

# SENATE BILL NO. 1022

April 28, 2022, Introduced by Senators VANDERWALL, HOLLIER, WOZNIAK, HUIZENGA, OUTMAN and SCHMIDT and referred to the Committee on Education and Career Readiness.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 681 and 684 (MCL 380.681 and 380.684), section 681 as amended by 2016 PA 532 and section 684 as amended by 2016 PA 535.

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

- 1           Sec. 681. (1) An intermediate school district may establish an
- 2 area career and technical education program and operate the program
- 3 under sections 681 to 690 if approved by a majority of the

1 intermediate school electors of the intermediate school district  
 2 voting on the question. The election ~~shall~~**must** be called and  
 3 conducted in accordance with this act and the Michigan election  
 4 law. The establishment of the area career and technical education  
 5 program may be rescinded by the same process.

6 (2) The question of establishing an area career and technical  
 7 education program may be submitted to the intermediate school  
 8 electors of an intermediate school district at a regular school  
 9 election or at a special election held in each of the constituent  
 10 districts. Subject to section 641 of the Michigan election law, MCL  
 11 168.641, the intermediate school board shall determine the date of  
 12 the election and shall give notice to the school district filing  
 13 official at least 60 days in advance of the date the ballot  
 14 question is to be submitted to the intermediate school electors.

15 (3) The ballot for referring the question of adopting sections  
 16 681 to 690 and establishing an area career and technical education  
 17 program to the intermediate school electors of an intermediate  
 18 school district ~~shall~~**must** be substantially in the following form:

19 "Shall \_\_\_\_\_ (legal name of intermediate school  
 20 district), state of Michigan, come under sections 681 to 690 of the  
 21 revised school code and establish an area career and technical  
 22 education program which is designed to encourage the operation of  
 23 area career and technical education programs if the annual property  
 24 tax levied for this purpose is limited to \_\_\_\_\_ mills?

25 Yes ( )

26 No ( )".

27 (4) ~~Beginning in 1995, and subject~~**Subject** to section 625b,  
 28 the number of mills of ad valorem property taxes an intermediate  
 29 school board may levy for area career and technical education

1 program operating purposes under sections 681 to 690 is limited to  
2 the following:

3 (a) If the intermediate school district did not levy any  
4 millage in 1993 for area career and technical education program  
5 operating purposes under sections 681 to 690, the intermediate  
6 school board, with the approval of the intermediate school  
7 electors, may levy not more than 1 mill for those purposes.

8 (b) If the intermediate school district levied millage in 1993  
9 for area career and technical education program operating purposes  
10 under sections 681 to 690, the intermediate school board, with the  
11 approval of the intermediate school electors, may levy mills for  
12 those purposes at a rate not to exceed 1.5 times the number of  
13 mills authorized for those purposes in the intermediate school  
14 district in 1993. Approval of the intermediate school electors is  
15 not required for the levy under this subdivision of previously  
16 authorized mills until that authorization expires.

17 (5) An intermediate school district that levies a tax for area  
18 career and technical education program operating purposes shall not  
19 use proceeds from the tax for any purpose other than area career  
20 and technical education program operating purposes and shall submit  
21 to the department of treasury a copy of the audit report from the  
22 audit of the intermediate school district conducted under section  
23 **622a. Beginning with mills described in this subsection authorized**  
24 **after the effective date of the amendatory act that added this**  
25 **sentence, area career and technical education program operating**  
26 **purposes, as described in subsection (7), include, but are not**  
27 **limited to, an intermediate school district's contracting with**  
28 **another intermediate school district for the operation of the**  
29 **career and technical education program.** If the department of

1 treasury determines from the audit report that the proceeds from  
2 the tax have been used for a purpose other than area career and  
3 technical education program operating purposes, as ~~defined under~~  
4 **described in** subsection (7), the department of treasury shall  
5 notify the intermediate school district of that determination. If  
6 the intermediate school district disputes the determination or  
7 claims that the situation has been corrected, within 15 days after  
8 receipt of the determination the intermediate school district may  
9 submit an appeal of the determination to the department of  
10 treasury. Within 90 days after receipt of the appeal, the  
11 department of treasury shall consider the appeal and make a  
12 determination of whether the initial determination was correct or  
13 incorrect and of whether the situation has been corrected. If the  
14 department of treasury finds that the initial determination was  
15 correct and that the situation has not been corrected, then the  
16 department of treasury shall file a copy of the report with the  
17 attorney general. The attorney general shall review the report and,  
18 if the attorney general considers it appropriate, shall commence or  
19 direct the prosecuting attorney for the county in which the  
20 violations occurred to commence appropriate proceedings against the  
21 intermediate school board or the official or employee. These  
22 proceedings ~~shall~~**must** include at least a civil action in a court  
23 of competent jurisdiction for the recovery of any public money  
24 determined by the audit to have been illegally expended and for the  
25 recovery of any public property determined by the audit to have  
26 been converted or misappropriated.

27 (6) If the attorney general determines from a report filed  
28 under subsection (5) that an intermediate school district has  
29 misspent tax proceeds as described in subsection (5) and notifies

1 the intermediate school district of this determination, the  
2 intermediate school district shall repay to its area career and  
3 technical education program operating fund an amount equal to the  
4 amount the department of treasury determined under subsection (5)  
5 has been used for a purpose other than area career and technical  
6 education program operating purposes. The intermediate school  
7 district shall make this repayment from funds of the intermediate  
8 school district that lawfully may be used for making such a  
9 repayment.

