IN AN ONLINE COURSE PUBLISHED
4 IN THE PUPIL'S EDUCATING DISTRICT'S CATALOG OF ONLINE COURSES
5 DESCRIBED IN SUBSECTION (7) (A) OR THE STATEWIDE CATALOG OF ONLINE
6 COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO
7 SECTION 98.

8 (4) A DISTRICT SHALL DETERMINE WHETHER OR NOT IT HAS CAPACITY
9 TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT APPLICANTS
10 IN ONLINE COURSES AND MAY USE THAT LIMIT AS THE REASON FOR REFUSAL
11 TO ENROLL AN APPLICANT. IF THE NUMBER OF NONRESIDENT APPLICANTS
12 ELIGIBLE FOR ACCEPTANCE IN AN ONLINE COURSE DOES NOT EXCEED THE
13 CAPACITY OF THE DISTRICT TO PROVIDE THE ONLINE COURSE, THE DISTRICT
14 SHALL ACCEPT FOR ENROLLMENT ALL OF THE NONRESIDENT APPLICANTS
15 ELIGIBLE FOR ACCEPTANCE. IF THE NUMBER OF NONRESIDENT APPLICANTS
16 EXCEEDS THE DISTRICT'S CAPACITY TO PROVIDE THE ONLINE COURSE, THE
17 DISTRICT SHALL USE A RANDOM DRAW SYSTEM, SUBJECT TO THE NEED TO
18 ABIDE BY STATE AND FEDERAL ANTIDISCRIMINATION LAWS AND COURT
19 ORDERS.

20 (5) A DISTRICT MAY DENY A PUPIL ENROLLMENT IN AN ONLINE COURSE
21 IF ANY OF THE FOLLOWING APPLY, AS DETERMINED BY THE DISTRICT:

22 (A) THE PUPIL HAS PREVIOUSLY GAINED THE CREDITS PROVIDED FROM
23 THE COMPLETION OF THE ONLINE COURSE.

24 (B) THE ONLINE COURSE IS NOT CAPABLE OF GENERATING ACADEMIC
25 CREDIT.

26 (C) THE ONLINE COURSE IS INCONSISTENT WITH THE REMAINING
27 GRADUATION REQUIREMENTS OR CAREER INTERESTS OF THE PUPIL.

1 (D) THE PUPIL DOES NOT POSSESS THE PREREQUISITE KNOWLEDGE AND
2 SKILLS TO BE SUCCESSFUL IN THE ONLINE COURSE OR HAS DEMONSTRATED
3 FAILURE IN PREVIOUS ONLINE COURSEWORK IN THE SAME SUBJECT.

4 (E) THE ONLINE COURSE IS OF INSUFFICIENT QUALITY OR RIGOR. A
5 DISTRICT THAT DENIES A PUPIL ENROLLMENT FOR THIS REASON SHALL MAKE
6 A REASONABLE EFFORT TO ASSIST THE PUPIL TO FIND AN ALTERNATIVE
7 COURSE IN THE SAME OR A SIMILAR SUBJECT THAT IS OF ACCEPTABLE RIGOR
8 AND QUALITY.

9 (6) IF A PUPIL IS DENIED ENROLLMENT IN AN ONLINE COURSE BY A
10 DISTRICT, THE PUPIL MAY APPEAL THE DENIAL BY SUBMITTING A LETTER TO
11 THE SUPERINTENDENT OF THE INTERMEDIATE DISTRICT IN WHICH THE
12 PUPIL'S EDUCATING DISTRICT IS LOCATED. THE LETTER OF APPEAL SHALL
13 INCLUDE THE REASON PROVIDED BY THE DISTRICT FOR NOT ENROLLING THE
14 PUPIL AND THE REASON WHY THE PUPIL IS CLAIMING THAT THE ENROLLMENT
15 SHOULD BE APPROVED. THE INTERMEDIATE DISTRICT SUPERINTENDENT OR
16 DESIGNEE SHALL RESPOND TO THE APPEAL WITHIN 5 DAYS AFTER IT IS
17 RECEIVED. IF THE INTERMEDIATE DISTRICT SUPERINTENDENT OR DESIGNEE
18 DETERMINES THAT THE DENIAL OF ENROLLMENT DOES NOT MEET 1 OR MORE OF
19 THE REASONS SPECIFIED IN SUBSECTION (5), THE DISTRICT SHALL ALLOW
20 THE PUPIL TO ENROLL IN THE ONLINE COURSE.

21 (7) TO OFFER OR PROVIDE AN ONLINE COURSE, A DISTRICT SHALL DO
22 ALL OF THE FOLLOWING:

23 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE
24 SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE DEPARTMENT FOR
25 INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG. THE DISTRICT SHALL
26 ALSO PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO THE
27 COURSE SYLLABI FOR ALL OF THE ONLINE COURSES OFFERED BY THE

1 DISTRICT AND A LINK TO THE STATEWIDE CATALOG OF ONLINE COURSES
2 MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.

3 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,
4 OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM
5 FORMAT.

6 (8) FOR A PUPIL ENROLLED IN 1 OR MORE ONLINE COURSES PUBLISHED
7 IN THE PUPIL'S EDUCATING DISTRICT'S CATALOG OF ONLINE COURSES UNDER
8 SUBSECTION (7) OR IN THE STATEWIDE CATALOG OF ONLINE COURSES
9 MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY, THE DISTRICT SHALL
10 USE FOUNDATION ALLOWANCE OR PER PUPIL FUNDS CALCULATED UNDER
11 SECTION 20 TO PAY FOR THE EXPENSES ASSOCIATED WITH THE ONLINE
12 COURSE OR COURSES. THE DISTRICT SHALL PAY 80% OF THE COST OF THE
13 ONLINE COURSE UPON ENROLLMENT AND 20% UPON COMPLETION AS DETERMINED
14 BY THE DISTRICT. A DISTRICT IS NOT REQUIRED TO PAY TOWARD THE COST
15 OF AN ONLINE COURSE AN AMOUNT THAT EXCEEDS 1/12 OF THE DISTRICT'S
16 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER
17 SECTION 20 PER SEMESTER OR AN AMOUNT THAT EXCEEDS 1/18 OF THE
18 DISTRICT'S FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED
19 UNDER SECTION 20 PER TRIMESTER.

20 (9) AN ONLINE LEARNING PUPIL SHALL HAVE THE SAME RIGHTS AND
21 ACCESS TO TECHNOLOGY IN HIS OR HER EDUCATING DISTRICT'S SCHOOL
22 FACILITIES AS ALL OTHER PUPILS ENROLLED IN THE EDUCATING DISTRICT.

23 (10) IF A PUPIL SUCCESSFULLY COMPLETES AN ONLINE COURSE, AS
24 DETERMINED BY THE DISTRICT, THE PUPIL'S DISTRICT SHALL GRANT
25 APPROPRIATE ACADEMIC CREDIT FOR COMPLETION OF THE COURSE AND SHALL
26 COUNT THAT CREDIT TOWARD COMPLETION OF GRADUATION AND SUBJECT AREA
27 REQUIREMENTS. A PUPIL'S SCHOOL RECORD AND TRANSCRIPT SHALL IDENTIFY

1 THE ONLINE COURSE TITLE AS IT APPEARS IN THE ONLINE COURSE
2 SYLLABUS.

3 (11) THE ENROLLMENT OF A PUPIL IN 1 OR MORE ONLINE COURSES
4 SHALL NOT RESULT IN A PUPIL BEING COUNTED AS MORE THAN 1.0 FULL-
5 TIME EQUIVALENT PUPILS UNDER THIS ACT.

6 (12) AS USED IN THIS SECTION:

7 (A) "ONLINE COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE OF
8 GENERATING A CREDIT OR A GRADE, THAT IS PROVIDED IN AN INTERACTIVE
9 INTERNET-CONNECTED LEARNING ENVIRONMENT, IN WHICH PUPILS ARE
10 SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION, OR BOTH, AND IN
11 WHICH A TEACHER WHO HOLDS A VALID MICHIGAN TEACHING CERTIFICATE IS
12 RESPONSIBLE FOR DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR
13 EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,
14 PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND
15 EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

16 (B) "ONLINE COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES
17 ALL OF THE FOLLOWING:

18 (i) THE STATE ACADEMIC STANDARDS ADDRESSED IN AN ONLINE COURSE.

19 (ii) THE ONLINE COURSE CONTENT OUTLINE.

20 (iii) THE ONLINE COURSE REQUIRED ASSESSMENTS.

21 (iv) THE ONLINE COURSE PREREQUISITES.

22 (v) EXPECTATIONS FOR ACTUAL INSTRUCTOR CONTACT TIME WITH THE
23 ONLINE LEARNING PUPIL AND OTHER PUPIL-TO-INSTRUCTOR COMMUNICATIONS.

24 (vi) ACADEMIC SUPPORT AVAILABLE TO THE ONLINE LEARNING PUPIL.

25 (vii) THE ONLINE COURSE LEARNING OUTCOMES AND OBJECTIVES.

26 (viii) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
27 ONLINE CONTENT.

1 (ix) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
2 ONLINE INSTRUCTOR.

3 (x) THE COURSE TITLES ASSIGNED BY THE DISTRICT AND THE COURSE
4 TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION
5 STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED).

6 (xi) THE NUMBER OF ELIGIBLE NONRESIDENT PUPILS THAT WILL BE
7 ACCEPTED BY THE DISTRICT IN THE ONLINE COURSE.

8 (xii) THE RESULTS OF THE ONLINE COURSE QUALITY REVIEW USING THE
9 GUIDELINES AND MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN
10 VIRTUAL UNIVERSITY.

11 (C) "ONLINE LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR
12 MORE ONLINE COURSES.

13 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
14 ~~allocated an amount not to exceed \$5,776,000,000.00 for 2011-2012~~
15 ~~and there is allocated an amount not to exceed \$5,712,000,000.00~~
16 ~~for 2012-2013 \$5,630,000,000.00 FOR 2012-2013 AND THERE IS~~
17 ~~ALLOCATED AN AMOUNT NOT TO EXCEED \$5,534,000,000.00 FOR 2013-2014~~
18 for payments to districts and qualifying public school academies to
19 guarantee each district and qualifying public school academy an
20 amount equal to its 1994-95 total state and local per pupil revenue
21 for school operating purposes under section 11 of article IX of the
22 state constitution of 1963. Pursuant to section 11 of article IX of
23 the state constitution of 1963, this guarantee does not apply to a
24 district in a year in which the district levies a millage rate for
25 school district operating purposes less than it levied in 1994.
26 However, subsection (2) applies to calculating the payments under
27 this section. Funds allocated under this section that are not

1 expended in the state fiscal year for which they were allocated, as
2 determined by the department, may be used to supplement the
3 allocations under sections 22b and 51c in order to fully fund those
4 calculated allocations for the same fiscal year.

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

10 (a) Except as otherwise provided in this subsection, the state
11 portion of a district's 1994-95 foundation allowance is an amount
12 equal to the district's 1994-95 foundation allowance or \$6,500.00,
13 whichever is less, minus the difference between the sum of the
14 product of the taxable value per membership pupil of all property
15 in the district that is nonexempt property times the district's
16 certified mills and, for a district with certified mills exceeding
17 12, the product of the taxable value per membership pupil of
18 property in the district that is commercial personal property times
19 the certified mills minus 12 mills and the quotient of the ad
20 valorem property tax revenue of the district captured under tax
21 increment financing acts divided by the district's membership. For
22 a district that has a millage reduction required under section 31
23 of article IX of the state constitution of 1963, the state portion
24 of the district's foundation allowance shall be calculated as if
25 that reduction did not occur.

26 (b) For a district that had a 1994-95 foundation allowance
27 greater than \$6,500.00, the state payment under this subsection

1 shall be the sum of the amount calculated under subdivision (a)
2 plus the amount calculated under this subdivision. The amount
3 calculated under this subdivision shall be equal to the difference
4 between the district's 1994-95 foundation allowance minus \$6,500.00
5 and the current year hold harmless school operating taxes per
6 pupil. If the result of the calculation under subdivision (a) is
7 negative, the negative amount shall be an offset against any state
8 payment calculated under this subdivision. If the result of a
9 calculation under this subdivision is negative, there shall not be
10 a state payment or a deduction under this subdivision. The taxable
11 values per membership pupil used in the calculations under this
12 subdivision are as adjusted by ad valorem property tax revenue
13 captured under tax increment financing acts divided by the
14 district's membership.

15 (3) Beginning in 2003-2004, for pupils in membership in a
16 qualifying public school academy, there is allocated under this
17 section to the authorizing body that is the fiscal agent for the
18 qualifying public school academy for forwarding to the qualifying
19 public school academy an amount equal to the 1994-95 per pupil
20 payment to the qualifying public school academy under section 20.

21 (4) A district or qualifying public school academy may use
22 funds allocated under this section in conjunction with any federal
23 funds for which the district or qualifying public school academy
24 otherwise would be eligible.

25 (5) For a district that is formed or reconfigured after June
26 1, 2000 by consolidation of 2 or more districts or by annexation,
27 the resulting district's 1994-95 foundation allowance under this

1 section beginning after the effective date of the consolidation or
2 annexation shall be the average of the 1994-95 foundation
3 allowances of each of the original or affected districts,
4 calculated as provided in this section, weighted as to the
5 percentage of pupils in total membership in the resulting district
6 in the state fiscal year in which the consolidation takes place who
7 reside in the geographic area of each of the original districts. If
8 an affected district's 1994-95 foundation allowance is less than
9 the 1994-95 basic foundation allowance, the amount of that
10 district's 1994-95 foundation allowance shall be considered for the
11 purpose of calculations under this subsection to be equal to the
12 amount of the 1994-95 basic foundation allowance.

13 ~~—— (6) Subject to conditions set forth in this subsection, from~~
14 ~~the allocation in subsection (1), there is allocated for 2011-2012~~
15 ~~only an amount not to exceed \$6,000,000.00 for payments to~~
16 ~~districts that meet the eligibility requirements under this~~
17 ~~subsection, for the reduction in school operating revenues~~
18 ~~resulting from a settlement or other disposition of appeals~~
19 ~~described in subdivision (a). A payment may only be made under this~~
20 ~~subsection if a settlement agreement is signed by all applicable~~
21 ~~parties. Payments made under this subsection shall be in accordance~~
22 ~~with the settlement agreement. All of the following apply to~~
23 ~~payments under this subsection:~~

24 ~~—— (a) To be eligible for a payment under this subsection, a~~
25 ~~district shall be determined by the department and the department~~
26 ~~of treasury to meet all of the following:~~

27 ~~—— (i) The district does not receive any state portion of its~~

~~foundation allowance, as calculated under section 20(4).~~

~~—— (ii) Before January 1, 2011, the owner of a natural gas powered power plant located in a renaissance zone within the district's geographic boundaries for 2009 and 2010 appealed to the Michigan tax tribunal an order of the state tax commission for tax years 2009 and 2010 pursuant to section 154 of the general property tax act, 1893 PA 206, MCL 211.154, and appealed to the state tax commission the 2011 classification and valuation of the power plant.~~

~~—— (iii) The district received a reduced amount of local school operating revenue for tax years 2009, 2010, and 2011 as a result of the exemptions of industrial personal property and commercial personal property under section 1211 of the revised school code, MCL 380.1211.~~

~~—— (iv) A settlement agreement has been signed to resolve the Michigan tax tribunal appeal described in subparagraph (ii) and a memorandum of understanding that stipulates terms of the settlement has been executed by the parties.~~

~~—— (b) A payment made under this subsection shall be in addition to renaissance zone reimbursement amounts paid in the 2009-2010 and 2010-2011 state fiscal years under section 26a to districts eligible for payment under this subsection. The 2009-2010 and 2010-2011 state fiscal year payments under section 26a to a district receiving a payment under this subsection shall not be reduced as a result of the reduction to the district's 2009 and 2010 taxable value of real property under the appeals described in subdivision (a) (ii).~~

1 (6) ~~(7)~~—As used in this section:

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

6 (b) "Certified mills" means the lesser of 18 mills or the
7 number of mills of school operating taxes levied by the district in
8 1993-94.

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

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

15 (e) "Hold harmless millage" means, for a district with a 1994-
16 95 foundation allowance greater than \$6,500.00, the number of mills
17 by which the exemption from the levy of school operating taxes on a
18 homestead, qualified agricultural property, qualified forest
19 property, supportive housing property, industrial personal
20 property, and commercial personal property could be reduced as
21 provided in section 1211 of the revised school code, MCL 380.1211,
22 and the number of mills of school operating taxes that could be
23 levied on all property as provided in section 1211(2) of the
24 revised school code, MCL 380.1211, as certified by the department
25 of treasury for the 1994 tax year.

26 (f) "Homestead", "qualified agricultural property", "qualified
27 forest property", "supportive housing property", "industrial

1 personal property", and "commercial personal property" mean those
2 terms as defined in section 1211 of the revised school code, MCL
3 380.1211.

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

7 (h) "Nonexempt property" means property that is not a
8 principal residence, qualified agricultural property, qualified
9 forest property, supportive housing property, industrial personal
10 property, or commercial personal property.

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

14 (j) "School operating taxes" means local ad valorem property
15 taxes levied under section 1211 of the revised school code, MCL
16 380.1211, and retained for school operating purposes.

17 (k) "Tax increment financing acts" means 1975 PA 197, MCL
18 125.1651 to 125.1681, the tax increment finance authority act, 1980
19 PA 450, MCL 125.1801 to 125.1830, the local development financing
20 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
21 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
22 or the corridor improvement authority act, 2005 PA 280, MCL
23 125.2871 to 125.2899.

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

26 (i) For the number of mills by which the exemption from the
27 levy of school operating taxes on a homestead, qualified

1 agricultural property, qualified forest property, supportive
 2 housing property, industrial personal property, and commercial
 3 personal property may be reduced as provided in section 1211 of the
 4 revised school code, MCL 380.1211, the taxable value of homestead,
 5 qualified agricultural property, qualified forest property,
 6 supportive housing property, industrial personal property, and
 7 commercial personal property for the calendar year ending in the
 8 current state fiscal year.

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

14 Sec. 22b. (1) From the ~~state funds appropriated~~ **APPROPRIATION**
 15 in section 11, ~~there is allocated for 2011-2012 an amount not to~~
 16 ~~exceed \$3,052,000,000.00 and there is allocated for 2012-2013 an~~
 17 ~~amount not to exceed \$3,152,300,000.00~~ **\$3,215,000,000.00 FOR 2012-**
 18 **2013 AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 19 **\$3,373,700,000.00 FOR 2013-2014** for discretionary nonmandated
 20 payments to districts under this section. Funds allocated under
 21 this section that are not expended in the state fiscal year for
 22 which they were allocated, as determined by the department, may be
 23 used to supplement the allocations under sections 22a and 51c in
 24 order to fully fund those calculated allocations for the same
 25 fiscal year.

26 (2) Subject to subsection (3) and section 296, the allocation
 27 to a district under this section shall be an amount equal to the

1 sum of the amounts calculated under sections 20, 51a(2), 51a(3),
2 and 51a(11), minus the sum of the allocations to the district under
3 sections 22a and 51c.

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

6 (a) ~~Administer in each grade level that it operates in grades~~
7 ~~1 to 5 a standardized assessment approved by the department of~~
8 ~~grade appropriate basic educational skills. A district may use the~~
9 ~~Michigan literacy progress profile to satisfy this requirement for~~
10 ~~grades 1 to 3. Also, if the revised school code is amended to~~
11 ~~require annual assessments at additional grade levels, in order to~~
12 ~~receive an allocation under this section each district shall comply~~
13 ~~with that requirement.~~ **COMPLY WITH SECTION 1280B OF THE REVISED**
14 **SCHOOL CODE, MCL 380.1280B.**

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

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

20 (d) Comply with section 1230g of the revised school code, MCL
21 380.1230g.

22 **(E) COMPLY WITH SECTION 21F.**

23 (4) Districts are encouraged to use funds allocated under this
24 section for the purchase and support of payroll, human resources,
25 and other business function software that is compatible with that
26 of the intermediate district in which the district is located and
27 with other districts located within that intermediate district.

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

6 (6) From the allocation in subsection (1), the department
7 shall pay up to \$1,000,000.00 in litigation costs incurred by this
8 state associated with lawsuits filed by 1 or more districts or
9 intermediate districts against this state. If the allocation under
10 this section is insufficient to fully fund all payments required
11 under this section, the payments under this subsection shall be
12 made in full before any proration of remaining payments under this
13 section.

14 (7) It is the intent of the legislature that all
15 constitutional obligations of this state have been fully funded
16 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
17 an entity receiving funds under this article that challenges the
18 legislative determination of the adequacy of this funding or
19 alleges that there exists an unfunded constitutional requirement,
20 the state budget director may escrow or allocate from the
21 discretionary funds for nonmandated payments under this section the
22 amount as may be necessary to satisfy the claim before making any
23 payments to districts under subsection (2). If funds are escrowed,
24 the escrowed funds are a work project appropriation and the funds
25 are carried forward into the following fiscal year. The purpose of
26 the work project is to provide for any payments that may be awarded
27 to districts as a result of litigation. The work project shall be

1 completed upon resolution of the litigation.

2 (8) If the local claims review board or a court of competent
3 jurisdiction makes a final determination that this state is in
4 violation of section 29 of article IX of the state constitution of
5 1963 regarding state payments to districts, the state budget
6 director shall use work project funds under subsection (7) or
7 allocate from the discretionary funds for nonmandated payments
8 under this section the amount as may be necessary to satisfy the
9 amount owed to districts before making any payments to districts
10 under subsection (2).

11 (9) If a claim is made in court that challenges the
12 legislative determination of the adequacy of funding for this
13 state's constitutional obligations or alleges that there exists an
14 unfunded constitutional requirement, any interested party may seek
15 an expedited review of the claim by the local claims review board.
16 If the claim exceeds \$10,000,000.00, this state may remove the
17 action to the court of appeals, and the court of appeals shall have
18 and shall exercise jurisdiction over the claim.

19 (10) If payments resulting from a final determination by the
20 local claims review board or a court of competent jurisdiction that
21 there has been a violation of section 29 of article IX of the state
22 constitution of 1963 exceed the amount allocated for discretionary
23 nonmandated payments under this section, the legislature shall
24 provide for adequate funding for this state's constitutional
25 obligations at its next legislative session.

26 (11) If a lawsuit challenging payments made to districts
27 related to costs reimbursed by federal title XIX medicaid funds is

1 filed against this state, then, for the purpose of addressing
2 potential liability under such a lawsuit, the state budget director
3 may place funds allocated under this section in escrow or allocate
4 money from the funds otherwise allocated under this section, up to
5 a maximum of 50% of the amount allocated in subsection (1). If
6 funds are placed in escrow under this subsection, those funds are a
7 work project appropriation and the funds are carried forward into
8 the following fiscal year. The purpose of the work project is to
9 provide for any payments that may be awarded to districts as a
10 result of the litigation. The work project shall be completed upon
11 resolution of the litigation. In addition, this state reserves the
12 right to terminate future federal title XIX medicaid reimbursement
13 payments to districts if the amount or allocation of reimbursed
14 funds is challenged in the lawsuit. As used in this subsection,
15 "title XIX" means title XIX of the social security act, 42 USC 1396
16 to 1396v.

17 ~~—— (12) Not later than January 1, 2013, the department shall~~
18 ~~submit a report to the legislature identifying the amount of the~~
19 ~~savings that the department has calculated as having been achieved~~
20 ~~due to the revised number of instructional hours used to calculate~~
21 ~~full time equated memberships for kindergarten pupils under section~~
22 ~~6(4)(r) as amended by 2011 PA 62.~~

23 **SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
24 **ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$36,000,000.00 TO**
25 **MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE**
26 **OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR 2013-2014**
27 **OF LESS THAN \$7,076.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE**

1 AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO THE LESSER OF \$50.00 OR THE
 2 DIFFERENCE BETWEEN \$7,076.00 AND THE DISTRICT'S 2013-2014
 3 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER
 4 SECTION 20.

5 Sec. 22d. (1) From the appropriation in section 11, an amount
 6 not to exceed ~~\$2,025,000.00~~ **\$2,584,600.00** is allocated ~~each fiscal~~
 7 ~~year for 2011-2012 and for 2012-2013~~ **FOR 2013-2014** for supplemental
 8 payments to rural districts under this section.

9 (2) From the allocation under subsection (1), there is
 10 allocated ~~each fiscal year for 2011-2012 and for 2012-2013~~ **FOR**
 11 **2013-2014** an amount not to exceed ~~\$750,000.00~~ **\$957,300.00** for
 12 payments under this subsection to districts that meet all of the
 13 following:

14 (a) Operates grades K to 12.

15 (b) Has fewer than 250 pupils in membership.

16 (c) Each school building operated by the district meets at
 17 least 1 of the following:

18 (i) Is located in the Upper Peninsula at least 30 miles from
 19 any other public school building.

20 (ii) Is located on an island that is not accessible by bridge.

21 (3) The amount of the additional funding to each eligible
 22 district under subsection (2) shall be determined under a spending
 23 plan developed as provided in this subsection and approved by the
 24 superintendent of public instruction. The spending plan shall be
 25 developed cooperatively by the intermediate superintendents of each
 26 intermediate district in which an eligible district is located. The
 27 intermediate superintendents shall review the financial situation

1 of each eligible district, determine the minimum essential
2 financial needs of each eligible district, and develop and agree on
3 a spending plan that distributes the available funding under
4 subsection (2) to the eligible districts based on those financial
5 needs. The intermediate superintendents shall submit the spending
6 plan to the superintendent of public instruction for approval. Upon
7 approval by the superintendent of public instruction, the amounts
8 specified for each eligible district under the spending plan are
9 allocated under subsection (2) and shall be paid to the eligible
10 districts in the same manner as payments under section 22b.

11 (4) Subject to subsection (6), from the allocation in
12 subsection (1), there is allocated ~~each fiscal year for 2011-2012~~
13 ~~and for 2012-2013~~ **FOR 2013-2014** an amount not to exceed
14 ~~\$1,275,000.00~~ **\$1,627,300.00** for payments under this subsection to
15 districts that meet all of the following:

16 (a) The district has 5.0 or fewer pupils per square mile as
17 determined by the department.

18 (b) The district has a total square mileage greater than 200.0
19 or is 1 of 2 districts that have consolidated transportation
20 services and have a combined total square mileage greater than
21 200.0.

22 (5) The funds allocated under subsection (4) shall be
23 allocated on an equal per pupil basis.

24 (6) A district receiving funds allocated under subsection (2)
25 is not eligible for funding allocated under subsection (4).

26 Sec. 22f. (1) From the appropriation in section 11, there is
27 allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed

1 \$80,000,000.00 to provide incentive payments to districts that meet
2 best practices under this section. Payments received under this
3 section may be used for any purpose for which payments under
4 sections 22a and 22b may be used.

5 (2) The amount of the incentive payment under this section is
6 an amount equal to \$52.00 per pupil. A district shall receive an
7 incentive payment under this section if the district satisfies at
8 least 7 of the following requirements not later than June 1,
9 ~~2013-2014~~:

10 (a) If a district provides medical, pharmacy, dental, vision,
11 disability, long-term care, or any other type of benefit that would
12 constitute a health care services benefit, to employees and their
13 dependents, the district is the policyholder for each of its
14 insurance policies that covers 1 or more of these benefits. A
15 district that does not directly employ its staff **OR A DISTRICT WITH**
16 **A VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS NO MORE THAN**
17 **THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES**
18 **NO MORE THAN THE MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL**
19 **ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS AS DESCRIBED IN SECTIONS**
20 **3 AND 4 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,**
21 **2011 PA 152, MCL 15.563 AND 15.564,** is considered to have satisfied
22 this requirement.

23 (b) The district has obtained competitive bids on the
24 provision of pupil transportation, food service, custodial, or 1 or
25 more other noninstructional services for ~~2012-2013-2013-2014~~. **IN**
26 **COMPARING COMPETITIVE BIDS TO THE CURRENT COSTS OF PROVIDING 1 OR**
27 **MORE OF THESE SERVICES, A DISTRICT SHALL EXCLUDE THE UNFUNDED**

1 **ACCRUED LIABILITY COSTS FOR RETIREMENT AND OTHER BENEFITS FROM THE**
2 **DISTRICT'S CURRENT COSTS.**

3 (c) The district accepts applications for enrollment by
4 nonresident applicants under section 105 or 105c. A public school
5 academy is considered to have met this requirement.

6 (d) The district monitors individual pupil academic growth in
7 each subject area at least twice during the school year using
8 competency-based online assessments and reports those results to
9 the pupil and his or her parent or guardian, or provides the
10 department with a plan and is able to show progress toward
11 developing the technology infrastructure necessary for the
12 implementation of pupil academic growth assessments by 2014-2015.

13 (e) The district supports opportunities for pupils to receive
14 postsecondary credit while attending secondary school, by doing at
15 least 1 of the following, and makes all eligible pupils and their
16 parents or guardians aware of these opportunities:

17 (i) Supports attendance of district pupils under the
18 postsecondary enrollment options act, MCL 388.511 to 388.524, or
19 under the career and technical preparation act, MCL 388.1901 to
20 388.1913, consistent with provisions under section 21b.

21 (ii) Offers college-level equivalent courses, as defined in
22 section 1471 of the revised school code, MCL 380.1471.

23 (iii) Participates in a middle college. For the purposes of this
24 subparagraph, "middle college" means a series of courses and other
25 requirements and conditions that allow a pupil to graduate with a
26 high school diploma and a certificate or degree from a community
27 college or state public university.

(iv) Provides other opportunities to pupils that allow those pupils to graduate with a high school diploma and also complete coursework that a postsecondary institution normally applies toward satisfaction of degree requirements.

(v) If a district does not offer any high school grades, the district informs all pupils and parents of the opportunities that are available for postsecondary options during high school.

(f) The district offers online ~~instructional programs~~ **COURSES** or blended learning opportunities to all eligible pupils. In order to satisfy this requirement, ~~districts must~~ **A DISTRICT MUST** make all eligible pupils and their parents or guardians aware of these opportunities **AND MUST PUBLISH AN ONLINE COURSE SYLLABUS AS DESCRIBED IN SECTION 21F FOR EACH ONLINE COURSE THAT THE DISTRICT OFFERS.** For the purposes of this subdivision:

(i) "Blended learning" means a hybrid instructional delivery model where pupils are provided ~~face-to-face~~ **CONTENT**, instruction, **AND ASSESSMENT** in part at a supervised ~~school~~ **EDUCATIONAL** facility away from home **WHERE THE PUPIL AND A TEACHER WITH A VALID MICHIGAN TEACHING CERTIFICATE ARE IN THE SAME PHYSICAL LOCATION** and ~~partially~~ **IN PART** through ~~computer-based and internet-connected~~ learning environments with some degree of pupil control over time, location, and pace of instruction.

(ii) "Online ~~instructional program~~" **COURSE**" means a course of study that ~~generates~~ **IS CAPABLE OF GENERATING** a credit or a grade, **THAT IS** provided in an interactive ~~computer-based and internet-connected~~ learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a

~~Michigan-certificated-teacher~~ **WITH A VALID MICHIGAN TEACHING CERTIFICATE** is responsible for ~~providing direct instruction,~~
DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR EACH PUPIL,
 diagnosing learning needs, assessing pupil learning, prescribing
 intervention strategies, reporting outcomes, and evaluating the
 effects of instruction and support strategies.

(g) The district provides to parents and community members a
 dashboard or report card demonstrating the district's efforts to
 manage its finances responsibly. The dashboard or report card shall
 include **REVENUE AND EXPENDITURE PROJECTIONS FOR THE DISTRICT FOR
 FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, A LISTING OF ALL
 DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, INCLUDING
 ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH PROJECT, A
 LISTING OF TOTAL OUTSTANDING DEBT, AND** at least all of the
 following for the 3 most recent school years for which the data are
 available:

- (i) Graduation and dropout rates.
- (ii) Average class size in grades kindergarten to 3.
- (iii) College readiness as measured by Michigan merit
 examination test scores.
- (iv) Elementary and middle school MEAP scores.
- (v) Teacher, principal, and superintendent salary information
 including at least minimum, average, and maximum pay levels.
- (vi) General fund balance.
- (vii) The total number of days of instruction provided.
- (h) The district provides physical education ~~consistent with
 the state board's policy on quality physical education adopted~~

~~September 25, 2003, or provides health education. consistent with the state board's policy on comprehensive school health education adopted June 8, 2004.~~

(3) If the department determines that a district has intentionally submitted false information in order to qualify for an incentive payment under this section, the district forfeits an amount equal to the amount it received under this section from its total state school aid for ~~2013-2014~~. **2014-2015.**

(4) If the department determines that funds allocated under this section will remain unexpended after the initial allocation of \$52.00 per pupil to eligible districts under subsection (2), the remaining unexpended amount is allocated on an equal per pupil basis to districts that meet the requirements of subsection (2) and that have a foundation allowance, as calculated under section 20, in an amount that is less than the basic foundation allowance under that section.

Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for ~~2012-2013~~ **2013-2014** only an amount not to exceed ~~\$10,000,000.00~~ **\$5,000,000.00** for competitive assistance grants to districts and intermediate districts. ~~Money allocated in this section represents a portion of the year-end state school aid fund balance for 2011-2012.~~

(2) Funds received under this section may be used for reimbursement of transition costs associated with ~~the consolidation of operations or services between 2 or more districts, intermediate districts, or other local units of government or the consolidation of districts or intermediate districts.~~ Grant funding shall be

1 available for consolidations that occur on or after June 1, ~~2012-~~
 2 **2013**. The department shall develop an application process and
 3 method of grant distribution. ~~However, a district or intermediate~~
 4 ~~district is not eligible to receive funding under this section if~~
 5 ~~the district or intermediate district receives a grant from the~~
 6 ~~competitive grant assistance program in the department of treasury~~
 7 ~~appropriations for 2012-2013 under section 951 of article VIII of~~
 8 ~~Enrolled House Bill No. 5365 of the 96th Legislature.~~

9 Sec. 22i. (1) From the ~~funds~~ **STATE SCHOOL AID FUND MONEY**
 10 appropriated in section 11, there is allocated for ~~2012-2013-2013-~~
 11 **2014** an amount not to exceed ~~\$50,000,000.00~~ **\$45,000,000.00** for **THE**
 12 technology infrastructure ~~grants to~~ **GRANT PROGRAM FOR** districts or
 13 ~~to intermediate districts on behalf of their constituent districts.~~
 14 Funds received under this ~~section~~ **SUBSECTION** shall be used for
 15 ~~access to a computer adaptive test or for the development or~~
 16 improvement of a district's technology infrastructure, ~~including,~~
 17 ~~but not limited to, hardware and software,~~ **THE SHARED SERVICES**
 18 **CONSOLIDATION OF TECHNOLOGY AND DATA, AND HARDWARE** in preparation
 19 for the planned implementation in 2014-2015 of online growth
 20 assessments.

21 (2) The department shall develop a competitive application
 22 process and method of grant distribution **TO ELIGIBLE DISTRICTS AND**
 23 **INTERMEDIATE DISTRICTS THAT DEMONSTRATE NEED FOR GRANTS UNDER**
 24 **SUBSECTION (1)**. The department may consult with the department of
 25 technology, management, and budget during the grant process and
 26 grant distribution. Grants to districts shall not exceed
 27 \$2,000,000.00 per district. A grant to an intermediate district on

1 behalf of its constituent districts shall not exceed \$2,000,000.00
2 per constituent district. To receive a grant under ~~this section,~~
3 **SUBSECTION (1)**, an intermediate district shall demonstrate that a
4 grant awarded to the intermediate district on behalf of its
5 constituent districts would provide savings compared to providing
6 grants to individual districts.

7 **(3) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11,**
8 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2013-**
9 **2014 TO BE AWARDED THROUGH A COMPETITIVE BID PROCESS TO A SINGLE**
10 **PROVIDER OF WHOLE-SCHOOL TECHNOLOGY AS DESCRIBED IN THIS**
11 **SUBSECTION. THE DEPARTMENT SHALL ISSUE A SINGLE REQUEST FOR**
12 **PROPOSAL WITH APPLICATION RULES WRITTEN AND ADMINISTERED BY THE**
13 **DEPARTMENT, AND WITH A FOCUS ON ECONOMIC AND GEOGRAPHIC DIVERSITY.**
14 **TO BE ELIGIBLE TO RECEIVE THE GRANT UNDER THIS SECTION, A PROVIDER**
15 **SHALL MEET ALL OF THE FOLLOWING:**

16 **(A) AGREES TO SUBMIT EVALUATION CRITERIA IN A FORM AND MANNER**
17 **DETERMINED BY THE DEPARTMENT.**

18 **(B) PROVIDES AT LEAST ALL OF THE FOLLOWING:**

19 **(i) ONE-TO-ONE MOBILE DEVICES.**

20 **(ii) LAPTOP OR DESKTOP COMPUTERS FOR EACH CLASSROOM.**

21 **(iii) ON- AND OFF-CAMPUS FILTERING.**

22 **(iv) WIRELESS NETWORKS AND PERIPHERALS.**

23 **(v) WIRELESS AUDIO EQUIPMENT.**

24 **(vi) OPERATING SOFTWARE.**

25 **(vii) INSTRUCTIONAL SOFTWARE.**

26 **(viii) REPAIRS AND REPLACEMENTS.**

27 **(ix) PROFESSIONAL DEVELOPMENT.**

1 **(x) ONGOING SUPPORT.**

2 Sec. 22j. (1) From the appropriation in section 11, there is
3 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
4 ~~\$30,000,000.00~~ **\$46,400,000.00** to provide separate incentive
5 payments to districts that meet student academic performance
6 funding goals under subsections (2) to (5). Payments received under
7 this section may be used for any purpose for which payments under
8 sections 22a and 22b may be used.

9 (2) The maximum amount of the incentive payment for student
10 academic performance is an amount equal to \$100.00 per pupil.
11 Payments calculated and awarded to qualifying districts under
12 subsections (3) to (5) shall be calculated and awarded separately,
13 and a district may receive a payment under any or all of
14 subsections (3) to (5).

15 (3) An amount not to exceed 30% of the maximum per pupil
16 amount allocated under subsection (2) shall be used to make
17 performance incentive payments to qualifying districts under this
18 subsection based on pupil performance on state assessments in
19 mathematics in grades 3 to 8. The amount of a payment under this
20 subsection is an amount equal to \$30.00 per pupil for all pupils in
21 membership in a qualifying district. The department shall determine
22 the qualifying districts under this subsection as follows:

23 (a) Using a model determined by the department that
24 incorporates the most recent cut scores adopted for the Michigan
25 educational assessment program for each pupil in grades 3 to 8 in
26 the ~~2010-2011-2011-2012~~ school year, the department shall calculate
27 a point score using a metric that assigns points to each of those

1 pupils as follows:

2 (i) For each pupil who began the school year not performing
3 proficiently in mathematics and who declines in proficiency, as
4 determined by the department, over the school year, 0 points.

5 (ii) For each pupil who began the school year performing
6 proficiently in mathematics and declines in proficiency, as
7 determined by the department, over the school year, 0 points.

8 (iii) For each pupil who began the school year not performing
9 proficiently in mathematics and who maintains his or her level of
10 proficiency, as determined by the department, over the school year,
11 1 point.

12 (iv) For each pupil who began the school year performing
13 proficiently in mathematics and who maintains his or her level of
14 proficiency, as determined by the department, over the school year,
15 2 points.

16 (v) For each pupil who began the school year not performing
17 proficiently in mathematics and who improves in proficiency, as
18 determined by the department, over the school year, 3 points.

