

# HOUSE BILL No. 5629

June 4, 2014, Introduced by Rep. Olumba and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 20 (MCL 388.1620), as amended by 2013 PA 130,  
and by adding section 31e.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 20. (1) For 2013-2014, the basic foundation allowance is  
2     \$8,049.00.

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

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

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

1 the total dollar amount of all adjustments made from 2006-2007 to  
2 the immediately preceding state fiscal year in the lowest  
3 foundation allowance among all districts, but less than the basic  
4 foundation allowance for the immediately preceding state fiscal  
5 year, the district shall receive a foundation allowance in an  
6 amount equal to the district's foundation allowance for 2010-2011,  
7 minus \$470.00. However, the foundation allowance for a district  
8 that had less than the basic foundation allowance for the  
9 immediately preceding state fiscal year shall not exceed the basic  
10 foundation allowance for the current state fiscal year.

11 (b) Except as otherwise provided in this subsection, for a  
12 district that in the immediately preceding state fiscal year had a  
13 foundation allowance in an amount at least equal to the amount of  
14 the basic foundation allowance for the immediately preceding state  
15 fiscal year, the district shall receive a foundation allowance for  
16 2011-2012 in an amount equal to the district's foundation allowance  
17 for 2010-2011, minus \$470.00.

18 (c) Except as otherwise provided in subdivision (d), for a  
19 district that in the 1994-95 state fiscal year had a foundation  
20 allowance greater than \$6,500.00, the district's foundation  
21 allowance is an amount equal to the sum of the district's  
22 foundation allowance for the immediately preceding state fiscal  
23 year plus the lesser of the increase in the basic foundation  
24 allowance for the current state fiscal year, as compared to the  
25 immediately preceding state fiscal year, or the product of the  
26 district's foundation allowance for the immediately preceding state  
27 fiscal year times the percentage increase in the United States

1 consumer price index in the calendar year ending in the immediately  
2 preceding fiscal year as reported by the May revenue estimating  
3 conference conducted under section 367b of the management and  
4 budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided  
5 in subdivision (d), for 2011-2012, for a district that in the 1994-  
6 1995 state fiscal year had a foundation allowance greater than  
7 \$6,500.00, the district's foundation allowance is an amount equal  
8 to the district's foundation allowance for the 2010-2011 fiscal  
9 year minus \$470.00.

10 (d) For a district that in the 1994-95 state fiscal year had a  
11 foundation allowance greater than \$6,500.00 and that had a  
12 foundation allowance for the 2009-2010 state fiscal year, as  
13 otherwise calculated under this section, that was less than the  
14 basic foundation allowance, the district's foundation allowance for  
15 2011-2012 and each succeeding fiscal year shall be considered to be  
16 an amount equal to the basic foundation allowance.

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

20 (f) For a district that received a payment under section 22c  
21 as that section was in effect for 2001-2002, the district's 2001-  
22 2002 foundation allowance shall be considered to have been an  
23 amount equal to the sum of the district's actual 2001-2002  
24 foundation allowance as otherwise calculated under this section  
25 plus the per pupil amount of the district's equity payment for  
26 2001-2002 under section 22c as that section was in effect for 2001-  
27 2002.

1 (g) For a district that received a payment under section 22c  
2 as that section was in effect for 2006-2007, the district's 2006-  
3 2007 foundation allowance shall be considered to have been an  
4 amount equal to the sum of the district's actual 2006-2007  
5 foundation allowance as otherwise calculated under this section  
6 plus the per pupil amount of the district's equity payment for  
7 2006-2007 under section 22c as that section was in effect for 2006-  
8 2007.

9 (h) For 2012-2013, for a district that had a foundation  
10 allowance for the 2011-2012 state fiscal year of less than  
11 \$6,966.00, the district's foundation allowance is an amount equal  
12 to \$6,966.00.

