

# 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

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 The establishment of the area career and technical education program may be rescinded by the same process.

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

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

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

Yes ( )

No ( )".

(4) ~~Beginning in 1995, and subject~~**Subject** to section 625b, the number of mills of ad valorem property taxes an intermediate 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.