19 (vi) For each pupil who began the school year performing
20 proficiently in mathematics and who improves in proficiency, as
21 determined by the department, over the school year, 2 points.

22 (b) The department shall then calculate a district average for
23 this metric for the ~~2010-2011~~**2011-2012** school year by totaling the
24 number of points for all pupils in grades 3 to 8 under subdivision
25 (a) and dividing that total by the number of those pupils.

26 (c) A district is a qualifying district for the payment under
27 this subsection if the district average for the ~~2010-2011~~**2011-2012**

1 school year under subdivision (b) is at least equal to a factor of
2 1.5, and the district tested at least 95% of its pupils in
3 mathematics, and the district had at least 30 full academic year
4 pupils in grades 3 to 8 with a performance level change designation
5 in mathematics.

6 (4) An amount not to exceed 30% of the maximum per pupil
7 amount allocated under subsection (2) shall be used to make
8 performance incentive payments to qualifying districts under this
9 subsection based on pupil performance on state assessments in
10 reading in grades 3 to 8. The amount of a payment under this
11 subsection is an amount equal to \$30.00 per pupil for all pupils in
12 membership in the district. The department shall determine the
13 qualifying districts under this subsection as follows:

14 (a) Using a model determined by the department that
15 incorporates the most recent cut scores adopted for the Michigan
16 educational assessment program for each pupil in grades 3 to 8 in
17 the ~~2010-2011~~ **2011-2012** school year, the department shall calculate
18 a point score using a metric that assigns points to each of those
19 pupils as follows:

20 (i) For each pupil who began the school year not performing
21 proficiently in reading and who declines in proficiency, as
22 determined by the department, over the school year, 0 points.

23 (ii) For each pupil who began the school year performing
24 proficiently in reading and declines in proficiency, as determined
25 by the department, over the school year, 0 points.

26 (iii) For each pupil who began the school year not performing
27 proficiently in reading and who maintains proficiency, as

1 determined by the department, over the school year, 1 point.

2 (iv) For each pupil who began the school year performing
3 proficiently in reading and who maintains proficiency, as
4 determined by the department, over the school year, 2 points.

5 (v) For each pupil who began the school year not performing
6 proficiently in reading and who improves in proficiency, as
7 determined by the department, over the school year, 3 points.

8 (vi) For each pupil who began the school year performing
9 proficiently in reading and who improves in proficiency, as
10 determined by the department, over the school year, 2 points.

11 (b) The department shall then calculate a district average for
12 this metric for the ~~2010-2011~~ **2011-2012** school year by totaling the
13 number of points for all pupils in grades 3 to 8 under subdivision
14 (a) and dividing that total by the number of those pupils.

15 (c) A district is a qualifying district for the payment under
16 this subsection if the district average for the ~~2010-2011~~ **2011-2012**
17 school year under subdivision (b) is at least equal to a factor of
18 1.5, and the district tested at least 95% of its pupils in reading,
19 and the district had at least 30 full academic year pupils in
20 grades 3 to 8 reading with a performance level change designation
21 in reading.

22 (5) An amount not to exceed 40% of the maximum per pupil
23 amount allocated under subsection (2) shall be used to make
24 performance incentive payments to qualifying districts under this
25 subsection for high school improvement using a metric based on the
26 positive trend over a 4-year period in the percentage of high
27 school pupils in the district testing as proficient in all tested

1 subject areas on the state assessments of high school pupils. The
2 amount of a payment under this subsection is an amount equal to
3 \$40.00 per pupil for all pupils in membership in the district. The
4 department shall determine the qualifying districts under this
5 subsection as follows:

6 (a) Calculate a linear regression of the percentage of high
7 school pupils in the district testing as proficient in all tested
8 subject areas on state assessments of high school pupils on school
9 year over the 4-year period ending with the ~~2010-2011-2011-2012~~
10 school year as adjusted for changes in cut scores most recently
11 adopted for the Michigan merit examination.

12 (b) Calculate a statewide average for all districts operating
13 a high school of the linear regression of the percentage of high
14 school pupils testing as proficient in all tested subject areas on
15 state assessments of high school pupils on school year over the 4-
16 year period ending with the ~~2010-2011-2011-2012~~ school year, as
17 adjusted for changes in cut scores most recently adopted for the
18 Michigan merit examination as the base year for all comparisons.

19 (c) A district is a qualifying district for the payment under
20 this subsection if the district's linear regression over the 4-year
21 period ending with the ~~2010-2011-2011-2012~~ school year under
22 subdivision (a) is at least equal to the statewide average linear
23 regression over the 4-year period ending with the base year under
24 subdivision (b), and the district's linear regression over the 4-
25 year period ending with the ~~2010-2011-2011-2012~~ school year under
26 subdivision (a) is positive, and the district tested 95% of high
27 school pupils in each tested subject on ~~the Michigan merit~~

~~examination,~~ **STATE ASSESSMENTS**, and the district had at least 20 full academic year pupils take all tested subjects on ~~the Michigan merit examination~~ **STATE ASSESSMENTS OF HIGH SCHOOL PUPILS** over each of the most recent 4 years.

(6) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

SEC. 22K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$8,000,000.00 FOR COMPETITIVE STUDENT-CENTRIC GRANTS TO ELIGIBLE DISTRICTS.

(2) IN ORDER TO BE ELIGIBLE TO RECEIVE GRANTS, A DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE DISTRICT DOES ALL OF THE FOLLOWING:

(A) PROVIDES A RIGOROUS CURRICULUM ALIGNED TO STATE, NATIONAL, AND INTERNATIONAL STANDARDS.

(B) ORGANIZES INSTRUCTIONAL DELIVERY IN SUCH A WAY THAT INDIVIDUAL PUPILS ADVANCE TO THE NEXT LEVEL OF LEARNING BASED ON THEIR INDIVIDUAL MASTERY OF EACH SUBJECT AREA.

(C) ALLOWS FOR SCHOOL SITE-BASED AUTONOMY IN DECISION MAKING.

(D) ENSURES THAT TEACHERS HAVE ACCESS TO ALL OF THE FOLLOWING:

(i) TIMELY AND MEANINGFUL PUPIL ACADEMIC ACHIEVEMENT DATA.

(ii) BEST INSTRUCTIONAL PRACTICES.

(iii) TIME TO COLLABORATE WITH OTHERS.

(iv) MENTORS.

(v) PROFESSIONAL DEVELOPMENT TIED TO PUPIL NEEDS AS DEMONSTRATED BY DATA.

1 (3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL SUBMIT
2 AN APPLICATION TO THE DEPARTMENT BY OCTOBER 1, 2013 IN A FORM AND
3 MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL AWARD
4 GRANTS ON A PER PUPIL BASIS TO ELIGIBLE RECIPIENTS NO LATER THAN
5 DECEMBER 30, 2013.

6 Sec. 24. (1) From the appropriation in section 11, there is
7 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
8 \$8,000,000.00 for payments to the educating district or
9 intermediate district for educating pupils assigned by a court or
10 the department of human services to reside in or to attend a
11 juvenile detention facility or child caring institution licensed by
12 the department of human services and approved by the department to
13 provide an on-grounds education program. The amount of the payment
14 under this section to a district or intermediate district shall be
15 calculated as prescribed under subsection (2).

16 (2) The total amount allocated under this section shall be
17 allocated by paying to the educating district or intermediate
18 district an amount equal to the lesser of the district's or
19 intermediate district's added cost or the department's approved per
20 pupil allocation for the district or intermediate district. For the
21 purposes of this subsection:

22 (a) "Added cost" means 100% of the added cost each fiscal year
23 for educating all pupils assigned by a court or the department of
24 human services to reside in or to attend a juvenile detention
25 facility or child caring institution licensed by the department of
26 human services or the department of licensing and regulatory
27 affairs and approved by the department to provide an on-grounds

1 education program. Added cost shall be computed by deducting all
2 other revenue received under this ~~act~~ **ARTICLE** for pupils described
3 in this section from total costs, as approved by the department, in
4 whole or in part, for educating those pupils in the on-grounds
5 education program or in a program approved by the department that
6 is located on property adjacent to a juvenile detention facility or
7 child caring institution. Costs reimbursed by federal funds are not
8 included.

9 (b) "Department's approved per pupil allocation" for a
10 district or intermediate district shall be determined by dividing
11 the total amount allocated under this section for a fiscal year by
12 the full-time equated membership total for all pupils approved by
13 the department to be funded under this section for that fiscal year
14 for the district or intermediate district.

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

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

26 Sec. 24a. From the appropriation in section 11, there is
27 allocated an amount not to exceed ~~\$2,135,800.00 for 2012-2013~~

1 **\$2,167,500.00 FOR 2013-2014** for payments to intermediate districts
2 for pupils who are placed in juvenile justice service facilities
3 operated by the department of human services. Each intermediate
4 district shall receive an amount equal to the state share of those
5 costs that are clearly and directly attributable to the educational
6 programs for pupils placed in facilities described in this section
7 that are located within the intermediate district's boundaries. The
8 intermediate districts receiving payments under this section shall
9 cooperate with the department of human services to ensure that all
10 funding allocated under this section is utilized by the
11 intermediate district and department of human services for
12 educational programs for pupils described in this section. Pupils
13 described in this section are not eligible to be funded under
14 section 24. However, a program responsibility or other fiscal
15 responsibility associated with these pupils shall not be
16 transferred from the department of human services to a district or
17 intermediate district unless the district or intermediate district
18 consents to the transfer.

19 Sec. 24c. From the appropriation in section 11, there is
20 allocated an amount not to exceed \$1,500,000.00 for ~~2012-2013-2013-~~
21 **2014** for payments to districts for pupils who are enrolled in a
22 nationally administered community-based education and youth
23 mentoring program, known as the youth challenge program, that is
24 located within the district and is administered by the department
25 of military and veterans affairs. Both of the following apply to a
26 district receiving payments under this section:

27 (a) The district shall contract with the department of

1 military and veterans affairs to ensure that all funding allocated
2 under this section is utilized by the district and the department
3 of military and veterans affairs for the youth challenge program.

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

7 SEC. 25E. (1) THE CENTER SHALL WORK WITH THE DEPARTMENT,
8 DISTRICTS, AND INTERMEDIATE DISTRICTS TO DEVELOP A PUPIL TRANSFER
9 APPLICATION MODELED ON THE GRADUATION AND DROPOUT APPLICATION AND
10 TO DEVELOP A PUPIL TRANSFER PROCESS UNDER THIS SECTION. THE CENTER
11 SHALL COMPLETE DEVELOPMENT OF THIS PUPIL TRANSFER APPLICATION NOT
12 LATER THAN NOVEMBER 1, 2013.

13 (2) IF A PUPIL TRANSFERS FROM A DISTRICT OR INTERMEDIATE
14 DISTRICT TO ENROLL IN ANOTHER DISTRICT OR INTERMEDIATE DISTRICT
15 AFTER THE PUPIL MEMBERSHIP COUNT DAY AND, DUE TO THE PUPIL'S
16 ENROLLMENT AND ATTENDANCE STATUS AS OF THE PUPIL MEMBERSHIP COUNT
17 DAY, THE PUPIL WAS NOT COUNTED IN MEMBERSHIP IN THE EDUCATING
18 DISTRICT OR INTERMEDIATE DISTRICT, THE EDUCATING DISTRICT OR
19 INTERMEDIATE DISTRICT MAY REPORT THE ENROLLMENT AND ATTENDANCE
20 INFORMATION WITHIN 30 DAYS AFTER THE TRANSFER TO THE CENTER THROUGH
21 THE PUPIL TRANSFER APPLICATION UNTIL THE SUPPLEMENTAL COUNT DAY.
22 UPON RECEIPT OF THE TRANSFER INFORMATION UNDER THIS SUBSECTION
23 INDICATING THAT A PUPIL HAS ENROLLED AND IS IN ATTENDANCE IN AN
24 EDUCATING DISTRICT OR INTERMEDIATE DISTRICT AS DESCRIBED IN THIS
25 SUBSECTION, THE PUPIL TRANSFER APPLICATION SHALL DO THE FOLLOWING:

26 (A) NOTIFY THE DISTRICT IN WHICH THE PUPIL WAS PREVIOUSLY
27 ENROLLED. THE DISTRICT SHALL PROVIDE PUPIL EXIT DATES AND OTHER

1 INFORMATION AS REQUIRED BY THE CENTER AND THE DEPARTMENT.

2 (B) NOTIFY BOTH THE PUPIL AUDITING STAFF OF THE INTERMEDIATE
3 DISTRICT IN WHICH THE EDUCATING DISTRICT IS LOCATED AND THE PUPIL
4 AUDITING STAFF OF THE INTERMEDIATE DISTRICT IN WHICH THE DISTRICT
5 THAT PREVIOUSLY ENROLLED THE PUPIL IS LOCATED. THE PUPIL AUDITING
6 STAFF SHALL EDIT, IF NECESSARY, AND APPROVE THE TRANSFER.

7 (C) AGGREGATE THE DISTRICTWIDE CHANGES AND NOTIFY THE
8 DEPARTMENT FOR USE IN ADJUSTING THE STATE AID PAYMENT SYSTEM.

9 (3) THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

10 (A) ADJUST THE MEMBERSHIP CALCULATION FOR EACH DISTRICT OR
11 INTERMEDIATE DISTRICT IN WHICH THE PUPIL WAS PREVIOUSLY COUNTED IN
12 MEMBERSHIP OR THAT PREVIOUSLY RECEIVED AN ADJUSTMENT IN ITS
13 MEMBERSHIP CALCULATION UNDER THIS SECTION DUE TO THE PUPIL'S
14 ENROLLMENT AND ATTENDANCE, IF ANY, SO THAT THE DISTRICT'S OR
15 INTERMEDIATE DISTRICT'S MEMBERSHIP IS PRORATED TO ALLOW THE
16 DISTRICT OR INTERMEDIATE DISTRICT TO RECEIVE FOR EACH SCHOOL DAY IN
17 WHICH THE PUPIL WAS ENROLLED AND IN ATTENDANCE IN THE DISTRICT AN
18 AMOUNT EQUAL TO 1/180 OF THE FOUNDATION ALLOWANCE OR PER PUPIL
19 PAYMENT AS CALCULATED UNDER SECTION 20 FOR THE DISTRICT OR
20 INTERMEDIATE DISTRICT. THE FOUNDATION ALLOWANCE OR PER PUPIL
21 PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S FULL-TIME EQUATED STATUS
22 AS AFFECTED BY THE MEMBERSHIP DEFINITION UNDER SECTION 6(4).

23 (B) ADJUST THE MEMBERSHIP CALCULATION FOR THE EDUCATING
24 DISTRICT OR INTERMEDIATE DISTRICT FOR EACH SCHOOL DAY IN WHICH THE
25 PUPIL IS ENROLLED AND IS IN ATTENDANCE IN THE EDUCATING DISTRICT OR
26 INTERMEDIATE DISTRICT SO THAT THE DISTRICT'S OR INTERMEDIATE
27 DISTRICT'S MEMBERSHIP IS INCREASED TO ALLOW THE DISTRICT OR

1 INTERMEDIATE DISTRICT TO RECEIVE, FOR EACH SCHOOL DAY BETWEEN THE
2 DAY THE PUPIL ENROLLED IN THE EDUCATING DISTRICT AND THE
3 SUPPLEMENTAL COUNT DAY, AN AMOUNT EQUAL TO 1/180 OF THE FOUNDATION
4 ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR
5 THE EDUCATING DISTRICT OR INTERMEDIATE DISTRICT. THE FOUNDATION
6 ALLOWANCE OR PER PUPIL PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S
7 FULL-TIME EQUATED STATUS AS AFFECTED BY THE MEMBERSHIP DEFINITION
8 UNDER SECTION 6(4).

9 (4) THE CHANGES IN CALCULATION OF STATE SCHOOL AID REQUIRED
10 UNDER SUBSECTION (3) SHALL TAKE EFFECT AS OF THE DATE THAT THE
11 PUPIL BECOMES ENROLLED AND IN ATTENDANCE IN THE EDUCATING DISTRICT
12 OR INTERMEDIATE DISTRICT, AND THE DEPARTMENT SHALL BASE ALL
13 SUBSEQUENT PAYMENTS UNDER THIS ARTICLE FOR THE FISCAL YEAR TO THE
14 AFFECTED DISTRICTS OR INTERMEDIATE DISTRICTS ON THIS RECALCULATION
15 OF STATE SCHOOL AID.

16 (5) IF A PUPIL ENROLLS IN AN EDUCATING DISTRICT OR
17 INTERMEDIATE DISTRICT AS DESCRIBED IN SUBSECTION (2), THE DISTRICT
18 OR INTERMEDIATE DISTRICT IN WHICH THE PUPIL IS COUNTED IN
19 MEMBERSHIP OR ANOTHER EDUCATING DISTRICT OR INTERMEDIATE DISTRICT
20 THAT RECEIVED AN ADJUSTMENT IN ITS MEMBERSHIP CALCULATION UNDER
21 SUBSECTION (3), IF ANY, AND THE EDUCATING DISTRICT OR INTERMEDIATE
22 DISTRICT SHALL PROVIDE TO THE CENTER AND THE DEPARTMENT ALL
23 INFORMATION THEY REQUIRE TO COMPLY WITH THIS SECTION.

24 (6) AS USED IN THIS SECTION, "EDUCATING DISTRICT OR
25 INTERMEDIATE DISTRICT" MEANS THE DISTRICT OR INTERMEDIATE DISTRICT
26 IN WHICH A PUPIL ENROLLS AFTER THE PUPIL MEMBERSHIP COUNT DAY OR
27 AFTER AN ADJUSTMENT WAS MADE IN ANOTHER DISTRICT'S OR INTERMEDIATE

**DISTRICT'S MEMBERSHIP CALCULATION UNDER THIS SECTION DUE TO THE
PUPIL'S ENROLLMENT AND ATTENDANCE.**

Sec. 26a. (1) From the state school aid fund appropriation in section 11, there is allocated ~~an amount not to exceed \$25,137,500.00 for 2011-2012 and~~ an amount not to exceed \$26,300,000.00 for ~~2012-2013~~ **2013-2014** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2012-2013~~. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

(2) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed ~~\$1,500,000.00 for 2012-2013~~ **\$3,200,000.00 FOR 2013-2014** to reimburse public libraries pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2012. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2012-2013~~ **2013-2014** an amount not to exceed ~~\$3,328,000.00~~ **\$4,009,500.00** for payments to districts, intermediate districts, and community college districts for the portion of the

1 payment in lieu of taxes obligation that is attributable to
2 districts, intermediate districts, and community college districts
3 pursuant to section 2154 of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.2154.

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

9 Sec. 26c. (1) From the appropriation in section 11, there is
10 allocated an amount not to exceed ~~\$276,800.00 for 2011-2012 and an~~
11 ~~amount not to exceed \$347,800.00~~ **\$209,400.00** for 2012-2013 **AND AN**
12 **AMOUNT NOT TO EXCEED \$266,200.00 FOR 2013-2014** to the promise zone
13 fund created in subsection (3).

14 (2) Funds allocated to the promise zone fund under this
15 section shall be used solely for payments to eligible districts and
16 intermediate districts that have a promise zone development plan
17 approved by the department of treasury under section 7 of the
18 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

19 (3) The promise zone fund is created as a separate account
20 within the state school aid fund to be used solely for the purposes
21 of the Michigan promise zone authority act, 2008 PA 549, MCL
22 390.1661 to 390.1679. All of the following apply to the promise
23 zone fund:

24 (a) The state treasurer shall direct the investment of the
25 promise zone fund. The state treasurer shall credit to the promise
26 zone fund interest and earnings from fund investments.

27 (b) Money in the promise zone fund at the close of a fiscal

1 year shall remain in the promise zone fund and shall not lapse to
2 the general fund.

3 (4) Subject to subsection (2), the state treasurer may make
4 payments from the promise zone fund to eligible districts and
5 intermediate districts pursuant to the Michigan promise zone
6 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
7 for the purposes of a promise zone authority created under that
8 act.

9 Sec. 31a. (1) From the state school aid fund money
10 appropriated in section 11, there is allocated for ~~2012-2013-2013-~~
11 **2014** an amount not to exceed \$317,695,500.00 for payments to
12 eligible districts, eligible public school academies, and the
13 education achievement system under this section. Subject to
14 subsection (14), the amount of the additional allowance under this
15 section, other than funding under subsection (6) or (7), shall be
16 based on the number of actual pupils in membership in the district
17 or public school academy or the education achievement system who
18 met the income eligibility criteria for free breakfast, lunch, or
19 milk in the immediately preceding state fiscal year, as determined
20 under the Richard B. Russell national school lunch act, 42 USC 1751
21 to 1769i, and reported to the department not later than the fifth
22 Wednesday after the pupil membership count day of the immediately
23 preceding fiscal year and adjusted not later than December 31 of
24 the immediately preceding fiscal year in the form and manner
25 prescribed by the center. However, for a public school academy that
26 began operations as a public school academy, or for an achievement
27 school that began operations as an achievement school, after the

1 pupil membership count day of the immediately preceding school
2 year, the basis for the additional allowance under this section
3 shall be the number of actual pupils in membership in the public
4 school academy or the education achievement system who met the
5 income eligibility criteria for free breakfast, lunch, or milk in
6 the current state fiscal year, as determined under the Richard B.
7 Russell national school lunch act and reported to the department
8 not later than the fifth Wednesday after the pupil membership count
9 day.

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 or the education achievement system shall apply to the
14 department, in a form and manner prescribed by the department, and
15 a district or public school academy or the education achievement
16 system must meet all of the following:

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

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

27 (3) Except as otherwise provided in this subsection, an

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

1 fiscal year, an amount per pupil equal to 11.5% of the public
2 school academy's or the education achievement system's per
3 membership pupil amount calculated under section 20 for the current
4 state fiscal year.

5 (4) Except as otherwise provided in this section, a district
6 or public school academy, or the education achievement system,
7 receiving funding under this section shall use that money only to
8 provide instructional programs and direct noninstructional
9 services, including, but not limited to, medical or counseling
10 services, for at-risk pupils; for school health clinics; and for
11 the purposes of subsection (5), (6), or (7). In addition, a
12 district that is a school district of the first class or a district
13 or public school academy in which at least 50% of the pupils in
14 membership met the income eligibility criteria for free breakfast,
15 lunch, or milk in the immediately preceding state fiscal year, as
16 determined and reported as described in subsection (1), or the
17 education achievement system if it meets this requirement, may use
18 not more than 20% of the funds it receives under this section for
19 school security. A district, the public school academy, or the
20 education achievement system shall not use any of that money for
21 administrative costs or to supplant another program or other funds,
22 except for funds allocated to the district or public school academy
23 or the education achievement system under this section in the
24 immediately preceding year and already being used by the district
25 or public school academy or the education achievement system for
26 at-risk pupils. The instruction or direct noninstructional services
27 provided under this section may be conducted before or after

1 regular school hours or by adding extra school days to the school
2 year and may include, but are not limited to, tutorial services,
3 early childhood programs to serve children age 0 to 5, and reading
4 programs as described in former section 32f as in effect for 2001-
5 2002. A tutorial method may be conducted with paraprofessionals
6 working under the supervision of a certificated teacher. The ratio
7 of pupils to paraprofessionals shall be between 10:1 and 15:1. Only
8 1 certificated teacher is required to supervise instruction using a
9 tutorial method. As used in this subsection, "to supplant another
10 program" means to take the place of a previously existing
11 instructional program or direct noninstructional services funded
12 from a funding source other than funding under this section.

13 (5) Except as otherwise provided in subsection (12), a
14 district or public school academy that receives funds under this
15 section and that operates a school breakfast program under section
16 1272a of the revised school code, MCL 380.1272a, or the education
17 achievement system if it operates a school breakfast program, shall
18 use from the funds received under this section an amount, not to
19 exceed \$10.00 per pupil for whom the district or public school
20 academy or the education achievement system receives funds under
21 this section, necessary to pay for costs associated with the
22 operation of the school breakfast program.

23 (6) From the funds allocated under subsection (1), there is
24 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
25 \$3,557,300.00 to support child and adolescent health centers. These
26 grants shall be awarded for 5 consecutive years beginning with
27 2003-2004 in a form and manner approved jointly by the department

1 and the department of community health. Each grant recipient shall
2 remain in compliance with the terms of the grant award or shall
3 forfeit the grant award for the duration of the 5-year period after
4 the noncompliance. To continue to receive funding for a child and
5 adolescent health center under this section a grant recipient shall
6 ensure that the child and adolescent health center has an advisory
7 committee and that at least one-third of the members of the
8 advisory committee are parents or legal guardians of school-aged
9 children. A child and adolescent health center program shall
10 recognize the role of a child's parents or legal guardian in the
11 physical and emotional well-being of the child. Funding under this
12 subsection shall be used to support child and adolescent health
13 center services provided to children up to age 21. If any funds
14 allocated under this subsection are not used for the purposes of
15 this subsection for the fiscal year in which they are allocated,
16 those unused funds shall be used that fiscal year to avoid or
17 minimize any proration that would otherwise be required under
18 subsection (14) for that fiscal year.

19 (7) From the funds allocated under subsection (1), there is
20 allocated for ~~2012-2013~~**2013-2014** an amount not to exceed
21 \$5,150,000.00 for the state portion of the hearing and vision
22 screenings as described in section 9301 of the public health code,
23 1978 PA 368, MCL 333.9301. A local public health department shall
24 pay at least 50% of the total cost of the screenings. The frequency
25 of the screenings shall be as required under R 325.13091 to R
26 325.13096 and R 325.3271 to R 325.3276 of the Michigan
27 administrative code. Funds shall be awarded in a form and manner

1 approved jointly by the department and the department of community
2 health. Notwithstanding section 17b, payments to eligible entities
3 under this subsection shall be paid on a schedule determined by the
4 department.

5 (8) Each district or public school academy receiving funds
6 under this section and the education achievement system shall
7 submit to the department by July 15 of each fiscal year a report,
8 not to exceed 10 pages, on the usage by the district or public
9 school academy or the education achievement system of funds under
10 this section, which report shall include at least a brief
11 description of each program conducted by the district or public
12 school academy or the education achievement system using funds
13 under this section, the amount of funds under this section
14 allocated to each of those programs, the number of at-risk pupils
15 eligible for free or reduced price school lunch who were served by
16 each of those programs, and the total number of at-risk pupils
17 served by each of those programs. If a district or public school
18 academy or the education achievement system does not comply with
19 this subsection, the department shall withhold an amount equal to
20 the August payment due under this section until the district or
21 public school academy or the education achievement system complies
22 with this subsection. If the district or public school academy or
23 the education achievement system does not comply with this
24 subsection by the end of the state fiscal year, the withheld funds
25 shall be forfeited to the school aid fund.

26 (9) In order to receive funds under this section, a district
27 or public school academy or the education achievement system shall

1 allow access for the department or the department's designee to
2 audit all records related to the program for which it receives
3 those funds. The district or public school academy or the education
4 achievement system shall reimburse the state for all disallowances
5 found in the audit.

6 (10) Subject to subsections (5), (6), (7), (12), and (13), ~~any~~
7 **A** district may use up to 100% of the funds it receives under this
8 section to reduce the ratio of pupils to teachers in grades K-12,
9 or any combination of those grades, in school buildings in which
10 the percentage of pupils described in subsection (1) exceeds the
11 district's aggregate percentage of those pupils. Subject to
12 subsections (5), (6), (7), (12), and (13), ~~if a district obtains a~~
13 ~~waiver from the department, the~~ **A** district may use up to 100% of
14 the funds it receives under this section to reduce the ratio of
15 pupils to teachers in grades K-12, or any combination of those
16 grades, in school buildings in which the percentage of pupils
17 described in subsection (1) is at least 60% of the district's
18 aggregate percentage of those pupils and at least 30% of the total
19 number of pupils enrolled in the school building. ~~To obtain a~~
20 ~~waiver, a district must apply to the department and demonstrate to~~
21 ~~the satisfaction of the department that the class size reductions~~
22 ~~would be in the best interests of the district's at-risk pupils.~~

23 (11) A district or public school academy or the education
24 achievement system may use funds received under this section for
25 adult high school completion, general educational development
26 (G.E.D.) test preparation, adult English as a second language, or
27 adult basic education programs described in section 107.

1 (12) For an individual school or schools operated by a
2 district or public school academy receiving funds under this
3 section or the education achievement system that have been
4 determined by the department to meet the adequate yearly progress
5 standards of the no child left behind act of 2001, Public Law 107-
6 110, in both mathematics and English language arts at all
7 applicable grade levels for all applicable subgroups, the district
8 or public school academy or the education achievement system may
9 use not more than 20% of the funds it receives under this section
10 for specific alternative purposes identified by the district or
11 public school academy or the education achievement system that are
12 designed to benefit at-risk pupils in the school, but that may be
13 different from the purposes otherwise allowable under this section.
14 If a district or public school academy or the education achievement
15 system uses funds for alternative purposes allowed under the
16 flexibility provisions under this subsection, the district or
17 public school academy or the education achievement system shall
18 maintain documentation of the amounts used for those alternative
19 purposes and shall make that information available to the
20 department upon request.

21 (13) A district or public school academy that receives funds
22 under this section or the education achievement system may use
23 funds it receives under this section to implement and operate an
24 early intervening program for pupils in grades K to 3 that meets
25 either or both of the following:

26 (a) Monitors individual pupil learning and provides specific
27 support or learning strategies to pupils as early as possible in

1 order to reduce the need for special education placement. The
2 program shall include literacy and numeracy supports, sensory motor
3 skill development, behavior supports, instructional consultation
4 for teachers, and the development of a parent/school learning plan.
5 Specific support or learning strategies may include support in or
6 out of the general classroom in areas including reading, writing,
7 math, visual memory, motor skill development, behavior, or language
8 development. These would be provided based on an understanding of
9 the individual child's learning needs.

10 (b) Provides early intervening strategies using school-wide
11 systems of academic and behavioral supports and is scientifically
12 research-based. The strategies to be provided shall include at
13 least pupil performance indicators based upon response to
14 intervention, instructional consultation for teachers, and ongoing
15 progress monitoring. A school-wide system of academic and
16 behavioral support should be based on a support team available to
17 the classroom teachers. The members of this team could include the
18 principal, special education staff, reading teachers, and other
19 appropriate personnel who would be available to systematically
20 study the needs of the individual child and work with the teacher
21 to match instruction to the needs of the individual child.

22 (14) If necessary, and before any proration required under
23 section ~~11-296~~, the department shall prorate payments under this
24 section by reducing the amount of the per pupil payment under this
25 section by a dollar amount calculated by determining the amount by
26 which the amount necessary to fully fund the requirements of this
27 section exceeds the maximum amount allocated under this section and

1 then dividing that amount by the total statewide number of pupils
2 who met the income eligibility criteria for free breakfast, lunch,
3 or milk in the immediately preceding fiscal year, as described in
4 subsection (1).

5 (15) If a district is formed by consolidation after June 1,
6 1995, and if 1 or more of the original districts was not eligible
7 before the consolidation for an additional allowance under this
8 section, the amount of the additional allowance under this section
9 for the consolidated district shall be based on the number of
10 pupils described in subsection (1) enrolled in the consolidated
11 district who reside in the territory of an original district that
12 was eligible before the consolidation for an additional allowance
13 under this section.

14 (16) As used in this section, "at-risk pupil" means a pupil
15 for whom the district has documentation that the pupil meets at
16 least 2 of the following criteria: is a victim of child abuse or
17 neglect; is below grade level in English language ~~and communication~~
18 ~~skills-ARTS~~ or mathematics; is a pregnant teenager or teenage
19 parent; is eligible for a federal free or reduced-price lunch
20 subsidy; has atypical behavior or attendance patterns; or has a
21 family history of school failure, incarceration, or substance
22 abuse. **AT-RISK PUPIL ALSO INCLUDES ALL PUPILS IN A PRIORITY SCHOOL**
23 **AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 2001**
24 **FLEXIBILITY REQUEST APPROVED BY THE UNITED STATES DEPARTMENT OF**
25 **EDUCATION.** For pupils for whom the results of at least the
26 applicable Michigan education assessment program (MEAP) test have
27 been received, at-risk pupil also includes a pupil who does not

1 meet the other criteria under this subsection but who did not
2 achieve at least a score of level 2 on the most recent MEAP English
3 language arts, mathematics, science test, or social studies for
4 which results for the pupil have been received. For pupils for whom
5 the results of the Michigan merit examination have been received,
6 at-risk pupil also includes a pupil who does not meet the other
7 criteria under this subsection but who did not achieve proficiency
8 on the reading, ~~component~~ **WRITING, MATHEMATICS, SCIENCE, OR SOCIAL**
9 **STUDIES COMPONENTS** of the most recent Michigan merit examination
10 for which results for the pupil have been received. ~~, did not~~
11 ~~achieve proficiency on the mathematics component of the most recent~~
12 ~~Michigan merit examination for which results for the pupil have~~
13 ~~been received, or did not achieve basic competency on the science~~
14 ~~component of the most recent Michigan merit examination for which~~
15 ~~results for the pupil have been received.~~ For pupils in grades K-3,
16 at-risk pupil also includes a pupil who is at risk of not meeting
17 the district's core academic curricular objectives in English
18 language arts or mathematics.

19 (17) A district or public school academy that receives funds
20 under this section or the education achievement system may use
21 funds received under this section to provide an anti-bullying or
22 crisis intervention program.

23 Sec. 31d. (1) From the appropriations in section 11, there is
24 allocated an amount not to exceed \$22,495,100.00 for ~~2012-2013~~
25 **2013-2014** for the purpose of making payments to districts and other
26 eligible entities under this section.

27 (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 ~~2012-2013~~ **2013-2014** all available federal funding,
21 estimated at ~~\$400,000,000.00,~~ **\$460,000,000.00** for the national
22 school lunch program and all available federal funding, estimated
23 at ~~\$2,506,000.00,~~ **\$3,200,000.00** for the emergency food assistance
24 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 for 2012-2013~~
7 **\$5,625,000.00 FOR 2013-2014** for the purpose of making payments to
8 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

27 (5) In purchasing food for a school breakfast program funded

1 under this section, preference shall be given to food that is grown
 2 or produced by Michigan businesses if it is competitively priced
 3 and of comparable quality.

4 Sec. 32d. (1) From the funds appropriated in section 11, there
 5 is allocated to eligible intermediate districts and consortia of
 6 intermediate districts for great start readiness programs an amount
 7 not to exceed ~~\$109,275,000.00 for 2012-2013.~~ **\$149,275,000.00 FOR**
 8 **2013-2014. IN ADDITION, FROM THE FUNDS APPROPRIATED IN SECTION 11,**
 9 **THERE IS ALLOCATED TO THE GREAT START READINESS RESERVE FUND**

10 **CREATED UNDER SUBSECTION (14) AN AMOUNT NOT TO EXCEED**
 11 **\$25,000,000.00 FOR 2013-2014.** Funds allocated under this section
 12 **FOR GREAT START READINESS PROGRAMS** shall be used to provide part-
 13 day, school-day, or GSRP/head start blended comprehensive free
 14 compensatory classroom programs designed to ~~do 1 or both of the~~
 15 ~~following:~~

16 ~~—— (a) Improve~~ **IMPROVE** the readiness and subsequent achievement
 17 of educationally disadvantaged children ~~as defined by the~~
 18 ~~department who will be at least 4, but less than 5 years of age, as~~
 19 ~~of December 1 of the school year in which the programs are offered,~~
 20 ~~and who meet the participant eligibility and prioritization~~
 21 ~~guidelines as defined by the state board.~~ **DEPARTMENT. BEGINNING IN**
 22 **2013-2014, FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM**
 23 **UNDER THIS SECTION, THE CHILD SHALL BE AT LEAST 4, BUT LESS THAN 5,**
 24 **YEARS OF AGE AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S**
 25 **ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED**
 26 **SCHOOL CODE, MCL 380.1147.**

27 ~~—— (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 for programs described in this
subdivision shall not exceed the amount spent under this
subdivision for the immediately preceding fiscal year. Funds spent
for programs described in this subdivision shall be used for
services to families with income below 300% of the federal poverty
level.~~

(2) Funds allocated under ~~this section~~ **SUBSECTION (1)** shall be allocated to intermediate districts or consortia of intermediate districts **BASED ON THE FORMULA IN SECTION 39**. 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 2012-2013, the fiduciary intermediate districts and consortia of intermediate districts shall allocate the funding under this section as follows:~~

~~—— (a) An amount not to exceed \$100,400,000.00 allocated to intermediate districts and consortia of intermediate districts as directed by the department based on the formula in section 39. In order to be eligible to receive funds allocated under this subdivision~~ **SUBSECTION** from an intermediate district or consortium of intermediate districts, a district, ~~or~~ **A consortium of districts, OR A PUBLIC OR PRIVATE FOR-PROFIT OR NONPROFIT LEGAL ENTITY OR AGENCY** shall comply with this section and section 39.

~~—— (b) An amount not to exceed \$8,875,000.00 allocated in grants to competitive great start readiness programs as directed by the department based on the grant award process in section 32/. In order to be eligible to receive funds allocated under this section from~~

~~an intermediate district or consortium of intermediate districts, a competitive great start readiness program shall comply with this section and section 321.~~

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for ~~2012-2013-2013-~~ **2014** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day, school-day, or GSRP/head start blended programs that contain all of the following program components, as determined by the department:

(a) Participation in a collaborative recruitment and enrollment process ~~. At a minimum, the process shall include all other funded preschool programs that may serve children in the same geographic area,~~ to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds.

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

(c) Nutritional services for all program participants
SUPPORTED BY FEDERAL, STATE, AND LOCAL RESOURCES AS APPLICABLE.

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

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

3 (f) Active and continuous involvement of the parents or
4 guardians of the program participants.

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

8 (h) Participation in a multidistrict, multiagency, school
9 readiness advisory committee **CONVENED AS A WORKGROUP OF THE GREAT**
10 **START COLLABORATIVE** that provides for the involvement of classroom
11 teachers, parents or guardians of program participants, and
12 community, volunteer, and social service agencies and
13 organizations, as appropriate. The advisory committee annually
14 shall review the program components listed in this subsection and
15 make recommendations for changes to the great start readiness
16 program for which it is an advisory committee.

17 (i) The ongoing articulation of the kindergarten and first
18 grade programs offered by the program provider.

19 **(J) PARTICIPATION IN THIS STATE'S GREAT START TO QUALITY**
20 **PROCESS WITH A RATING OF AT LEAST 3 STARS.**

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

24 (a) Ensure compliance with all program components described in
25 subsection (4).

26 (b) Ensure that ~~more than 75%~~ **AT LEAST 90%** of the children
27 participating in an eligible great start readiness program **FOR WHOM**

1 **THE PROVIDER IS RECEIVING FUNDS UNDER THIS SECTION** are children who
2 live with families with a household income that is equal to or less
3 than ~~300%~~ 250% of the federal poverty level.

4 (c) Ensure that the applicant only uses qualified personnel
5 for this program, as follows:

6 (i) Teachers possessing proper training. For programs managed
7 directly by a district or intermediate district, a valid teaching
8 certificate and an early childhood (ZA or ZS) endorsement are
9 required. This provision does not apply to ~~a district, intermediate~~
10 ~~district, or competitive program that subcontracts with an~~ eligible
11 child development program. In that situation, a teacher must have a
12 valid Michigan teaching certificate with an early childhood (ZA or
13 ZS) endorsement, a valid Michigan elementary teaching certificate
14 with a child development associate credential, or a bachelor's
15 degree in child development with specialization in preschool
16 teaching. However, if an applicant demonstrates to the department
17 that it is unable to fully comply with this subparagraph after
18 making reasonable efforts to comply, teachers who have significant
19 but incomplete training in early childhood education or child
20 development may be used if the applicant provides to the
21 department, and the department approves, a plan for each teacher to
22 come into compliance with the standards in this subparagraph. A
23 teacher's compliance plan must be completed within 2 years of the
24 date of employment. Progress toward completion of the compliance
25 plan shall consist of at least 2 courses per calendar year.