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

1 plus the difference between the district's foundation allowance for  
2 the current state fiscal year and the district's foundation  
3 allowance for 1998-99, minus the difference between the sum of the  
4 product of the taxable value per membership pupil of all property  
5 in the district that is nonexempt property times the district's  
6 certified mills and, for a district with certified mills exceeding  
7 12, the product of the taxable value per membership pupil of  
8 property in the district that is commercial personal property times  
9 the certified mills minus 12 mills and the quotient of the ad  
10 valorem property tax revenue of the district captured under tax  
11 increment financing acts divided by the district's membership  
12 excluding special education pupils. For a district that has a  
13 millage reduction required under section 31 of article IX of the  
14 state constitution of 1963, the state portion of the district's  
15 foundation allowance shall be calculated as if that reduction did  
16 not occur. For a receiving district, if school operating taxes  
17 continue to be levied on behalf of a dissolved district that has  
18 been attached in whole or in part to the receiving district to  
19 satisfy debt obligations of the dissolved district under section 12  
20 of the revised school code, MCL 380.12, the taxable value per  
21 membership pupil of property in the receiving district used for the  
22 purposes of this subsection, does not include the taxable value of  
23 property within the geographic area of the dissolved district.

24 (5) The allocation calculated under this section for a pupil  
25 shall be based on the foundation allowance of the pupil's district  
26 of residence. For a pupil enrolled pursuant to section 105 or 105c  
27 in a district other than the pupil's district of residence, the

1 allocation calculated under this section shall be based on the  
2 lesser of the foundation allowance of the pupil's district of  
3 residence or the foundation allowance of the educating district.  
4 For a pupil in membership in a K-5, K-6, or K-8 district who is  
5 enrolled in another district in a grade not offered by the pupil's  
6 district of residence, the allocation calculated under this section  
7 shall be based on the foundation allowance of the educating  
8 district if the educating district's foundation allowance is  
9 greater than the foundation allowance of the pupil's district of  
10 residence.

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

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

8 (7) Except as otherwise provided in this subsection, for  
9 pupils attending an achievement school and in membership in the  
10 education achievement system, other than special education pupils,  
11 **OR FOR PUPILS ENROLLED IN A PUBLIC COLLEGE PREPARATORY BOARDING**  
12 **SCHOOL FUNDED UNDER SECTION 31E, OTHER THAN SPECIAL EDUCATION**  
13 **PUPILS**, the allocation calculated under this section is an amount  
14 per membership pupil other than special education pupils equal to  
15 the foundation allowance of the district in which the achievement  
16 school **OR PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL** is located,  
17 not to exceed the basic foundation allowance. Notwithstanding  
18 section 101, for an achievement school **OR PUBLIC COLLEGE**  
19 **PREPARATORY BOARDING SCHOOL** that begins operation after the pupil  
20 membership count day, the amount per membership pupil calculated  
21 under this subsection shall be adjusted by multiplying that amount  
22 per membership pupil by the number of hours of pupil instruction  
23 provided by the achievement school **OR PUBLIC COLLEGE PREPARATORY**  
24 **BOARDING SCHOOL** after it begins operations, as determined by the  
25 department, divided by the minimum number of hours of pupil  
26 instruction required under section 101(3). The result of this  
27 calculation shall not exceed the amount per membership pupil

1 otherwise calculated under this subsection. For the purposes of  
2 this subsection, if a public school is transferred from a district  
3 to the state school reform/redesign district or the achievement  
4 authority under section 1280c of the revised school code, MCL  
5 380.1280c, that public school is considered to be an achievement  
6 school within the education achievement system and not a school  
7 that is part of a district, and a pupil attending that public  
8 school is considered to be in membership in the education  
9 achievement system and not in membership in the district that  
10 operated the school before the transfer.