10 (7) For the purposes of subsections (5) and (6), not later  
11 than January 1, 2008, the department and the department of  
12 treasury, in consultation with intermediate school districts, shall  
13 develop and make available to intermediate school districts a  
14 definition of area career and technical education program operating  
15 purposes. **Beginning with mills described in subsection (5)**  
16 **authorized after the effective date of the amendatory act that**  
17 **added this sentence, area career and technical education program**  
18 **operating purposes, as described in this subsection, include, but**  
19 **are not limited to, an intermediate school district's contracting**  
20 **with another intermediate school district for the operation of the**  
21 **career and technical education program.**

22 (8) An intermediate school district shall not hold more than 2  
23 elections in a calendar year concerning the authorization of a  
24 millage rate for area career and technical education program  
25 operating purposes under sections 681 to 690.

26 (9) Within 30 days after receiving the audit results, an  
27 intermediate school district shall publish the results of any audit  
28 conducted concerning the area career and technical education  
29 program on the intermediate school district's website. The results

1 ~~shall~~**must** remain posted on the website for at least 6 months.

2 (10) The state board is the sole agency responsible for the  
3 supervision and administration of career and technical education in  
4 this state with authority to accept federal funding for career and  
5 technical education and with the responsibility to administer the  
6 requirements for career and technical education under federal and  
7 state law.

8 Sec. 684. (1) An intermediate school board in which an area  
9 career and technical education program has been established may  
10 operate area career and technical education programs or may  
11 contract with ~~local~~ school districts, **with other intermediate**  
12 **school districts**, or with community colleges for the operation of  
13 the programs or with a private degree-granting postsecondary  
14 institution if the intermediate school district is not within a  
15 community college district. ~~and if there existed on or before July~~  
16 ~~1, 1992 a written agreement for the operation of such a program.~~  
17 Area career and technical education programs operated under  
18 sections 681 to 690 ~~shall~~**must** be submitted for review of the  
19 representatives of the constituent districts of the intermediate  
20 school district at an annual budget review meeting held on or  
21 before June 1 under section 624.

22 (2) An intermediate school board may expend area career and  
23 technical education funds for the operation of area career and  
24 technical education programs for instructional, support, and  
25 administrative costs associated with providing career and technical  
26 education activities, including, but not limited to, staff  
27 salaries, wages, and benefits for career and technical education  
28 programs only; information and awareness activities; acquisition  
29 and rental of real property; construction of buildings; acquisition

1 of equipment and supplies; and maintenance, repair, and replacement  
2 of buildings, lands, equipment, and supplies. An intermediate  
3 school board shall not expend area career and technical education  
4 funds for purposes other than those set forth in sections 681 to  
5 690. An intermediate school board must obtain state approval to use  
6 state or federal career and technical education funds. Expenditure  
7 of vocational education millage revenue for the purposes allowed  
8 under this subsection ~~shall~~**must** be determined by the intermediate  
9 school board. However, if the millage revenue is commingled with  
10 state or federal funds, then the intermediate school district must  
11 obtain state approval to use the commingled funds. If an audit by  
12 or on behalf of the department determines that an intermediate  
13 school board has expended area career and technical education funds  
14 for a purpose other than those set forth in sections 681 to 690,  
15 the intermediate school district is subject to the measures under  
16 section 681(5) and (6).

17 (3) The intermediate school board shall ensure that all of the  
18 following are met:

19 (a) The intermediate school board shall notify the department  
20 at the time the area career and technical education program is  
21 established.

22 (b) In order to be responsive to local workforce needs,  
23 emerging technologies, and local demand occupations, the  
24 intermediate school district shall establish a program advisory  
25 committee pursuant to administrative guidelines established by the  
26 office of career and technical preparation within the department.  
27 At least a majority of the members of the program advisory  
28 committee shall be representatives from business and industry.

29 (c) The program shall collect career and technical education

1 information data and distribute that data to the appropriate state  
2 department or departments and to the program advisory committee.  
3 For the purposes of this subdivision, the department or CEPI shall  
4 only require an intermediate school district to report information  
5 that is not already available from the financial information  
6 database maintained by CEPI.

7 (d) The intermediate school district shall submit its career  
8 and technical education plan to the department in the form and  
9 manner prescribed by the department. For the purposes of this  
10 subdivision, the department or CEPI shall only require an  
11 intermediate school district to report information that is not  
12 already available from the financial information database  
13 maintained by CEPI.

14 (4) The department may monitor career and technical education  
15 programs funded with state or federal funding based upon feedback  
16 from the program advisory committee and predetermined state or  
17 federal skills standards that include student outcomes.

18 (5) The department, in consultation with the appropriate  
19 career and technical education professionals, shall develop a  
20 process for expedited state approval of programs that recognize  
21 local workforce needs, emerging technologies, and local demand  
22 occupations.

23 (6) If there is a community college that offers career and  
24 technical preparation programs within the intermediate school  
25 district, the intermediate school board shall collaborate with the  
26 community college to minimize duplication of programs.

27 (7) An area career and technical education program shall allow  
28 participation by public school academy and nonpublic school pupils  
29 to the same extent as pupils of constituent districts.

1           (8) An intermediate school board operating under sections 681  
2 to 690 may expend funds received under section 683 for the costs of  
3 a special election held to renew or increase the millage limit on  
4 the annual property tax levied for area career and technical  
5 education purposes.

6           (9) The treasurer of an intermediate school board shall pay  
7 out area career and technical education funds on order of the  
8 intermediate school board.

9           (10) As used in this section, "CEPI" means the center for  
10 educational performance and information created in section 94a of  
11 the state school aid act of 1979, MCL 388.1694a.