26 (ii) Paraprofessionals possessing proper training in early
27 childhood development, including an associate's degree in early

1 childhood education or child development or the equivalent, or a
2 child development associate (CDA) credential. However, if an
3 applicant demonstrates to the department that it is unable to fully
4 comply with this subparagraph after making reasonable efforts to
5 comply, the applicant may use paraprofessionals who have completed
6 at least 1 course that earns college credit in early childhood
7 education or child development if the applicant provides to the
8 department, and the department approves, a plan for each
9 paraprofessional to come into compliance with the standards in this
10 subparagraph. A paraprofessional's compliance plan must be
11 completed within 2 years of the date of employment. Progress toward
12 completion of the compliance plan shall consist of at least 2
13 courses or 60 clock hours of training per calendar year.

14 (d) Include a program budget that contains only those costs
15 that are not reimbursed or reimbursable by federal funding, that
16 are clearly and directly attributable to the great start readiness
17 program, and that would not be incurred if the program were not
18 being offered. **ELIGIBLE COSTS INCLUDE TRANSPORTATION COSTS.** The
19 program budget shall indicate the extent to which these funds will
20 supplement other federal, state, local, or private funds. Funds
21 received under this section shall not be used to supplant any
22 federal funds **RECEIVED** by the applicant to serve children eligible
23 for a federally funded ~~existing~~ preschool program that has the
24 capacity to serve those children.

25 (6) For a grant recipient that enrolls pupils in a school-day
26 program funded under this section, each child enrolled in the
27 school-day program shall be counted as 2 children served by the

1 program for purposes of determining the number of children to be
 2 served and for determining the amount of the grant award. A grant
 3 award shall not be increased solely on the basis of providing a
 4 school-day program.

5 (7) FOR A GRANT RECIPIENT THAT ENROLLS PUPILS IN A GSRP/HEAD
 6 START BLENDED PROGRAM, THE GRANT RECIPIENT SHALL ENSURE THAT ALL
 7 HEAD START AND GSRP POLICIES AND REGULATIONS ARE APPLIED TO THE
 8 BLENDED SLOTS, WITH ADHERENCE TO THE HIGHEST STANDARD FROM EITHER
 9 PROGRAM, TO THE EXTENT ALLOWABLE UNDER FEDERAL LAW.

10 (8) ~~(7)~~ An intermediate district or consortium of intermediate
 11 districts receiving a grant under this section may **PROVIDE SERVICES**
 12 **DIRECTLY OR MAY** contract with 1 OR MORE DISTRICTS OR PUBLIC OR
 13 **PRIVATE** for-profit or nonprofit ~~preschool center~~ providers that
 14 meet all requirements of subsection (4) and retain for
 15 administrative services an amount equal to not more than ~~5%~~ 7% of
 16 the grant amount. ~~An~~ **IN ADDITION, AN** intermediate district, ~~OR~~
 17 consortium of intermediate districts, ~~or competitive grant program~~
 18 may expend not more than ~~10%~~ 2% of the total grant amount for
 19 ~~administration~~ **RECRUITING AND PUBLIC AWARENESS** of the program.

20 ~~—— (8) Any public or private for-profit or nonprofit legal entity~~
 21 ~~or agency may apply for a competitive grant under this section.~~
 22 ~~However, a district or intermediate district may not apply for a~~
 23 ~~competitive grant under this section unless the district,~~
 24 ~~intermediate district, or consortium of districts or intermediate~~
 25 ~~districts is acting as a local grantee for the federal head start~~
 26 ~~program operating under the head start act, 42 USC 9831 to 9852.~~

27 (9) EACH GRANT RECIPIENT SHALL ENROLL CHILDREN IDENTIFIED

1 UNDER SUBSECTION (5) (B) ACCORDING TO HOW FAR THE CHILD'S HOUSEHOLD
2 INCOME IS BELOW 250% OF THE FEDERAL POVERTY LEVEL BY RANKING EACH
3 APPLICANT CHILD'S HOUSEHOLD INCOME FROM LOWEST TO HIGHEST AND
4 DIVIDING THE APPLICANT CHILDREN INTO QUINTILES BASED ON HOW FAR THE
5 CHILD'S HOUSEHOLD INCOME IS BELOW 250% OF THE FEDERAL POVERTY
6 LEVEL, AND THEN ENROLLING CHILDREN IN THE QUINTILE WITH THE LOWEST
7 HOUSEHOLD INCOME BEFORE ENROLLING CHILDREN IN THE QUINTILE WITH THE
8 NEXT LOWEST HOUSEHOLD INCOME UNTIL SLOTS ARE COMPLETELY FILLED.

9 (10) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
10 DISTRICTS RECEIVING A GRANT UNDER THIS SECTION SHALL CONDUCT A
11 LOCAL PROCESS TO CONTRACT WITH INTERESTED AND ELIGIBLE PUBLIC AND
12 PRIVATE FOR-PROFIT AND NONPROFIT COMMUNITY-BASED PROVIDERS THAT
13 MEET ALL REQUIREMENTS OF SUBSECTION (4) FOR AT LEAST 30% OF ITS
14 TOTAL SLOT ALLOCATION. IF THE INTERMEDIATE DISTRICT OR CONSORTIUM
15 IS NOT ABLE TO CONTRACT FOR AT LEAST 30% OF ITS TOTAL SLOT
16 ALLOCATION, THE GRANT RECIPIENT SHALL NOTIFY THE DEPARTMENT AND, IF
17 THE DEPARTMENT VERIFIES THAT THE INTERMEDIATE DISTRICT OR
18 CONSORTIUM ATTEMPTED TO CONTRACT FOR AT LEAST 30% OF ITS TOTAL SLOT
19 ALLOCATION AND WAS NOT ABLE TO DO SO, THEN THE INTERMEDIATE
20 DISTRICT OR CONSORTIUM MAY RETAIN AND USE ALL OF ITS ALLOCATED
21 SLOTS AS PROVIDED UNDER THIS SECTION.

22 (11) ~~(9)~~ A recipient of funds under this section shall report
23 to the department in a form and manner prescribed by the department
24 the number of children participating in the program who meet the
25 income ~~or other eligibility criteria prescribed by the department~~
26 **ELIGIBILITY CRITERIA UNDER SUBSECTION (5) (B)** and the total number
27 of children participating in the program. For children

1 participating in the program who meet the income ~~or other~~
 2 eligibility criteria specified under subsection (5)(b), a recipient
 3 shall also report whether or not a parent is available to provide
 4 care based on employment status. For the purposes of this
 5 subsection, "employment status" shall be defined by the department
 6 of human services in a manner consistent with maximizing the amount
 7 of spending that may be claimed for temporary assistance for needy
 8 families maintenance of effort purposes.

9 (12) ~~(10)~~ As used in this section:

10 (a) "GSRP/head start blended program" means a part-day program
 11 funded under this section and a head start program, which are
 12 combined for a school-day program.

13 (b) "Part-day program" means a program that operates at least
 14 4 days per week, 30 weeks per year, for at least 3 hours of
 15 teacher-child contact time per day but for fewer hours of teacher-
 16 child contact time per day than a school-day program.

17 (c) "School-day program" means a program that operates for at
 18 least the same length of day as a district's first grade program
 19 for a minimum of 4 days per week, 30 weeks per year. A classroom
 20 that offers a school-day program must enroll all children for the
 21 school day to be considered a school-day program.

22 (13) ~~(11) A grant recipient~~ **AN INTERMEDIATE DISTRICT OR**
 23 **CONSORTIUM OF INTERMEDIATE DISTRICTS** receiving funds under this
 24 section ~~is encouraged to~~ **SHALL** establish a sliding scale of tuition
 25 rates based upon a ~~child's family income for the purpose of~~
 26 ~~expanding eligible programs under this section.~~ **HOUSEHOLD INCOME**
 27 **FOR CHILDREN PARTICIPATING IN AN ELIGIBLE GREAT START READINESS**

1 PROGRAM WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS MORE
2 THAN 250% OF THE FEDERAL POVERTY LEVEL TO BE USED BY ALL OF ITS
3 PROVIDERS, AS APPROVED BY THE DEPARTMENT. A grant recipient may
4 ~~SHALL~~ charge tuition for ~~programs provided under this section~~
5 according to that sliding scale of tuition rates on a uniform basis
6 for any child who does not meet the ~~program~~-INCOME eligibility
7 requirements under this section.

8 ~~—— (12) The department shall develop a plan for a multiyear~~
9 ~~phased in approach to transfer funding for great start readiness~~
10 ~~programs under this section into an early childhood block grant~~
11 ~~program, along with funding for great start collaboratives under~~
12 ~~section 32b and funding for great parents, great start programs~~
13 ~~under section 32j. The early childhood block grant program will~~
14 ~~allocate funds to intermediate districts and consortia of~~
15 ~~intermediate districts to act as fiduciaries and provide~~
16 ~~administration of regional early childhood programs in conjunction~~
17 ~~with their regional great start collaborative to improve program~~
18 ~~quality, evaluation, and efficiency for early childhood programs.~~
19 ~~The department shall work with intermediate districts, districts,~~
20 ~~great start collaboratives, and the early childhood investment~~
21 ~~corporation to establish a revised funding formula, application~~
22 ~~process, program criteria, and data reporting requirements.~~

23 (14) THE GREAT START READINESS RESERVE FUND IS CREATED AS A
24 SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND ESTABLISHED BY
25 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963. MONEY
26 AVAILABLE IN THE GREAT START READINESS RESERVE FUND MAY NOT BE
27 EXPENDED FOR 2013-2014 UNLESS TRANSFERRED BY THE LEGISLATURE NOT

1 LATER THAN JANUARY 31, 2014 TO THE ALLOCATION UNDER SUBSECTION (1)
2 FOR GREAT START READINESS PROGRAMS. MONEY IN THE GREAT START
3 READINESS RESERVE FUND SHALL BE EXPENDED ONLY FOR PURPOSES FOR
4 WHICH STATE SCHOOL AID FUND MONEY MAY BE EXPENDED. THE STATE
5 TREASURER SHALL DIRECT THE INVESTMENT OF THE GREAT START READINESS
6 RESERVE FUND. THE STATE TREASURER SHALL CREDIT TO THE GREAT START
7 READINESS RESERVE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.
8 MONEY IN THE GREAT START READINESS RESERVE FUND AT THE CLOSE OF A
9 FISCAL YEAR SHALL REMAIN IN THE GREAT START READINESS RESERVE FUND
10 AND SHALL NOT LAPSE TO THE UNRESERVED SCHOOL AID FUND BALANCE OR
11 THE GENERAL FUND.

12 Sec. 32p. (1) From the school aid fund appropriation in
13 section 11, there is allocated an amount not to exceed
14 \$10,900,000.00 **TO INTERMEDIATE DISTRICTS** for ~~2012-2013-2013-2014~~
15 for the purpose of providing early childhood funding to
16 intermediate school districts in block grants, **SUPPORTING THE**
17 **ACTIVITIES UNDER SUBSECTION (2), AND PROVIDING EARLY CHILDHOOD**
18 **PROGRAMS FOR CHILDREN FROM BIRTH THROUGH AGE 8. The-BEGINNING IN**
19 **2013-2014, THE** funding provided to each intermediate district under
20 this section shall be ~~equal to the sum of all funding allocated~~
21 ~~under former sections 32b and 32j, as those sections were in effect~~
22 ~~for 2011-2012.~~ **DETERMINED BY THE DISTRIBUTION FORMULA ESTABLISHED**
23 **BY THE DEPARTMENT'S OFFICE OF GREAT START TO PROVIDE EQUITABLE**
24 **FUNDING STATEWIDE.** In order to receive funding under this section,
25 each intermediate district shall provide an application to the
26 office of great start not later than ~~August 15, 2012,~~ **SEPTEMBER 15**
27 **OF THE IMMEDIATELY PRECEDING FISCAL YEAR** indicating the activities

1 planned to be provided. ~~and children served under the block grant.~~

2 (2) Each intermediate district or consortium of intermediate
3 districts that receives funding under this section shall convene a
4 local great start collaborative and a parent coalition. ~~to address~~
5 ~~the availability of the following 6 components of a great start~~
6 ~~system in its communities: physical health, social emotional~~
7 ~~health, family supports, basic needs, economic stability and~~
8 ~~safety, and parenting education and early education and care.~~ The
9 goal of a ~~local~~ **EACH** great start collaborative is **AND PARENT**
10 **COALITION SHALL BE** to ensure **THE COORDINATION AND EXPANSION OF**
11 **LOCAL EARLY CHILDHOOD INFRASTRUCTURE AND PROGRAMS** that **ALLOW** every
12 child in the community ~~is ready for kindergarten.~~ **TO ACHIEVE THE**
13 **FOLLOWING OUTCOMES:**

14 (A) **CHILDREN BORN HEALTHY.**

15 (B) **CHILDREN HEALTHY, THRIVING, AND DEVELOPMENTALLY ON TRACK**
16 **FROM BIRTH TO THIRD GRADE.**

17 (C) **CHILDREN DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE**
18 **TIME OF SCHOOL ENTRY.**

19 (D) **CHILDREN PREPARED TO SUCCEED IN FOURTH GRADE AND BEYOND BY**
20 **READING PROFICIENTLY BY THE END OF THIRD GRADE.**

21 (3) Each local great start collaborative **AND PARENT COALITION**
22 **SHALL CONVENE A WORKGROUP TO SERVE AS A SCHOOL READINESS ADVISORY**
23 **COMMITTEE AS REQUIRED UNDER SECTION 32D AND** shall ensure ~~the~~
24 ~~coordination and expansion of infrastructure or programming to~~
25 ~~support high quality early childhood and childcare programs. An~~
26 ~~intermediate district or consortium of intermediate districts may~~
27 ~~reconstitute its local great start collaborative if that~~

~~collaborative is found to be ineffective.~~ **THAT ITS LOCAL GREAT START SYSTEM INCLUDES THE FOLLOWING SUPPORTS FOR CHILDREN FROM BIRTH THROUGH AGE 8:**

(A) PHYSICAL HEALTH.

(B) SOCIAL-EMOTIONAL HEALTH.

(C) FAMILY SUPPORTS AND BASIC NEEDS.

(D) PARENT EDUCATION AND CHILD ADVOCACY.

(E) EARLY EDUCATION AND CARE.

(4) ~~(3)~~ Not later than December 1 ~~, 2013,~~ **OF EACH YEAR,** each intermediate district shall provide a report to the department detailing the activities actually provided during ~~2012-2013~~ **THE IMMEDIATELY PRECEDING SCHOOL YEAR** and the **FAMILIES AND** children actually served. The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies. The block grants allocated under this section implement legislative intent language for this purpose enacted in 2011 PA 62.

(5) ~~(4)~~ An intermediate district or consortium of intermediate districts that receives funding under this section may carry over any unexpended funds received under this section ~~for a fiscal year~~ into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

Sec. 39. (1) An eligible applicant receiving funds under

1 section 32d shall submit a preapplication, in a form and manner
2 prescribed by the department, by a date specified by the department
3 in the immediately preceding state fiscal year. The preapplication
4 shall include a comprehensive needs assessment using aggregated
5 data from the applicant's entire service area and a community
6 collaboration plan that is endorsed by the local great start
7 collaborative and is part of the community's great start strategic
8 plan that includes, but is not limited to, great start readiness
9 program and head start providers, and shall identify all of the
10 following:

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

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

18 (c) The number of children the applicant will be able to serve
19 who meet the criteria of section 32d including a verification of
20 physical facility and staff resources capacity.

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

27 (2) An applicant receiving funds under section 32d shall also

1 submit a final application for approval, in a form and manner
2 prescribed by the department, by a date specified by the
3 department, that details how the applicant complies with the
4 program components established by the department pursuant to
5 section 32d.

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

18 (4) The initial allocation for each fiscal year to each
19 eligible applicant under section 32d shall be determined by
20 multiplying the number of children determined by the formula under
21 subsection (3) or the number of children the applicant indicates it
22 will be able to serve under subsection (1)(c), whichever is less,
23 by ~~\$3,400.00~~ **\$3,625.00** and shall be distributed among applicants in
24 decreasing order of concentration of eligible children as
25 determined by the formula under subsection (3). If the number of
26 children an applicant indicates it will be able to serve under
27 subsection (1)(c) includes children able to be served in a school-

1 day program, then the number able to be served in a school-day
2 program shall be doubled for the purposes of making this
3 calculation of the lesser of the number of children determined by
4 the formula under subsection (3) and the number of children the
5 applicant indicates it will be able to serve under subsection
6 (1)(c) and determining the amount of the initial allocation to the
7 applicant under section 32d. A district may contract with a head
8 start agency to serve children enrolled in head start with a
9 school-day program by blending head start funds with a part-day
10 great start readiness program allocation. All head start and great
11 start readiness program policies and regulations apply to the
12 blended program.

13 (5) If funds allocated for eligible applicants ~~in~~**OR TO THE**
14 **GREAT START READINESS RESERVE FUND UNDER** section 32d remain after
15 the initial allocation under subsection (4), the allocation under
16 this subsection shall be distributed to each eligible applicant
17 under section 32d in decreasing order of concentration of eligible
18 children as determined by the formula under subsection (3). The
19 allocation shall be determined by multiplying the number of
20 children each district within the applicant's service area served
21 in the immediately preceding fiscal year or the number of children
22 the applicant indicates it will be able to serve under subsection
23 (1)(c), whichever is less, minus the number of children for which
24 the applicant received funding in subsection (4) by
25 ~~\$3,400.00.~~**\$3,625.00.**

26 (6) If funds allocated for eligible applicants ~~in~~**OR TO THE**
27 **GREAT START READINESS RESERVE FUND UNDER** section 32d remain after

1 the allocations under subsections (4) and (5), remaining funds
2 shall be distributed to each eligible applicant under section 32d
3 in decreasing order of concentration of eligible children as
4 determined by the formula under subsection (3). If the number of
5 children the applicant indicates it will be able to serve under
6 subsection (1)(c) exceeds the number of children for which funds
7 have been received under subsections (4) and (5), the allocation
8 under this subsection shall be determined by multiplying the number
9 of children the applicant indicates it will be able to serve under
10 subsection (1)(c) less the number of children for which funds have
11 been received under subsections (4) and (5) by ~~\$3,400.00~~ **\$3,625.00**
12 until the funds allocated for eligible applicants in section 32d
13 are distributed.

14 (7) An applicant that offers supplementary child care funded
15 by funds other than those received under section 32d and therefore
16 offers full-day programs as part of its early childhood development
17 program shall receive priority in the allocation of funds under
18 section 32d over other eligible applicants. As used in this
19 subsection, "full-day program" means a program that provides
20 supplementary child care that totals at least 10 hours of
21 programming per day.

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

1 those children.

2 Sec. 39a. (1) From the federal funds appropriated in section
3 11, there is allocated for ~~2012-2013-2013-2014~~ to districts,
4 intermediate districts, and other eligible entities all available
5 federal funding, estimated at ~~\$812,328,500.00,~~ **\$811,828,500.00**, for
6 the federal programs under the no child left behind act of 2001,
7 Public Law 107-110. These funds are allocated as follows:

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

12 ~~— (b) An amount estimated at \$250,000.00 for the purpose of~~
13 ~~improving teaching and learning through a more effective use of~~
14 ~~technology, funded from DED-OESE, educational technology state~~
15 ~~grant funds.~~

16 **(B)** ~~(e)~~ An amount estimated at \$111,111,900.00 for the purpose
17 of preparing, training, and recruiting high-quality teachers and
18 class size reduction, funded from DED-OESE, improving teacher
19 quality funds.

20 **(C)** ~~(d)~~ An amount estimated at \$12,200,000.00 for programs to
21 teach English to limited English proficient (LEP) children, funded
22 from DED-OESE, language acquisition state grant funds.

23 **(D)** ~~(e)~~ An amount estimated at \$10,286,500.00 for the Michigan
24 charter school subgrant program, funded from DED-OESE, charter
25 school funds.

26 **(E)** ~~(f)~~ An amount estimated at \$2,393,500.00 for rural and low
27 income schools, funded from DED-OESE, rural and low income school

1 funds.

2 (F) ~~(g)~~—An amount estimated at \$591,500,000.00 to provide
3 supplemental programs to enable educationally disadvantaged
4 children to meet challenging academic standards, funded from DED-
5 OESE, title I, disadvantaged children funds.

6 ~~—(h) An amount estimated at \$250,000.00 for the purpose of~~
7 ~~providing unified family literacy programs, funded from DED-OESE,~~
8 ~~title I, even start funds.~~

9 (G) ~~(i)~~—An amount estimated at \$8,878,000.00 for the purpose
10 of identifying and serving migrant children, funded from DED-OESE,
11 title I, migrant education funds.

12 (H) ~~(j)~~—An amount estimated at \$40,050,000.00 for the purpose
13 of providing high-quality extended learning opportunities, after
14 school and during the summer, for children in low-performing
15 schools, funded from DED-OESE, twenty-first century community
16 learning center funds.

17 (I) ~~(k)~~—An amount estimated at \$24,600,000.00 to help support
18 local school improvement efforts, funded from DED-OESE, title I,
19 local school improvement grants.

20 (2) From the federal funds appropriated in section 11, there
21 is allocated for ~~2012-2013-2013-2014~~ to districts, intermediate
22 districts, and other eligible entities all available federal
23 funding, estimated at ~~\$33,514,100.00~~ **\$31,700,000.00** for the
24 following programs that are funded by federal grants:

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

(b) An amount estimated at ~~\$1,814,100.00~~ **\$2,600,000.00** to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

~~—— (c) An amount estimated at \$2,600,000.00 for serve America grants, funded from the corporation for national and community service funds.~~

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

(3) To the extent allowed under federal law, the funds allocated under subsection ~~(1) (g), (h), and (k)~~ **(1) (F) AND (I)** may be used for 1 or more reading improvement programs that meet at least 1 of the following:

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

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

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

(d) A structured mentoring-tutorial reading program for pupils

1 in preschool to grade 4 that is a research-based, validated program
2 that develops individualized educational plans based on each
3 pupil's age, assessed needs, reading level, interests, and learning
4 style.

5 (4) All federal funds allocated under this section shall be
6 distributed in accordance with federal law and with flexibility
7 provisions outlined in Public Law 107-116, and in the education
8 flexibility partnership act of 1999, Public Law 106-25.

9 Notwithstanding section 17b, payments of federal funds to
10 districts, intermediate districts, and other eligible entities
11 under this section shall be paid on a schedule determined by the
12 department.

13 (5) For the purposes of applying for federal grants
14 appropriated under this article, the department shall allow an
15 intermediate district to submit a consortium application on behalf
16 of 2 or more districts with the agreement of those districts as
17 appropriate according to federal rules and guidelines.

18 (6) As used in this section:

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

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

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

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

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

1 SEC. 41. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
 2 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,200,000.00 FOR 2013-2014 TO
 3 APPLICANT DISTRICTS AND INTERMEDIATE DISTRICTS OFFERING PROGRAMS OF
 4 INSTRUCTION FOR PUPILS OF LIMITED ENGLISH-SPEAKING ABILITY UNDER
 5 SECTION 1153 OF THE REVISED SCHOOL CODE, MCL 380.1153. SUBJECT TO
 6 SUBSECTION (2), REIMBURSEMENT SHALL BE ON A PER-PUPIL BASIS AND
 7 SHALL BE BASED ON THE NUMBER OF PUPILS OF LIMITED ENGLISH-SPEAKING
 8 ABILITY IN MEMBERSHIP ON THE PUPIL MEMBERSHIP COUNT DAY. FUNDS
 9 ALLOCATED UNDER THIS SECTION SHALL BE USED SOLELY FOR INSTRUCTION
 10 IN SPEAKING, READING, WRITING, OR COMPREHENSION OF ENGLISH. A PUPIL
 11 SHALL NOT BE COUNTED UNDER THIS SECTION OR INSTRUCTED IN A PROGRAM
 12 UNDER THIS SECTION FOR MORE THAN 3 YEARS.

13 (2) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT RECEIVE
 14 FUNDS UNDER THIS SECTION IF IT ALLOWS PUPILS TO PARTICIPATE IN THE
 15 PROGRAM OF INSTRUCTION WHO ARE NOT RESIDING IN THE UNITED STATES
 16 LEGALLY.

17 Sec. 51a. (1) From the appropriation in section 11, there is
 18 allocated ~~for 2011-2012 an amount not to exceed \$956,769,100.00 and~~
 19 ~~there is allocated an amount not to exceed \$996,269,100.00~~
 20 \$952,569,100.00 for 2012-2013 **AND THERE IS ALLOCATED AN AMOUNT NOT**
 21 **TO EXCEED \$980,446,100.00 FOR 2013-2014** from state sources and all
 22 available federal funding under sections 611 to 619 of part B of
 23 the individuals with disabilities education act, 20 USC 1411 to
 24 1419, estimated at ~~\$363,400,000.00 for 2011-2012 and estimated at~~
 25 \$365,000,000.00 for 2012-2013, **AND ESTIMATED AT \$370,000,000.00 FOR**
 26 **2013-2014**, plus any carryover federal funds from previous year
 27 appropriations. The allocations under this subsection are for the

1 purpose of reimbursing districts and intermediate districts for
2 special education programs, services, and special education
3 personnel as prescribed in article 3 of the revised school code,
4 MCL 380.1701 to 380.1766; net tuition payments made by intermediate
5 districts to the Michigan schools for the deaf and blind; and
6 special education programs and services for pupils who are eligible
7 for special education programs and services according to statute or
8 rule. For meeting the costs of special education programs and
9 services not reimbursed under this article, a district or
10 intermediate district may use money in general funds or special
11 education funds, not otherwise restricted, or contributions from
12 districts to intermediate districts, tuition payments, gifts and
13 contributions from individuals or other entities, or federal funds
14 that may be available for this purpose, as determined by the
15 intermediate district plan prepared pursuant to article 3 of the
16 revised school code, MCL 380.1701 to 380.1766. All federal funds
17 allocated under this section in excess of those allocated under
18 this section for 2002-2003 may be distributed in accordance with
19 the flexible funding provisions of the individuals with
20 disabilities education act, Public Law 108-446, including, but not
21 limited to, 34 CFR 300.206 and 300.208. Notwithstanding section
22 17b, payments of federal funds to districts, intermediate
23 districts, and other eligible entities under this section shall be
24 paid on a schedule determined by the department.

25 (2) From the funds allocated under subsection (1), there is
26 allocated the amount necessary, estimated at ~~\$247,500,000.00 for~~
27 ~~2011-2012 and estimated at \$257,400,000.00~~ **\$251,000,000.00** for

1 2012-2013, **AND ESTIMATED AT \$257,800,000.00 FOR 2013-2014**, for
2 payments toward reimbursing districts and intermediate districts
3 for 28.6138% of total approved costs of special education,
4 excluding costs reimbursed under section 53a, and 70.4165% of total
5 approved costs of special education transportation. Allocations
6 under this subsection shall be made as follows:

7 (a) The initial amount allocated to a district under this
8 subsection toward fulfilling the specified percentages shall be
9 calculated by multiplying the district's special education pupil
10 membership, excluding pupils described in subsection (11), times
11 the foundation allowance under section 20 of the pupil's district
12 of residence, not to exceed the basic foundation allowance under
13 section 20 for the current fiscal year, or, for a special education
14 pupil in membership in a district that is a public school academy,
15 times an amount equal to the amount per membership pupil calculated
16 under section 20(6) or, for a pupil described in this subsection
17 who is counted in membership in the education achievement system,
18 times an amount equal to the amount per membership pupil under
19 section 20(7). For an intermediate district, the amount allocated
20 under this subdivision toward fulfilling the specified percentages
21 shall be an amount per special education membership pupil,
22 excluding pupils described in subsection (11), and shall be
23 calculated in the same manner as for a district, using the
24 foundation allowance under section 20 of the pupil's district of
25 residence, not to exceed the basic foundation allowance under
26 section 20 for the current fiscal year.

27 (b) After the allocations under subdivision (a), districts and

1 intermediate districts for which the payments calculated under
2 subdivision (a) do not fulfill the specified percentages shall be
3 paid the amount necessary to achieve the specified percentages for
4 the district or intermediate district.

5 (3) From the funds allocated under subsection (1), there is
6 allocated each fiscal year ~~for 2011-2012 and for 2012-2013~~ **AND FOR**
7 **2013-2014** an amount not to exceed \$1,000,000.00 to make payments to
8 districts and intermediate districts under this subsection. If the
9 amount allocated to a district or intermediate district for a
10 fiscal year under subsection (2)(b) is less than the sum of the
11 amounts allocated to the district or intermediate district for
12 1996-97 under sections 52 and 58, there is allocated to the
13 district or intermediate district for the fiscal year an amount
14 equal to that difference, adjusted by applying the same proration
15 factor that was used in the distribution of funds under section 52
16 in 1996-97 as adjusted to the district's or intermediate district's
17 necessary costs of special education used in calculations for the
18 fiscal year. This adjustment is to reflect reductions in special
19 education program operations or services between 1996-97 and
20 subsequent fiscal years. Adjustments for reductions in special
21 education program operations or services shall be made in a manner
22 determined by the department and shall include adjustments for
23 program or service shifts.

24 (4) If the department determines that the sum of the amounts
25 allocated for a fiscal year to a district or intermediate district
26 under subsection (2)(a) and (b) is not sufficient to fulfill the
27 specified percentages in subsection (2), then the shortfall shall

1 be paid to the district or intermediate district during the fiscal
2 year beginning on the October 1 following the determination and
3 payments under subsection (3) shall be adjusted as necessary. If
4 the department determines that the sum of the amounts allocated for
5 a fiscal year to a district or intermediate district under
6 subsection (2)(a) and (b) exceeds the sum of the amount necessary
7 to fulfill the specified percentages in subsection (2), then the
8 department shall deduct the amount of the excess from the
9 district's or intermediate district's payments under this article
10 for the fiscal year beginning on the October 1 following the
11 determination and payments under subsection (3) shall be adjusted
12 as necessary. However, if the amount allocated under subsection
13 (2)(a) in itself exceeds the amount necessary to fulfill the
14 specified percentages in subsection (2), there shall be no
15 deduction under this subsection.

16 (5) State funds shall be allocated on a total approved cost
17 basis. Federal funds shall be allocated under applicable federal
18 requirements, except that an amount not to exceed \$3,500,000.00 may
19 be allocated by the department each fiscal year ~~for 2011-2012 and~~
20 for 2012-2013 **AND FOR 2013-2014** to districts, intermediate
21 districts, or other eligible entities on a competitive grant basis
22 for programs, equipment, and services that the department
23 determines to be designed to benefit or improve special education
24 on a statewide scale.

25 (6) From the amount allocated in subsection (1), there is
26 allocated an amount not to exceed \$2,200,000.00 each fiscal year
27 ~~for 2011-2012 and for 2012-2013~~ **AND FOR 2013-2014** to reimburse 100%

1 of the net increase in necessary costs incurred by a district or
2 intermediate district in implementing the revisions in the
3 administrative rules for special education that became effective on
4 July 1, 1987. As used in this subsection, "net increase in
5 necessary costs" means the necessary additional costs incurred
6 solely because of new or revised requirements in the administrative
7 rules minus cost savings permitted in implementing the revised
8 rules. Net increase in necessary costs shall be determined in a
9 manner specified by the department.

10 (7) For purposes of sections 51a to 58, all of the following
11 apply:

12 (a) "Total approved costs of special education" shall be
13 determined in a manner specified by the department and may include
14 indirect costs, but shall not exceed 115% of approved direct costs
15 for section 52 and section 53a programs. The total approved costs
16 include salary and other compensation for all approved special
17 education personnel for the program, including payments for social
18 security and medicare and public school employee retirement system
19 contributions. The total approved costs do not include salaries or
20 other compensation paid to administrative personnel who are not
21 special education personnel as defined in section 6 of the revised
22 school code, MCL 380.6. Costs reimbursed by federal funds, other
23 than those federal funds included in the allocation made under this
24 article, are not included. Special education approved personnel not
25 utilized full time in the evaluation of students or in the delivery
26 of special education programs, ancillary, and other related
27 services shall be reimbursed under this section only for that

1 portion of time actually spent providing these programs and
2 services, with the exception of special education programs and
3 services provided to youth placed in child caring institutions or
4 juvenile detention programs approved by the department to provide
5 an on-grounds education program.

6 (b) Beginning with the 2004-2005 fiscal year, a district or
7 intermediate district that employed special education support
8 services staff to provide special education support services in
9 2003-2004 or in a subsequent fiscal year and that in a fiscal year
10 after 2003-2004 receives the same type of support services from
11 another district or intermediate district shall report the cost of
12 those support services for special education reimbursement purposes
13 under this article. This subdivision does not prohibit the transfer
14 of special education classroom teachers and special education
15 classroom aides if the pupils counted in membership associated with
16 those special education classroom teachers and special education
17 classroom aides are transferred and counted in membership in the
18 other district or intermediate district in conjunction with the
19 transfer of those teachers and aides.

20 (c) If the department determines before bookclosing for a
21 fiscal year that the amounts allocated for that fiscal year under
22 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
23 will exceed expenditures for that fiscal year under subsections
24 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
25 district or intermediate district whose reimbursement for that
26 fiscal year would otherwise be affected by subdivision (b),
27 subdivision (b) does not apply to the calculation of the

1 reimbursement for that district or intermediate district and
2 reimbursement for that district or intermediate district shall be
3 calculated in the same manner as it was for 2003-2004. If the
4 amount of the excess allocations under subsections (2), (3), (6),
5 and (11) and sections 53a, 54, and 56 is not sufficient to fully
6 fund the calculation of reimbursement to those districts and
7 intermediate districts under this subdivision, then the
8 calculations and resulting reimbursement under this subdivision
9 shall be prorated on an equal percentage basis. This reimbursement
10 shall not be made after 2014-2015.

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

23 (e) Beginning with calculations for 2004-2005, if an
24 intermediate district purchases a special education pupil
25 transportation service from a constituent district that was
26 previously purchased from a private entity; if the purchase from
27 the constituent district is at a lower cost, adjusted for changes

1 in fuel costs; and if the cost shift from the intermediate district
2 to the constituent does not result in any net change in the revenue
3 the constituent district receives from payments under sections 22b
4 and 51c, then upon application by the intermediate district, the
5 department shall direct the intermediate district to continue to
6 report the cost associated with the specific identified special
7 education pupil transportation service and shall adjust the costs
8 reported by the constituent district to remove the cost associated
9 with that specific service.

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

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

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

27 (11) From the funds allocated in subsection (1), there is

1 allocated the amount necessary, estimated at ~~\$5,300,000.00~~ for
2 ~~2011-2012 and estimated at \$5,600,000.00~~ **\$4,300,000.00** for 2012-
3 2013, **AND ESTIMATED AT \$4,300,000.00 FOR 2013-2014**, to pay the
4 foundation allowances for pupils described in this subsection. The
5 allocation to a district under this subsection shall be calculated
6 by multiplying the number of pupils described in this subsection
7 who are counted in membership in the district times the foundation
8 allowance under section 20 of the pupil's district of residence,
9 not to exceed the basic foundation allowance under section 20 for
10 the current fiscal year, or, for a pupil described in this
11 subsection who is counted in membership in a district that is a
12 public school academy, times an amount equal to the amount per
13 membership pupil under section 20(6) or, for a pupil described in
14 this subsection who is counted in membership in the education
15 achievement system, times an amount equal to the amount per
16 membership pupil under section 20(7). The allocation to an
17 intermediate district under this subsection shall be calculated in
18 the same manner as for a district, using the foundation allowance
19 under section 20 of the pupil's district of residence, not to
20 exceed the basic foundation allowance under section 20 for the
21 current fiscal year. This subsection applies to all of the
22 following pupils:

23 (a) Pupils described in section 53a.

24 (b) Pupils counted in membership in an intermediate district
25 who are not special education pupils and are served by the
26 intermediate district in a juvenile detention or child caring
27 facility.

1 (c) Pupils with an emotional impairment counted in membership
2 by an intermediate district and provided educational services by
3 the department of community health.

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

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

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

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

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

16 (e) 100% of the payments under section 56.

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

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

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

11 Sec. 51b. A district or intermediate district shall not
12 receive funds under ~~this article~~ **SECTION 51A** unless the district or
13 intermediate district complies with rules promulgated under article
14 3 of the revised school code, being sections 380.1701 to 380.1766
15 of the Michigan Compiled Laws.

16 Sec. 51c. As required by the court in the consolidated cases
17 known as Durant v State of Michigan, Michigan supreme court docket
18 no. 104458-104492, from the allocation under section 51a(1), there
19 is allocated each fiscal year ~~for 2011-2012 and for 2012-2013~~ **AND**
20 **FOR 2013-2014** the amount necessary, estimated at ~~\$648,700,000.00~~
21 ~~for 2011-2012 and estimated at \$678,000,000.00~~ **\$642,000,000.00** for
22 2012-2013, **AND ESTIMATED AT \$662,200,000.00 FOR 2013-2014**, for
23 payments to reimburse districts for 28.6138% of total approved
24 costs of special education excluding costs reimbursed under section
25 53a, and 70.4165% of total approved costs of special education
26 transportation. Funds allocated under this section that are not
27 expended in the state fiscal year for which they were allocated, as

1 determined by the department, may be used to supplement the
2 allocations under sections 22a and 22b in order to fully fund those
3 calculated allocations for the same fiscal year.

4 Sec. 51d. (1) From the federal funds appropriated in section
5 11, there is allocated for ~~each fiscal year 2011-2012 and for 2012-~~
6 ~~2013-2013-2014~~ all available federal funding, estimated at
7 \$74,000,000.00, ~~each fiscal year,~~ for special education programs
8 that are funded by federal grants. All federal funds allocated
9 under this section shall be distributed in accordance with federal
10 law. 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 federal funds allocated under subsection (1), the
15 following amounts are allocated ~~each fiscal year for 2011-2012 and~~
16 ~~for 2012-2013:~~ **FOR 2013-2014:**

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

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

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

26 (3) As used in this section, "DED-OSERS" means the United
27 States department of education office of special education and

1 rehabilitative services.

2 Sec. 53a. (1) For districts, reimbursement for pupils
3 described in subsection (2) shall be 100% of the total approved
4 costs of operating special education programs and services approved
5 by the department and included in the intermediate district plan
6 adopted pursuant to article 3 of the revised school code, MCL
7 380.1701 to 380.1766, minus the district's foundation allowance
8 calculated under section 20. For intermediate districts,
9 reimbursement for pupils described in subsection (2) shall be
10 calculated in the same manner as for a district, using the
11 foundation allowance under section 20 of the pupil's district of
12 residence, not to exceed the basic foundation allowance under
13 section 20 for the current fiscal year.

14 (2) Reimbursement under subsection (1) is for the following
15 special education pupils:

16 (a) Pupils assigned to a district or intermediate district
17 through the community placement program of the courts or a state
18 agency, if the pupil was a resident of another intermediate
19 district at the time the pupil came under the jurisdiction of the
20 court or a state agency.

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

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

26 (d) Pupils enrolled in a department-approved on-grounds
27 educational program longer than 180 days, but not longer than 233

1 days, at a residential child care institution, if the child care
2 institution offered in 1991-92 an on-grounds educational program
3 longer than 180 days but not longer than 233 days.