11 (8) Subject to subsection (4), for a district that is formed  
12 or reconfigured after June 1, 2002 by consolidation of 2 or more  
13 districts or by annexation, the resulting district's foundation  
14 allowance under this section beginning after the effective date of  
15 the consolidation or annexation shall be the lesser of the sum of  
16 the average of the foundation allowances of each of the original or  
17 affected districts, calculated as provided in this section,  
18 weighted as to the percentage of pupils in total membership in the  
19 resulting district who reside in the geographic area of each of the  
20 original or affected districts plus \$100.00 or the highest  
21 foundation allowance among the original or affected districts. This  
22 subsection does not apply to a receiving district unless there is a  
23 subsequent consolidation or annexation that affects the district.

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

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

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

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

20           (b) The revenue adjustment factor shall be computed by  
21 dividing the sum of the estimated total state school aid fund  
22 revenue for the subsequent state fiscal year plus the estimated  
23 total state school aid fund revenue for the current state fiscal  
24 year, adjusted for any change in the rate or base of a tax the  
25 proceeds of which are deposited in that fund and excluding money  
26 transferred into that fund from the countercyclical budget and  
27 economic stabilization fund under the management and budget act,

1 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated  
2 total school aid fund revenue for the current state fiscal year  
3 plus the estimated total state school aid fund revenue for the  
4 immediately preceding state fiscal year, adjusted for any change in  
5 the rate or base of a tax the proceeds of which are deposited in  
6 that fund. If a consensus revenue factor is not determined at the  
7 revenue estimating conference, the principals of the revenue  
8 estimating conference shall report their estimates to the house and  
9 senate subcommittees responsible for school aid appropriations not  
10 later than 7 days after the conclusion of the revenue conference.

11 (c) The index shall be calculated by multiplying the pupil  
12 membership factor by the revenue adjustment factor. If a consensus  
13 index is not determined at the revenue estimating conference, the  
14 principals of the revenue estimating conference shall report their  
15 estimates to the house and senate subcommittees responsible for  
16 school aid appropriations not later than 7 days after the  
17 conclusion of the revenue conference.

18 (12) For a district that received a grant under former section  
19 32e for 2001-2002, the district's foundation allowance for 2002-  
20 2003 and each succeeding fiscal year shall be adjusted to be an  
21 amount equal to the sum of the district's foundation allowance, as  
22 otherwise calculated under this section, plus the quotient of 100%  
23 of the amount of the grant award to the district for 2001-2002  
24 under former section 32e divided by the number of pupils in the  
25 district's membership for 2001-2002 who were residents of and  
26 enrolled in the district. All of the following apply to districts  
27 receiving a foundation allowance adjustment under this subsection:

1 (a) Except as otherwise provided in this subdivision, a  
2 district qualifying for a foundation allowance adjustment under  
3 this subsection shall use the funds resulting from this adjustment  
4 for at least 1 of grades K to 3 for purposes allowable under former  
5 section 32e as in effect for 2001-2002. For an individual school or  
6 schools operated by a district qualifying for a foundation  
7 allowance adjustment under this subsection that have been  
8 determined by the department to meet the adequate yearly progress  
9 standards of the federal no child left behind act of 2001, Public  
10 Law 107-110, in both mathematics and English language arts at all  
11 applicable grade levels for all applicable subgroups, the district  
12 may submit to the department an application for flexibility in  
13 using the funds resulting from this adjustment that are  
14 attributable to the pupils in the school or schools. The  
15 application shall identify the affected school or schools and the  
16 affected funds and shall contain a plan for using the funds for  
17 specific purposes identified by the district that are designed to  
18 reduce class size, but that may be different from the purposes  
19 otherwise allowable under this subdivision. The department shall  
20 approve the application if the department determines that the  
21 purposes identified in the plan are reasonably designed to reduce  
22 class size. If the department does not act to approve or disapprove  
23 an application within 30 days after it is submitted to the  
24 department, the application is considered to be approved. If an  
25 application for flexibility in using the funds is approved, the  
26 district may use the funds identified in the application for any  
27 purpose identified in the plan.

