

HOUSE BILL NO. 4060

February 04, 2025, Introduced by Reps. VanderWall, Rogers, Borton, Martin, Schmaltz, Neyer, Rigas, Fairbairn, Outman, Beson, BeGole, St. Germaine, Glanville, Johnsen, Wozniak and Kelly and referred to Committee on Education and Workforce.

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 5 program may be rescinded by the same process.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 school years starting after the effective date**
24 **of the amendatory act that added this sentence, area career and**
25 **technical education program operating purposes, as described in**
26 **subsection (7), include, but are not limited to, an intermediate**
27 **school district's contracting with another intermediate school**
28 **district for the operation of the career and technical education**
29 **program.** If the department of treasury determines from the audit

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

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

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

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

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

25 (9) Within 30 days after receiving the audit results, an
26 intermediate school district shall publish the results of any audit
27 conducted concerning the area career and technical education
28 program on the intermediate school district's website. The results
29 ~~shall~~**must** remain posted on the website for at least 6 months.

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

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

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

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

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

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

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

1 (c) The program ~~shall~~**must** collect career and technical
2 education information data and distribute that data to the
3 appropriate state department or departments and to the program
4 advisory committee. For the purposes of this subdivision, the
5 department or CEPI shall only require an intermediate school
6 district to report information that is not already available from
7 the financial information database maintained by CEPI.

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

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

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

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

28 (7) An area career and technical education program ~~shall~~**must**
29 allow participation by public school academy and nonpublic school

1 pupils to the same extent as pupils of constituent districts.

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

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

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