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

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

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

14 (5) Not more than \$13,500,000.00 of the allocation for ~~2011-~~
15 ~~2012 and for 2012-2013-2013-2014~~ in section 51a(1) shall be
16 allocated ~~for each fiscal year~~ under this section.

17 Sec. 54. Each intermediate district shall receive an amount
18 per pupil for each pupil in attendance at the Michigan schools for
19 the deaf and blind. The amount shall be proportionate to the total
20 instructional cost at each school. Not more than \$1,688,000.00 of
21 the allocation for ~~2012-2013-2013-2014~~ in section 51a(1) shall be
22 allocated under this section.

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

24 (a) "Membership" means for a particular fiscal year the total
25 membership for the immediately preceding fiscal year of the
26 intermediate district and the districts constituent to the
27 intermediate district.

1 (b) "Millage levied" means the millage levied for special
2 education pursuant to part 30 of the revised school code, MCL
3 380.1711 to 380.1743, including a levy for debt service
4 obligations.

5 (c) "Taxable value" means the total taxable value of the
6 districts constituent to an intermediate district, except that if a
7 district has elected not to come under part 30 of the revised
8 school code, MCL 380.1711 to 380.1743, membership and taxable value
9 of the district shall not be included in the membership and taxable
10 value of the intermediate district.

11 (2) From the allocation under section 51a(1), there is
12 allocated an amount not to exceed ~~\$36,881,100.00 for 2012-2013~~
13 **\$37,758,100.00 FOR 2013-2014** to reimburse intermediate districts
14 levying millages for special education pursuant to part 30 of the
15 revised school code, MCL 380.1711 to 380.1743. The purpose, use,
16 and expenditure of the reimbursement shall be limited as if the
17 funds were generated by these millages and governed by the
18 intermediate district plan adopted pursuant to article 3 of the
19 revised school code, MCL 380.1701 to 380.1766. As a condition of
20 receiving funds under this section, an intermediate district
21 distributing any portion of special education millage funds to its
22 constituent districts shall submit for departmental approval and
23 implement a distribution plan.

24 (3) Reimbursement for those millages levied in ~~2010-2011-2012-~~
25 ~~2013~~ shall be made in ~~2011-2012-2013-2014~~ at an amount per ~~2010-~~
26 ~~2011-2012-2013~~ membership pupil computed by subtracting from
27 ~~\$174,700.00~~ **\$169,900.00** the ~~2010-2011-2012-2013~~ taxable value

1 behind each membership pupil and multiplying the resulting
2 difference by the ~~2010-2011~~-**2012-2013** millage levied.

3 ~~—— (4) For 2012-2013 only, reimbursement to each intermediate~~
4 ~~district shall be equal to its reimbursement under this section for~~
5 ~~2011-2012.~~

6 (4) THE AMOUNT PAID TO A SINGLE INTERMEDIATE DISTRICT UNDER
7 THIS SECTION SHALL NOT EXCEED 62.9% OF THE TOTAL AMOUNT ALLOCATED
8 UNDER SUBSECTION (2).

9 (5) THE AMOUNT PAID TO A SINGLE INTERMEDIATE DISTRICT UNDER
10 THIS SECTION SHALL NOT BE LESS THAN 75% OF THE AMOUNT ALLOCATED TO
11 THE INTERMEDIATE DISTRICT UNDER THIS SECTION FOR THE IMMEDIATELY
12 PRECEDING FISCAL YEAR.

13 Sec. 61a. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed \$26,611,300.00 for ~~2012-2013~~
15 **2013-2014** to reimburse on an added cost basis districts, except for
16 a district that served as the fiscal agent for a vocational
17 education consortium in the 1993-94 school year, and secondary area
18 vocational-technical education centers for secondary-level career
19 and technical education programs according to rules approved by the
20 superintendent. Applications for participation in the programs
21 shall be submitted in the form prescribed by the department. The
22 department shall determine the added cost for each career and
23 technical education program area. The allocation of added cost
24 funds shall be based on the type of career and technical education
25 programs provided, the number of pupils enrolled, and the length of
26 the training period provided, and shall not exceed 75% of the added
27 cost of any program. With the approval of the department, the board

1 of a district maintaining a secondary career and technical
2 education program may offer the program for the period from the
3 close of the school year until September 1. The program shall use
4 existing facilities and shall be operated as prescribed by rules
5 promulgated by the superintendent.

6 (2) Except for a district that served as the fiscal agent for
7 a vocational education consortium in the 1993-94 school year,
8 districts and intermediate districts shall be reimbursed for local
9 career and technical education administration, shared time career
10 and technical education administration, and career education
11 planning district career and technical education administration.
12 The definition of what constitutes administration and reimbursement
13 shall be pursuant to guidelines adopted by the superintendent. Not
14 more than \$800,000.00 of the allocation in subsection (1) shall be
15 distributed under this subsection.

16 (3) IN ADDITION TO THE FUNDS ALLOCATED IN SUBSECTION (1), FROM
17 THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT
18 TO EXCEED \$1,000,000.00 FOR 2013-2014 TO DISTRICTS OR INTERMEDIATE
19 DISTRICTS FOR AREA CAREER AND TECHNICAL EDUCATION CENTERS FOR THE
20 PURPOSE OF INTEGRATING THE MICHIGAN MERIT CURRICULUM CONTENT
21 STANDARDS UNDER SECTIONS 1278A AND 1278B OF THE REVISED SCHOOL
22 CODE, MCL 380.1278A AND 380.1278B, INTO STATE-APPROVED CAREER AND
23 TECHNICAL EDUCATION INSTRUCTIONAL PROGRAMS FOR THE PURPOSE OF
24 AWARDED ACADEMIC CREDIT. THE DEPARTMENT SHALL DETERMINE THE
25 ALLOCATION TO EACH CAREER AND TECHNICAL EDUCATION CENTER IN A
26 MANNER THAT PROVIDES FOR MAXIMUM INTEGRATION OF MICHIGAN MERIT
27 CURRICULUM CONTENT STANDARDS STATEWIDE.

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

2 (a) "Membership" means for a particular fiscal year the total
3 membership for the immediately preceding fiscal year of the
4 intermediate district and the districts constituent to the
5 intermediate district or the total membership for the immediately
6 preceding fiscal year of the area vocational-technical program.

7 (b) "Millage levied" means the millage levied for area
8 vocational-technical education pursuant to sections 681 to 690 of
9 the revised school code, MCL 380.681 to 380.690, including a levy
10 for debt service obligations incurred as the result of borrowing
11 for capital outlay projects and in meeting capital projects fund
12 requirements of area vocational-technical education.

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

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

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

6 (2) From the appropriation in section 11, there is allocated
 7 an amount not to exceed ~~\$9,000,000.00 for 2012-2013~~ **\$9,190,000.00**
 8 **FOR 2013-2014** to reimburse intermediate districts and area
 9 vocational-technical education programs established under section
 10 690(3) of the revised school code, MCL 380.690, levying millages
 11 for area vocational-technical education pursuant to sections 681 to
 12 690 of the revised school code, MCL 380.681 to 380.690. The
 13 purpose, use, and expenditure of the reimbursement shall be limited
 14 as if the funds were generated by those millages.

15 (3) Reimbursement for the millages levied in ~~2010-2011-2012-~~
 16 ~~2013~~ shall be made in ~~2011-2012-2013-2014~~ at an amount per ~~2010-~~
 17 ~~2011-2012-2013~~ membership pupil computed by subtracting from
 18 ~~\$190,400.00~~ **\$186,500.00** the ~~2010-2011-2012-2013~~ taxable value
 19 behind each membership pupil and multiplying the resulting
 20 difference by the ~~2010-2011-2012-2013~~ millage levied.

21 ~~—— (4) For 2012-2013 only, reimbursements to each intermediate~~
 22 ~~district shall be equal to its reimbursement under this section for~~
 23 ~~2011-2012.~~

24 (4) **THE AMOUNT PAID TO A SINGLE INTERMEDIATE DISTRICT UNDER**
 25 **THIS SECTION SHALL NOT EXCEED 38.4% OF THE TOTAL AMOUNT ALLOCATED**
 26 **UNDER SUBSECTION (2).**

27 (5) **THE AMOUNT PAID TO A SINGLE INTERMEDIATE DISTRICT UNDER**

1 THIS SECTION SHALL NOT BE LESS THAN 75% OF THE AMOUNT ALLOCATED TO
2 THE INTERMEDIATE DISTRICT UNDER THIS SECTION FOR THE IMMEDIATELY
3 PRECEDING FISCAL YEAR.

4 SEC. 64A. FROM THE APPROPRIATION IN SECTION 11, THERE IS
5 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2013-2014 TO
6 DISTRICTS OR INTERMEDIATE DISTRICTS FOR THE PURPOSE OF ESTABLISHING
7 PARTNERSHIPS BETWEEN HIGH SCHOOLS, EARLY OR MIDDLE COLLEGES, AND
8 PUBLIC COLLEGES AND UNIVERSITIES THAT DEVELOP STATEWIDE TRANSFER OR
9 ARTICULATION AGREEMENTS TO ENSURE POSTSECONDARY CREDIT EARNED
10 DURING HIGH SCHOOL IS INCLUDED IN TRANSCRIPTS AND IS TRANSFERABLE
11 TO POSTSECONDARY INSTITUTIONS. THE DEPARTMENT SHALL DISTRIBUTE
12 FUNDS UNDER THIS SECTION TO DISTRICTS OR INTERMEDIATE DISTRICTS IN
13 A MANNER AND FORM DETERMINED BY THE DEPARTMENT.

14 Sec. 74. (1) From the amount appropriated in section 11, there
15 is allocated an amount not to exceed ~~\$3,259,900.00 for 2012-2013~~
16 **\$3,299,000.00 FOR 2013-2014** for the purposes of this section.

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

1 Reimbursement compensating the driver during the course of
2 instruction shall be made by the department to the college or
3 university or intermediate district providing the course of
4 instruction.

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

12 (4) From the funds allocated in subsection (1), there is
13 allocated an amount not to exceed ~~\$1,634,900.00 for 2012-2013~~
14 **\$1,674,000.00 FOR 2013-2014** for reimbursement to districts and
15 intermediate districts for costs associated with the inspection of
16 school buses and pupil transportation vehicles by the department of
17 state police as required under section 715a of the Michigan vehicle
18 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
19 transportation act, 1990 PA 187, MCL 257.1839. The department of
20 state police shall prepare a statement of costs attributable to
21 each district for which bus inspections are provided and submit it
22 to the department and to an intermediate district serving as
23 fiduciary in a time and manner determined jointly by the department
24 and the department of state police. Upon review and approval of the
25 statement of cost, the department shall forward to the designated
26 intermediate district serving as fiduciary the amount of the
27 reimbursement on behalf of each district and intermediate district

1 for costs detailed on the statement within 45 days after receipt of
2 the statement. The designated intermediate district shall make
3 payment in the amount specified on the statement to the department
4 of state police within 45 days after receipt of the statement. The
5 total reimbursement of costs under this subsection shall not exceed
6 the amount allocated under this subsection. Notwithstanding section
7 17b, payments to eligible entities under this subsection shall be
8 paid on a schedule prescribed by the department.

9 Sec. 81. (1) Except as otherwise provided in this section,
10 from the appropriation in section 11, there is allocated **EACH**
11 **FISCAL YEAR** for 2012-2013 **AND FOR 2013-2014** to the intermediate
12 districts the sum necessary, but not to exceed ~~\$64,108,000.00,~~
13 **\$64,115,100.00 EACH FISCAL YEAR,** to provide state aid to
14 intermediate districts under this section.

15 (2) From the allocation in subsection (1), there is allocated
16 an amount not to exceed \$62,108,000.00 for allocations to each
17 intermediate district for 2012-2013 in an amount equal to 100% of
18 the amount allocated to the intermediate district under this
19 subsection for 2011-2012. **FROM THE ALLOCATION IN SUBSECTION (1),**
20 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$62,108,000.00 FOR**
21 **ALLOCATIONS TO EACH INTERMEDIATE DISTRICT FOR 2013-2014 IN AN**
22 **AMOUNT EQUAL TO 100.0% OF THE AMOUNT ALLOCATED TO THE INTERMEDIATE**
23 **DISTRICT UNDER THIS SUBSECTION FOR 2012-2013.** Funding provided
24 under this section shall be used to comply with requirements of
25 this article and the revised school code that are applicable to
26 intermediate districts, and for which funding is not provided
27 elsewhere in this article, and to provide technical assistance to

1 districts as authorized by the intermediate school board.

2 (3) Intermediate districts receiving funds under subsection
3 (2) shall collaborate with the department to develop expanded
4 professional development opportunities for teachers to update and
5 expand their knowledge and skills needed to support the Michigan
6 merit curriculum.

7 (4) From the allocation in subsection (1), there is allocated
8 to an intermediate district, formed by the consolidation or
9 annexation of 2 or more intermediate districts or the attachment of
10 a total intermediate district to another intermediate school
11 district or the annexation of all of the constituent K-12 districts
12 of a previously existing intermediate school district which has
13 disorganized, an additional allotment of \$3,500.00 each fiscal year
14 for each intermediate district included in the new intermediate
15 district for 3 years following consolidation, annexation, or
16 attachment. **FROM THE ALLOCATION IN SUBSECTION (1), THERE IS**
17 **ALLOCATED \$7,000.00 FOR PURPOSES OF THIS SUBSECTION FOR 2012-2013,**
18 **FOR 2013-2014, AND FOR 2014-2015, AFTER WHICH THE PAYMENT UNDER**
19 **THIS SUBSECTION WILL CEASE.**

20 ~~—— (5) During a fiscal year, the department shall not increase an~~
21 ~~intermediate district's allocation under subsection (1) because of~~
22 ~~an adjustment made by the department during the fiscal year in the~~
23 ~~intermediate district's taxable value for a prior year. Instead,~~
24 ~~the department shall report the adjustment and the estimated amount~~
25 ~~of the increase to the house and senate fiscal agencies and the~~
26 ~~state budget director not later than June 1 of the fiscal year, and~~
27 ~~the legislature shall appropriate money for the adjustment in the~~

1 ~~next succeeding fiscal year.~~

2 (5) ~~(6)~~—In order to receive funding under subsection (2), an
3 intermediate district shall do all of the following:

4 (a) Demonstrate to the satisfaction of the department that the
5 intermediate district employs at least 1 person who is trained in
6 pupil accounting and auditing procedures, rules, and regulations.

7 (b) Demonstrate to the satisfaction of the department that the
8 intermediate district employs at least 1 person who is trained in
9 rules, regulations, and district reporting procedures for the
10 individual-level student data that serves as the basis for the
11 calculation of the district and high school graduation and dropout
12 rates.

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

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

18 (e) Comply with section 1230g of the revised school code, MCL
19 380.1230g.

20 (f) Comply with section 761 of the revised school code, MCL
21 380.761.

22 (6) ~~(7)~~—From the allocation in subsection (1), there is
23 allocated an amount not to exceed \$2,000,000.00 for 2012-2013 for
24 an incentive payment to each intermediate district that meets best
25 practices as determined by the department under this subsection.
26 The amount of the incentive payment is an amount equal to 3.2% of
27 the amount allocated to the intermediate district under subsection

1 (2). An intermediate district is eligible for an incentive payment
2 under this subsection if the intermediate district satisfies at
3 least 4 of the following requirements not later than June 1, 2013:

4 (a) The intermediate district enters into an agreement with
5 the department to do all of the following:

6 (i) Develop a service consolidation plan in 2012-2013 to reduce
7 operating costs that is in compliance with guidelines that were
8 developed by the department for former section 11d as that section
9 was in effect for 2010-2011.

10 (ii) Implement the service consolidation plan in 2013-2014 and
11 report to the department not later than February 1, 2014 on the
12 intermediate district's progress in implementing the service
13 consolidation plan.

14 (b) The intermediate district has obtained competitive bids on
15 the provision of 1 or more noninstructional services for the
16 intermediate district or its constituent districts with a value of
17 at least \$50,000.00.

18 (c) The intermediate district develops a technology plan in
19 accordance with department policy on behalf of all constituent
20 districts within the intermediate district that integrates
21 technology into the classroom and prepares teachers to use digital
22 technologies as part of the instructional program of each of its
23 constituent districts.

24 (d) The intermediate district provides to parents and
25 community members a dashboard or report card demonstrating the
26 intermediate district's efforts to manage its finances responsibly.
27 The dashboard or report card shall include at least all of the

1 following for the 3 most recent school years for which the data are
2 available:

3 (i) A list of services offered by the intermediate district
4 that are shared by other local or intermediate districts and a list
5 of the districts or intermediate districts that participate.

6 (ii) The total cost savings to local or other intermediate
7 districts that share services with the intermediate district.

8 (iii) The number and percentage of teachers in the intermediate
9 district service area that are trained to integrate technology into
10 the classroom.

11 (iv) The total funds received from levying special education
12 and vocational education millages, and the number of special
13 education and vocational education pupils served with those
14 dollars.

15 (v) The number and percentage of individualized education
16 programs developed for special education pupils that contain
17 academic goals.

18 (e) The intermediate district works in a consortium with 1 or
19 more other intermediate districts to develop information management
20 system requirements and bid specifications that can be used as
21 statewide models. At a minimum, these specifications shall ~~address~~
22 **INCLUDE** pupil management systems for both general and special
23 education, learning management tools, and business services.

24 **(7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
25 **AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR 2013-2014 FOR AN**
26 **INCENTIVE PAYMENT TO EACH INTERMEDIATE DISTRICT THAT MEETS BEST**
27 **PRACTICES AS DETERMINED BY THE DEPARTMENT UNDER THIS SUBSECTION.**

1 THE AMOUNT OF THE INCENTIVE PAYMENT IS AN AMOUNT EQUAL TO 3.2% OF
2 THE AMOUNT ALLOCATED TO THE INTERMEDIATE DISTRICT UNDER SUBSECTION
3 (2). AN INTERMEDIATE DISTRICT IS ELIGIBLE FOR AN INCENTIVE PAYMENT
4 UNDER THIS SUBSECTION IF THE INTERMEDIATE DISTRICT SATISFIES AT
5 LEAST 5 OF THE FOLLOWING REQUIREMENTS NOT LATER THAN JUNE 1, 2014:

6 (A) THE INTERMEDIATE DISTRICT ENTERS INTO AN AGREEMENT WITH
7 THE DEPARTMENT TO COMPLY WITH ALL OF THE FOLLOWING:

8 (i) IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE
9 CONSOLIDATION PLAN IN 2012-2013, IMPLEMENT THE SERVICE
10 CONSOLIDATION PLAN IN 2013-2014 AND REPORT TO THE DEPARTMENT NOT
11 LATER THAN FEBRUARY 1, 2014 ON THE INTERMEDIATE DISTRICT'S PROGRESS
12 IN IMPLEMENTING THE SERVICE CONSOLIDATION PLAN.

13 (ii) IF THE INTERMEDIATE DISTRICT DID NOT DEVELOP A SERVICE
14 CONSOLIDATION PLAN IN 2012-2013, DEVELOP A SERVICE CONSOLIDATION
15 PLAN IN 2013-2014 TO REDUCE OPERATING COSTS THAT IS IN COMPLIANCE
16 WITH GUIDELINES THAT WERE DEVELOPED BY THE DEPARTMENT FOR FORMER
17 SECTION 11D AS THAT SECTION WAS IN EFFECT FOR 2010-2011.

18 (iii) IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE
19 CONSOLIDATION PLAN IN 2013-2014, IMPLEMENT THE SERVICE
20 CONSOLIDATION PLAN IN 2014-2015 AND REPORT TO THE DEPARTMENT NOT
21 LATER THAN FEBRUARY 1, 2015 ON THE INTERMEDIATE DISTRICT'S PROGRESS
22 IN IMPLEMENTING THE SERVICE CONSOLIDATION PLAN.

23 (iv) MAKE THE INTERMEDIATE DISTRICT'S SERVICE CONSOLIDATION
24 PLAN PUBLICLY AVAILABLE ON THE INTERMEDIATE DISTRICT'S WEBSITE.

25 (B) THE INTERMEDIATE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON
26 THE PROVISION OF 1 OR MORE NONINSTRUCTIONAL SERVICES FOR THE
27 INTERMEDIATE DISTRICT OR ITS CONSTITUENT DISTRICTS WITH A VALUE OF

1 AT LEAST \$50,000.00. THE UNFUNDED ACCRUED LIABILITY COSTS FOR
2 RETIREMENT AND OTHER BENEFITS SHALL BE EXCLUDED FROM THE
3 INTERMEDIATE DISTRICT'S CURRENT COSTS FOR THE PURPOSE OF COMPARING
4 COMPETITIVE BIDS TO THE CURRENT COSTS OF PROVIDING SERVICES.

5 (C) THE INTERMEDIATE DISTRICT DEVELOPS A TECHNOLOGY PLAN IN
6 ACCORDANCE WITH DEPARTMENT POLICY ON BEHALF OF ALL CONSTITUENT
7 DISTRICTS WITHIN THE INTERMEDIATE DISTRICT THAT INTEGRATES
8 TECHNOLOGY INTO THE CLASSROOM AND PREPARES TEACHERS TO USE DIGITAL
9 TECHNOLOGIES AS PART OF THE INSTRUCTIONAL PROGRAM OF EACH OF ITS
10 CONSTITUENT DISTRICTS. AN INTERMEDIATE DISTRICT THAT DEVELOPED A
11 TECHNOLOGY PLAN IN 2012-2013 SHALL BEGIN IMPLEMENTING THAT
12 TECHNOLOGY PLAN IN 2013-2014.

13 (D) THE INTERMEDIATE DISTRICT PROVIDES TO PARENTS AND
14 COMMUNITY MEMBERS A DASHBOARD OR REPORT CARD DEMONSTRATING THE
15 INTERMEDIATE DISTRICT'S EFFORTS TO MANAGE ITS FINANCES RESPONSIBLY.
16 THE DASHBOARD OR REPORT CARD SHALL INCLUDE REVENUE AND EXPENDITURE
17 PROJECTIONS FOR THE INTERMEDIATE DISTRICT FOR 2013-2014 AND 2014-
18 2015, A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY
19 PROJECT, INCLUDING ANTICIPATED 2013-2014 PAYMENT FOR EACH PROJECT,
20 A LISTING OF TOTAL OUTSTANDING DEBT, AND AT LEAST ALL OF THE
21 FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR WHICH THE DATA ARE
22 AVAILABLE:

23 (i) A LIST OF SERVICES OFFERED BY THE INTERMEDIATE DISTRICT
24 THAT ARE SHARED BY OTHER LOCAL OR INTERMEDIATE DISTRICTS AND A LIST
25 OF THE DISTRICTS OR INTERMEDIATE DISTRICTS THAT PARTICIPATE.

26 (ii) THE TOTAL COST SAVINGS TO LOCAL OR OTHER INTERMEDIATE
27 DISTRICTS THAT SHARE SERVICES WITH THE INTERMEDIATE DISTRICT.

1 (iii) THE NUMBER AND PERCENTAGE OF TEACHERS IN THE INTERMEDIATE
2 DISTRICT SERVICE AREA THAT ARE TRAINED TO INTEGRATE TECHNOLOGY INTO
3 THE CLASSROOM.

4 (iv) THE TOTAL FUNDS RECEIVED FROM LEVYING SPECIAL EDUCATION
5 AND VOCATIONAL EDUCATION MILLAGES, AND THE NUMBER OF SPECIAL
6 EDUCATION AND VOCATIONAL EDUCATION PUPILS SERVED WITH THOSE
7 DOLLARS.

8 (v) THE NUMBER AND PERCENTAGE OF INDIVIDUALIZED EDUCATION
9 PROGRAMS DEVELOPED FOR SPECIAL EDUCATION PUPILS THAT CONTAIN
10 ACADEMIC GOALS.

11 (E) THE INTERMEDIATE DISTRICT WORKS IN A CONSORTIUM WITH 1 OR
12 MORE OTHER INTERMEDIATE DISTRICTS AND THE CENTER TO DEVELOP LOCAL
13 INFORMATION MANAGEMENT SYSTEM REQUIREMENTS AND BID SPECIFICATIONS
14 THAT RESULT IN A RECOMMENDED MODEL INFORMATION SYSTEM THAT SUPPORTS
15 INTEROPERABILITY TO ENSURE LINKAGE AND CONNECTIVITY IN A MANNER
16 THAT FACILITATES THE EFFICIENT EXCHANGE OF DATA AMONG DISTRICTS,
17 INTERMEDIATE DISTRICTS, AND THE CENTER. AT A MINIMUM, THESE
18 SPECIFICATIONS SHALL INCLUDE PUPIL MANAGEMENT SYSTEMS FOR BOTH
19 GENERAL AND SPECIAL EDUCATION, LEARNING MANAGEMENT TOOLS, AND
20 BUSINESS SERVICES.

21 (F) IF AN INTERMEDIATE DISTRICT PROVIDES MEDICAL, PHARMACY,
22 DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF
23 BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO
24 EMPLOYEES AND THEIR DEPENDENTS, THE INTERMEDIATE DISTRICT IS THE
25 POLICYHOLDER FOR EACH OF ITS INSURANCE POLICIES THAT COVERS 1 OR
26 MORE OF THESE BENEFITS. AN INTERMEDIATE DISTRICT THAT DOES NOT
27 DIRECTLY EMPLOY ITS STAFF OR AN INTERMEDIATE DISTRICT WITH A

1 VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS NO MORE THAN
2 THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES
3 NO MORE THAN THE MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL
4 ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS AS DESCRIBED IN SECTIONS
5 3 AND 4 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,
6 2011 PA 152, MCL 15.563 AND 15.564, IS CONSIDERED TO HAVE SATISFIED
7 THIS REQUIREMENT.

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

12 (a) Coordinate the collection of all data required by state
13 and federal law from districts, intermediate districts, and
14 postsecondary institutions.

15 (b) Create, maintain, and enhance this state's P-20
16 longitudinal data system and ensure that it meets the requirements
17 of subsection (4).

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

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

26 (i) Data sets that link teachers to student information,
27 allowing districts to assess individual teacher impact on student

1 performance and consider student growth factors in teacher and
2 principal evaluation systems.

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

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

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

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

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

14 (2) Each state department, officer, or agency that collects
15 information from districts, intermediate districts, or
16 postsecondary institutions as required under state or federal law
17 shall make arrangements with the center to ensure that the state
18 department, officer, or agency is in compliance with subsection
19 (1). This subsection does not apply to information collected by the
20 department of treasury under the uniform budgeting and accounting
21 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
22 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
23 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
24 388.1939; or section 1351a of the revised school code, MCL
25 380.1351a.

26 (3) The center may enter into any interlocal agreements
27 necessary to fulfill its functions.

1 (4) The center shall ensure that the P-20 longitudinal data
2 system required under subsection (1)(b) meets all of the following:

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

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

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

13 (d) Enables the matching of individual teachers with
14 information about their certification and the institutions that
15 prepared and recommended those teachers for state certification.

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

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

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

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

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

1 (ii) Contains student-level enrollment, demographic, and
2 program participation information.

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

6 (iv) Has the capacity to communicate with higher education data
7 systems.

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

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

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

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

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

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

23 (A) Enrollment in remedial coursework.

24 (B) Completion of 1 year's worth of college credit applicable
25 to a degree within 2 years of enrollment.

26 (ii) Contains data that provide other information determined
27 necessary to address alignment and adequate preparation for success

1 in postsecondary education.

2 (5) From the general fund appropriation in section 11, there
3 is allocated an amount not to exceed ~~\$9,218,400.00 for 2012-2013~~
4 **\$9,535,100.00 FOR 2013-2014** to the department of technology,
5 management, and budget to support the operations of the center. In
6 addition, from the federal funds appropriated in section 11 there
7 is allocated for ~~2012-2013~~**2013-2014** the amount necessary,
8 estimated at \$193,500.00, ~~for 2012-2013,~~ to support the operations
9 of the center and to establish a P-20 longitudinal data system as
10 provided under this section in compliance with the assurance
11 provided to the United States department of education in order to
12 receive state fiscal stabilization funds. The center shall
13 cooperate with the department to ensure that this state is in
14 compliance with federal law and is maximizing opportunities for
15 increased federal funding to improve education in this state.

16 (6) From the funds allocated in subsection (5), there is
17 allocated for ~~2012-2013~~**2013-2014** an amount not to exceed
18 \$850,000.00 for competitive grants to support collaborative efforts
19 on the P-20 longitudinal data system. All of the following apply to
20 grants awarded under this subsection:

21 (a) The center shall award competitive grants to eligible
22 intermediate districts or a consortium of intermediate districts
23 based on criteria established by the center.

24 (b) Activities funded under the grant shall support the P-20
25 longitudinal data system portal and may include portal hosting,
26 hardware and software acquisition, maintenance, enhancements, user
27 support and related materials, and professional learning tools and

1 activities aimed at improving the utility of the P-20 longitudinal
2 data system.

3 (c) An applicant that received a grant under this subsection
4 for the immediately preceding fiscal year shall receive priority
5 for funding under this section. However, after 3 fiscal years of
6 continuous funding, an applicant is required to compete openly with
7 new applicants.

8 (7) FROM THE FUNDS ALLOCATED IN SUBSECTION (5), THERE IS
9 ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE
10 CENTER TO DEVELOP THE PUPIL TRANSFER APPLICATION AS REQUIRED UNDER
11 SECTION 25E.

12 (8) ~~(7)~~—Funds allocated under this section that are not
13 expended in the fiscal year in which they were allocated may be
14 carried forward to a subsequent fiscal year and are appropriated
15 for the purposes for which the funds were originally allocated.

16 (9) IT IS THE INTENT OF THE LEGISLATURE THAT, BEGINNING IN
17 2014-2015, A DISTRICT SHALL REPORT TO THE CENTER BY JUNE 30, IN A
18 MANNER PRESCRIBED BY THE CENTER, THE NUMBER OF PUPILS IN THE
19 DISTRICT WHO HAVE HAD 10 OR MORE UNEXCUSED ABSENCES EACH SCHOOL
20 YEAR. FOR PUPILS IN GRADES 9 TO 12, THE REPORT SHALL INCLUDE BOTH
21 THE TOTAL NUMBER OF UNEXCUSED ABSENCES IN ANY SINGLE COURSE AND THE
22 TOTAL NUMBER OF UNEXCUSED ABSENCES IN ALL COURSES. EACH DISTRICT
23 SHALL DEFINE UNEXCUSED ABSENCE. IT IS THE INTENT OF THE LEGISLATURE
24 THAT A DISTRICT THAT REPORTS FALSE INFORMATION UNDER THIS
25 SUBSECTION SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF ITS TOTAL STATE
26 AID ALLOCATION UNDER THIS ACT.

27 (10) ~~(8)~~—The center may bill departments as necessary in order

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

10 (11) ~~(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) "State education agency" means the department.

14 Sec. 95. (1) From the funds appropriated in section 11, there
15 is allocated an amount not to exceed \$1,750,000.00 for 2012-2013
16 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR**
17 **2013-2014** for grants to districts to support professional
18 development for principals and assistant principals in a
19 department-approved training program for implementing educator
20 evaluations as required under section 1249 of the revised school
21 code, MCL 380.1249.

22 **(2) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT**
23 **APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2012-2013 ARE CARRIED**
24 **FORWARD INTO 2013-2014. THE PURPOSE OF THE WORK PROJECT IS TO**
25 **CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER SUBSECTION (1).**
26 **THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,**
27 **2014.**

1 (3) ~~(2)~~—For 2012-2013, all districts may apply for funding
2 under this section by a date determined by the department.
3 Beginning in 2013-2014, in a form and manner determined by the
4 department, priority will be given to districts that have new
5 building administrators who have not previously received training
6 in programs funded under this section.

7 (4) ~~(3)~~—The department shall approve training programs for the
8 purpose of this section. The department shall approve all training
9 programs recommended by the ~~governor's~~ council on educator
10 effectiveness and may approve other training programs that meet
11 department criteria. At a minimum, these other programs shall meet
12 all of the following criteria:

13 (a) Contain instructional content on methods of evaluating
14 teachers consistently across multiple grades and subjects.

15 (b) Include training on evaluation observation that is focused
16 on reliability and bias awareness and that instills skills needed
17 for consistent, evidence-based observations.

18 (c) Incorporate the use of videos of actual lessons for
19 applying rubrics and consistent scoring.

20 (d) Align with recommendations of the ~~governor's~~ council on
21 educator effectiveness.

22 (e) Provide ongoing support to maintain inter-rater
23 reliability. As used in this subdivision, "inter-rater reliability"
24 means a consistency of measurement from different evaluators
25 independently applying the same evaluation criteria to the same
26 classroom observation.

27 (5) ~~(4)~~—The department shall award grants to eligible

1 districts in an amount determined by the department, but not to
2 exceed \$350.00 per participant.

3 (6) ~~(5)~~ A district receiving funds under this section shall
4 use the funds only for department-approved training programs under
5 this section.

6 Sec. 98. (1) From the general fund money appropriated in
7 section 11, there is allocated an amount not to exceed
8 ~~\$4,387,500.00 for 2012-2013~~ **\$9,387,500.00 FOR 2013-2014** for the
9 purposes described in this section.

10 (2) The Michigan virtual university shall ~~establish the center~~
11 ~~for online learning research and innovation. The center for online~~
12 ~~learning research and innovation~~ **OPERATE THE MICHIGAN VIRTUAL**
13 **LEARNING RESEARCH INSTITUTE. THE MICHIGAN VIRTUAL LEARNING RESEARCH**
14 **INSTITUTE** shall do all of the following:

15 (a) Support and accelerate innovation in education through the
16 following activities:

17 (i) Test, evaluate, and recommend as appropriate new
18 technology-based instructional tools and resources.

19 (ii) Research, design, and recommend ~~online and blended~~ **DIGITAL**
20 education delivery models for use by pupils and teachers that
21 include age-appropriate multimedia instructional content.

22 (iii) Research, design, and recommend competency-based online
23 assessments.

24 (iv) Research, develop, and recommend annually to the
25 department criteria by which cyber schools and online course
26 providers should be monitored and evaluated to ensure a quality
27 education for their pupils.

1 (v) Based on pupil completion and performance data reported to
2 the department or the center for educational performance and
3 information from cyber schools and other online course providers
4 operating in this state, analyze the effectiveness of online
5 learning delivery models in preparing pupils to be college- and
6 career-ready and publish a report that highlights enrollment
7 totals, completion rates, and the overall impact on pupils. The
8 report shall be submitted to the house and senate appropriations
9 subcommittees on state school aid, the state budget director, the
10 house and senate fiscal agencies, and the department not later than
11 December ~~31, 2013~~.1, 2014.

12 (vi) ~~Design professional development services for~~ BEFORE AUGUST
13 31, 2014, PROVIDE AN EXTENSIVE PROFESSIONAL DEVELOPMENT PROGRAM TO
14 AT LEAST 500 EDUCATIONAL PERSONNEL, INCLUDING teachers, school
15 administrators, and school board members, ~~to learn how to~~
16 ~~effectively integrate new technologies and online learning into~~
17 ~~curricula and instruction.~~ THAT FOCUSES ON THE EFFECTIVE INTEGRATION
18 OF DIGITAL LEARNING INTO CURRICULA AND INSTRUCTION. NOT LATER THAN
19 DECEMBER 1, 2014, THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE
20 SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
21 SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, THE
22 HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT ON THE NUMBER
23 AND PERCENTAGE OF TEACHERS, SCHOOL ADMINISTRATORS, AND SCHOOL BOARD
24 MEMBERS WHO HAVE RECEIVED PROFESSIONAL DEVELOPMENT SERVICES FROM
25 THE MICHIGAN VIRTUAL UNIVERSITY. THE REPORT SHALL ALSO IDENTIFY
26 BARRIERS AND OTHER OPPORTUNITIES TO ENCOURAGE THE ADOPTION OF
27 DIGITAL LEARNING IN THE PUBLIC EDUCATION SYSTEM.

1 (vii) Identify and share best practices for **PLANNING**,
2 implementing, **AND EVALUATING** online and blended education delivery
3 models with intermediate districts, districts, and public school
4 academies to accelerate the adoption of innovative education
5 delivery models statewide.

6 (b) Provide leadership for this state's system of ~~online and~~
7 ~~blended~~-**DIGITAL** learning education by doing the following
8 activities:

9 (i) Develop and report policy recommendations to the governor
10 and the legislature that accelerate the expansion of effective
11 online learning in this state's schools.

12 (ii) Provide a clearinghouse for research reports, academic
13 studies, evaluations, and other information related to online
14 learning.

15 (iii) Promote and distribute the most current instructional
16 design standards and guidelines for online teaching.

17 (iv) In collaboration with the department and interested
18 colleges and universities in this state, recommend to the
19 superintendent guidelines and standards for a new teacher
20 endorsement credential related to effective ~~online and blended~~
21 **DIGITAL LEARNING** instruction.

22 (v) Pursue public/private partnerships that include districts
23 to study and implement competency-based technology-rich online
24 learning models.

25 (vi) Convene focus groups and conduct annual surveys of
26 teachers, administrators, pupils, parents, and others to identify
27 barriers and opportunities related to online learning.

1 (vii) Produce an annual consumer awareness report for schools
2 and parents about effective online education providers and
3 education delivery models, performance data, cost structures, and
4 research trends.

5 ~~—— (3) Subject to the provisions of this subsection, from the~~
6 ~~funds allocated in subsection (1), there is allocated an amount not~~
7 ~~to exceed \$500,000.00 for 2012-2013 to the Michigan virtual school~~
8 ~~operated by the Michigan virtual university to conduct and report~~
9 ~~on a year-long pilot study of a new performance-based funding model~~
10 ~~for the Michigan virtual school. The purpose of the pilot study is~~
11 ~~to determine the merits of a payment system for online~~
12 ~~instructional programs based on pupil performance rather than~~
13 ~~solely on enrollment and attendance factors. All of the following~~
14 ~~apply to the pilot study and the funding under this subsection:~~

15 ~~—— (a) The Michigan virtual school shall randomly select a~~
16 ~~minimum of 1,000 of its qualifying online course enrollments for~~
17 ~~inclusion in the pilot study. The Michigan virtual school shall~~
18 ~~issue a refund or credit to districts for all online course~~
19 ~~enrollments included in the pilot study.~~

20 ~~—— (b) The Michigan virtual school shall report to the department~~
21 ~~the number of online course enrollments in the pilot study that~~
22 ~~meet the following conditions:~~

23 ~~—— (i) The pupil successfully completed the online course as~~
24 ~~measured by assessments aligned to the course content and earned a~~
25 ~~grade or credit from the district or public school academy in which~~
26 ~~the pupil is enrolled.~~

27 ~~—— (ii) The online course is taught by a Michigan certificated~~

~~teacher certified in the subject area in which the course is being offered.~~

~~—— (iii) Where applicable, the online course is aligned with Michigan curriculum standards.~~

~~—— (iv) The online course curriculum contains periodic online pupil assessments.~~

~~—— (v) Pupils have access to the appropriate technology hardware and software necessary to take the online course.~~

~~—— (vi) Parents or guardians and pupils have secure online access to review periodic pupil progress and performance data.~~

~~—— (vii) The online instructor is available to interact with parents or guardians and pupils using electronic communications.~~

~~—— (c) The department shall pay to Michigan virtual school from the funding under this subsection an amount not to exceed the equivalent of 1/12 of the state's minimum per pupil foundation allowance for each online course enrollment included in the pilot study that meets the conditions of subdivision (b) in the next school aid payment after the report is received by the department.~~

(viii) RESEARCH AND ESTABLISH AN INTERNET-BASED PLATFORM THAT EDUCATORS CAN USE TO CREATE STUDENT-CENTRIC LEARNING TOOLS AND RESOURCES AND FACILITATE A USER NETWORK THAT ASSISTS EDUCATORS IN USING THE PLATFORM. AS PART OF THIS INITIATIVE, THE MICHIGAN VIRTUAL UNIVERSITY SHALL WORK COLLABORATIVELY WITH DISTRICTS AND INTERMEDIATE DISTRICTS TO ESTABLISH A PLAN TO MAKE AVAILABLE ONLINE RESOURCES THAT ALIGN TO MICHIGAN'S K-12 CURRICULUM STANDARDS FOR USE BY STUDENTS, EDUCATORS, AND PARENTS.