1 (b) A district receiving an adjustment under this subsection  
2 shall not receive as a result of this adjustment an amount that  
3 exceeds 68.5% of the amount the district received as a result of  
4 this adjustment for 2010-2011.

5 (c) Notwithstanding subsection (8), for a district that is  
6 formed or reconfigured by consolidation of 2 or more districts, 1  
7 of which received an adjustment under this subsection for 2012-  
8 2013, the resulting district's foundation allowance for 2013-2014  
9 and each succeeding fiscal year shall be adjusted to be an amount  
10 equal to the sum of the resulting district's foundation allowance  
11 as calculated under subsection (8) excluding any adjustment  
12 calculated under this subsection plus [(the original district's  
13 adjustment under this subsection in 2012-2013 times the number of  
14 pupils in the original district's membership for 2012-2013) divided  
15 by the number of pupils in the resulting district's membership for  
16 2013-2014].

17 (d) Beginning in 2013-2014, for a district that received an  
18 adjustment for the immediately preceding fiscal year and that had a  
19 foundation allowance as adjusted by this subsection for the  
20 immediately preceding fiscal year equal to \$6,966.00, the district  
21 shall not receive an adjustment under this section for the current  
22 fiscal year.

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

27 (14) If an amendment to section 2 of article VIII of the state

1 constitution of 1963 allowing state aid to some or all nonpublic  
2 schools is approved by the voters of this state, each foundation  
3 allowance or per pupil payment calculation under this section may  
4 be reduced.

5 (15) As used in this section:

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

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

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

18 (e) "Dissolved district" means a district that loses its  
19 organization, has its territory attached to 1 or more other  
20 districts, and is dissolved as provided under section 12 of the  
21 revised school code, MCL 380.12.

22 (f) "Immediately preceding state fiscal year" means the state  
23 fiscal year immediately preceding the current state fiscal year.

24 (g) "Local school operating revenue" means school operating  
25 taxes levied under section 1211 of the revised school code, MCL  
26 380.1211. For a receiving district, if school operating taxes are  
27 to be levied on behalf of a dissolved district that has been

1 attached in whole or in part to the receiving district to satisfy  
2 debt obligations of the dissolved district under section 12 of the  
3 revised school code, MCL 380.12, local school operating revenue  
4 does not include school operating taxes levied within the  
5 geographic area of the dissolved district.

6 (h) "Local school operating revenue per membership pupil"  
7 means a district's local school operating revenue divided by the  
8 district's membership excluding special education pupils.

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

1 fiscal year in the lowest per-pupil allocation among all public  
2 school academies].

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

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

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

15 (m) "Receiving district" means a district to which all or part  
16 of the territory of a dissolved district is attached under section  
17 12 of the revised school code, MCL 380.12.

18 (n) "School operating purposes" means the purposes included in  
19 the operation costs of the district as prescribed in sections 7 and  
20 18 and purposes authorized under section 1211 of the revised school  
21 code, MCL 380.1211.

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

25 (p) "Tax increment financing acts" means 1975 PA 197, MCL  
26 125.1651 to 125.1681, the tax increment finance authority act, 1980  
27 PA 450, MCL 125.1801 to 125.1830, the local development financing

1 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
2 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
3 or the corridor improvement authority act, 2005 PA 280, MCL  
4 125.2871 to 125.2899.

5 (q) "Taxable value per membership pupil" means taxable value,  
6 as certified by the department of treasury, for the calendar year  
7 ending in the current state fiscal year divided by the district's  
8 membership excluding special education pupils for the school year  
9 ending in the current state fiscal year.