(ix) CREATE AND MAINTAIN A PUBLIC STATEWIDE CATALOG OF ONLINE

1 LEARNING COURSES BEING OFFERED BY ALL PUBLIC SCHOOLS IN THIS STATE.
2 THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE SHALL IDENTIFY AND
3 DEVELOP A LIST OF NATIONALLY RECOGNIZED BEST PRACTICES FOR ONLINE
4 LEARNING AND USE THIS LIST TO PROVIDE REVIEWS OF ONLINE COURSE
5 VENDORS, COURSES, AND INSTRUCTIONAL PRACTICES. THE MICHIGAN VIRTUAL
6 LEARNING RESEARCH INSTITUTE SHALL ALSO PROVIDE A MECHANISM FOR
7 INTERMEDIATE DISTRICTS TO USE THE IDENTIFIED BEST PRACTICES TO
8 REVIEW CONTENT OFFERED BY CONSTITUENT DISTRICTS. THE MICHIGAN
9 VIRTUAL LEARNING RESEARCH INSTITUTE SHALL REVIEW THE ONLINE COURSE
10 OFFERINGS OF THE MICHIGAN VIRTUAL UNIVERSITY, AND MAKE THE RESULTS
11 FROM THESE REVIEWS AVAILABLE TO THE PUBLIC AS PART OF THE STATEWIDE
12 CATALOG. THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE SHALL
13 ENSURE THAT THE STATEWIDE CATALOG IS MADE AVAILABLE TO THE PUBLIC
14 ON THE MICHIGAN VIRTUAL UNIVERSITY WEBSITE AND LINKED TO EACH
15 DISTRICT'S WEBSITE AS PROVIDED FOR IN SECTION 21F. BEGINNING IN
16 2014-2015, THE STATEWIDE CATALOG SHALL ALSO CONTAIN ALL OF THE
17 FOLLOWING:

18 (A) THE NUMBER OF PUPILS ENROLLED IN EACH ONLINE COURSE IN THE
19 2012-2013 SCHOOL YEAR.

20 (B) THE NUMBER OF PUPILS WHO SUCCESSFULLY COMPLETED EACH
21 ONLINE COURSE IN THE 2012-2013 SCHOOL YEAR.

22 (C) THE COMPLETION RATE FOR EACH ONLINE COURSE.

23 (3) ~~(4)~~—In order for the Michigan virtual university to
24 receive any funds allocated under this section, the Michigan
25 virtual school must maintain its accreditation status from
26 recognized national and international accrediting entities.

27 (4) ~~(5)~~—~~The~~ IF THE COURSE OFFERINGS ARE INCLUDED IN THE

1 **STATEWIDE CATALOG OF ONLINE COURSES UNDER SUBSECTION (2) (B) (ix), THE**
2 Michigan virtual school **OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY**
3 may offer online course offerings, ~~in addition to those offered in~~
4 ~~the pilot study described in subsection (3),~~ including, but not
5 limited to, all of the following:

6 (a) Information technology courses.

7 (b) College level equivalent courses, as defined in section
8 1471 of the revised school code, MCL 380.1471.

9 (c) Courses and dual enrollment opportunities.

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

11 (e) General education development test preparation courses for
12 adjudicated youth.

13 (f) Special interest courses.

14 (g) Professional development programs for teachers, school
15 administrators, other school employees, and school board members.

16 **(5) ~~(6)~~**—If a home-schooled or nonpublic school student is a
17 resident of a district that subscribes to services provided by the
18 Michigan virtual school, the student may use the services provided
19 by the Michigan virtual school to the district without charge to
20 the student beyond what is charged to a district pupil using the
21 same services.

22 **(6) ~~(7)~~**—Not later than December 1 of each fiscal year, the
23 Michigan virtual university shall provide a report to the house and
24 senate appropriations subcommittees on state school aid, the state
25 budget director, the house and senate fiscal agencies, and the
26 department that includes at least all of the following information
27 related to the Michigan virtual school for the preceding state

1 fiscal year:

2 (a) A list of the districts served by the Michigan virtual
3 school.

4 (b) A list of online course titles available to districts.

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

7 (d) The overall course completion rate percentage.

8 ~~—— (e) An analysis of the results of the pilot study described in~~
9 ~~subsection (3), including, but not limited to:~~

10 ~~—— (i) A list of the districts that were selected to be part of~~
11 ~~the pilot study.~~

12 ~~—— (ii) The number of successful online course completions.~~

13 ~~—— (iii) A list of the courses offered in the pilot study and the~~
14 ~~completion rates for each course.~~

15 ~~—— (iv) Identification of opportunities and barriers that must be~~
16 ~~addressed in order to apply online learning performance funding~~
17 ~~based on successful completions rather than enrollment and~~
18 ~~attendance for online learning offerings statewide.~~

19 (7) ~~(8)~~ The governor may appoint an advisory group for the
20 ~~center for online learning research and innovation~~ **MICHIGAN VIRTUAL**
21 **LEARNING RESEARCH INSTITUTE** established under subsection (2). The
22 members of the advisory group shall serve at the pleasure of the
23 governor and shall serve without compensation. The purpose of the
24 advisory group is to make recommendations to the governor, the
25 legislature, and the president and board of the Michigan virtual
26 university that will accelerate innovation in this state's
27 education system in a manner that will prepare elementary and

1 secondary students to be career and college ready and that will
2 promote the goal of increasing the percentage of citizens of this
3 state with high-quality degrees and credentials to at least 60% by
4 2025.

5 (8) NOT LATER THAN NOVEMBER 1, 2013, THE MICHIGAN VIRTUAL
6 UNIVERSITY SHALL SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS
7 SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, AND
8 THE HOUSE AND SENATE FISCAL AGENCIES A DETAILED BUDGET FOR THE
9 2013-2014 FISCAL YEAR THAT INCLUDES A BREAKDOWN ON ITS PROJECTED
10 COSTS TO DELIVER ONLINE EDUCATIONAL SERVICES TO DISTRICTS AND A
11 SUMMARY OF THE ANTICIPATED FEES TO BE PAID BY DISTRICTS FOR THOSE
12 SERVICES. BEGINNING IN 2013-2014, NOT LATER THAN FEBRUARY 1, THE
13 MICHIGAN VIRTUAL UNIVERSITY SHALL SUBMIT 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 BREAKDOWN ON
16 ITS ACTUAL COSTS TO DELIVER ONLINE EDUCATIONAL SERVICES TO
17 DISTRICTS AND A SUMMARY OF THE ACTUAL FEES PAID BY DISTRICTS FOR
18 THOSE SERVICES BASED ON AUDITED FINANCIAL STATEMENTS FOR THE
19 IMMEDIATELY PRECEDING FISCAL YEAR.

20 (9) As used in this section:

21 (a) "Blended learning" means a hybrid instructional delivery
22 model where pupils are provided ~~face-to-face~~ **CONTENT**, instruction,
23 **AND ASSESSMENT**, in part at a supervised ~~school~~ **EDUCATIONAL** facility
24 away from home **WHERE THE PUPIL AND A TEACHER WITH A VALID MICHIGAN**
25 **TEACHING CERTIFICATE ARE IN THE SAME PHYSICAL LOCATION** and in part
26 through ~~computer-based and~~ internet-connected learning environments
27 with some degree of pupil control over time, location, and pace of

1 instruction.

2 (b) "Cyber school" means a full-time ~~online~~ instructional
3 program **OF ONLINE COURSES** for pupils that may or may not require
4 attendance at a physical school location.

5 (C) "DIGITAL LEARNING" MEANS INSTRUCTION DELIVERED VIA A WEB-
6 BASED EDUCATIONAL DELIVERY SYSTEM THAT USES VARIOUS INFORMATION
7 TECHNOLOGIES TO PROVIDE A STRUCTURED LEARNING ENVIRONMENT,
8 INCLUDING ONLINE AND BLENDED LEARNING INSTRUCTIONAL METHODS.

9 (D) ~~(e) "Online instructional program"~~ **COURSE** means a course
10 of study that ~~generates~~ **IS CAPABLE OF GENERATING** a credit or a
11 grade, **THAT IS** provided in an interactive ~~computer-based and~~
12 internet-connected learning environment, in which pupils are
13 separated from their teachers by time or location, or both, and in
14 which a ~~Michigan-certificated teacher~~ **TEACHER WHO HOLDS A VALID**
15 **MICHIGAN TEACHING CERTIFICATE** is responsible for ~~providing direct~~
16 ~~instruction,~~ **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS FOR EACH**
17 **PUPIL**, diagnosing learning needs, assessing pupil learning,
18 prescribing intervention strategies, reporting outcomes, and
19 evaluating the effects of instruction and support strategies.

20 Sec. 99. (1) From the funds appropriated in section 11, there
21 is allocated **FOR 2013-2014** an amount not to exceed ~~\$2,725,000.00~~
22 ~~for 2012-2013~~ **\$2,850,000.00 FROM THE STATE SCHOOL AID FUND AND AN**
23 **AMOUNT NOT TO EXCEED \$375,000.00 FROM THE GENERAL FUND** to support
24 the activities and programs of mathematics and science centers and
25 for other purposes as described in this section. In addition, from
26 the federal funds appropriated in section 11, there is allocated
27 ~~for 2012-2013~~ **2013-2014** an amount estimated at \$5,249,300.00 from

1 DED-OESE, title II, mathematics and science partnership grants.

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

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

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

22 (5) Allocations under this section to support the activities
23 and programs of mathematics and science centers shall be continuing
24 support grants to all 33 established mathematics and science
25 centers. Each established mathematics and science center that was
26 funded in the immediately preceding fiscal year shall receive state
27 funding in an amount equal to 100% of the amount it was allocated

1 under this subsection for the immediately preceding fiscal year. If
2 a center declines state funding or a center closes, the remaining
3 money available under this section shall be distributed to the
4 remaining centers, as determined by the department.

5 (6) From the funds allocated in subsection (1), there is
6 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
7 \$750,000.00 in a form and manner determined by the department to
8 those centers able to provide curriculum and professional
9 development support to assist districts in implementing the
10 Michigan merit curriculum components for mathematics and science.
11 Funding under this subsection is in addition to funding allocated
12 under subsection (5).

13 (7) From the ~~funds~~ **STATE SCHOOL AID FUND MONEY** allocated in
14 subsection (1), there is allocated for ~~2012-2013-2013-2014~~ an
15 amount not to exceed \$100,000.00 in a form and manner determined by
16 the department to a single mathematics and science center that is a
17 participant in the Michigan STEM partnership, **TO BE USED TO**
18 **ADMINISTER THE GRANT PROCESS UNDER THIS SUBSECTION. FROM THE**
19 **GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED**
20 **FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$375,000.00 TO THE MICHIGAN**
21 **STEM PARTNERSHIP TO BE USED FOR A COMPETITIVE GRANT PROCESS TO**
22 **AWARD COMPETITIVE GRANTS TO ORGANIZATIONS CONDUCTING STUDENT-**
23 **FOCUSED, PROJECT-BASED PROGRAMS AND COMPETITIONS, EITHER IN THE**
24 **CLASSROOM OR EXTRACURRICULAR, IN SCIENCE, TECHNOLOGY, ENGINEERING,**
25 **AND MATHEMATICS SUBJECTS SUCH AS, BUT NOT LIMITED TO, ROBOTICS,**
26 **CODING, AND DESIGN-BUILD-TEST PROJECTS, FROM PRE-KINDERGARTEN**
27 **THROUGH COLLEGE LEVEL.** Funding under this subsection is in addition

1 to funding allocated under subsection (5) and shall be used for
2 connecting mathematics and science centers for science, technology,
3 engineering, and mathematics purposes. **A PROGRAM RECEIVING FUNDS**
4 **UNDER SECTION 99H MAY NOT RECEIVE FUNDS UNDER THIS SUBSECTION.**

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

10 (9) Not later than September 30, 2013, the department shall
11 reevaluate and update the comprehensive master plan described in
12 subsection (1).

13 (10) The department shall give preference in awarding the
14 federal grants allocated in subsection (1) to eligible existing
15 mathematics and science centers.

16 (11) In order to receive state funds under this section, a
17 grant recipient shall provide at least a 10% local match from local
18 public or private resources for the funds received under this
19 section.

20 (12) Not later than July 1 of each year, a mathematics and
21 science center that receives funds under this section shall report
22 to the department in a form and manner prescribed by the department
23 on the following performance measures:

24 (a) Statistical change in pre- and post-assessment scores for
25 students who enrolled in mathematics and science activities
26 provided to districts by the mathematics and science center.

27 (b) Statistical change in pre- and post-assessment scores for

1 teachers who enrolled in professional development activities
2 provided by the mathematics and science center.

3 (13) As used in this section:

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

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

7 SEC. 99H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000.000.00 FOR 2013-2014 FOR
9 COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES 7 TO
10 12 WITH EXPANDED OPPORTUNITIES TO IMPROVE MATHEMATICS, SCIENCE, AND
11 TECHNOLOGY SKILLS BY PARTICIPATING IN EVENTS HOSTED BY A SCIENCE
12 AND TECHNOLOGY DEVELOPMENT PROGRAM KNOWN AS FIRST (FOR INSPIRATION
13 AND RECOGNITION OF SCIENCE AND TECHNOLOGY) ROBOTICS.

14 (2) A DISTRICT APPLYING FOR A FIRST TECH CHALLENGE OR FIRST
15 ROBOTICS COMPETITION PROGRAM GRANT SHALL SUBMIT AN APPLICATION IN A
16 FORM AND MANNER DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A
17 GRANT, A DISTRICT SHALL DEMONSTRATE IN ITS APPLICATION THAT THE
18 DISTRICT HAS ESTABLISHED A PARTNERSHIP FOR THE PURPOSES OF THE
19 FIRST PROGRAM WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY, HIGHER
20 EDUCATION INSTITUTION, OR TECHNICAL SCHOOL.

21 (3) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING UNDER
22 THIS SECTION FOR THE FOLLOWING PURPOSES:

23 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (iii), NOT MORE
24 THAN \$1,000,000.00 FOR GRANTS TO DISTRICTS TO PAY FOR STIPENDS OF
25 \$1,500.00 FOR 1 COACH PER TEAM, DISTRIBUTED AS FOLLOWS:

26 (i) NOT MORE THAN 500 STIPENDS FOR COACHES OF HIGH SCHOOL
27 TEAMS, INCLUDING EXISTING TEAMS.

1 (ii) NOT MORE THAN 100 STIPENDS FOR COACHES OF MIDDLE SCHOOL OR
2 JUNIOR HIGH TEAMS, INCLUDING EXISTING TEAMS.

3 (iii) IF THE REQUESTS FOR STIPENDS EXCEED THE NUMBERS OF
4 STIPENDS ALLOWED UNDER SUBPARAGRAPHS (i) AND (ii), AND IF THERE IS
5 FUNDING REMAINING UNSPENT UNDER SUBDIVISIONS (B) AND (C), THE
6 DEPARTMENT SHALL USE THAT REMAINING UNSPENT FUNDING FOR GRANTS TO
7 DISTRICTS TO PAY FOR ADDITIONAL STIPENDS IN A MANNER THAT EXPANDS
8 THE GEOGRAPHICAL DISTRIBUTION OF TEAMS.

9 (B) NOT MORE THAN \$1,000,000.00 FOR GRANTS TO DISTRICTS FOR
10 EVENT REGISTRATIONS, MATERIALS, TRAVEL COSTS, AND OTHER EXPENSES
11 ASSOCIATED WITH THE PREPARATION FOR AND ATTENDANCE AT FIRST TECH
12 CHALLENGE AND FIRST ROBOTICS COMPETITIONS. EACH GRANT RECIPIENT
13 SHALL PROVIDE A LOCAL MATCH FROM OTHER PRIVATE OR LOCAL FUNDS FOR
14 THE FUNDS RECEIVED UNDER THIS SUBDIVISION EQUAL TO AT LEAST 50% OF
15 THE COSTS OF PARTICIPATING IN AN EVENT. THE DEPARTMENT SHALL SET
16 MAXIMUM GRANT AMOUNTS UNDER THIS SUBDIVISION IN A MANNER THAT
17 MAXIMIZES THE NUMBER OF TEAMS THAT WILL BE ABLE TO RECEIVE FUNDING.

18 (C) NOT MORE THAN \$1,000,000.00 FOR GRANTS TO DISTRICTS FOR
19 AWARDS TO TEAMS THAT ADVANCE TO THE STATE AND WORLD CHAMPIONSHIP
20 COMPETITIONS. THE DEPARTMENT SHALL DETERMINE AN EQUAL AMOUNT PER
21 TEAM FOR THOSE TEAMS THAT ADVANCE TO THE STATE CHAMPIONSHIP AND A
22 SECOND EQUAL AWARD AMOUNT TO THOSE TEAMS THAT ADVANCE TO THE WORLD
23 CHAMPIONSHIP.

24 Sec. 101. (1) To be eligible to receive state aid under this
25 ~~act,~~ **ARTICLE**, not later than the fifth Wednesday after the pupil
26 membership count day and not later than the fifth Wednesday after
27 the supplemental count day, each district superintendent shall

1 submit to the center and the intermediate superintendent, in the
2 form and manner prescribed by the center, the number of pupils
3 enrolled and in regular daily attendance in the district as of the
4 pupil membership count day and as of the supplemental count day, as
5 applicable, for the current school year. In addition, a district
6 maintaining school during the entire year, as provided under
7 section 1561 of the revised school code, MCL 380.1561, shall submit
8 to the center and the intermediate superintendent, in the form and
9 manner prescribed by the center, the number of pupils enrolled and
10 in regular daily attendance in the district for the current school
11 year pursuant to rules promulgated by the superintendent. Not later
12 than the ~~seventh~~**SIXTH** Wednesday after the pupil membership count
13 day and not later than the sixth Wednesday after the supplemental
14 count day, the district shall certify the data in a form and manner
15 prescribed by the center and file the certified data with the
16 intermediate superintendent. If a district fails to submit and
17 certify the attendance data, as required under this subsection, the
18 center shall notify the department and state aid due to be
19 distributed under this article shall be withheld from the
20 defaulting district immediately, beginning with the next payment
21 after the failure and continuing with each payment until the
22 district complies with this subsection. If a district does not
23 comply with this subsection by the end of the fiscal year, the
24 district forfeits the amount withheld. A person who willfully
25 falsifies a figure or statement in the certified and sworn copy of
26 enrollment shall be punished in the manner prescribed by section
27 161.

1 (2) To be eligible to receive state aid under this article,
2 not later than the twenty-fourth Wednesday after the pupil
3 membership count day and not later than the twenty-fourth Wednesday
4 after the supplemental count day, an intermediate district shall
5 submit to the center, in a form and manner prescribed by the
6 center, the audited enrollment and attendance data for the pupils
7 of its constituent districts and of the intermediate district. If
8 an intermediate district fails to submit the audited data as
9 required under this subsection, state aid due to be distributed
10 under this article shall be withheld from the defaulting
11 intermediate district immediately, beginning with the next payment
12 after the failure and continuing with each payment until the
13 intermediate district complies with this subsection. If an
14 intermediate district does not comply with this subsection by the
15 end of the fiscal year, the intermediate district forfeits the
16 amount withheld.

17 (3) Except as otherwise provided in subsections (11) and (12),
18 all of the following apply to the provision of pupil instruction:

19 (a) Except as otherwise provided in this section, each
20 district shall provide at least 1,098 hours and, beginning in 2010-
21 2011, the required minimum number of days of pupil instruction.
22 Beginning in 2012-2013, the required minimum number of days of
23 pupil instruction is 170. **BEGINNING IN 2013-2014, THE REQUIRED**
24 **MINIMUM NUMBER OF DAYS OF PUPIL INSTRUCTION IS 175.** However,
25 ~~beginning in 2010-2011,~~ a district shall not provide fewer days of
26 pupil instruction than the district provided for 2009-2010. A
27 district may apply for a waiver under subsection (9) from the

1 requirements of this subdivision. For 2012-2013 only, if a district
2 is unable to provide the required minimum number of days of pupil
3 instruction because of school closures occurring before April 20,
4 2013 due to conditions not within the control of school
5 authorities, such as severe storms, fires, epidemics, utility power
6 unavailability, water or sewer failure, or health conditions as
7 defined by the city, county, or state health authorities, but the
8 district does provide at least the required minimum number of hours
9 of pupil instruction, the district is not subject to the minimum
10 number of days of pupil instruction requirement of this subsection.
11 A district that uses the 2012-2013 exception from the minimum
12 number of days of pupil instruction requirement shall submit to the
13 department not later than July 1, 2013, in the form and manner
14 prescribed by the department, a report that details the amount of
15 instructional time that was lost due to school closures and the
16 amount of additional instructional time that was added to
17 compensate; when the additional instructional time was provided;
18 the activities that were carried out and subject areas addressed
19 during the additional instructional time; and other information
20 specified by the department to assess whether appropriate
21 instruction occurred during the additional instructional time. The
22 department shall aggregate and provide these reports to the senate
23 and house standing committees on education.

24 (b) Except as otherwise provided in this article, a district
25 failing to comply with the required minimum hours and days of pupil
26 instruction under this subsection shall forfeit from its total
27 state aid allocation an amount determined by applying a ratio of

1 the number of hours or days the district was in noncompliance in
2 relation to the required minimum number of hours and days under
3 this subsection. Not later than August 1, the board of each
4 district shall certify to the department the number of hours and
5 days of pupil instruction in the previous school year. If the
6 district did not provide at least the required minimum number of
7 hours and days of pupil instruction under this subsection, the
8 deduction of state aid shall be made in the following fiscal year
9 from the first payment of state school aid. A district is not
10 subject to forfeiture of funds under this subsection for a fiscal
11 year in which a forfeiture was already imposed under subsection
12 (6).

13 (c) Hours or days lost because of strikes or teachers'
14 conferences shall not be counted as hours or days of pupil
15 instruction.

16 (d) If a collective bargaining agreement that provides a
17 complete school calendar is in effect for employees of a district
18 as of October 19, 2009, and if that school calendar is not in
19 compliance with this subsection, then this subsection does not
20 apply to that district until after the expiration of that
21 collective bargaining agreement.

22 (e) Except as otherwise provided in subdivision (f), a
23 district not having at least 75% of the district's membership in
24 attendance on any day of pupil instruction shall receive state aid
25 in that proportion of 1/180 that the actual percent of attendance
26 bears to the specified percentage.

27 (f) At the request of a district that operates a department-

1 approved alternative education program and that does not provide
2 instruction for pupils in all of grades K to 12, the superintendent
3 may grant a waiver from the requirements of subdivision (e). The
4 waiver shall indicate that an eligible district is subject to the
5 proration provisions of subdivision (e) only if the district does
6 not have at least 50% of the district's membership in attendance on
7 any day of pupil instruction. In order to be eligible for this
8 waiver, a district must maintain records to substantiate its
9 compliance with the following requirements:

10 (i) The district offers the minimum hours of pupil instruction
11 as required under this section.

12 (ii) For each enrolled pupil, the district uses appropriate
13 academic assessments to develop an individual education plan that
14 leads to a high school diploma.

15 (iii) The district tests each pupil to determine academic
16 progress at regular intervals and records the results of those
17 tests in that pupil's individual education plan.

18 (g) All of the following apply to a waiver granted under
19 subdivision (f):

20 (i) If the waiver is for a blended model of delivery, a waiver
21 that is granted for the 2011-2012 fiscal year or a subsequent
22 fiscal year remains in effect unless it is revoked by the
23 superintendent.

24 (ii) If the waiver is for a 100% online model of delivery and
25 the educational program for which the waiver is granted makes
26 educational services available to pupils for a minimum of at least
27 1,098 hours during a school year and ensures that each pupil

1 participates in the educational program for at least 1,098 hours
2 during a school year, a waiver that is granted for the 2011-2012
3 fiscal year or a subsequent fiscal year remains in effect unless it
4 is revoked by the superintendent.

5 (iii) A waiver that is not a waiver described in subparagraph
6 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
7 to remain in effect.

8 (h) The superintendent shall promulgate rules for the
9 implementation of this subsection.

10 (4) Except as otherwise provided in this subsection, the first
11 6 days or the equivalent number of hours for which pupil
12 instruction is not provided because of conditions not within the
13 control of school authorities, such as severe storms, fires,
14 epidemics, utility power unavailability, water or sewer failure, or
15 health conditions as defined by the city, county, or state health
16 authorities, shall be counted as hours and days of pupil
17 instruction. With the approval of the superintendent of public
18 instruction, the department shall count as hours and days of pupil
19 instruction for a fiscal year not more than 6 additional days or
20 the equivalent number of additional hours for which pupil
21 instruction is not provided in a district after April 1 of the
22 applicable school year due to unusual and extenuating occurrences
23 resulting from conditions not within the control of school
24 authorities such as those conditions described in this subsection.
25 Subsequent such hours or days shall not be counted as hours or days
26 of pupil instruction.

27 (5) A district shall not forfeit part of its state aid

1 appropriation because it adopts or has in existence an alternative
2 scheduling program for pupils in kindergarten if the program
3 provides at least the number of hours required under subsection (3)
4 for a full-time equated membership for a pupil in kindergarten as
5 provided under section 6(4).

6 (6) In addition to any other penalty or forfeiture under this
7 section, if at any time the department determines that 1 or more of
8 the following ~~has~~**HAVE** occurred in a district, the district shall
9 forfeit in the current fiscal year beginning in the next payment to
10 be calculated by the department a proportion of the funds due to
11 the district under this article that is equal to the proportion
12 below the required minimum number of hours and days of pupil
13 instruction under subsection (3), as specified in the following:

14 (a) The district fails to operate its schools for at least the
15 required minimum number of hours and days of pupil instruction
16 under subsection (3) in a school year, including hours and days
17 counted under subsection (4).

18 (b) The board of the district takes formal action not to
19 operate its schools for at least the required minimum number of
20 hours and days of pupil instruction under subsection (3) in a
21 school year, including hours and days counted under subsection (4).

22 (7) In providing the minimum number of hours and days of pupil
23 instruction required under subsection (3), a district shall use the
24 following guidelines, and a district shall maintain records to
25 substantiate its compliance with the following guidelines:

26 (a) Except as otherwise provided in this subsection, a pupil
27 must be scheduled for at least the required minimum number of hours

1 of instruction, excluding study halls, or at least the sum of 90
2 hours plus the required minimum number of hours of instruction,
3 including up to 2 study halls.

4 (b) The time a pupil is assigned to any tutorial activity in a
5 block schedule may be considered instructional time, unless that
6 time is determined in an audit to be a study hall period.

7 (c) Except as otherwise provided in this subdivision, a pupil
8 in grades 9 to 12 for whom a reduced schedule is determined to be
9 in the individual pupil's best educational interest must be
10 scheduled for a number of hours equal to at least 80% of the
11 required minimum number of hours of pupil instruction to be
12 considered a full-time equivalent pupil. A pupil in grades 9 to 12
13 who is scheduled in a 4-block schedule may receive a reduced
14 schedule under this subsection if the pupil is scheduled for a
15 number of hours equal to at least 75% of the required minimum
16 number of hours of pupil instruction to be considered a full-time
17 equivalent pupil.

18 (d) If a pupil in grades 9 to 12 who is enrolled in a
19 cooperative education program or a special education pupil cannot
20 receive the required minimum number of hours of pupil instruction
21 solely because of travel time between instructional sites during
22 the school day, that travel time, up to a maximum of 3 hours per
23 school week, shall be considered to be pupil instruction time for
24 the purpose of determining whether the pupil is receiving the
25 required minimum number of hours of pupil instruction. However, if
26 a district demonstrates to the satisfaction of the department that
27 the travel time limitation under this subdivision would create

1 undue costs or hardship to the district, the department may
2 consider more travel time to be pupil instruction time for this
3 purpose.

4 (e) In grades 7 through 12, instructional time that is part of
5 a junior reserve officer training corps (JROTC) program shall be
6 considered to be pupil instruction time regardless of whether the
7 instructor is a certificated teacher if all of the following are
8 met:

9 (i) The instructor has met all of the requirements established
10 by the United States department of defense and the applicable
11 branch of the armed services for serving as an instructor in the
12 junior reserve officer training corps program.

13 (ii) The board of the district or intermediate district
14 employing or assigning the instructor complies with the
15 requirements of sections 1230 and 1230a of the revised school code,
16 MCL 380.1230 and 380.1230a, with respect to the instructor to the
17 same extent as if employing the instructor as a regular classroom
18 teacher.

19 (8) Except as otherwise provided in subsections (11) and (12),
20 the department shall apply the guidelines under subsection (7) in
21 calculating the full-time equivalency of pupils.

22 (9) Upon application by the district for a particular fiscal
23 year, the superintendent may waive for a district the minimum
24 number of hours and days of pupil instruction requirement of
25 subsection (3) for a department-approved alternative education
26 program or another innovative program approved by the department,
27 including a 4-day school week. If a district applies for and

1 receives a waiver under this subsection and complies with the terms
2 of the waiver, the district is not subject to forfeiture under this
3 section for the specific program covered by the waiver. If the
4 district does not comply with the terms of the waiver, the amount
5 of the forfeiture shall be calculated based upon a comparison of
6 the number of hours and days of pupil instruction actually provided
7 to the minimum number of hours and days of pupil instruction
8 required under subsection (3). Pupils enrolled in a department-
9 approved alternative education program under this subsection shall
10 be reported to the center in a form and manner determined by the
11 center. All of the following apply to a waiver granted under this
12 subsection:

13 (a) If the waiver is for a blended model of delivery, a waiver
14 that is granted for the 2011-2012 fiscal year or a subsequent
15 fiscal year remains in effect unless it is revoked by the
16 superintendent.

17 (b) If the waiver is for a 100% online model of delivery and
18 the educational program for which the waiver is granted makes
19 educational services available to pupils for a minimum of at least
20 1,098 hours during a school year and ensures that each pupil
21 participates in the educational program for at least 1,098 hours
22 during a school year, a waiver that is granted for the 2011-2012
23 fiscal year or a subsequent fiscal year remains in effect unless it
24 is revoked by the superintendent.

25 (c) A waiver that is not a waiver described in subdivision (a)
26 or (b) is valid for 1 fiscal year and must be renewed annually to
27 remain in effect.

1 (10) ~~A-UNTIL 2014-2015, A~~ district may count up to 38 hours of
2 qualifying professional development for teachers as hours of pupil
3 instruction. Professional development provided online is allowable
4 and encouraged, as long as the instruction has been approved by the
5 district. The department shall issue a list of approved online
6 professional development providers, which shall include the
7 Michigan virtual school. As used in this subsection, "qualifying
8 professional development" means professional development that is
9 focused on 1 or more of the following:

10 (a) Achieving or improving adequate yearly progress as defined
11 under the no child left behind act of 2001, Public Law 107-110.

12 (b) Achieving accreditation or improving a school's
13 accreditation status under section 1280 of the revised school code,
14 MCL 380.1280.

15 (c) Achieving highly qualified teacher status as defined under
16 the no child left behind act of 2001, Public Law 107-110.

17 (d) Integrating technology into classroom instruction.

18 (e) Maintaining teacher certification.

19 (11) Subsections (3) and (8) do not apply to a school of
20 excellence that is a cyber school, as defined in section 551 of the
21 revised school code, MCL 380.551, and is in compliance with section
22 553a of the revised school code, MCL 380.553a.

23 (12) Subsections (3) and (8) do not apply to eligible pupils
24 enrolled in a dropout recovery program that meets the requirements
25 of section 23a. As used in this subsection, "eligible pupil" means
26 that term as defined in section 23a.

27 (13) Beginning in 2013, at least every 2 years the

1 superintendent shall review the waiver standards set forth in the
2 pupil accounting and auditing manuals to ensure that the waiver
3 standards and waiver process continue to be appropriate and
4 responsive to changing trends in online learning. The
5 superintendent shall solicit and consider input from stakeholders
6 as part of this review.

7 Sec. 102. (1) A district or intermediate district receiving
8 money under this ~~act~~**ARTICLE** shall not adopt or operate under a
9 deficit budget, and a district or intermediate district shall not
10 incur an operating deficit in a fund during a school fiscal year. A
11 district or intermediate district that has an existing deficit fund
12 balance, that incurs a deficit fund balance in the most recently
13 completed school fiscal year, or that adopts a current year budget
14 that projects a deficit fund balance shall not be allotted or paid
15 a further sum under this ~~act~~**ARTICLE** until the district or
16 intermediate district submits to the department for approval a
17 budget for the current school fiscal year and a plan to eliminate
18 the district's or intermediate district's deficit not later than
19 the end of the second school fiscal year after the deficit was
20 incurred or the budget projecting a deficit was adopted. Withheld
21 state aid payments shall be released after the department approves
22 the deficit ~~reduction~~**ELIMINATION** plan and ensures that the budget
23 for the current school fiscal year is balanced. After the
24 department approves a district's or intermediate district's deficit
25 ~~reduction~~**ELIMINATION** plan, the district or intermediate district
26 shall post the deficit elimination plan on the district's or
27 intermediate district's website.

1 (2) Not later than March 1 of each year, the department shall
2 prepare a report of deficits incurred or projected by districts and
3 intermediate districts in the immediately preceding fiscal year and
4 the progress made in reducing those deficits and submit the report
5 to the standing committees of the legislature responsible for K-12
6 education legislation, the appropriations subcommittees of the
7 legislature responsible for K-12 education appropriations, the
8 house and senate fiscal agencies, the state treasurer, and the
9 state budget director. The department also shall submit quarterly
10 interim reports concerning the progress made by districts and
11 intermediate districts in reducing those deficits. On a quarterly
12 basis, the superintendent of public instruction shall publicly
13 present those reports to the appropriations subcommittees of the
14 legislature responsible for K-12 education appropriations.

15 (3) The amount of the permissible deficit for each school
16 fiscal year shall not exceed the amount of state aid reduced by an
17 executive order during that school fiscal year.

18 (4) A district or intermediate district that has an existing
19 deficit fund balance, that incurs a deficit fund balance in the
20 most recently completed school fiscal year, or that adopts a
21 current year budget that projects a deficit fund balance shall
22 submit to the department a monthly monitoring report on revenue and
23 expenditures in a form and manner prescribed by the department and
24 shall post these reports on its website.

25 (5) If a district or intermediate district is not able to
26 comply with the provisions of this section, the district or
27 intermediate district shall submit to the department a plan to

1 eliminate its deficit. Upon approval of the plan submitted, the
2 superintendent of public instruction may continue allotment and
3 payment of funds under this ~~act~~, **ARTICLE**, extend the period of time
4 in which a district or intermediate district has to eliminate its
5 deficit, and set special conditions that the district or
6 intermediate district must meet during the period of the extension.
7 After the department approves a district's or intermediate
8 district's deficit ~~reduction~~-**ELIMINATION** plan under this
9 subsection, the district or intermediate district shall post the
10 deficit elimination plan on the district's or intermediate
11 district's website.

12 (6) For the purposes of this section, "deficit fund balance"
13 means that term as defined in the Michigan public school accounting
14 manual published by the department.

15 Sec. 104. (1) In order to receive state aid under this
16 article, a district shall comply with sections 1249, 1278a, 1278b,
17 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
18 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
19 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
20 the state school aid fund money appropriated in section 11, there
21 is allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
22 \$26,694,400.00 for payments on behalf of districts for costs
23 associated with complying with those provisions of law. In
24 addition, from the federal funds appropriated in section 11, there
25 is allocated for ~~2012-2013-2013-2014~~ an amount estimated at
26 \$8,250,000.00, funded from DED-OESE, title VI, state assessment
27 funds, and from DED-OSERS, section 504 of part B of the individuals

1 with disabilities education act, Public Law 94-142, plus any
2 carryover federal funds from previous year appropriations, for the
3 purposes of complying with the federal no child left behind act of
4 2001, Public Law 107-110.

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

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

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

19 (5) As used in this section:

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

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

23 (c) "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 for ~~2012-2013~~
27 **2013-2014** for adult education programs authorized under this

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

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

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

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

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

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

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

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

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

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

5 (ii) Is at least 16 years of age on September 1 of the school
6 year, has been permanently expelled from school under section
7 1311(2) or 1311a of the revised school code, MCL 380.1311 and
8 380.1311a, and has no appropriate alternative education program
9 available through his or her district of residence.

10 (4) Except as otherwise provided in subsection (5), the money
11 allocated under this section shall be distributed as follows:

12 (a) For districts and consortia that received payments for
13 ~~2011-2012-2012-2013~~ under this section, the amount allocated to
14 each for ~~2012-2013-2013-2014~~ shall be based on the number of
15 participants served by the district or consortium for 2012-2013,
16 using the amount allocated per full-time equated participant under
17 subsection (7), up to a maximum total allocation under this
18 subsection in an amount equal to the amount the district or
19 consortium received for ~~2011-2012-2012-2013~~ under this section
20 before any reallocations made for ~~2011-2012-2012-2013~~ under
21 subsection (5).

22 (b) A district or consortium that received funding in ~~2011-~~
23 ~~2012-2012-2013~~ under this section may operate independently of a
24 consortium or join or form a consortium for ~~2012-2013-2013-2014~~.
25 The allocation for ~~2012-2013-2013-2014~~ to the district or the newly
26 formed consortium under this subsection shall be determined by the
27 department and shall be based on the proportion of the amounts that

1 are attributable to the district or consortium that received
2 funding in ~~2011-2012-2012-2013~~. A district or consortium described
3 in this subdivision shall notify the department of its intention
4 with regard to ~~2012-2013-2013-2014~~ by October 1, ~~2012-2013~~.

5 (5) A district that operated an adult education program in
6 ~~2011-2012-2012-2013~~ and does not intend to operate a program in
7 ~~2012-2013-2013-2014~~ shall notify the department by October 1, ~~2012~~
8 ~~2013~~ of its intention. The money intended to be allocated under
9 this section to a district that does not operate a program in ~~2012-~~
10 ~~2013-2013-2014~~ and the unspent money originally allocated under
11 this section to a district or consortium that subsequently operates
12 a program at less than the level of funding allocated under
13 subsection (4) and any other unallocated money under this section
14 shall instead be proportionately reallocated to the other districts
15 described in subsection (4)(a) that are operating an adult
16 education program in ~~2012-2013-2013-2014~~ under this section.

17 (6) The amount allocated under this section per full-time
18 equated participant is \$2,850.00 for a 450-hour program. The amount
19 shall be proportionately reduced for a program offering less than
20 450 hours of instruction.

21 (7) An adult basic education program or an adult English as a
22 second language program operated on a year-round or school year
23 basis may be funded under this section, subject to all of the
24 following:

25 (a) The program enrolls adults who are determined by a
26 department-approved assessment, in a form and manner prescribed by
27 the department, to be below ninth grade level in reading or

1 mathematics, or both, or to lack basic English proficiency.

2 (b) The program tests individuals for eligibility under
3 subdivision (a) before enrollment and upon completion of the
4 program in compliance with the state-approved assessment policy.

5 (c) A participant in an adult basic education program is
6 eligible for reimbursement until 1 of the following occurs:

7 (i) The participant's reading and mathematics proficiency are
8 assessed at or above the ninth grade level.

9 (ii) The participant fails to show progress on 2 successive
10 assessments after having completed at least 450 hours of
11 instruction.

12 (d) A funding recipient enrolling a participant in an English
13 as a second language program is eligible for funding according to
14 subsection (11) until the participant meets 1 of the following:

15 (i) The participant is assessed as having attained basic
16 English proficiency as determined by a department-approved
17 assessment.

18 (ii) The participant fails to show progress on 2 successive
19 department-approved assessments after having completed at least 450
20 hours of instruction. The department shall provide information to a
21 funding recipient regarding appropriate assessment instruments for
22 this program.

23 (8) A general educational development (G.E.D.) test
24 preparation program operated on a year-round or school year basis
25 may be funded under this section, subject to all of the following:

26 (a) The program enrolls adults who do not have a high school
27 diploma.

1 (b) The program shall administer a G.E.D. pre-test approved by
2 the department before enrolling an individual to determine the
3 individual's potential for success on the G.E.D. test, and shall
4 administer a post-test upon completion of the program in compliance
5 with the state-approved assessment policy.

6 (c) A funding recipient shall receive funding according to
7 subsection (11) for a participant, and a participant may be
8 enrolled in the program until 1 of the following occurs:

9 (i) The participant passes the G.E.D. test.

10 (ii) The participant fails to show progress on 2 successive
11 department-approved assessments used to determine readiness to take
12 the G.E.D. test after having completed at least 450 hours of
13 instruction.

14 (9) A high school completion program operated on a year-round
15 or school year basis may be funded under this section, subject to
16 all of the following:

17 (a) The program enrolls adults who do not have a high school
18 diploma.

19 (b) The program tests participants described in subdivision
20 (a) before enrollment and upon completion of the program in
21 compliance with the state-approved assessment policy.

22 (c) A funding recipient shall receive funding according to
23 subsection (11) for a participant in a course offered under this
24 subsection until 1 of the following occurs:

25 (i) The participant passes the course and earns a high school
26 diploma.

27 (ii) The participant fails to earn credit in 2 successive

1 semesters or terms in which the participant is enrolled after
2 having completed at least 900 hours of instruction.

3 (10) A job- or employment-related adult education program
4 operated on a year-round or school year basis may be funded under
5 this section, subject to all of the following:

6 (a) The program enrolls adults referred by their employer who
7 are less than 20 years of age, have a high school diploma, are
8 determined to be in need of remedial mathematics or communication
9 arts skills and are not attending an institution of higher
10 education.

11 (b) The program tests participants described in subdivision
12 (a) before enrollment and upon completion of the program in
13 compliance with the department-approved assessment policy.

14 (c) An individual may be enrolled in this program and the
15 grant recipient shall receive funding according to subsection (11)
16 until 1 of the following occurs:

17 (i) The individual achieves the requisite skills as determined
18 by department-approved assessment instruments.

19 (ii) The individual fails to show progress on 2 successive
20 assessments after having completed at least 450 hours of
21 instruction.

22 (11) A funding recipient shall receive payments under this
23 section in accordance with the following:

24 (a) Ninety percent for enrollment of eligible participants.

25 (b) Ten percent for completion of the adult basic education
26 objectives by achieving an increase of at least 1 grade level of
27 proficiency in reading or mathematics; for achieving basic English

1 proficiency, as defined by the department in the adult education
2 guidebook; for obtaining a G.E.D. or passage of 1 or more
3 individual G.E.D. tests; for attainment of a high school diploma or
4 passage of a course required for a participant to attain a high
5 school diploma; or for completion of the course and demonstrated
6 proficiency in the academic skills to be learned in the course, as
7 applicable.

8 (12) As used in this section, "participant" means the sum of
9 the number of full-time equated individuals enrolled in and
10 attending a department-approved adult education program under this
11 section, using quarterly participant count days on the schedule
12 described in section 6(7)(b).

13 (13) A person who is not eligible to be a participant funded
14 under this section may receive adult education services upon the
15 payment of tuition. In addition, a person who is not eligible to be
16 served in a program under this section due to the program
17 limitations specified in subsection (7), (8), (9), or (10) may
18 continue to receive adult education services in that program upon
19 the payment of tuition. The tuition level shall be determined by
20 the local or intermediate district conducting the program.

21 (14) An individual who is an inmate in a state correctional
22 facility shall not be counted as a participant under this section.

23 (15) A district shall not commingle money received under this
24 section or from another source for adult education purposes with
25 any other funds of the district. A district receiving adult
26 education funds shall establish a separate ledger account for those
27 funds. This subsection does not prohibit a district from using

1 general funds of the district to support an adult education or
2 community education program.

3 (16) A district or intermediate district receiving funds under
4 this section may establish a sliding scale of tuition rates based
5 upon a participant's family income. A district or intermediate
6 district may charge a participant tuition to receive adult
7 education services under this section from that sliding scale of
8 tuition rates on a uniform basis. The amount of tuition charged per
9 participant shall not exceed the actual operating cost per
10 participant minus any funds received under this section per
11 participant. A district or intermediate district may not charge a
12 participant tuition under this section if the participant's income
13 is at or below 200% of the federal poverty guidelines published by
14 the United States department of health and human services.

15 (17) In order to receive funds under this section, a district
16 shall furnish to the department, in a form and manner determined by
17 the department, all information needed to administer this program
18 and meet federal reporting requirements; shall allow the department
19 or the department's designee to review all records related to the
20 program for which it receives funds; and shall reimburse the state
21 for all disallowances found in the review, as determined by the
22 department.

23 (18) All intermediate district participant audits of adult
24 education programs shall be performed pursuant to the adult
25 education participant auditing and accounting manuals published by
26 the department.

27 (19) IT IS THE INTENT OF THE LEGISLATURE TO STUDY ALLOCATING

1 FUNDS UNDER THIS SECTION ON A COMPETITIVE BASIS BEGINNING FOR 2014-
2 2015.

3 (20) ~~(19)~~ As used in this section, "department" means the
4 Michigan strategic fund.

5 Sec. 147. (1) The allocation **EACH FISCAL YEAR** for ~~2012-2013~~
6 **2013-2014 AND FOR 2014-2015** for the public school employees'
7 retirement system pursuant to the public school employees
8 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall
9 be made using the **INDIVIDUAL PROJECTED BENEFIT** entry age normal
10 cost ~~actuarial~~ method **OF VALUATION** and risk assumptions adopted by
11 the public school employees retirement board and the department of
12 technology, management, and budget.

13 (2) **THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES**
14 **FOR THE 2013-2014 FISCAL YEAR, AS DETERMINED BY THE RETIREMENT**
15 **SYSTEM, ARE ESTIMATED AS FOLLOWS:**

16 (A) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010 **AND WHO ARE ENROLLED IN**
18 **THE HEALTH PREMIUM SUBSIDY**, the annual level percentage of payroll
19 contribution rate is estimated at ~~18.62% for pension and at 8.75%~~
20 ~~for retiree health care for the 2012-2013 fiscal year, unless a~~
21 ~~different contribution rate is calculated and applied by the office~~
22 ~~of retirement services pursuant to provisions enacted under Senate~~
23 ~~Bill No. 1040 of the 96th Legislature.~~ **29.35%, WITH 24.79% PAID**
24 **DIRECTLY BY THE EMPLOYER.**

25 (B) For public school employees who first worked for a public
26 school reporting unit on or after July 1, 2010 **AND WHO ARE ENROLLED**
27 **IN THE HEALTH PREMIUM SUBSIDY**, the annual level percentage of

1 payroll contribution rate is estimated at 29.12%, WITH 24.56% PAID
2 DIRECTLY BY THE EMPLOYER. ~~17.39% for pension and 8.75% for retiree~~
3 ~~health care for the 2012-2013 fiscal year, unless a different~~
4 ~~contribution rate is calculated and applied by the office of~~
5 ~~retirement services pursuant to provisions enacted under Senate~~
6 ~~Bill No. 1040 of the 96th Legislature. For public school employees~~
7 ~~who first worked for a public school reporting unit before July 1,~~
8 ~~2010, the annual level percentage of payroll contribution rate is~~
9 ~~estimated at 22.46% for pension and 8.75% for retiree health care~~
10 ~~for the 2013-2014 fiscal year, unless a different contribution rate~~
11 ~~is calculated and applied by the office of retirement services~~
12 ~~pursuant to provisions enacted under Senate Bill No. 1040 of the~~
13 ~~96th Legislature. For public school employees who first worked for~~
14 ~~a public school reporting unit on or after July 1, 2010, the annual~~
15 ~~level percentage of payroll contribution rate is estimated at~~
16 ~~21.19% for pension and 8.75% for retiree health care for the 2013-~~
17 ~~2014 fiscal year, unless a different contribution rate is~~
18 ~~calculated and applied by the office of retirement services~~
19 ~~pursuant to provisions enacted under Senate Bill No. 1040 of the~~
20 ~~96th Legislature. The portion of the contribution rate assigned to~~
21 ~~districts and intermediate districts for each fiscal year is all of~~
22 ~~the total percentage points. This~~

23 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
24 SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010 AND WHO PARTICIPATE
25 IN THE PENSION PLUS PLAN AND IN THE PERSONAL HEALTHCARE FUND, THE
26 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED
27 AT 28.19%, WITH 23.63% PAID DIRECTLY BY THE EMPLOYER.

1 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
2 SCHOOL REPORTING UNIT ON OR AFTER SEPTEMBER 4, 2012, WHO ELECT
3 DEFINED CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL
4 HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
5 CONTRIBUTION RATE IS ESTIMATED AT 25.52%, WITH 20.96% PAID DIRECTLY
6 BY THE EMPLOYER.

7 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
8 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
9 CONTRIBUTION, AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY,
10 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
11 ESTIMATED AT 26.45%, WITH 21.89% PAID DIRECTLY BY THE EMPLOYER.

12 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
13 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
14 CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND,
15 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
16 ESTIMATED AT 25.52%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

17 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
18 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN
19 THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF
20 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 28.42%, WITH 23.86% PAID
21 DIRECTLY BY THE EMPLOYER.

22 (3) THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES
23 FOR THE 2014-2015 FISCAL YEAR, AS DETERMINED BY THE RETIREMENT
24 SYSTEM, ARE ESTIMATED AS FOLLOWS:

25 (A) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
26 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010 AND WHO ARE ENROLLED IN
27 THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL

1 CONTRIBUTION RATE IS ESTIMATED AT 33.10%, WITH 25.78% PAID DIRECTLY
2 BY THE EMPLOYER.

3 (B) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
4 SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010 AND WHO ARE ENROLLED
5 IN THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF
6 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.02%, WITH 24.70% PAID
7 DIRECTLY BY THE EMPLOYER.

8 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
9 SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010 AND WHO PARTICIPATE
10 IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF
11 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 31.51%, WITH 24.19% PAID
12 DIRECTLY BY THE EMPLOYER.

13 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
14 SCHOOL REPORTING UNIT ON OR AFTER SEPTEMBER 4, 2012, WHO ELECT
15 DEFINED CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL
16 HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL
17 CONTRIBUTION RATE IS ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY
18 BY THE EMPLOYER.

19 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
20 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
21 CONTRIBUTION, AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY,
22 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS
23 ESTIMATED AT 28.79%, WITH 21.47% PAID DIRECTLY BY THE EMPLOYER.

24 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
25 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, WHO ELECT DEFINED
26 CONTRIBUTION, AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND,
27 THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS

1 ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

2 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC
3 SCHOOL REPORTING UNIT BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN
4 THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF
5 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.59%, WITH 25.27% PAID
6 DIRECTLY BY THE EMPLOYER.

7 (4) IN ADDITION TO THE EMPLOYER PAYMENTS DESCRIBED IN
8 SUBSECTIONS (2) AND (3), THE EMPLOYER SHALL PAY THE APPLICABLE
9 CONTRIBUTIONS TO THE TIER 2 PLAN, AS DETERMINED BY THE PUBLIC
10 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300 MCL 38.1301 TO
11 38.1408.

12 (5) ~~THE contribution rate reflects~~ RATES IN SUBSECTION (2)
13 REFLECT an amortization period of ~~26-25~~ years for ~~2012-2013-2013-~~
14 ~~2014~~. The public school employees' retirement system board shall
15 notify each district and intermediate district by February 28 of
16 each fiscal year of the estimated contribution rate for the next
17 fiscal year.

18 Sec. 147a. From the appropriation in section 11, there is
19 allocated for ~~2012-2013-2013-2014~~ an amount not to exceed
20 ~~\$155,000,000.00~~ \$100,000,000.00 for payments to participating
21 districts. A district that receives money under this section shall
22 use that money solely for the purpose of offsetting a portion of
23 the retirement contributions owed by the district for the fiscal
24 year ~~ending September 30, 2013.~~ IN WHICH IT IS RECEIVED. The amount
25 allocated to each participating district under this section shall
26 be based on each participating district's percentage of the total
27 statewide payroll for all participating districts for the

1 immediately preceding **SCHOOL** fiscal year. As used in this section,
2 "participating district" means a district that is a reporting unit
3 of the Michigan public school employees' retirement system under
4 the public school employees retirement act of 1979, 1980 PA 300,
5 MCL 38.1301 to 38.1408, and that reports employees to the Michigan
6 public school employees' retirement system for the applicable
7 fiscal year.

8 Sec. 147b. ~~(1) From the appropriation in section 11, there is~~
9 ~~allocated an amount not to exceed \$133,000,000.00 for 2011-2012 and~~
10 ~~an amount not to exceed \$41,000,000.00 for 2012-2013 for the~~
11 ~~purposes of this section. The money allocated in this section~~
12 ~~represents a portion of the year end school aid fund balance. Money~~
13 ~~allocated under this section shall be deposited in the MPSERS~~
14 ~~retirement obligation reform reserve fund.~~

15 (1) ~~(2)~~ The MPSERS retirement obligation reform reserve fund
16 is created as a separate account within the state school aid fund.

17 (2) The state treasurer may receive money or other assets from
18 any source for deposit into the MPSERS retirement obligation reform
19 reserve fund. The state treasurer shall direct the investment of
20 the MPSERS retirement obligation reform reserve fund. The state
21 treasurer shall credit to the MPSERS retirement obligation reform
22 reserve fund interest and earnings from the MPSERS retirement
23 obligation reform reserve fund.

24 (3) **MONEY AVAILABLE IN THE MPSERS RETIREMENT OBLIGATION REFORM**
25 **RESERVE FUND SHALL NOT BE EXPENDED WITHOUT A SPECIFIC**
26 **APPROPRIATION.**

27 (4) Money in the MPSERS retirement obligation reform reserve

1 fund at the close of the fiscal year shall remain in the MPSERS
2 retirement obligation reform reserve fund and shall not lapse to
3 the state school aid fund or to the general fund. The department of
4 treasury shall be the administrator of the MPSERS retirement
5 obligation reform reserve fund for auditing purposes.

6 ~~—— (3) It is the intent of the legislature that the speaker of~~
7 ~~the house of representatives or the senate majority leader, or~~
8 ~~both, shall convene a workgroup to examine retirement obligations~~
9 ~~and potential reforms to the Michigan public school employees'~~
10 ~~retirement system established under the public school employees~~
11 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408. The~~
12 ~~chair of the senate appropriations committee and chair of the house~~
13 ~~appropriations committee, or his or her designee, each shall be a~~
14 ~~member of the workgroup, and the workgroup shall report to the~~
15 ~~speaker of the house of representatives or the senate majority~~
16 ~~leader, as applicable, by February 1, 2012, on reforms identified,~~
17 ~~timelines for implementing reforms, and estimated costs and savings~~
18 ~~of the identified reforms.~~

19 (5) IF THE CONTRIBUTIONS DESCRIBED IN SECTION 43E OF THE
20 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
21 38.1343E, AS THAT SECTION WAS ADDED BY 2010 PA 75, ARE DETERMINED
22 BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION FOR WHICH ALL
23 RIGHTS OF APPEAL HAVE BEEN EXHAUSTED TO BE CONSTITUTIONAL AND IF
24 THE ORDER FOR PRELIMINARY INJUNCTION IN CASE NO. 10-45-MM ISSUED ON
25 JULY 13, 2010 IS LIFTED, THE MONEY PLACED IN A SEPARATE INTEREST
26 BEARING ACCOUNT AS A RESULT OF IMPLEMENTING THE PRELIMINARY
27 INJUNCTION SHALL BE DEPOSITED INTO THE MPSERS RETIREMENT OBLIGATION

1 REFORM RESERVE FUND CREATED IN THIS SECTION TO BE USED SOLELY FOR
2 HEALTH CARE UNFUNDED ACCRUED LIABILITIES.

3 Sec. 147c. (1) ~~Except as otherwise provided in subsection (2),~~
4 ~~from~~ FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION
5 11, THERE IS ALLOCATED FOR 2012-2013 AN AMOUNT NOT TO EXCEED
6 \$160,000,000.00 FOR PAYMENTS TO DISTRICTS AND INTERMEDIATE
7 DISTRICTS THAT ARE PARTICIPATING ENTITIES OF THE RETIREMENT SYSTEM.
8 FROM the appropriation in section 11, there is allocated for ~~2012-~~
9 ~~2013-2013-2014~~ an amount not to exceed ~~\$130,000,000.00 to~~
10 \$247,300,000.00 FROM THE STATE SCHOOL AID FUND, AND THERE IS
11 APPROPRIATED FOR 2013-2014 AN AMOUNT NOT TO EXCEED \$156,000,000.00
12 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND, FOR
13 PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS THAT ARE
14 PARTICIPATING ENTITIES OF the Michigan public school employees'
15 retirement system.

16 (2) IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM
17 THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS
18 ALLOCATED FOR PAYMENTS TO DISTRICT LIBRARIES THAT ARE PARTICIPATING
19 ENTITIES OF THE RETIREMENT SYSTEM AN AMOUNT NOT TO EXCEED
20 \$500,000.00 FOR 2012-2013 AND AN AMOUNT NOT TO EXCEED \$1,300,000.00
21 FOR 2013-2014.

22 (3) PAYMENTS MADE UNDER THIS SECTION FOR 2012-2013 SHALL BE
23 EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED
24 LIABILITY CONTRIBUTION RATE AS CALCULATED PURSUANT TO SECTION 41 OF
25 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,
26 MCL 38.1341, AND THE MAXIMUM EMPLOYER RATE OF 20.96% INCLUDED IN
27 SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,

1 1980 PA 300, MCL 38.1341. PAYMENTS MADE UNDER THIS SECTION FOR
 2 2013-2014 SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED
 3 ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE AS CALCULATED
 4 pursuant to section 41 of the public school employees' EMPLOYEES
 5 retirement act of 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED
 6 WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96%
 7 INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT
 8 ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER
 9 RATE OF 20.96% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL
 10 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

11 ~~—— (2) If section 41 of the public school employees' retirement~~
 12 ~~act of 1979, 1980 PA 300, MCL 38.1341, is not amended by Senate~~
 13 ~~Bill No. 1040 of the 96th Legislature, then the allocation under~~
 14 ~~subsection (1) shall lapse to the state school aid fund unless the~~
 15 ~~legislature takes action to allocate the funding in another manner.~~

16 (4) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER
 17 THIS SECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S
 18 PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY
 19 PRECEDING FISCAL YEAR FOR THE SAME TYPE OF PARTICIPATING ENTITIES.
 20 A PARTICIPATING ENTITY THAT RECEIVES FUNDS UNDER THIS SECTION SHALL
 21 USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS AS
 22 SPECIFIED IN SUBSECTION (5).

23 (5) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS
 24 SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER
 25 SUBSECTION (4) TO THE RETIREMENT SYSTEM IN A FORM, MANNER, AND TIME
 26 FRAME DETERMINED BY THE RETIREMENT SYSTEM.

27 (6) FUNDS ALLOCATED UNDER THIS SECTION SHOULD BE CONSIDERED

1 WHEN COMPARING A DISTRICT'S GROWTH IN TOTAL STATE AID FUNDING FROM
2 1 FISCAL YEAR TO THE NEXT.

3 (7) AS USED IN THIS SECTION:

4 (A) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE
5 DISTRICT, OR DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE
6 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE
7 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
8 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN
9 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE
10 FISCAL YEAR.

11 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE
12 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
13 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

14 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
15 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
16 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

17 Sec. 152a. (1) As required by the court in the consolidated
18 cases known as Adair v State of Michigan, Michigan supreme court
19 docket nos. 137424 and 137453, from the state school aid fund money
20 appropriated in section 11 there is allocated for ~~2012-2013-2013-~~
21 ~~2014~~ an amount not to exceed \$38,000,500.00 to be used solely for
22 the purpose of paying necessary costs related to the state-mandated
23 collection, maintenance, and reporting of data to this state.

24 (2) From the allocation in subsection (1), the department
25 shall make payments to districts and intermediate districts in an
26 equal amount per pupil based on the total number of pupils in
27 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.

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in subsections (2), ~~and (4)~~, (5), (6), **AND (7)** are appropriated for community colleges for the fiscal year ending September 30, ~~2013, 2014~~, from the funds indicated in this section. The following is a summary of the appropriations in subsections (2), ~~and (4)~~, (5), (6), **AND (7)**:

(a) The gross appropriation is ~~\$294,130,500.00.~~
\$335,977,600.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$294,130,500.00.~~**\$335,977,600.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, \$197,614,100.00.

(v) State general fund/general purpose money,
~~\$96,516,400.00.~~**\$138,363,500.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$292,396,900.00,~~**\$298,244,000.00,** allocated as follows:

(a) Alpena Community College, ~~\$5,111,200.00.~~**\$5,221,100.00.**

(b) Bay de Noc Community College, ~~\$5,161,300.00.~~**\$5,263,800.00.**

(c) Delta College, ~~\$13,712,700.00.~~**\$14,022,200.00.**

(d) Glen Oaks Community College, ~~\$2,383,000.00.~~**\$2,434,300.00.**

1 (e) Gogebic Community College, ~~\$4,233,100.00~~ **\$4,317,500.00.**
 2 (f) Grand Rapids Community College,
 3 ~~\$17,054,300.00~~ **\$17,403,500.00.**
 4 (g) Henry Ford Community College,
 5 ~~\$20,596,700.00~~ **\$20,997,900.00.**
 6 (h) Jackson Community College, ~~\$11,491,500.00~~ **\$11,723,600.00.**
 7 (i) Kalamazoo Valley Community College,
 8 ~~\$11,828,300.00~~ **\$12,086,900.00**
 9 (j) Kellogg Community College, ~~\$9,289,300.00~~ **\$9,494,000.00.**
 10 (k) Kirtland Community College, ~~\$2,968,300.00~~ **\$3,046,800.00.**
 11 (l) Lake Michigan College, ~~\$5,059,300.00~~ **\$5,162,900.00.**
 12 (m) Lansing Community College, ~~\$29,335,000.00~~ **\$29,935,300.00.**
 13 (n) Macomb Community College, ~~\$31,206,500.00~~ **\$31,837,200.00.**
 14 (o) Mid Michigan Community College,
 15 ~~\$4,393,400.00~~ **\$4,504,700.00.**
 16 (p) Monroe County Community College,
 17 ~~\$4,223,500.00~~ **\$4,329,900.00.**
 18 (q) Montcalm Community College, ~~\$3,038,500.00~~ **\$3,112,000.00.**
 19 (r) C.S. Mott Community College,
 20 ~~\$14,890,400.00~~ **\$15,202,200.00.**
 21 (s) Muskegon Community College, ~~\$8,456,100.00~~ **\$8,628,000.00.**
 22 (t) North Central Michigan College,
 23 ~~\$2,979,900.00~~ **\$3,055,400.00.**
 24 (u) Northwestern Michigan College,
 25 ~~\$8,624,100.00~~ **\$8,799,300.00.**
 26 (v) Oakland Community College, ~~\$19,977,500.00~~ **\$20,422,900.00.**
 27 (w) St. Clair County Community College,

1 ~~\$6,697,300.00.~~**\$6,839,900.00.**

2 (x) Schoolcraft College, ~~\$11,800,500.00.~~**\$12,076,700.00.**

3 (y) Southwestern Michigan College,

4 ~~\$6,269,000.00.~~**\$6,385,400.00.**

5 (z) Washtenaw Community College,

6 ~~\$12,242,000.00.~~**\$12,573,900.00.**

7 (aa) Wayne County Community College,

8 ~~\$15,798,500.00.~~**\$16,146,700.00.**

9 (bb) West Shore Community College,

10 ~~\$2,298,200.00.~~**\$2,342,900.00.**

11 (cc) Local strategic value, ~~\$1,277,500.00.~~**\$877,100.00.**

12 (3) The amount appropriated in subsection (2) for community
13 college operations is appropriated from the following:

14 (a) State school aid fund, \$195,880,500.00.

15 (b) State general fund/general purpose money,

16 ~~\$96,516,400.00.~~**\$102,363,500.00.**

17 (4) From the appropriations described in subsection (1), there
18 is appropriated for fiscal year ~~2012-2013-2013-2014~~ an amount not
19 to exceed \$1,733,600.00 for payments to community colleges from the
20 state school aid fund. A community college that receives money
21 under this subsection shall use that money solely for the purpose
22 of offsetting a portion of the retirement contributions owed by the
23 college for the fiscal year ending September 30, ~~2013-2014~~. The
24 amount allocated to each community college under this subsection is
25 as follows:**THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY**
26 **COLLEGE UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING**
27 **COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM-COVERED**

1 PAYROLL FOR ALL PARTICIPATING COLLEGES FOR THE IMMEDIATELY
2 PRECEDING STATE FISCAL YEAR.

3 ~~—— (a) Alpena Community College, \$30,400.00.~~
4 ~~—— (b) Bay de Noc Community College, \$30,800.00.~~
5 ~~—— (c) Delta College, \$81,400.00.~~
6 ~~—— (d) Glen Oaks Community College, \$14,200.00.~~
7 ~~—— (e) Gogebic Community College, \$25,300.00.~~
8 ~~—— (f) Grand Rapids Community College, \$101,700.00.~~
9 ~~—— (g) Henry Ford Community College, \$123,000.00.~~
10 ~~—— (h) Jackson Community College, \$68,500.00.~~
11 ~~—— (i) Kalamazoo Valley Community College, \$70,400.00.~~
12 ~~—— (j) Kellogg Community College, \$55,300.00.~~
13 ~~—— (k) Kirtland Community College, \$17,500.00.~~
14 ~~—— (l) Lake Michigan College, \$30,200.00.~~
15 ~~—— (m) Lansing Community College, \$175,000.00.~~
16 ~~—— (n) Macomb Community College, \$186,200.00.~~
17 ~~—— (o) Mid Michigan Community College, \$26,100.00.~~
18 ~~—— (p) Monroe County Community College, \$25,000.00.~~
19 ~~—— (q) Montcalm Community College, \$18,000.00.~~
20 ~~—— (r) C.S. Mott Community College, \$88,700.00.~~
21 ~~—— (s) Muskegon Community College, \$50,400.00.~~
22 ~~—— (t) North Central Michigan College, \$17,600.00.~~
23 ~~—— (u) Northwestern Michigan College, \$51,500.00.~~
24 ~~—— (v) Oakland Community College, \$118,800.00.~~
25 ~~—— (w) St. Clair County Community College, \$39,900.00.~~
26 ~~—— (x) Schoolcraft College, \$70,100.00.~~
27 ~~—— (y) Southwestern Michigan College, \$37,500.00.~~

~~1 (z) Washtenaw Community College, \$72,200.00.~~

~~2 (aa) Wayne County Community College, \$94,200.00.~~

~~3 (bb) West Shore Community College, \$13,700.00.~~

~~4 (5) Notwithstanding subsections (1) and (3) of this section as
5 in effect for the fiscal year ending September 30, 2012, the
6 amounts appropriated for community colleges under subsection (2) of
7 this section for the fiscal year ending September 30, 2012 are
8 appropriated from the following funds:~~

~~9 (a) State school aid fund, \$259,629,400.00.~~

~~10 (b) State general fund/general purpose money, \$24,251,100.00.~~

11 (5) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE
12 IS APPROPRIATED AN AMOUNT NOT TO EXCEED \$31,400,000.00 FROM THE
13 STATE GENERAL FUND FOR PAYMENTS TO COMMUNITY COLLEGES THAT ARE
14 PARTICIPATING ENTITIES OF THE RETIREMENT SYSTEM. ALL OF THE
15 FOLLOWING APPLY TO THE APPROPRIATIONS DESCRIBED IN THIS SUBSECTION:

16 (A) THE AMOUNT OF A PAYMENT UNDER THIS SUBSECTION SHALL BE THE
17 DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY
18 CONTRIBUTION RATE AS CALCULATED UNDER SECTION 41 OF THE PUBLIC
19 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341,
20 AND THE MAXIMUM EMPLOYER RATE OF 20.96% UNDER SECTION 41 OF THE
21 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
22 38.1341.

23 (B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS
24 SUBSECTION SHALL BE BASED ON EACH COMMUNITY COLLEGE'S PERCENTAGE OF
25 THE TOTAL COVERED PAYROLL FOR ALL COMMUNITY COLLEGES THAT ARE
26 PARTICIPATING COLLEGES IN THE IMMEDIATELY PRECEDING FISCAL YEAR. A
27 COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS SUBSECTION SHALL

1 USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS
2 UNDER SUBDIVISION (C) .

3 (C) EACH PARTICIPATING COLLEGE RECEIVING FUNDS UNDER THIS
4 SUBSECTION SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED
5 UNDER SUBDIVISION (B) TO THE RETIREMENT SYSTEM IN A FORM AND MANNER
6 DETERMINED BY THE RETIREMENT SYSTEM.

7 (6) ALL OF THE FOLLOWING APPLY TO COMMUNITY COLLEGES DESCRIBED
8 IN SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL
9 125.2692:

10 (A) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THE
11 FOLLOWING AMOUNT IS APPROPRIATED FOR REIMBURSEMENT TO COMMUNITY
12 COLLEGES UNDER SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT,
13 MCL 125.2692:

14 (i) IF THE AMOUNT OF TAX REVENUE LOST BY COMMUNITY COLLEGES AS
15 A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN
16 RENAISSANCE ZONE ACT IN FISCAL YEAR 2012-2013 IS \$3,500,000.00 OR
17 MORE, \$3,500,000.00 FROM THE STATE GENERAL FUND.

18 (ii) IF THE AMOUNT OF TAX REVENUE LOST BY COMMUNITY COLLEGES AS
19 A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN
20 RENAISSANCE ZONE ACT IN FISCAL YEAR 2012-2013 IS LESS THAN
21 \$3,500,000.00, THE ACTUAL AMOUNT OF TAX REVENUE LOST BY THE
22 COMMUNITY COLLEGES.

23 (B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS
24 SUBSECTION SHALL BE BASED ON THAT COMMUNITY COLLEGE'S PROPORTION OF
25 TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL YEAR 2012-2013
26 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN
27 RENAISSANCE ZONE ACT.

1 (C) THE APPROPRIATIONS DESCRIBED IN THIS SUBSECTION SHALL BE
2 MADE TO EACH ELIGIBLE COMMUNITY COLLEGE WITHIN 60 DAYS AFTER THE
3 DEPARTMENT OF TREASURY CERTIFIES TO THE STATE BUDGET DIRECTOR THAT
4 IT HAS RECEIVED ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE
5 AMOUNTS OF TAX REVENUE LOST BY EACH ELIGIBLE COMMUNITY COLLEGE IN
6 FISCAL YEAR 2012-2013 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE
7 ZONE ACT, MCL 125.2692.

8 (7) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE
9 IS APPROPRIATED \$1,100,000.00 FROM THE STATE GENERAL FUND, FOR
10 FISCAL YEAR 2013-2014 ONLY, TO THE MICHIGAN COMMUNITY COLLEGE
11 ASSOCIATION, FOR THE PURPOSE OF EXPANDING THE MICHIGAN COMMUNITY
12 COLLEGE VIRTUAL LEARNING COLLABORATIVE. THE MICHIGAN COMMUNITY
13 COLLEGE ASSOCIATION SHALL PROVIDE INFORMATION ON REQUEST TO THE
14 HOUSE AND SENATE SUBCOMMITTEES ON COMMUNITY COLLEGES, THE HOUSE AND
15 SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON THE USE OF
16 THESE FUNDS UNTIL THE PROJECT IS COMPLETED.

17 (8) AS USED IN THIS SECTION:

18 (A) "MICHIGAN RENAISSANCE ZONE ACT" MEANS THE MICHIGAN
19 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.

20 (B) "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS
21 A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT REPORTS
22 EMPLOYEES TO THE RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

23 (C) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE
24 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
25 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

26 (D) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
27 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES

1 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

2 Sec. 201a. It is the intent of the legislature to provide
3 appropriations for the fiscal year ending on September 30, ~~2014~~
4 ~~2015~~ for the items listed in section 201. The fiscal year ~~2013-2014~~
5 ~~2014-2015~~ appropriations are anticipated to be the same as those
6 for fiscal year ~~2012-2013, 2013-2014~~, except that the amounts will
7 be adjusted for changes in caseload and related costs, federal fund
8 match rates, economic factors, and available revenue. These
9 adjustments will be determined after the January ~~2013-2014~~
10 consensus revenue estimating conference.

11 SEC. 201B. (1) IN ADDITION TO THE AMOUNTS APPROPRIATED UNDER
12 SECTION 201, \$12,500,000.00 IS APPROPRIATED FOR COMMUNITY COLLEGES
13 FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY FOR THE FISCAL YEAR
14 ENDING SEPTEMBER 30, 2013, FOR PAYMENTS TO COMMUNITY COLLEGES THAT
15 ARE PARTICIPATING COMMUNITY COLLEGES OF THE RETIREMENT SYSTEM.
16 PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO THE DIFFERENCE
17 BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE
18 AS CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES
19 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM
20 EMPLOYER RATE OF 20.96% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL
21 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

22 (2) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS
23 SECTION SHALL BE BASED ON EACH PARTICIPATING COMMUNITY COLLEGE'S
24 TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM IN PROPORTION TO THE
25 TOTAL COVERED PAYROLL FOR THE IMMEDIATELY PRECEDING FISCAL YEAR FOR
26 ALL PARTICIPATING COMMUNITY COLLEGES. A COMMUNITY COLLEGE THAT
27 RECEIVES FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR

1 THE PURPOSE OF RETIREMENT CONTRIBUTIONS AS SPECIFIED IN SUBSECTION
2 (3) .

3 (3) EACH COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS
4 SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT IT RECEIVES
5 UNDER SUBSECTION (2) TO THE RETIREMENT SYSTEM IN THE FORM AND
6 MANNER PRESCRIBED BY THE RETIREMENT SYSTEM.

7 (4) AS USED IN THIS SECTION:

8 (A) "PARTICIPATING COMMUNITY COLLEGE" MEANS A COMMUNITY
9 COLLEGE THAT IS A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT
10 REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
11 RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

12 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE
13 RETIREMENT SYSTEM.

14 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
15 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
16 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

17 Sec. 206. The funds appropriated in section 201 are
18 appropriated for community colleges with fiscal years ending June
19 30, ~~2013-2014~~ and shall be paid out of the state treasury and
20 distributed by the state treasurer to the respective community
21 colleges in 11 monthly installments on the sixteenth of each month,
22 or the next succeeding business day, beginning with October 16,
23 ~~2012-2013~~. Each community college shall accrue its July and August
24 ~~2013-2014~~ payments to its institutional fiscal year ending June 30,
25 ~~2013-2014~~. However, if the state budget director determines that a
26 community college failed to submit all verified Michigan community
27 colleges activities classification structure data for school year

1 ~~2011-2012-2012-2013~~ to the workforce development agency by November
2 1, ~~2012, 2013~~, or failed to submit its longitudinal data system
3 data set for school year ~~2011-2012-2012-2013~~ to the center for
4 educational performance and information under section 219, the
5 state treasurer shall withhold the monthly installments from that
6 community college until those data are submitted. The state budget
7 director shall notify the chairs of the house and senate
8 appropriations subcommittees on community colleges at least 10 days
9 before withholding funds from any community college.

10 Sec. 208. A community college shall not use money appropriated
11 in section 201 to pay for the construction or maintenance of a
12 self-liquidating project. A community college shall comply **WITH**
13 **SECTION 238 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL**
14 **18.1238, AND** with the current use and finance requirements of the
15 joint capital outlay subcommittee (JCOS) for any construction,
16 renovation, or other capital outlay projects pursuant to JCOS
17 policy. The appropriation in section 201 for a community college
18 that fails to comply with JCOS requirements shall be reduced by 1%
19 for each violation.

20 Sec. 209. (1) Within 30 days after the board of a community
21 college adopts its annual operating budget for the following school
22 fiscal year, or after the board adopts a subsequent revision to
23 that budget, the community college shall make all of the following
24 available through a link on its website homepage:

25 (a) The annual operating budget and subsequent budget
26 revisions.

27 (b) A link to the most recent "Activities Classification

1 Structure Manual for Michigan Community Colleges".

2 (C) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR
3 FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015.

4 (D) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY
5 PROJECT, ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT OF EACH PROJECT,
6 AND TOTAL OUTSTANDING DEBT.

7 (E) THE ESTIMATED COST TO THE COMMUNITY COLLEGE RESULTING FROM
8 THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, PUBLIC LAW 111-148,
9 AS AMENDED BY THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF
10 2010, PUBLIC LAW 111-152.

11 (F) ~~(e)~~—Links to all of the following for the community
12 college:

13 (i) The current collective bargaining agreement for each
14 bargaining unit.

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

20 (iii) Audits and financial reports for the most recent fiscal
21 year for which they are available.

22 (iv) A copy of the board of trustees resolution regarding
23 compliance with best practices for the local strategic value
24 component described in section 230(3).

25 (2) For statewide consistency and public visibility, community
26 colleges must use the icon badge provided by the department of
27 technology, management, and budget consistent with the icon badge

1 developed by the department of education for K-12 school districts.
2 It must appear on the front of each community college's homepage.
3 The size of the icon may be reduced to 150 x 150 pixels. ~~To be in~~
4 ~~compliance with this section, all data elements defined in this~~
5 ~~section must be available on the college's homepage by December 31,~~
6 ~~2012. Each community college shall notify the state budget office~~
7 ~~when all data elements defined in this section are made available~~
8 ~~on its website.~~

9 (3) The state budget director shall determine whether a
10 community college has complied with this section. The state budget
11 director may withhold a community college's monthly installments
12 described in section 206 until the community college complies with
13 this section. The state budget director shall notify the chairs of
14 the house and senate appropriations subcommittee on community
15 colleges at least 10 days before withholding funds from any
16 community college.

17 (4) Each community college shall report the following
18 information to the senate and house appropriations subcommittees on
19 community colleges, the senate and house fiscal agencies, and the
20 state budget office by November 15, ~~2012,~~ **2013**, and post that
21 information on the internet website required under subsection (1):

22 (a) Budgeted fiscal year ~~2012-2013-2013-2014~~ general fund
23 revenue from tuition and fees.

24 (b) Budgeted fiscal year ~~2012-2013-2013-2014~~ general fund
25 revenue from state appropriations.

26 (c) Budgeted fiscal year ~~2012-2013-2013-2014~~ general fund
27 revenue from property taxes.

1 (d) Budgeted fiscal year ~~2012-2013-2013-2014~~ total general
2 fund revenue.

3 (e) Budgeted fiscal year ~~2012-2013-2013-2014~~total general
4 fund expenditures.