10 SEC. 31E. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN  
11 SECTION 11, THERE IS ALLOCATED FOR 2013-2014 AN AMOUNT NOT TO  
12 EXCEED \$100.00 AND THERE IS ALLOCATED FOR 2014-2015 AN AMOUNT NOT  
13 TO EXCEED \$100.00 FOR A PILOT PROJECT UNDER THIS SECTION FOR A  
14 PUBLIC COLLEGE PREPARATORY RESIDENTIAL BOARDING SCHOOL FOR AT-RISK  
15 PUPILS. THE 2013-2014 ALLOCATION IS TO THE DEPARTMENT FOR THE  
16 CONTRACTING PROCESS UNDER SUBSECTION (2) AND FOR START-UP COSTS TO  
17 INITIATE THE PUBLIC COLLEGE PREPARATORY RESIDENTIAL BOARDING SCHOOL  
18 PILOT PROJECT, AND THE 2014-2015 ALLOCATION IS FOR OPERATION OF THE  
19 PUBLIC COLLEGE PREPARATORY RESIDENTIAL BOARDING SCHOOL FOR THE  
20 2014-2015 SCHOOL YEAR.

21 (2) FOR THE PILOT PROJECT UNDER THIS SECTION, THE DEPARTMENT  
22 SHALL CONTRACT WITH AN ELIGIBLE OPERATOR FOR THE OPERATION OF A  
23 PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL DURING THE 2014-2015  
24 SCHOOL YEAR. TO DO SO, THE DEPARTMENT SHALL ISSUE A REQUEST FOR  
25 PROPOSALS FROM ELIGIBLE OPERATORS. THE DEPARTMENT SHALL SELECT THE  
26 ELIGIBLE OPERATOR FROM AMONG THE QUALIFIED RESPONDERS WITHIN 30  
27 DAYS AFTER THE ISSUANCE OF THE REQUEST FOR PROPOSALS. IF NO

1 QUALIFIED RESPONDER SUBMITS A PROPOSAL, THE DEPARTMENT MAY ISSUE  
2 ANOTHER REQUEST FOR PROPOSALS.

3 (3) THE DEPARTMENT SHALL REQUIRE EACH PROPOSAL SUBMITTED TO  
4 THE DEPARTMENT TO CONTAIN AT LEAST ALL OF THE FOLLOWING  
5 INFORMATION:

6 (A) THE PROPOSED LOCATION OF THE PUBLIC COLLEGE PREPARATORY  
7 BOARDING SCHOOL, WHICH MAY DIFFER FROM ANY LOCATION RECOMMENDED BY  
8 THE DEPARTMENT IN THE REQUEST FOR PROPOSALS.

9 (B) PROPOSED GRADE LEVELS TO BE OFFERED IN THE SCHOOL'S  
10 INITIAL YEAR OF OPERATION AND A PLAN FOR INCREASING THE GRADE  
11 LEVELS OFFERED BY THE SCHOOL IN SUBSEQUENT YEARS.

12 (C) ANY OTHER INFORMATION ABOUT THE PROPOSED EDUCATIONAL  
13 PROGRAM, FACILITIES, OR OPERATIONS OF THE SCHOOL CONSIDERED  
14 NECESSARY BY THE DEPARTMENT.

15 (4) THE DEPARTMENT IS NOT REQUIRED TO ACCEPT ANY PROPOSAL  
16 SUBMITTED UNDER SUBSECTIONS (2) AND (3). IF THE DEPARTMENT ACCEPTS  
17 A PROPOSAL, THE DEPARTMENT SHALL ENTER INTO A CONTRACT WITH THE  
18 ELIGIBLE OPERATOR FOR THE OPERATION OF A PUBLIC COLLEGE PREPARATORY  
19 BOARDING SCHOOL. THE CONTRACT SHALL CONTAIN AT LEAST ALL OF THE  
20 FOLLOWING:

21 (A) THAT THE OPERATOR SHALL OPERATE THE SCHOOL IN ACCORDANCE  
22 WITH THE TERMS OF THE PROPOSAL ACCEPTED BY THE DEPARTMENT,  
23 INCLUDING THE PLAN FOR INCREASING THE GRADE LEVELS OFFERED BY THE  
24 SCHOOL, AND IN ACCORDANCE WITH THIS ACT AND ALL OTHER APPLICABLE  
25 LAW. THE CONTRACT SHALL SPECIFICALLY REQUIRE THE SCHOOL TO COMPLY  
26 WITH THE REVISED SCHOOL CODE AND THIS ACT TO THE SAME EXTENT AS A  
27 SCHOOL DISTRICT AND TO COMPLY WITH THE RULES PROMULGATED UNDER