5 Sec. 210. (1) Recognizing the critical importance of education
6 in strengthening Michigan's workforce, the legislature encourages
7 each community college to explore ways of increasing collaboration
8 and cooperation with 4-year universities, particularly in the areas
9 related to training, instruction, and program articulation.

10 (2) Recognizing the central role of community colleges in
11 responding to local employment needs and challenges, community
12 colleges shall develop and continue efforts to collaborate with
13 local employers and students to identify local employment needs and
14 strategies to meet them.

15 (3) Community colleges are encouraged to collaborate with each
16 other on innovations to identify and meet local employment needs.

17 (4) **COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH**
18 **UNIVERSITIES TO DEVELOP EQUIVALENCY STANDARDS OF CORE COLLEGE**
19 **COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY POSTSECONDARY**
20 **INSTITUTIONS.**

21 **SEC. 210B. (1) IT IS THE INTENT OF THE LEGISLATURE THAT THE**
22 **MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS**
23 **OFFICERS IMPLEMENT ANY AGREEMENT OR AGREEMENTS AMONG THE COMMUNITY**
24 **COLLEGES AND UNIVERSITIES CONCERNING THE TRANSFERABILITY OF COLLEGE**
25 **COURSES RESULTING FROM THE RECOMMENDATIONS OF THE COMMITTEE CREATED**
26 **UNDER FORMER SECTION 210A.**

27 (2) **IT IS THE INTENT OF THE LEGISLATURE THAT THE MICHIGAN**

1 ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS, THE
2 MICHIGAN COMMUNITY COLLEGE ASSOCIATION, AND THE PRESIDENTS COUNCIL,
3 STATE UNIVERSITIES OF MICHIGAN SHALL TOGETHER SUBMIT AN
4 IMPLEMENTATION UPDATE REPORT TO THE SENATE AND HOUSE APPROPRIATIONS
5 SUBCOMMITTEES ON COMMUNITY COLLEGES AND HIGHER EDUCATION, THE
6 SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY
7 MARCH 1, 2014.

8 Sec. 224. ~~Upon request, a~~ A community college shall **USE THE P-**
9 **20 LONGITUDINAL DATA SYSTEM TO** inform interested Michigan high
10 schools of the aggregate academic status of its students for the
11 previous academic year, in a manner prescribed by the Michigan
12 community college association and in cooperation with the Michigan
13 association of secondary school principals. Community colleges
14 shall cooperate with the center for educational performance and
15 information to design and implement a systematic approach for
16 accomplishing this work.

17 Sec. 225. Each community college shall report to the house and
18 senate fiscal agencies, the state budget director, and the
19 workforce development agency by August 31, ~~2012,~~**2013**, the tuition
20 and mandatory fees paid by a full-time in-district student and a
21 full-time out-of-district student as established by the college
22 governing board for the ~~2011-2012-2013-2014~~ academic year. This
23 report should also include the annual cost of attendance based on a
24 full-time course load of 30 credits. Each community college shall
25 also report any revisions to the reported ~~2011-2012-2012-2013~~ **OR**
26 **2013-2014** academic year tuition and mandatory fees adopted by the
27 college governing board to the house and senate fiscal agencies,

1 the state budget director, and the workforce development agency
2 within 15 days of being adopted.

3 Sec. 229. (1) It is the intent of the legislature that each
4 community college that receives an appropriation in section 201
5 include in its admission application process a specific question as
6 to whether an applicant for admission is a veteran, an active
7 member of the military, a member of the national guard or military
8 reserves, or the spouse or dependent of a veteran, active member of
9 the military, or member of the national guard or military reserves,
10 in order to more quickly identify potential educational assistance
11 available to that applicant.

12 (2) IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC
13 COMMUNITY COLLEGE THAT RECEIVES AN APPROPRIATION IN SECTION 201
14 SHALL WORK WITH THE HOUSE AND SENATE COMMUNITY COLLEGE
15 SUBCOMMITTEES, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, AND
16 VETERANS GROUPS TO REVIEW THE ISSUE OF IN-DISTRICT TUITION FOR
17 VETERANS OF THIS STATE WHEN DETERMINING TUITION RATES AND FEES.

18 (3) As used in this section, "veteran" means an honorably
19 discharged veteran entitled to educational assistance under the
20 provisions of section 5003 of the post-911 veterans educational
21 assistance act of 2008, 38 USC 3301 to 3324.

22 Sec. 229a. Included in the fiscal year ~~2012-2013-2013-2014~~
23 appropriations for the department of technology, management, and
24 budget are appropriations to provide funding for the state share of
25 costs for previously constructed capital projects for community
26 colleges. Those appropriations for state building authority rent
27 represent additional state general fund support for community

colleges, and the following is an estimate of the amount of that support to each community college:

- (a) Alpena Community College, ~~\$428,100.00~~-\$434,500.00.
- (b) Bay de Noc Community College, ~~\$618,000.00~~-\$644,500.00.
- (c) Delta College, ~~\$2,610,000.00~~-\$2,877,700.00.
- (d) Glen Oaks Community College, ~~\$123,000.00~~-\$124,900.00.
- (e) Gogebic Community College, ~~\$60,000.00~~-\$78,100.00.
- (f) Grand Rapids Community College,
~~\$1,675,000.00~~-\$1,700,400.00.
- (g) Henry Ford Community College, ~~\$1,110,000.00~~-\$1,126,800.00.
- (h) Jackson Community College, ~~\$1,563,000.00~~-\$1,809,500.00.
- (i) Kalamazoo Valley Community College,
~~\$1,467,000.00~~-\$1,489,300.00.
- (j) Kellogg Community College, ~~\$520,000.00~~-\$527,900.00.
- (k) Kirtland Community College, ~~\$363,300.00~~-\$368,800.00.
- (l) Lake Michigan College, ~~\$340,000.00~~-\$345,200.00.
- (m) Lansing Community College, ~~\$384,000.00~~-\$617,600.00.
- (n) Macomb Community College, ~~\$1,313,100.00~~-\$1,332,900.00.
- (o) Mid Michigan Community College, ~~\$915,000.00~~-\$928,900.00.
- (p) Monroe County Community College,
~~\$1,355,000.00~~-\$1,375,600.00.
- (q) Montcalm Community College, ~~\$756,000.00~~-\$1,015,700.00.
- (r) C.S. Mott Community College, ~~\$1,803,000.00~~-\$1,830,400.00.
- (s) Muskegon Community College, ~~\$198,000.00~~-\$201,000.00.
- (T) NORTH CENTRAL MICHIGAN COLLEGE, \$476,300.00.
- (U) ~~(t)~~Northwestern Michigan College,
~~\$1,305,000.00~~-\$1,324,800.00.

1 (V) ~~(u)~~—Oakland Community College, ~~\$465,000.00~~-\$472,100.00.

2 (W) ~~(v)~~—St. Clair County Community College,

3 ~~\$356,100.00~~-\$361,400.00.

4 (X) ~~(w)~~—Schoolcraft College, ~~\$1,546,100.00~~-\$1,569,500.00.

5 (Y) ~~(x)~~—Southwestern Michigan College,

6 ~~\$530,600.00~~-\$538,600.00.

7 (Z) ~~(y)~~—Washtenaw Community College,

8 ~~\$1,993,000.00~~-\$2,023,100.00.

9 (AA) ~~(z)~~—Wayne County Community College,

10 ~~\$1,890,000.00~~-\$1,918,700.00.

11 (BB) ~~(aa)~~—West Shore Community College,

12 ~~\$577,000.00~~-\$585,800.00.

13 SEC. 229B. (1) THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND
14 BUDGET, AFTER CONSULTATION WITH THE UNEMPLOYMENT INSURANCE AGENCY
15 IN THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, THE
16 WORKFORCE DEVELOPMENT AGENCY, AND COMMUNITY COLLEGES, SHALL PREPARE
17 A REPORT ON THE FEASIBILITY OF PROVIDING ACCURATE INFORMATION ON
18 STUDENT EDUCATIONAL OUTCOMES IN THE EMPLOYMENT MARKET, INCLUDING
19 ALL OF THE FOLLOWING INFORMATION:

20 (A) THE NUMBER OF STUDENTS WHO SUCCESSFULLY COMPLETED A
21 SKILLED TRADES PROGRAM AND OBTAINED AN APPRENTICESHIP OR JOB IN A
22 FIELD RELATED TO THAT SKILLED TRADES PROGRAM IN FISCAL YEAR 2012-
23 2013.

24 (B) THE NUMBER OF STUDENTS DESCRIBED IN SUBDIVISION (A) WHO
25 ARE VETERANS OF THE UNITED STATES ARMED FORCES.

26 (2) BY SEPTEMBER 1, 2014, THE DEPARTMENT SHALL SUBMIT THE
27 REPORT DESCRIBED IN SUBSECTION (1) TO THE SENATE AND HOUSE

1 APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES AND THE SENATE
2 AND HOUSE FISCAL AGENCIES.

3 (3) AS USED IN THIS SECTION, "SKILLED TRADES PROGRAM" MEANS AN
4 ACADEMIC PROGRAM CATEGORIZED IN THE UNITED STATES DEPARTMENT OF
5 EDUCATION CLASSIFICATION OF INSTRUCTIONAL PROGRAM CODES AS 01, 46,
6 47, 48, OR 49.

7 Sec. 230. (1) It is the intent of the legislature that the
8 recommendations and performance measures developed by the
9 performance indicators task force formed under section 242 of 2005
10 PA 154 be reviewed and more fully implemented for distribution of
11 state funding to community colleges in future years.

12 (2) Any additional funding provided to community college
13 operations under section 201(2) in fiscal year ~~2012-2013-2013-2014~~
14 that exceeds the amounts appropriated for operations in fiscal year
15 ~~2011-2012 is allocated solely for the purpose of offsetting a~~
16 ~~portion of the retirement contributions owed by the college for the~~
17 ~~fiscal year ending September 30, 2013. The additional funding 2012-~~
18 ~~2013~~ is distributed based on the following formula:

19 (a) Allocated proportionate to fiscal year ~~2011-2012-2012-2013~~
20 base appropriations, 50%.

21 (b) Based on contact hour equated students, 10%.

22 (c) Based on administrative costs, 7.5%.

23 (d) Based on a weighted degree formula as provided for in the
24 2006 recommendations of the performance indicators task force,
25 17.5%.

26 (e) Based on the local strategic value component, as developed
27 in cooperation with the Michigan community college association and

1 described in subsection (3), 15%.

2 (3) The appropriation in section 201(2)(cc) for local
3 strategic value shall be allocated to each community college that
4 certifies to the state budget director, through a board of trustees
5 resolution on or before November 1, ~~2012~~, **2013**, that the college
6 has met 4 out of 5 best practices listed in each category described
7 in subsection (4). The resolution shall provide specifics as to how
8 the community college meets each best practice measure within each
9 category. One-third of funding available under the strategic value
10 component shall be allocated to each category described in
11 subsection (4). Amounts distributed under local strategic value
12 shall be on a proportionate basis to each college's fiscal year
13 ~~2011-2012-2012-2013~~ operations funding. Payments to community
14 colleges that qualify for local strategic value funding shall be
15 distributed with the November installment payment described in
16 section 206.

17 (4) For purposes of subsection (3), the following categories
18 of best practices reflect functional activities of community
19 colleges that have strategic value to the local communities and
20 regional economies:

21 (a) For Category A, economic development and business or
22 industry partnerships, the following:

23 (i) The community college has active partnerships with local
24 employers including hospitals and health care providers.

25 (ii) The community college provides customized on-site training
26 for area companies, employees, or both.

27 (iii) The community college supports entrepreneurship through a

1 small business assistance center or other training or consulting
2 activities targeted toward small businesses.

3 (iv) The community college supports technological advancement
4 through industry partnerships, incubation activities, or operation
5 of a Michigan technical education center or other advanced
6 technology center.

7 (v) The community college has active partnerships with local
8 or regional workforce and economic development agencies.

9 (b) For Category B, educational partnerships, the following:

10 (i) The community college has active partnerships with regional
11 high schools, intermediate school districts, and career-tech
12 centers to provide instruction through dual enrollment, direct
13 credit, middle college, or academy programs.

14 (ii) The community college hosts, sponsors, or participates in
15 enrichment programs for area K-12 students, such as college days,
16 summer or after-school programming, or science Olympiad.

17 (iii) The community college provides, supports, or participates
18 in programming to promote successful transitions to college for
19 traditional age students, including grant programs such as talent
20 search, upward bound, or other activities to promote college
21 readiness in area high schools and community centers.

22 (iv) The community college provides, supports, or participates
23 in programming to promote successful transitions to college for new
24 or reentering adult students, such as adult basic education, GED
25 preparation, GED testing, or recruiting, advising, or orientation
26 activities specific to adults.

27 (v) The community college has active partnerships with

1 regional 4-year colleges and universities to promote successful
2 transfer, such as articulation, 2+2, or reverse transfer agreements
3 or operation of a university center.

4 (c) For Category C, community services, the following:

5 (i) The community college provides continuing education
6 programming for leisure, wellness, personal enrichment, or
7 professional development.

8 (ii) The community college operates or sponsors opportunities
9 for community members to engage in activities that promote leisure,
10 wellness, cultural or personal enrichment such as community sports
11 teams, theater or musical ensembles, or artist guilds.

12 (iii) The community college operates public facilities to
13 promote cultural, educational, or personal enrichment for community
14 members, such as libraries, computer labs, performing arts centers,
15 museums, art galleries, or television or radio stations.

16 (iv) The community college operates public facilities to
17 promote leisure or wellness activities for community members,
18 including gymnasiums, athletic fields, tennis courts, fitness
19 centers, hiking or biking trails, or natural areas.

20 (v) The community college promotes, sponsors, or hosts
21 community service activities for students, staff, or community
22 members.

23 Sec. 236. (1) Subject to the conditions set forth in this
24 article, the amounts listed in subsections (2) to ~~(7)~~—(6) are
25 appropriated for higher education for the fiscal year ending
26 September 30, ~~2013~~, **2014**, from the funds indicated in this section.
27 The following is a summary of the appropriations in subsections (2)

1 to ~~(7)~~-(6) :

2 (a) The gross appropriation is ~~\$1,399,220,400.00-~~
 3 **\$1,430,573,500.00**. After deducting total interdepartmental grants
 4 and intradepartmental transfers in the amount of \$0.00, the
 5 adjusted gross appropriation is
 6 ~~\$1,399,220,400.00-~~**\$1,430,573,500.00**.

7 (b) The sources of the adjusted gross appropriation described
 8 in subdivision (a) are as follows:

9 (i) Total federal revenues, \$97,026,400.00.

10 (ii) Total local revenues, \$0.00.

11 (iii) Total private revenues, \$0.00.

12 (iv) Total other state restricted revenues, \$200,565,700.00.

13 (v) State general fund/general purpose money,

14 ~~\$1,101,628,300.00-~~**\$1,132,981,400.00**.

15 (2) Amounts appropriated for public universities are as
 16 follows:

17 (a) The appropriation for Central Michigan University is
 18 ~~\$69,575,300.00, \$68,108,900.00-~~**\$73,486,600.00, \$71,352,300.00** for
 19 operations and ~~\$1,466,400.00-~~**\$2,134,300.00** for performance funding,
 20 appropriated from the following:

21 (i) State school aid fund, \$11,284,600.00.

22 (ii) State general fund/general purpose money,

23 ~~\$58,290,700.00-~~**\$62,202,000.00**.

24 (b) The appropriation for Eastern Michigan University is
 25 ~~\$66,297,500.00, \$64,619,100.00-~~**\$67,255,600.00, \$66,466,700.00** for
 26 operations and ~~\$1,678,400.00-~~**\$788,900.00** for performance funding,
 27 appropriated from the following:

1 (i) State school aid fund, \$10,706,400.00.

2 (ii) State general fund/general purpose money,

3 ~~\$55,591,100.00~~ **\$56,549,200.00.**

4 (c) The appropriation for Ferris State University is

5 ~~\$42,981,400.00, \$41,324,300.00~~ **\$45,602,600.00, \$44,250,700.00** for

6 operations and ~~\$1,657,100.00~~ **\$1,351,900.00** for performance funding,

7 appropriated from the following:

8 (i) State school aid fund, \$6,846,800.00.

9 (ii) State general fund/general purpose money,

10 ~~\$36,134,600.00~~ **\$38,755,800.00.**

11 (d) The appropriation for Grand Valley State University is

12 ~~\$55,097,500.00, \$52,677,400.00~~ **\$57,765,100.00, \$55,436,000.00** for

13 operations and ~~\$2,420,100.00~~ **\$2,329,100.00** for performance funding,

14 appropriated from the following:

15 (i) State school aid fund, \$8,727,800.00.

16 (ii) State general fund/general purpose money,

17 ~~\$46,369,700.00~~ **\$49,037,300.00.**

18 (e) The appropriation for Lake Superior State University is

19 ~~\$11,030,700.00, \$10,789,500.00~~ **\$12,226,500.00, \$12,046,100.00** for

20 operations and ~~\$241,200.00~~ **\$180,400.00** for performance funding,

21 appropriated from the following:

22 (i) State school aid fund, \$1,787,600.00.

23 (ii) State general fund/general purpose money,

24 ~~\$9,243,100.00~~ **\$10,438,900.00.**

25 (f) The appropriation for Michigan State University is

26 ~~\$298,733,800.00, \$241,120,800.00~~ **\$305,775,000.00, \$245,037,000.00**

27 for operations, ~~\$3,408,400.00~~ **\$4,449,300.00** for performance

1 funding, and ~~\$54,204,600.00~~ **\$30,243,900.00** for MSU AgBioResearch,
2 and **\$26,044,800.00** FOR MSU extension, activities, appropriated from
3 the following:

4 (i) State school aid fund, \$39,949,900.00.

5 (ii) State general fund/general purpose money,
6 ~~\$258,783,900.00~~ **\$265,825,100.00**.

7 (g) The appropriation for Michigan Technological University is
8 ~~\$42,409,900.00, \$40,733,600.00~~ **\$43,451,900.00, \$42,579,100.00** for
9 operations and ~~\$1,676,300.00~~ **\$872,800.00** for performance funding,
10 appropriated from the following:

11 (i) State school aid fund, \$6,748,900.00.

12 (ii) State general fund/general purpose money,
13 ~~\$35,661,000.00~~ **\$36,703,000.00**.

14 (h) The appropriation for Northern Michigan University is
15 ~~\$40,348,800.00, \$38,367,400.00~~ **\$41,719,800.00, \$40,856,600.00** for
16 operations and ~~\$1,981,400.00~~ **\$863,200.00** for performance funding,
17 appropriated from the following:

18 (i) State school aid fund, \$6,356,900.00.

19 (ii) State general fund/general purpose money,
20 ~~\$33,991,900.00~~ **\$35,362,900.00**.

21 (i) The appropriation for Oakland University is
22 ~~\$44,033,300.00, \$43,145,000.00~~ **\$45,634,800.00, \$44,964,100.00** for
23 operations and ~~\$88,300.00~~ **\$670,700.00** for performance funding,
24 appropriated from the following:

25 (i) State school aid fund, \$7,148,400.00.

26 (ii) State general fund/general purpose money,
27 ~~\$36,884,900.00~~ **\$38,486,400.00**.

(j) The appropriation for Saginaw Valley State University is ~~\$25,487,500.00, \$23,561,500.00~~ **\$25,982,800.00, \$25,656,700.00** for operations and ~~\$1,926,000.00~~ **\$326,100.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$3,903,800.00.

(ii) State general fund/general purpose money, ~~\$21,583,700.00~~ **\$22,079,000.00**.

(k) The appropriation for University of Michigan - Ann Arbor is ~~\$273,056,700.00, \$268,803,300.00~~ **\$279,108,700.00, \$274,156,700.00** for operations and ~~\$4,253,400.00~~ **\$4,952,000.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$44,536,300.00.

(ii) State general fund/general purpose money, ~~\$228,520,400.00~~ **\$234,572,400.00**.

(l) The appropriation for University of Michigan - Dearborn is ~~\$21,898,800.00, \$21,016,300.00~~ **\$22,503,700.00, \$22,237,300.00** for operations and ~~\$882,500.00~~ **\$266,400.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$3,482,100.00.

(ii) State general fund/general purpose money, ~~\$18,416,700.00~~ **\$19,021,600.00**.

(m) The appropriation for University of Michigan - Flint is ~~\$19,103,500.00, \$17,762,400.00~~ **\$19,928,100.00, \$19,526,600.00** for operations and ~~\$1,341,100.00~~ **\$401,500.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$2,942,900.00.

(ii) State general fund/general purpose money,

1 ~~\$16,160,600.00-\$16,985,200.00.~~

2 (n) The appropriation for Wayne State University is
 3 ~~\$183,229,100.00, \$182,036,900.00~~ **\$183,933,000.00, \$183,398,300.00**
 4 for operations and ~~\$1,192,200.00~~ **\$534,700.00** for performance
 5 funding, appropriated from the following:

6 (i) State school aid fund, \$30,160,600.00.

7 (ii) State general fund/general purpose money,
 8 ~~\$153,068,500.00.~~ **\$153,772,400.00.**

9 (o) The appropriation for Western Michigan University is
 10 ~~\$95,318,300.00, \$93,168,300.00~~ **\$97,235,200.00, \$95,487,500.00** for
 11 operations and ~~\$2,150,000.00~~ **\$1,747,700.00** for performance funding,
 12 appropriated from the following:

13 (i) State school aid fund, \$15,436,500.00.

14 (ii) State general fund/general purpose money,
 15 ~~\$79,881,800.00.~~ **\$81,798,700.00.**

16 ~~—— (3) In addition to the amounts described in subsection (2),~~
 17 ~~\$9,054,200.00 in tuition restraint funding is appropriated for~~
 18 ~~university operations from general fund/general purpose money. The~~
 19 ~~amount allocated to each public university is determined in the~~
 20 ~~manner provided in section 265.~~

21 (3) ~~(4)~~—The amount appropriated for Michigan public school
 22 employees' retirement system reimbursement is
 23 ~~\$446,200.00,~~ **\$2,446,200.00, \$446,200.00** appropriated from the state
 24 school aid fund **AND \$2,000,000.00 APPROPRIATED FROM GENERAL**
 25 **FUND/GENERAL PURPOSE MONEY.**

26 (4) ~~(5)~~—The amount appropriated for state and regional
 27 programs is ~~\$200,000.00,~~ **\$2,200,000.00** appropriated from general

1 fund/general purpose money and allocated as follows:

2 (A) COLLEGE ACCESS PROGRAM, \$2,000,000.00.

3 (B) ~~(a)~~ Higher education database modernization and
4 conversion, \$105,000.00.

5 (C) ~~(b)~~ Midwestern higher education compact, \$95,000.00.

6 (5) ~~(6)~~ The amount appropriated for the Martin Luther King,
7 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
8 appropriated from general fund/general purpose money and allocated
9 as follows:

10 (a) Select student support services, \$1,956,100.00.

11 (b) Michigan college/university partnership program,
12 \$586,800.00.

13 (c) Morris Hood, Jr. educator development program,
14 \$148,600.00.

15 (6) ~~(7)~~ Subject to subsection ~~(8)~~, ~~(7)~~, the amount
16 appropriated for grants and financial aid is ~~\$98,226,400.00,~~
17 \$101,626,400.00, allocated as follows:

18 (a) State competitive scholarships, \$18,361,700.00.

19 (b) Tuition grants, \$31,664,700.00.

20 (c) Tuition incentive program, ~~\$43,800,000.00.~~ \$47,000,000.00.

21 (d) Children of veterans and officer's survivor tuition grant
22 programs, ~~\$1,200,000.00.~~ \$1,400,000.00.

23 (e) Project GEAR-UP, \$3,200,000.00.

24 (7) ~~(8)~~ The money appropriated in subsection ~~(7)~~ ~~(6)~~ for
25 grants and financial aid is appropriated from the following:

26 (a) Federal revenues under the United States department of
27 education, office of elementary and secondary education, GEAR-UP

1 program, \$3,200,000.00.

2 (b) Federal revenues under the social security act, temporary
3 assistance for needy families, \$93,826,400.00.

4 (c) Contributions to children of veterans tuition grant
5 program, \$100,000.00.

6 (d) State general fund/general purpose money,
7 ~~\$1,100,000.00.~~ **\$4,500,000.00.**

8 Sec. 236a. It is the intent of the legislature to provide
9 appropriations for the fiscal year ending on September 30, ~~2014~~
10 **2015** for the items listed in section 236. The fiscal year ~~2013-2014~~
11 **2014-2015** appropriations are anticipated to be the same as those
12 for fiscal year ~~2012-2013, 2013-2014~~, except that the amounts will
13 be adjusted for changes in caseload and related costs, federal fund
14 match rates, economic factors, and available revenue. These
15 adjustments will be determined after the January ~~2013-2014~~
16 consensus revenue estimating conference.

17 Sec. 236b. In addition to the funds appropriated in section
18 236, there is appropriated for grants and financial aid in fiscal
19 year ~~2012-2013-2013-2014~~ an amount not to exceed \$6,000,000.00 for
20 federal contingency funds. These funds are not available for
21 expenditure until they have been transferred under section 393(2)
22 of the management and budget act, 1984 PA 431, MCL 18.1393, for
23 another purpose under this article.

24 **SEC. 236C. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL**
25 **YEAR 2013-2014 IN SECTION 236, APPROPRIATIONS TO THE DEPARTMENT OF**
26 **TECHNOLOGY, MANAGEMENT, AND BUDGET IN THE ACT PROVIDING GENERAL**
27 **APPROPRIATIONS FOR FISCAL YEAR 2013-2014 FOR STATE BUILDING**

1 AUTHORITY RENT, TOTALING AN ESTIMATED \$125,370,600.00, PROVIDE
2 FUNDING FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED
3 CAPITAL PROJECTS FOR STATE UNIVERSITIES. THESE APPROPRIATIONS FOR
4 STATE BUILDING AUTHORITY RENT REPRESENT ADDITIONAL STATE GENERAL
5 FUND SUPPORT PROVIDED TO PUBLIC UNIVERSITIES, AND THE FOLLOWING IS
6 AN ESTIMATE OF THE AMOUNT OF THAT SUPPORT TO EACH UNIVERSITY:

- 7 (A) CENTRAL MICHIGAN UNIVERSITY, \$9,155,600.00.
- 8 (B) EASTERN MICHIGAN UNIVERSITY, \$5,234,800.00.
- 9 (C) FERRIS STATE UNIVERSITY, \$6,360,600.00.
- 10 (D) GRAND VALLEY STATE UNIVERSITY, \$4,277,000.00.
- 11 (E) LAKE SUPERIOR STATE UNIVERSITY, \$915,600.00.
- 12 (F) MICHIGAN STATE UNIVERSITY, \$16,194,400.00.
- 13 (G) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,692,200.00.
- 14 (H) NORTHERN MICHIGAN UNIVERSITY, \$8,062,600.00.
- 15 (I) OAKLAND UNIVERSITY, \$10,791,500.00.
- 16 (J) SAGINAW VALLEY STATE UNIVERSITY, \$9,833,700.00.
- 17 (K) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,212,000.00.
- 18 (L) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,332,400.00.
- 19 (M) UNIVERSITY OF MICHIGAN - FLINT, \$2,871,400.00.
- 20 (N) WAYNE STATE UNIVERSITY, \$13,079,500.00.
- 21 (O) WESTERN MICHIGAN UNIVERSITY, \$15,357,300.00.

22 Sec. 241. (1) Subject to section 265a, the funds appropriated
23 in section 236 to public universities shall be paid out of the
24 state treasury and distributed by the state treasurer to the
25 respective institutions in 11 equal monthly installments on the
26 sixteenth of each month, or the next succeeding business day,
27 beginning with October 16, ~~2012~~—2013. Except for Wayne State

1 University, each institution shall accrue its July and August ~~2013~~
2 ~~2014~~ payments to its institutional fiscal year ending June 30,
3 ~~2013-2014~~.

4 (2) All public universities shall submit higher education
5 institutional data inventory (HEIDI) data and associated financial
6 and program information requested by and in a manner prescribed by
7 the state budget director. For public universities with fiscal
8 years ending June 30, ~~2012-2013~~, these data shall be submitted to
9 the state budget director by October 15, ~~2012-2013~~. Public
10 universities with a fiscal year ending September 30, ~~2012-2013~~
11 shall submit preliminary HEIDI data by November 15, ~~2012-2013~~ and
12 final data by December 15, ~~2012-2013~~. If a public university fails
13 to submit HEIDI data and associated financial aid program
14 information in accordance with this reporting schedule, the state
15 treasurer ~~shall~~ **MAY** withhold the monthly installments under
16 subsection (1) to the public university until those data are
17 submitted.

18 Sec. 244. A public university receiving funds in section 236
19 shall cooperate with all measures taken by the state to develop,
20 operate, and maintain the statewide P-20 ~~education~~-longitudinal
21 data system described in section 94a. If the state budget director
22 finds that a university has not complied with this section, the
23 state budget director is authorized to withhold the monthly
24 installments provided to that university under section 236 until he
25 or she finds the university has complied with this section.

26 Sec. 245. (1) Within 30 days after the board of a public
27 university adopts its annual operating budget for the following

1 school fiscal year, or after the board adopts a subsequent revision
2 to that budget, the public university shall make all of the
3 following available through a link on its website homepage: ~~in a~~
4 ~~form and manner prescribed by the department of technology,~~
5 ~~management, and budget.~~

6 (a) The annual operating budget and subsequent budget
7 revisions.

8 (b) A summary of current expenditures for the most recent
9 fiscal year for which they are available, expressed as pie charts
10 in the following 2 categories:

11 (i) A chart of personnel expenditures, broken into the
12 following subcategories:

13 (A) Earnings and wages.

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

17 (C) Retirement benefit costs.

18 (D) All other personnel costs.

19 (ii) A chart of all current expenditures the public university
20 reported as part of its higher education institutional data
21 inventory data under section 241(2), broken into the same
22 subcategories in which it reported those data.

23 (c) Links to all of the following for the public university:

24 (i) The current collective bargaining agreement for each
25 bargaining unit.

26 (ii) Each health care benefits plan, including, but not limited
27 to, medical, dental, vision, disability, long-term care, or any

1 other type of benefits that would constitute health care services,
2 offered to any bargaining unit or employee of the public
3 university.

4 (iii) Audits and financial reports for the most recent fiscal
5 year for which they are available.

6 (iv) Campus security policies and crime statistics pursuant to
7 the student right-to-know and campus security act, Public Law 101-
8 542, 104 Stat. 2381. Information shall include all material
9 prepared pursuant to the public information reporting requirements
10 under the crime awareness and campus security act of 1990, title II
11 of the student right-to-know and campus security act, Public Law
12 101-542, 104 Stat. 2381.

13 (d) A list of all positions funded partially or wholly through
14 institutional general fund revenue that includes the position title
15 ~~, name,~~ and annual salary or wage amount for each position.

16 **(E) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR**
17 **FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015.**

18 **(F) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY**
19 **PROJECT, ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH**
20 **PROJECT, AND TOTAL OUTSTANDING DEBT.**

21 **(G) THE INSTITUTION'S POLICY REGARDING THE TRANSFERABILITY OF**
22 **CORE COLLEGE COURSES BETWEEN COMMUNITY COLLEGES AND THE UNIVERSITY.**

23 **(H) A LISTING OF ALL COMMUNITY COLLEGES THAT HAVE ENTERED INTO**
24 **REVERSE TRANSFER AGREEMENTS WITH THE UNIVERSITY.**

25 (2) A public university shall provide a dashboard or report
26 card demonstrating the university's performance in several "best
27 practice" measures. The dashboard or report card shall include at

1 least all of the following for the 3 most recent school years for
2 which the data are available:

3 (a) Enrollment.

4 (b) Student retention rate.

5 (c) Six-year graduation rates.

6 (d) Number of Pell grant recipients **AND GRADUATING PELL GRANT**
7 **RECIPIENTS.**

8 (e) Geographic origination of students, categorized as in-
9 state, out-of-state, and international.

10 (f) Faculty to student ratios and total university employee to
11 student ratios.

12 (g) Teaching load by faculty classification.

13 (h) Graduation outcome rates, including employment and
14 continuing education.

15 (3) For statewide consistency and public visibility, public
16 universities must use the icon badge provided by the department of
17 technology, management, and budget consistent with the icon badge
18 developed by the department of education for K-12 school districts.
19 It must appear on the front of each public university's homepage.
20 The size of the icon may be reduced to 150 x 150 pixels. The font
21 size and style for this reporting must be consistent with other
22 documents on each university's website. ~~To be in compliance with~~
23 ~~this section, all data elements defined in this section must be~~
24 ~~available on the university's homepage, in a form and manner~~
25 ~~prescribed by the department of technology, management, and budget,~~
26 ~~by December 31, 2012.~~

27 (4) The state budget director shall determine whether a public

1 university has complied with this section. The state budget
2 director may withhold a public university's monthly installments
3 described in section 241 until the public university complies with
4 this section.

5 Sec. 246. (1) The funds appropriated in section ~~236(4)~~ **236** for
6 Michigan public school employees' retirement system reimbursement
7 shall be allocated to each participating public university under
8 this section based on each participating public university's total
9 retiree health care premiums paid for Michigan public school
10 employees' retirement system retirants in proportion to the total
11 retiree health care premiums paid for Michigan public school
12 employees' retirement system retirants for all participating public
13 universities for the immediately preceding state fiscal year.
14 Payments shall be made in a form and manner determined by the
15 office of retirement services. A public university that receives
16 money under this section shall use that money solely for the
17 purpose of offsetting a portion of the retirement contributions
18 owed by the university. ~~for the fiscal year ending September 30,~~
19 ~~2013.~~

20 (2) As used in this section, "participating public university"
21 means a public university that is a reporting unit of the Michigan
22 public school employees' retirement system under the public school
23 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
24 38.1408, and that pays retiree health care premiums to the Michigan
25 public school employees' retirement system for the state fiscal
26 year.

27 Sec. 252. (1) The amounts appropriated in section 236 for the

1 state tuition grant program shall be distributed pursuant to 1966
2 PA 313, MCL 390.991 to 390.997a.

3 (2) Tuition grant awards shall be made to all eligible
4 Michigan residents enrolled in undergraduate degree programs who
5 **ARE QUALIFIED AND WHO** apply before July 1, 2012 ~~and who are~~
6 ~~qualified.~~ **FOR THE 2012-2013 SCHOOL YEAR OR JULY 1, 2013 FOR THE**
7 **2013-2014 SCHOOL YEAR, AS APPLICABLE.**

8 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
9 subject to subsection (7), the department of treasury shall
10 determine an actual maximum tuition grant award per student, which
11 shall be no less than \$1,512.00, that ensures that the aggregate
12 payments for the tuition grant program do not exceed the
13 appropriation contained in section 236 for the state tuition grant
14 program. If the department determines that insufficient funds are
15 available to establish a maximum award amount equal to at least
16 \$1,512.00, the department shall immediately report to the house and
17 senate appropriations subcommittees on higher education, the house
18 and senate fiscal agencies, and the state budget director regarding
19 the estimated amount of additional funds necessary to establish a
20 \$1,512.00 maximum award amount. If the department determines that
21 sufficient funds are available to establish a maximum award amount
22 equal to at least \$1,512.00, the department shall immediately
23 report to the house and senate appropriations subcommittees on
24 higher education, the house and senate fiscal agencies, and the
25 state budget director regarding the maximum award amount
26 established and the projected amount of any projected year-end
27 appropriation balance based on that maximum award amount. By

December 15, ~~2012~~, and again by February 18 ~~, 2013~~, **OF EACH FISCAL YEAR**, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(4) Any unexpended and unencumbered funds remaining on September 30, ~~2012-2013~~ from the amounts appropriated in section 236 for the tuition grant program **FOR FISCAL YEAR 2012-2013** shall not lapse on September 30, ~~2012~~, **2013**, but shall continue to be available for expenditure for tuition grants provided in the ~~2012-2013-2014~~ fiscal year under a work project account. The use of these unexpended fiscal year ~~2011-2012-2012-2013~~ funds shall terminate at the end of the ~~2012-2013-2013-2014~~ fiscal year. **ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON SEPTEMBER 30, 2014 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE TUITION GRANT PROGRAM FOR FISCAL YEAR 2013-2014 SHALL NOT LAPSE ON SEPTEMBER 30, 2014, BUT SHALL CONTINUE TO BE AVAILABLE FOR EXPENDITURE FOR TUITION GRANTS PROVIDED IN THE 2014-2015 FISCAL YEAR UNDER A WORK PROJECT ACCOUNT. THE USE OF THESE UNEXPENDED FISCAL YEAR 2013-2014 FUNDS SHALL TERMINATE AT THE END OF THE 2014-2015 FISCAL YEAR.**

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than

1 full-time in a given semester or term.

2 (6) If the department of treasury increases the maximum award
3 per eligible student from that provided in the previous fiscal
4 year, it shall not have the effect of reducing the number of
5 eligible students receiving awards in relation to the total number
6 of eligible applicants. Any increase in the maximum grant shall be
7 proportional for all eligible students receiving awards for **THAT**
8 fiscal year. ~~2012-2013.~~

9 (7) ~~The~~ **IN ANY FISCAL YEAR, THE** department of treasury shall
10 not award more than \$3,000,000.00 in tuition grants to eligible
11 students enrolled in the same independent nonprofit college or
12 university in this state. Any decrease in the maximum grant shall
13 be proportional for all eligible students enrolled in that college
14 or university, as determined by the department.

15 Sec. 258. By February 15 of each year, the department of
16 treasury shall ~~submit~~ **POST TO ITS PUBLICLY AVAILABLE WEBSITE** a
17 report ~~to the state budget director, the house and senate~~
18 ~~appropriations subcommittees on higher education, and the house and~~
19 ~~senate fiscal agencies~~ for the preceding fiscal year on all student
20 financial aid programs for which funds are appropriated in section
21 236. For each student financial aid program, the report shall
22 include, but is not limited to, the total number of awards paid in
23 the preceding fiscal year, the total dollar amount of those awards,
24 and the number of students receiving awards and the total amount of
25 those awards at each eligible postsecondary institution. To the
26 extent information is available, the report shall also include
27 information on household income and other demographic

1 characteristics of students receiving awards under each program and
2 historical information on the number of awards and total award
3 amounts for each program.

4 SEC. 259. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE
5 COLLEGE ACCESS PROGRAM SHALL BE USED FOR EFFORTS TO SUPPORT COLLEGE
6 ACCESS. THE DEPARTMENT OF TREASURY SHALL ADMINISTER THESE FUNDS.
7 ALLOWABLE USES INCLUDE THE FOLLOWING:

8 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,
9 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

10 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED
11 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
12 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
13 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

14 (C) MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE 1-STOP PORTAL TO
15 HELP STUDENTS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

16 (D) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
17 INCOME AND FIRST-GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD
18 COLLEGE AND TO ASSIST STUDENTS AND FAMILIES IN COMPLETING A TIMELY
19 AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

20 (E) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
21 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
22 HIGH SCHOOL STUDENTS IN NAVIGATING THE POSTSECONDARY PLANNING AND
23 ENROLLMENT PROCESS.

24 SEC. 262A. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH
25 PUBLIC UNIVERSITY SHALL DEVELOP POLICIES FOR REVIEWING REQUIRED
26 TEXTBOOK AND COURSE MATERIALS WITH THE GOAL OF MINIMIZING THE COST
27 OF TEXTBOOKS AND COURSE MATERIALS USED AT THE UNIVERSITY WHILE

1 MAINTAINING QUALITY OF EDUCATION AND ACADEMIC FREEDOM. THESE
 2 POLICIES SHOULD REQUIRE ALL OF THE FOLLOWING:

3 (A) THAT FACULTY MEMBERS SUBMIT LISTS OF REQUIRED TEXTBOOKS
 4 AND COURSE MATERIALS FOR UNIVERSITY REVIEW.