1 SECTION 1335 OF THE REVISED SCHOOL CODE, MCL 380.1335, FOR THE  
2 OPERATION OF A LICENSED BOARDING SCHOOL TO THE SAME EXTENT AS A  
3 BOARDING SCHOOL LICENSED UNDER THAT SECTION.

4 (B) THAT THE SCHOOL SHALL COMPLY WITH ANY OTHER PROVISIONS OF  
5 LAW SPECIFIED IN THE CONTRACT.

6 (C) THAT THE SCHOOL SHALL MEET THE ACADEMIC GOALS AND OTHER  
7 PERFORMANCE STANDARDS SPECIFIED IN THE CONTRACT.

8 (D) THAT THE SCHOOL SHALL HAVE A FISCAL OFFICER WHO MEETS  
9 STANDARDS ESTABLISHED FOR THE PURPOSES OF THIS SECTION BY THE  
10 DEPARTMENT.

11 (5) IN ACCORDANCE WITH PROCEDURES SPECIFIED IN THE CONTRACT  
12 FOR A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL, THE DEPARTMENT  
13 SHALL MONITOR THE OPERATION, PROGRAMS, AND FACILITIES OF THE  
14 SCHOOL, INCLUDING CONDUCTING ON-SITE VISITS OF THE SCHOOL.

15 (6) ANY ELIGIBLE STUDENT MAY APPLY FOR ADMISSION TO A PUBLIC  
16 COLLEGE PREPARATORY BOARDING SCHOOL ESTABLISHED UNDER THIS SECTION  
17 IN A GRADE LEVEL OFFERED BY THE SCHOOL THAT IS APPROPRIATE FOR THE  
18 STUDENT. EXCEPT FOR A FOREIGN EXCHANGE STUDENT WHO IS NOT A UNITED  
19 STATES CITIZEN, A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL SHALL  
20 NOT ENROLL A STUDENT WHO IS NOT A RESIDENT OF THIS STATE.

21 ENROLLMENT IN THE PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL SHALL  
22 BE OPEN TO ALL INDIVIDUALS WHO RESIDE IN THIS STATE WHO MEET THE  
23 ADMISSION POLICY. IF THERE ARE MORE APPLICATIONS TO ENROLL IN THE  
24 PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL THAN THERE ARE SPACES  
25 AVAILABLE, STUDENTS SHALL BE SELECTED TO ENROLL USING A RANDOM  
26 SELECTION PROCESS. A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL  
27 SHALL ALLOW ANY STUDENT WHO WAS ENROLLED IN THE SCHOOL IN THE

1 IMMEDIATELY PRECEDING SCHOOL YEAR TO ENROLL IN THE SCHOOL IN THE  
2 APPROPRIATE GRADE UNLESS THE APPROPRIATE GRADE IS NOT OFFERED AT  
3 THAT SCHOOL.

4 (7) IN THE FIRST YEAR OF OPERATION, A PUBLIC COLLEGE  
5 PREPARATORY BOARDING SCHOOL FUNDED UNDER THIS SECTION SHALL NOT  
6 ADMIT MORE THAN 200 STUDENTS TO THE SCHOOL. IN EACH SUBSEQUENT YEAR  
7 OF OPERATION, THE SCHOOL MAY ADD ADDITIONAL GRADE LEVELS, BUT AT NO  
8 TIME SHALL THE SCHOOL'S TOTAL STUDENT POPULATION EXCEED 600  
9 STUDENTS.