5 (B) THAT FACULTY MEMBERS CONSIDER THE LEAST COSTLY PRACTICES
 6 IN ASSIGNING TEXTBOOKS AND COURSE MATERIALS, SUCH AS ADOPTING THE
 7 LEAST EXPENSIVE EDITION OF A TEXTBOOK AVAILABLE WHEN EDUCATIONAL
 8 CONTENT IS COMPARABLE TO A MORE COSTLY EDITION.

9 (C) THAT THE UNIVERSITY REVIEW ANY POTENTIAL FINANCIAL
 10 CONFLICT OF INTEREST THAT MAY OCCUR IF A FACULTY MEMBER REQUIRES
 11 THE PURCHASE OF ANY TEXTBOOKS OR COURSE MATERIALS HE OR SHE HAS
 12 WRITTEN.

13 (D) THAT THE UNIVERSITY REVIEW REQUIRED TEXTBOOKS AND COURSE
 14 MATERIALS TO ENSURE THAT LEAST COSTLY PRACTICES ARE BEING UTILIZED,
 15 SUCH AS ADOPTING THE LEAST EXPENSIVE EDITION OF A TEXTBOOK
 16 AVAILABLE WHEN EDUCATIONAL CONTENT IS COMPARABLE TO A MORE COSTLY
 17 EDITION.

18 (2) BY FEBRUARY 1 OF EACH YEAR, EACH PUBLIC UNIVERSITY SHALL
 19 SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
 20 SUBCOMMITTEES ON HIGHER EDUCATION AND THE HOUSE AND SENATE FISCAL
 21 AGENCIES ON THE POLICIES DEVELOPED UNDER THIS SECTION.

22 Sec. 263. (1) Included in the appropriation in section 236 for
 23 MSU AgBioResearch IS \$2,982,900.00 and INCLUDED IN THE
 24 APPROPRIATION IN SECTION 236 FOR MSU extension activities is
 25 ~~\$5,628,100.00~~ \$2,645,200.00 for project GREEN. Project GREEN is
 26 intended to address critical regulatory, food safety, economic, and
 27 environmental problems faced by this state's plant-based

1 agriculture, forestry, and processing industries. "GREEN" is an
2 acronym for generating research and extension to meet environmental
3 and economic needs.

4 (2) The department of agriculture and rural development and
5 Michigan State University, in consultation with agricultural
6 commodity groups and other interested parties, shall develop
7 project GREEN and its program priorities.

8 Sec. 263a. ~~(1) By January 1, 2013, the Michigan State~~
9 ~~University college of agriculture and natural resources, MSU~~
10 ~~extension, and MSU AgBioResearch, in partnership with the~~
11 ~~department of agriculture and rural development and other~~
12 ~~stakeholders, shall establish a strategic growth initiative for the~~
13 ~~Michigan food and agriculture industry. This initiative shall~~
14 ~~address the following goals as established at the 2011 governor's~~
15 ~~summit for production agriculture:~~

16 ~~—— (a) Increasing the sector's total economic impact from today's~~
17 ~~\$71,000,000,000.00 to \$100,000,000,000.00.~~

18 ~~—— (b) Doubling Michigan's agricultural exports from~~
19 ~~\$1,750,000,000.00 to \$3,500,000,000.00.~~

20 ~~—— (c) Increasing jobs in the food and agriculture sector by 10%.~~

21 ~~—— (d) Improving access by Michigan consumers to healthy foods by~~
22 ~~20%.~~

23 ~~—— (2) The initiative described in subsection (1) shall be~~
24 ~~patterned after Project GREEN, shall emphasize priorities as set~~
25 ~~by the Michigan food and agricultural industry, and shall include a~~
26 ~~commitment to continuous communication, input, and interaction~~
27 ~~among stakeholders in government and industry and at Michigan State~~

~~University. Similar to Project GREEN, the initiative shall also include a commitment to communicating results and impacts to stakeholders and the legislature based on a mutually established set of metrics designed to assure MSU extension and AgBioResearch programs are contributing to the goals described in subsection (1)(a) to (d).~~

(1) ~~(3)~~ Not later than September 30 , 2013, **OF EACH YEAR,** Michigan State University shall submit a report **ON MSU AGBIORESEARCH AND MSU EXTENSION** to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding school fiscal year. ~~detailing, but not limited to:~~

(2) **THE REPORT REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL OF THE FOLLOWING:**

(a) Total funds expended by MSU AgBioResearch and by MSU extension service identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU extension and MSU AgBioResearch. It is the intent of the legislature that the following metric goals will be used to evaluate the impacts of those programs:

(i) Increasing the number of agriculture and food-related firms collaborating with and using services of research and extension faculty and staff by 3% per year.

(ii) Increasing the number of individuals utilizing MSU

extension's educational services by 5% per year.

(iii) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(iv) **INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT FROM TODAY'S \$71,000,000,000.00 TO \$100,000,000,000.00.**

(v) **DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS FROM \$1,750,000,000.00 TO \$3,500,000,000.00.**

(vi) **INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR BY 10%.**

(vii) **IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTHY FOODS BY 20%.**

(c) A review of major programs within both MSU AgBioResearch and MSU extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEN expenditures and the impact of those expenditures.

Sec. 264. Included in the appropriation in section 236 **FOR FISCAL YEAR 2013-2014** for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Sec. 265. (1) Payments ~~from the amount appropriated in~~ **UNDER** section ~~236(3)-265A~~ for ~~public university tuition restraint incentives~~ **PERFORMANCE FUNDING** shall only be made to a public university that certifies to the state budget director by August 31, ~~2012-2013~~ that its board did not adopt an increase in tuition

1 and fee rates for resident undergraduate students after September
2 1, ~~2011-2012~~ for the ~~2011-2012-2012-2013~~ academic year and that its
3 board will not adopt an increase in tuition and fee rates for
4 resident undergraduate students for the ~~2012-2013-2013-2014~~
5 academic year that is greater than ~~4.0%-3.75%~~. As used in this
6 subsection: ~~and subsection (2)-~~

7 (a) Subject to subdivision (c), "fee" means any board-
8 authorized fee that will be paid by more than 1/2 of all resident
9 undergraduate students at least once during their enrollment at a
10 public university. A university increasing a fee that applies to a
11 specific subset of students or courses shall provide sufficient
12 information to prove that the increase applied to that subset will
13 not cause the increase in the average amount of board-authorized
14 total tuition and fees paid by resident undergraduate students in
15 the ~~2012-2013-2013-2014~~ academic year to exceed the limit
16 established in this subsection.

17 (b) "Tuition and fee rate" means the average of full-time
18 rates for all undergraduate classes, based on an average of the
19 rates authorized by the university board and actually charged to
20 students, deducting any uniformly-rebated or refunded amounts, for
21 the 2 semesters with the highest levels of full-time equated
22 resident undergraduate enrollment during the academic year.

23 (c) For purposes of subdivision (a), for a public university
24 that compels resident undergraduate students to be covered by
25 health insurance as a condition to enroll at the university, "fee"
26 includes the annual amount a student is charged for coverage by the
27 university-affiliated group health insurance policy if he or she

1 does not provide proof that he or she is otherwise covered by
 2 health insurance. This subdivision does not apply to limited
 3 subsets of resident undergraduate students to be covered by health
 4 insurance for specific reasons other than general enrollment at the
 5 university.

6 ~~—— (2) For purposes of section 236(3), each public university's~~
 7 ~~allocation for tuition restraint incentive shall be determined as~~
 8 ~~follows:~~

9 ~~—— (a) Calculate an adjustment for each university by subtracting~~
 10 ~~each university's reported percent change in tuition and fee rates~~
 11 ~~for academic year 2012-2013 from 4.1%. If the result of the~~
 12 ~~calculation in this subdivision is less than 0.1%, the university~~
 13 ~~is not qualified to receive an allocation under this section. All~~
 14 ~~calculations under this subdivision shall be rounded to the first~~
 15 ~~decimal place.~~

16 ~~—— (b) For each qualified university, divide the university's~~
 17 ~~adjustment as calculated under subdivision (a) by the sum of all~~
 18 ~~adjustments for qualifying universities under subdivision (a) and~~
 19 ~~then multiply the resulting calculation for each university by the~~
 20 ~~total amount available for tuition restraint incentive funding,~~
 21 ~~rounded to the nearest hundred dollars.~~

22 (2) ~~(3)~~ The state budget director shall implement uniform
 23 reporting requirements to ensure that a public university receiving
 24 ~~an appropriation under section 236(3)~~ **A PAYMENT UNDER SECTION 265A**
 25 **FOR PERFORMANCE FUNDING** has satisfied the tuition restraint
 26 requirements of this section. The state budget director shall have
 27 the sole authority to determine if a public university has met the

1 requirements of this section. Information reported by a public
2 university to the state budget director under this subsection shall
3 also be reported to the house and senate appropriations
4 subcommittees on higher education and the house and senate fiscal
5 agencies.

6 ~~—— (4) In conjunction with the uniform reporting requirements~~
7 ~~established under subsection (3), each public university shall also~~
8 ~~report the following information to the house and senate~~
9 ~~appropriations subcommittees on higher education, the house and~~
10 ~~senate fiscal agencies, and the state budget director by August 31,~~
11 ~~2012+.~~

12 ~~—— (a) Actual or estimated fiscal year 2011-2012 and budgeted~~
13 ~~fiscal year 2012-2013 total general fund tuition and fee revenue.~~

14 ~~—— (b) Actual or estimated fiscal year 2011-2012 and budgeted~~
15 ~~fiscal year 2012-2013 total general fund revenue.~~

16 ~~—— (c) Actual or estimated fiscal year 2011-2012 and budgeted~~
17 ~~fiscal year 2012-2013 general fund expenditures for student~~
18 ~~financial aid.~~

19 ~~—— (d) Actual or estimated fiscal year 2011-2012 and budgeted~~
20 ~~fiscal year 2012-2013 total general fund expenditures.~~

21 ~~—— (e) Actual or estimated fiscal year 2011-2012 and budgeted~~
22 ~~fiscal year 2012-2013 total fiscal year equated student enrollment.~~

23 Sec. 265a. (1) Appropriations to public universities in
24 section 236 for performance funding shall be paid only to a public
25 university that **COMPLIES WITH SECTION 265 AND CERTIFIES TO THE**
26 **STATE BUDGET DIRECTOR, THE HOUSE AND SENATE APPROPRIATIONS**
27 **SUBCOMMITTEES ON HIGHER EDUCATION, AND THE HOUSE AND SENATE FISCAL**

1 **AGENCIES BY AUGUST 31, 2013 THAT IT** complies with all of the
2 following requirements:

3 (a) The university ~~certifies to the state budget director, the~~
4 ~~house and senate appropriations subcommittees on higher education,~~
5 ~~and the house and senate fiscal agencies by August 31, 2012, that,~~
6 ~~by January 3, 2013, it will be participating~~ **PARTICIPATES** in
7 reverse transfer agreements described in section 286 with at least
8 3 Michigan community colleges or ~~have~~ **HAS** made a good-faith effort
9 to enter into reverse transfer agreements.

10 (b) The university ~~certifies to the state budget director, the~~
11 ~~house and senate appropriations subcommittees on higher education,~~
12 ~~and the house and senate fiscal agencies by August 31, 2012, that,~~
13 ~~by January 3, 2013, it~~ **DOES NOT AND** will not consider whether dual
14 enrollment credits earned by an incoming student were utilized
15 towards his or her high school graduation requirements when making
16 a determination as to whether those credits may be used by the
17 student toward completion of a university degree or certificate
18 program.

19 (c) The university ~~certifies to the state budget director, the~~
20 ~~house and senate appropriations subcommittees on higher education,~~
21 ~~and the house and senate fiscal agencies by August 31, 2012 that~~
22 ~~the university~~ participates in the Michigan transfer network
23 created as part of the Michigan association of collegiate
24 registrars and admissions officers transfer agreement.

25 (2) Any performance funding amounts under section 236 that are
26 not paid to a public university because it did not comply with 1 or
27 more requirements under subsection (1) are unappropriated and

1 reappropriated for ~~tuition restraint funding described in section~~
 2 ~~265.~~ **PERFORMANCE FUNDING TO THOSE PUBLIC UNIVERSITIES THAT MEET THE**
 3 **REQUIREMENTS UNDER SUBSECTION (1), DISTRIBUTED IN PROPORTION TO**
 4 **THEIR PERFORMANCE FUNDING APPROPRIATION AMOUNTS UNDER SECTION 236.**

5 (3) The state budget director shall report to the house and
 6 senate appropriations subcommittees on higher education and the
 7 house and senate fiscal agencies by September 17, ~~2012,~~ **2013,**
 8 regarding any performance funding amounts **THAT ARE** not paid to a
 9 public university because it did not comply with 1 or more
 10 requirements under subsection (1) and any reappropriation of funds
 11 under subsection (2).

12 ~~—— (4) A university that has not implemented the policies~~
 13 ~~required under subsection (1)(a) and (b) by August 31, 2012, but~~
 14 ~~certifies that it will implement those policies by January 3, 2013,~~
 15 ~~shall recertify to the state budget director, the house and senate~~
 16 ~~appropriations subcommittees on higher education, and the house and~~
 17 ~~senate fiscal agencies by January 3, 2013, that the policies have~~
 18 ~~been fully implemented. For a university that does not recertify~~
 19 ~~that the policies have been fully implemented, the performance~~
 20 ~~funding appropriated to that university in section 236 shall be~~
 21 ~~retroactively withheld and unappropriated and reappropriated under~~
 22 ~~subsection (2).~~

23 (4) **PERFORMANCE FUNDING AMOUNTS DESCRIBED IN SECTION 236 ARE**
 24 **DISTRIBUTED BASED ON THE FOLLOWING FORMULA:**

25 (A) **BASED ON WEIGHTED UNDERGRADUATE COMPLETIONS IN CRITICAL**
 26 **SKILLS AREAS, 22.2%.**

27 (B) **BASED ON RESEARCH AND DEVELOPMENT EXPENDITURES, FOR**

1 UNIVERSITIES CLASSIFIED IN CARNEGIE CLASSIFICATIONS AS
2 DOCTORAL/RESEARCH UNIVERSITIES, RESEARCH UNIVERSITIES (HIGH
3 RESEARCH ACTIVITY), OR RESEARCH UNIVERSITIES (VERY HIGH RESEARCH
4 ACTIVITY) ONLY, 11.1%.

5 (C) BASED ON 6-YEAR GRADUATION RATE, TOTAL DEGREE COMPLETIONS,
6 AND INSTITUTIONAL SUPPORT AS A PERCENTAGE OF CORE EXPENDITURES,
7 SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS AND WEIGHTED
8 BY TOTAL UNDERGRADUATE FISCAL YEAR EQUATED STUDENTS, 66.7%.

9 (5) FOR PURPOSES OF DETERMINING THE SCORE OF A UNIVERSITY
10 UNDER SUBSECTION (4) (C), EACH UNIVERSITY IS ASSIGNED 1 OF THE
11 FOLLOWING SCORES:

12 (A) A UNIVERSITY CLASSIFIED AS IN THE TOP 20%, A SCORE OF 3.

13 (B) A UNIVERSITY CLASSIFIED AS ABOVE NATIONAL MEDIAN, A SCORE
14 OF 2.

15 (C) A UNIVERSITY CLASSIFIED AS IMPROVING, A SCORE OF 2. IT IS
16 THE INTENT OF THE LEGISLATURE THAT, BEGINNING IN THE 2014-2015
17 STATE FISCAL YEAR, A UNIVERSITY CLASSIFIED AS IMPROVING IS ASSIGNED
18 A SCORE OF 1.

19 (D) A UNIVERSITY THAT IS NOT INCLUDED IN SUBDIVISION (A), (B),
20 OR (C), A SCORE OF 0.

21 (6) FOR PURPOSES OF THIS SECTION, "CARNEGIE CLASSIFICATION"
22 SHALL MEAN THE BASIC CLASSIFICATION OF THE UNIVERSITY ACCORDING TO
23 THE MOST RECENT VERSION OF THE CARNEGIE CLASSIFICATION OF
24 INSTITUTIONS OF HIGHER EDUCATION, PUBLISHED BY THE CARNEGIE
25 FOUNDATION FOR THE ADVANCEMENT OF TEACHING.

26 Sec. 267. All public universities shall submit the amount of
27 tuition and fees actually charged to a full-time resident

1 undergraduate student for academic year ~~2012-2013~~**2013-2014** as part
2 of their higher education institutional data inventory (HEIDI) data
3 by August 31 of each year. A public university shall report any
4 revisions for any semester of the reported academic year ~~2012-2013~~
5 **2013-2014** tuition and fee charges to HEIDI within 15 days of being
6 adopted.

7 Sec. 268. **(1)** For the fiscal year ending September 30, ~~2013,~~
8 **2014**, it is the intent of the legislature that funds be allocated
9 for unfunded North American Indian tuition waiver costs incurred by
10 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
11 from the general fund.

12 **(2) BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF CIVIL**
13 **RIGHTS SHALL ANNUALLY SUBMIT TO THE STATE BUDGET DIRECTOR, THE**
14 **HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,**
15 **AND THE HOUSE AND SENATE FISCAL AGENCIES FOR THE PRECEDING FISCAL**
16 **YEAR A REPORT ON NORTH AMERICAN INDIAN TUITION WAIVERS THAT**
17 **INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING INFORMATION**
18 **FOR EACH POSTSECONDARY INSTITUTION:**

19 **(A) THE TOTAL NUMBER OF WAIVER APPLICATIONS.**

20 **(B) THE TOTAL NUMBER OF WAIVERS GRANTED AND THE MONETARY VALUE**
21 **OF EACH WAIVER.**

22 **(C) THE NUMBER OF STUDENTS WHO WITHDRAW FROM CLASSES.**

23 **(D) THE NUMBER OF STUDENTS WHO SUCCESSFULLY COMPLETE A DEGREE**
24 **OR CERTIFICATE PROGRAM AND THE 6-YEAR GRADUATION RATE.**

25 Sec. 269. For fiscal year ~~2012-2013,~~**2013-2014**, from the
26 amount appropriated in section 236 to Central Michigan University
27 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal

1 College for the costs of waiving tuition for North American Indians
2 under 1976 PA 174, MCL 390.1251 to 390.1253.

3 Sec. 270. For fiscal year ~~2012-2013~~, **2013-2014** from the amount
4 appropriated in section 236 to Lake Superior State University for
5 operations, \$100,000.00 shall be paid to Bay Mills Community
6 College for the costs of waiving tuition for North American Indians
7 under 1976 PA 174, MCL 390.1251 to 390.1253.

8 **SEC. 272A. BY FEBRUARY 15, 2014, EACH PUBLIC UNIVERSITY**
9 **RECEIVING FUNDS UNDER SECTION 236 SHALL SUBMIT A REPORT TO THE**
10 **HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,**
11 **THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR**
12 **REGARDING THE REJECTION OF TRANSFER CREDITS BY THE UNIVERSITY IN**
13 **THE PRIOR YEAR. THE REPORT SHALL INCLUDE INFORMATION ON THE NUMBER**
14 **OF CREDITS EARNED BY INCOMING STUDENTS AT OTHER POSTSECONDARY**
15 **INSTITUTIONS, WITH THE EQUIVALENT OF A LETTER GRADE OF C OR HIGHER,**
16 **THAT WERE REJECTED BY THE UNIVERSITY FOR TRANSFER, REPORTED BY BOTH**
17 **ACADEMIC PROGRAM AREA AND PRIOR INSTITUTION, ALONG WITH EXPLANATORY**
18 **INFORMATION REGARDING THE RATIONALE FOR THE REJECTION OF THE**
19 **CREDITS. DATA MAY BE REPORTED ON EITHER AN ACADEMIC OR CALENDAR**
20 **YEAR BASIS.**

21 Sec. 273. It is the intent of the legislature that each public
22 university shall submit a report to the house and senate
23 appropriations committees, the house and senate fiscal agencies,
24 and the state budget director by October 15, ~~2012~~, **2013**, on the
25 university's efforts to accommodate the sincerely held religious
26 beliefs of students enrolled in accredited counseling degree
27 programs at the university.

1 Sec. 274. It is the intent of the legislature that public and
2 private organizations that conduct human embryonic stem cell
3 derivation subject to section 27 of article I of the state
4 constitution of 1963 will provide information to the director of
5 the department of community health by December 1, ~~2012~~**2013** that
6 includes all of the following:

7 (a) Documentation that the organization conducting human
8 embryonic stem cell derivation is conducting its activities in
9 compliance with the requirements of section 27 of article I of the
10 state constitution of 1963 and all relevant national institutes of
11 health guidelines pertaining to embryonic stem cell derivation.

12 (b) A list of all human embryonic stem cell lines submitted by
13 the organization to the national institutes of health for inclusion
14 in the human embryonic stem cell registry before and during fiscal
15 year ~~2011-2012~~**, 2012-2013**, and the status of each submission as
16 approved, pending approval, or review completed but not yet
17 accepted.

18 (c) Number of human embryonic stem cell lines derived and not
19 submitted for inclusion in the human embryonic stem cell registry,
20 before and during fiscal year ~~2011-2012~~**. 2012-2013**.

21 Sec. 274a. (1) It is the intent of the legislature that a
22 public university that receives funds in section 236 not provide
23 health insurance or other fringe benefits for any adult coresident
24 of an employee of the university who is not married to or a
25 dependent of that employee or for any dependent of such an adult
26 coresident.

27 (2) It is the intent of the legislature that each public

1 university receiving funds in section 236 submit a report by
2 December 1, ~~2012-2013~~ to the house and senate appropriations
3 subcommittees on higher education, the house and senate fiscal
4 agencies, and the state budget director containing the number of
5 individuals described in subsection (1) who received health
6 insurance or other fringe benefits provided by the university in
7 fiscal year ~~2011-2012~~-2012-2013 and the cost to the university of
8 providing those benefits.

9 Sec. 275. (1) It is the intent of the legislature that each
10 public university ~~receiving~~-**THAT RECEIVES** an appropriation in
11 section 236 do all of the following:

12 (a) Meet the provisions of section 5003 of the post-911
13 veterans educational assistance act of 2008, 38 USC 3301 to 3324,
14 including voluntary participation in the yellow ribbon GI education
15 enhancement program established in that act in 38 USC 3317. By
16 October 1 of each year, each public university shall report to the
17 house and senate appropriations subcommittees on higher education,
18 the house and senate fiscal agencies, and the presidents council,
19 state universities of Michigan on whether or not it has chosen to
20 participate in the yellow ribbon GI education enhancement program.
21 If at any time during the fiscal year a university participating in
22 the yellow ribbon program chooses to leave the yellow ribbon
23 program, it shall notify the house and senate appropriations
24 subcommittees on higher education, the house and senate fiscal
25 agencies, and the presidents council, state universities of
26 Michigan.

27 (b) Establish an on-campus veterans' liaison to provide

1 information and assistance to all student veterans.

2 (c) Provide flexible enrollment application deadlines for all
3 veterans.

4 (d) Include in its admission application process a specific
5 question as to whether an applicant for admission is a veteran, an
6 active member of the military, a member of the national guard or
7 military reserves, or the spouse or dependent of a veteran, active
8 member of the military, or member of the national guard or military
9 reserves, in order to more quickly identify potential educational
10 assistance available to that applicant.

11 (E) CONSIDER ALL VETERANS RESIDENTS OF THIS STATE FOR
12 DETERMINING THEIR TUITION RATES AND FEES.

13 (F) WAIVE ENROLLMENT FEES FOR ALL VETERANS.

14 (2) As used in this section, "veteran" means an honorably
15 discharged veteran entitled to educational assistance under the
16 provisions of section 5003 of the post-911 veterans educational
17 assistance act of 2008, 38 USC 3301 to 3324.

18 Sec. 275a. Funds appropriated in section 236 shall not be used
19 by a public university to pay for the construction or maintenance
20 of a self-liquidating project. A public university shall comply
21 WITH SECTION 238 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL
22 18.1238, AND with the current use and finance requirements of the
23 joint capital outlay subcommittee (JCOS) for any construction,
24 renovation, or other capital outlay projects pursuant to JCOS
25 policy. The appropriation in section 236 for a public university
26 that fails to comply with JCOS reporting requirements shall be
27 reduced by 1% for each violation.

1 Sec. 276. (1) Included in the appropriation for fiscal year
2 ~~2012-2013-2013-2014~~ for each public university in section 236 is
3 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
4 future faculty program that is intended to increase the pool of
5 academically or economically disadvantaged candidates pursuing
6 faculty teaching careers in postsecondary education. Preference may
7 not be given to applicants on the basis of race, color, ethnicity,
8 gender, or national origin. Institutions should encourage
9 applications from applicants who would otherwise not adequately be
10 represented in the graduate student and faculty populations. Each
11 public university shall apply the percentage change applicable to
12 every public university in the calculation of appropriations in
13 section 236 to the amount of funds allocated to the future faculty
14 program.

15 (2) The program shall be administered by each public
16 university in a manner prescribed by the workforce development
17 agency. The workforce development agency shall use a good faith
18 effort standard to evaluate whether a fellowship is in default.

19 Sec. 277. (1) Included in the appropriation for fiscal year
20 ~~2012-2013-2013-2014~~ for each public university in section 236 is
21 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
22 college day program that is intended to introduce academically or
23 economically disadvantaged schoolchildren to the potential of a
24 college education. Preference may not be given to participants on
25 the basis of race, color, ethnicity, gender, or national origin.
26 Public universities should encourage participation from those who
27 would otherwise not adequately be represented in the student

1 population.

2 (2) Individual program plans of each public university shall
3 include a budget of equal contributions from this program, the
4 participating public university, the participating school district,
5 and the participating independent degree-granting college. College
6 day funds shall not be expended to cover indirect costs. Not more
7 than 20% of the university match shall be attributable to indirect
8 costs. Each public university shall apply the percentage change
9 applicable to every public university in the calculation of
10 appropriations in section 236 to the amount of funds allocated to
11 the college day program.

12 (3) The program described in this section shall be
13 administered by each public university in a manner prescribed by
14 the workforce development agency.

15 Sec. 278. (1) Included in section 236 for fiscal year ~~2012-~~
16 ~~2013-2013-2014~~ is funding for the Martin Luther King, Jr. - Cesar
17 Chavez - Rosa Parks select student support services program for
18 developing academically or economically disadvantaged student
19 retention programs for 4-year public and independent educational
20 institutions in this state. Preference may not be given to
21 participants on the basis of race, color, ethnicity, gender, or
22 national origin. Institutions should encourage participation from
23 those who would otherwise not adequately be represented in the
24 student population.

25 (2) An award made under this program to any 1 institution
26 shall not be greater than \$150,000.00, and the amount awarded shall
27 be matched on a 70% state, 30% college or university basis.

1 (3) The program described in this section shall be
2 administered by the workforce development agency.

3 Sec. 279. (1) Included in section 236 for fiscal year ~~2012-~~
4 ~~2013-2013-2014~~ is funding for the Martin Luther King, Jr. - Cesar
5 Chavez - Rosa Parks college/university partnership program between
6 4-year public and independent colleges and universities and public
7 community colleges, which is intended to increase the number of
8 academically or economically disadvantaged students who transfer
9 from community colleges into baccalaureate programs. Preference may
10 not be given to participants on the basis of race, color,
11 ethnicity, gender, or national origin. Institutions should
12 encourage participation from those who would otherwise not
13 adequately be represented in the transfer student population.

14 (2) The grants shall be made under the program described in
15 this section to Michigan public and independent colleges and
16 universities. An award to any 1 institution shall not be greater
17 than \$150,000.00, and the amount awarded shall be matched on a 70%
18 state, 30% college or university basis.

19 (3) The program described in this section shall be
20 administered by the workforce development agency.

21 Sec. 280. (1) Included in the appropriation for fiscal year
22 ~~2012-2013-2013-2014~~ for each public university in section 236 is
23 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
24 visiting professors program which is intended to increase the
25 number of instructors in the classroom to provide role models for
26 academically or economically disadvantaged students. Preference may
27 not be given to participants on the basis of race, color,

1 ethnicity, gender, or national origin. Public universities should
2 encourage participation from those who would otherwise not
3 adequately be represented in the student population.

4 (2) The program described in this section shall be
5 administered by the workforce development agency.

6 Sec. 281. (1) Included in the appropriation for fiscal year
7 ~~2012-2013-2013-2014~~ in section 236 is funding under the Martin
8 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
9 Morris Hood, Jr. educator development program which is intended to
10 increase the number of academically or economically disadvantaged
11 students who enroll in and complete K-12 teacher education programs
12 at the baccalaureate level. Preference may not be given to
13 participants on the basis of race, color, ethnicity, gender, or
14 national origin. Institutions should encourage participation from
15 those who would otherwise not adequately be represented in the
16 teacher education student population.

17 (2) The program described in this section shall be
18 administered by each state-approved teacher education institution
19 in a manner prescribed by the workforce development agency.

20 (3) Approved teacher education institutions may and are
21 encouraged to use student support services funding in coordination
22 with the Morris Hood, Jr. funding to achieve the goals of the
23 program described in this section.

24 Sec. 282. Each institution receiving funds under section 278,
25 279, or 281 shall notify the workforce development agency by April
26 15, ~~2013-2014~~ as to whether it will expend by the end of its fiscal
27 year the funds received under section 278, 279, or 281.

1 Notwithstanding the award limitations in sections 278 and 279, the
2 amount of funding reported as not being expended will be
3 reallocated to the institutions that intend to expend all funding
4 received under section 278, 279, or 281.

5 Sec. 289. (1) The auditor general shall ~~review~~**PERIODICALLY**
6 **AUDIT** higher education institutional data inventory (HEIDI)
7 ~~enrollment~~ data submitted by all public universities under section
8 241 and may perform audits of selected public universities if
9 determined necessary. The ~~review and~~ audits shall be based upon the
10 definitions, requirements, and uniform reporting categories
11 established by the state budget director in consultation with the
12 HEIDI advisory committee. The auditor general shall submit a report
13 of findings to the house and senate appropriations committees and
14 the state budget director no later than July 1 of each year **AN**
15 **AUDIT TAKES PLACE.**

16 (2) Student credit hours reports shall not include the
17 following:

18 (a) Student credit hours generated through instructional
19 activity by faculty or staff in classrooms located outside
20 Michigan, with the exception of instructional activity related to
21 study-abroad programs or field programs.

22 (b) Student credit hours generated through distance learning
23 instruction for students not eligible for the public university's
24 in-state main campus resident tuition rate. However, in instances
25 where a student is enrolled in distance education and non-distance
26 education credit hours in a given term and the student's non-
27 distance education enrollment is at a campus or site located within

1 Michigan, student credit hours per the student's eligibility for
2 in-state or out-of-state tuition rates may be reported.

3 (c) Student credit hours generated through credit by
4 examination.

5 (d) Student credit hours generated through inmate prison
6 programs regardless of teaching location.

7 ~~—— (e) Student credit hours generated in new degree programs~~
8 ~~after January 1, 1975, that have not been specifically authorized~~
9 ~~for funding by the legislature, except spin off programs converted~~
10 ~~from existing core programs that do all of the following:~~

11 ~~—— (i) Represent new options, fields, or concentrations within~~
12 ~~existing programs.~~

13 ~~—— (ii) Are consistent with the current institutional role and~~
14 ~~mission.~~

15 ~~—— (iii) Are accommodated within the continuing funding base of the~~
16 ~~public university.~~

17 ~~—— (iv) Do not require a new degree level beyond that which the~~
18 ~~public university is currently authorized to grant within that~~
19 ~~discipline or field.~~

20 ~~—— (v) Do not require funding from the state other than that~~
21 ~~provided by the student credit hours generated within the program,~~
22 ~~either before program initiation or within the first 3 years of~~
23 ~~program operation.~~

24 ~~—— (3) The auditor general shall periodically audit higher~~
25 ~~education institutional data inventory (HEIDI) data as submitted by~~
26 ~~the public universities under section 241 for compliance with the~~
27 ~~definitions established by the state budget director in~~

~~consultation with the HEIDI advisory committee for the HEIDI database.~~

(E) STUDENT CREDIT HOURS GENERATED IN NEW DEGREE PROGRAMS CREATED ON OR AFTER JANUARY 1, 1975 AND BEFORE JANUARY 1, 2013, THAT WERE NOT SPECIFICALLY AUTHORIZED FOR FUNDING BY THE LEGISLATURE, EXCEPT SPIN-OFF PROGRAMS CONVERTED FROM EXISTING CORE PROGRAMS, AND STUDENT CREDIT HOURS GENERATED IN ANY NEW DEGREE PROGRAMS CREATED AFTER JANUARY 1, 2013, THAT ARE SPECIFICALLY EXCLUDED FROM REPORTING BY THE LEGISLATURE UNDER THIS SECTION.

(3) ~~(4)~~ "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the internet, cable television, teleconference, or mail.

~~Sec. 290. (1) For the purposes of section 289(2)(c), the legislature authorizes the public universities to establish the following new degree programs:~~

~~—— (a) Bachelor's degree programs:~~

~~—— Central Michigan University, Computer Engineering, B.S.~~

~~—— Eastern Michigan University, Interdisciplinary Environmental Science and Society Program, B.S.~~

~~—— Ferris State University, Graphic Media Management, B.S.~~

~~—— Ferris State University, Health Care Marketing, B.S.~~

~~—— Ferris State University, Insurance and Risk Management, B.S.~~

~~—— Grand Valley State University, Religious Studies, B.A./B.S.~~

~~1 Michigan Technological University, Engineering Management,~~
~~2 B.S.~~
~~3 Oakland University, Biomedical Sciences, B.S.~~
~~4 Oakland University, Liberal Arts Major in Creative Writing,~~
~~5 B.A.~~
~~6 University of Michigan Ann Arbor, Environmental Engineering,~~
~~7 B.S.E.~~
~~8 University of Michigan Dearborn, Digital Forensics, B.S.~~
~~9 University of Michigan Dearborn, Reading Elementary~~
~~10 Certification, B.A.~~
~~11 Wayne State University, Instructional Technology, B.A./B.S.~~
~~12 Western Michigan University, Japanese, B.A.~~
~~13 Western Michigan University, e Business Marketing, B.B.A.~~
~~14 Western Michigan University, Health Informatics and~~
~~15 Information Management, B.S./B.B.A.~~
~~16 (b) Master's degree programs:~~
~~17 Ferris State University, Information Security and~~
~~18 Intelligence, M.S.~~
~~19 Michigan Technological University, Integrated Geospatial~~
~~20 Technology, M.S.~~
~~21 Michigan Technological University, Medical Informatics, M.S.~~
~~22 Oakland University, Psychology, M.S.~~
~~23 University of Michigan Ann Arbor, Entrepreneurship, Master's~~
~~24 University of Michigan Ann Arbor, Joint Master's Degree and~~
~~25 Graduate Certificate Program in Health Informatics, Master's~~
~~26 University of Michigan Ann Arbor, Master's of Engineering in~~
~~27 Applied Climate, Master's~~

~~University of Michigan — Ann Arbor, Master's of Medical
Science, M.M.S.~~

~~University of Michigan — Dearborn, Business Analytics with a
Major in Business Analytics, M.S.~~

~~University of Michigan — Dearborn, Supply Chain Management
with Minor in Supply Chain Management, M.S.~~

~~University of Michigan — Flint, Accounting, M.S.~~

~~University of Michigan — Flint, Master of Arts with
Certification Program, M.A.~~

~~University of Michigan — Flint, Mathematics, M.A.~~

~~(c) Doctoral degree programs:~~

~~Michigan State University, Doctor of Nursing Practice, D.N.P.~~

~~Michigan State University, Educational Leadership, Ed.D.~~

~~Michigan Technological University, Biochemistry and Molecular
Biology, Ph.D.~~

~~Northern Michigan University, Doctor of Nursing Practice,
D.N.P.~~

~~Oakland University, Early Education and Intervention, Ed.S.~~

~~Oakland University, Psychology, Ph.D.~~

~~Saginaw Valley State University, Doctor of Nursing Practice,
D.N.P.~~

~~University of Michigan — Ann Arbor, Nutritional Sciences,
Ph.D.~~

~~(2) The listing of degree programs in subsection (1) does not
constitute legislative intent to provide additional dollars for
those programs.~~

~~(3) When submitting the listing of new degree programs for~~

~~purposes of section 289(2)(c), the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.~~ BY MARCH 1 OF EACH YEAR, THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN SHALL PROVIDE A LISTING OF NEW DEGREE PROGRAMS FOR WHICH ENROLLMENT INFORMATION WILL BE REPORTED TO HEIDI UNDER SECTIONS 241 AND 289, AS WELL AS A LISTING OF DEGREE PROGRAMS THAT INSTITUTIONS OF HIGHER EDUCATION WILL NO LONGER OFFER IN SUBSEQUENT ACADEMIC YEARS, TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR.

Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2012 PA 201, 2012 PA 465, and this amendatory act from state sources for fiscal year 2012-2013 is estimated at \$11,211,014,200.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at \$11,032,518,300.00. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, from state sources for fiscal year 2013-2014 is estimated at \$11,597,382,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,437,124,700.00.

1 (2) In accordance with section 30 of article I of the state
2 constitution of 1963, total state spending on community colleges
3 under article II as amended by 2012 PA 201 and this amendatory act
4 from state sources for fiscal year 2012-2013 is estimated at
5 \$306,630,500.00 and the amount of that state spending from state
6 sources to be paid to local units of government for fiscal year
7 2012-2013 is estimated at \$306,630,500.00. In accordance with
8 section 30 of article IX of the state constitution of 1963, total
9 state spending from state sources for community colleges for fiscal
10 year 2013-2014 under article II is estimated at \$335,977,600.00 and
11 the amount of that state spending from state sources to be paid to
12 local units of government for fiscal year 2013-2014 is estimated at
13 \$335,977,600.00.

14 (3) In accordance with section 30 of article IX of the state
15 constitution of 1963, total state spending from state sources for
16 higher education for fiscal year 2013-2014 under article III is
17 estimated at \$1,333,547,100.00 and the amount of that state
18 spending from state sources to be paid to local units of government
19 for fiscal year 2013-2014 is estimated at \$0.00.

20 Enacting section 2. Sections 11q, 11t, 11u, 22h, 25, 25d, 32g,
21 32l, 93, 101a, 201b, 210a, 216, 273a, and 293a of the state school
22 aid act of 1979, 1979 PA 94, MCL 388.1611q, 388.1611t, 388.1611u,
23 388.1622h, 388.1625, 388.1625d, 388.1632g, 388.1632l, 388.1693,
24 388.1701a, 388.1801b, 388.1810a, 388.1816, 388.1873a, and 388.1893a
25 are repealed effective October 1, 2013.

26 Enacting section 3. (1) Except as otherwise provided in
27 subsection (2), this amendatory act takes effect October 1, 2013.

1 (2) Sections 11, 22a, 22b, 26c, 51a, 51c, 81, 95, 147c, 201b,
2 252, 265, 265a, and 267 of the state school aid act of 1979, 1979
3 PA 94, MCL 388.1611, 388.1622a, 388.1622b, 388.1626c, 388.1651a,
4 388.1651c, 388.1681, 388.1695, 388.1747c, 388.1801b, 388.1852,
5 388.1865, 388.1865a, and 388.1867, sections 11, 22a, 22b, 26c, 51a,
6 51c, 81, 95, 147c, 252, 265, 265a, and 267 as amended and section
7 201b as added by this amendatory act, take effect upon enactment of
8 this amendatory act.