10 (8) A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL FUNDED UNDER  
11 THIS SECTION SHALL OFFER AN EDUCATIONAL PROGRAM THAT INCLUDES  
12 AT LEAST ALL OF THE FOLLOWING:

13 (A) A REMEDIAL CURRICULUM FOR STUDENTS IN GRADES LOWER THAN  
14 GRADE 9.

15 (B) A COLLEGE PREPARATORY CURRICULUM FOR HIGH SCHOOL STUDENTS  
16 THAT, AT A MINIMUM, COMPLIES WITH SECTIONS 1278A AND 1278B OF THE  
17 REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B, AS THOSE SECTIONS  
18 APPLY TO SCHOOL DISTRICTS. THE CURRICULUM MAY BE A COMPETENCY-BASED  
19 CURRICULUM.

20 (C) EXTRACURRICULAR ACTIVITIES, INCLUDING ATHLETIC AND  
21 CULTURAL ACTIVITIES.

22 (D) COLLEGE ADMISSION COUNSELING.

23 (E) HEALTH AND MENTAL HEALTH SERVICES.

24 (F) TUTORING SERVICES.

25 (G) COMMUNITY SERVICES OPPORTUNITIES.

26 (H) A RESIDENTIAL STUDENT LIFE PROGRAM.

27 (9) A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL FUNDED UNDER

1 THIS SECTION SHALL RECEIVE A PER PUPIL PAYMENT CALCULATED UNDER  
2 SECTION 20(7) AND A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL  
3 SHALL BE CONSIDERED TO BE DISTRICT FOR FUNDING UNDER OTHER SECTIONS  
4 OF THIS ACT AND STUDENTS ENROLLED IN THE PUBLIC COLLEGE PREPARATORY  
5 BOARDING SCHOOL SHALL BE CONSIDERED TO BE PUPILS IN MEMBERSHIP IN  
6 THE PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL FOR THE FUNDING  
7 UNDER OTHER SECTIONS OF THIS ACT. THE GENERAL FUND MONEY ALLOCATED  
8 UNDER THIS SECTION FOR 2014-2015 SHALL BE USED TO SUPPORT THE  
9 RESIDENTIAL PROGRAM OF THE SCHOOL, AT A RATE NOT TO EXCEED  
10 \$25,000.00 PER STUDENT ENROLLED IN THE PUBLIC COLLEGE PREPARATORY  
11 BOARDING SCHOOL. IN ADDITION, THE PUBLIC COLLEGE PREPARATORY  
12 BOARDING SCHOOL MAY APPLY TO ANY PRIVATE ENTITY TO RECEIVE AND  
13 ACCEPT FUNDS.

14 (10) NOTWITHSTANDING SECTION 17B, PAYMENTS TO DISTRICTS UNDER  
15 THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE  
16 DEPARTMENT.

17 (11) A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL FUNDED UNDER  
18 THIS SECTION IS A PUBLIC SCHOOL UNDER SECTION 2 OF ARTICLE VIII OF  
19 THE STATE CONSTITUTION OF 1963, IS A SCHOOL DISTRICT FOR THE  
20 PURPOSES OF SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF  
21 1963 AND FOR ALL PURPOSES UNDER THIS ACT AND THE REVISED SCHOOL  
22 CODE, EXCEPT THE POWER OF TAXATION, AND IS SUBJECT TO THE  
23 LEADERSHIP AND GENERAL SUPERVISION OF THE STATE BOARD OVER ALL  
24 PUBLIC EDUCATION UNDER SECTION 3 OF ARTICLE VIII OF THE STATE  
25 CONSTITUTION OF 1963. A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL  
26 IS A BODY CORPORATE AND IS A GOVERNMENTAL AGENCY. THE POWERS  
27 GRANTED TO A PUBLIC COLLEGE PREPARATORY BOARDING SCHOOL UNDER THIS

1 SECTION CONSTITUTE THE PERFORMANCE OF ESSENTIAL PUBLIC PURPOSES AND  
2 GOVERNMENTAL FUNCTIONS OF THIS STATE.

3 (12) AS USED IN THIS PART:

4 (A) "ELIGIBLE OPERATOR" MEANS A NONPROFIT CORPORATION THAT IS  
5 DETERMINED BY THE DEPARTMENT TO MEET ALL OF THE FOLLOWING  
6 QUALIFICATIONS:

7 (i) HAS EXPERIENCE OPERATING A PUBLIC COLLEGE PREPARATORY  
8 BOARDING SCHOOL, OR A SUBSTANTIALLY SIMILAR PUBLIC BOARDING SCHOOL  
9 IN ANOTHER STATE, AND HAS A TRACK RECORD OF WORKING WITH ELIGIBLE  
10 STUDENTS OR SUBSTANTIALLY SIMILAR STUDENTS IN A PUBLIC COLLEGE  
11 PREPARATORY BOARDING SCHOOL OR A SUBSTANTIALLY SIMILAR PUBLIC  
12 BOARDING SCHOOL IN ANOTHER STATE.

13 (ii) HAS DEMONSTRATED SUCCESS IN IMPROVING THE ACADEMIC  
14 PERFORMANCE OF STUDENTS.

15 (iii) HAS DEMONSTRATED THAT THE NONPROFIT CORPORATION HAS THE  
16 CAPACITY TO SECURE PRIVATE FUNDS FOR THE DEVELOPMENT OF THE PUBLIC  
17 COLLEGE PREPARATORY BOARDING SCHOOL AUTHORIZED UNDER THIS PART.

18 (B) "ELIGIBLE STUDENT" MEANS A STUDENT WHO IS A RESIDENT OF  
19 THIS STATE; IS AT RISK OF ACADEMIC FAILURE; IS FROM A FAMILY WHOSE  
20 FAMILY INCOME IS BELOW 200% OF THE FEDERAL POVERTY GUIDELINES  
21 PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN  
22 SERVICES; MEETS ANY ADDITIONAL CRITERIA PRESCRIBED BY AGREEMENT  
23 BETWEEN THE DEPARTMENT AND THE OPERATOR OF THE PUBLIC COLLEGE  
24 PREPARATORY BOARDING SCHOOL IN WHICH THE STUDENT SEEKS ENROLLMENT;  
25 AND MEETS AT LEAST 2 OF THE FOLLOWING ADDITIONAL CONDITIONS:

26 (i) THE STUDENT HAS A RECORD OF IN-SCHOOL DISCIPLINARY ACTIONS,  
27 SUSPENSIONS, EXPULSIONS, OR TRUANCY.

1           (ii) THE STUDENT HAS NOT ATTAINED AT LEAST A SCORE OF  
2 PROFICIENT ON THE STATE ACHIEVEMENT ASSESSMENTS IN ENGLISH LANGUAGE  
3 ARTS, READING, OR MATHEMATICS, AFTER THOSE ASSESSMENTS HAVE BEEN  
4 ADMINISTERED TO THE STUDENT AT LEAST ONCE.

5           (iii) THE STUDENT IS A STUDENT WITH A DISABILITY, AS THAT TERM  
6 IS DEFINED UNDER THE REVISED SCHOOL CODE.

7           (iv) THE STUDENT HAS BEEN REFERRED FOR ACADEMIC INTERVENTION  
8 SERVICES.

9           (v) THE STUDENT'S HEAD OF HOUSEHOLD IS A SINGLE PARENT OR IS  
10 NOT THE STUDENT'S CUSTODIAL PARENT. AS USED IN THIS SUBPARAGRAPH,  
11 "HEAD OF HOUSEHOLD" MEANS A PERSON WHO OCCUPIES THE SAME HOUSEHOLD  
12 AS THE STUDENT AND WHO IS FINANCIALLY RESPONSIBLE FOR THE STUDENT.

13           (vi) A MEMBER OF THE STUDENT'S FAMILY HAS BEEN INCARCERATED.