

SUBSTITUTE FOR

SENATE BILL NO. 1107

(As amended, March 26, 2008)

<<A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18b,
19, 20, 20d, 20j, 22a, 22b, 22d, 24, 24a, 24c, 25c, 26a, 26b, 29,
31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 38, 39, 39a, 41, 51a,
51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98,
99, 99e, 104, 104b, 105, 105c, 107, 147, 151, and 164c (MCL
388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611g,
388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618b, 388.1619,
388.1620, 388.1620d, 388.1620j, 388.1622a, 388.1622b, 388.1622d,
388.1624, 388.1624a, 388.1624c, 388.1625c, 388.1626a, 388.1626b,

Senate Bill No. 1107 as amended March 27, 2008

388.1629, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632c, 388.1632d, 388.1632j, 388.1632l, 388.1637, 388.1638, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1664, 388.1665, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1699e, 388.1704, 388.1704b, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1751, and 388.1764c), sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 19, 20, 20j, 22a, 22b, 22d, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 37, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99e, 104, 107, and 151 as amended by 2007 PA 137, sections 4 and 164c as amended by 2005 PA 155, section 18b as added by 2000 PA 297, section 20d as amended by 1997 PA 93, section 25c as added by 2001 PA 121, section 38 as amended by 2003 PA 158, section 104b as added by 2004 PA 593, sections 105 and 105c as amended by 2006 PA 342, and section 147 as amended by 2007 PA 92, and by adding sections 11n, 22e, 32e, 42, 57a, 99m, 99n, and 99o; and to repeal acts and parts of acts.>>

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Average daily attendance", for the purposes of
2 complying with federal law, means 92% of the pupils counted in
3 membership on the pupil membership count day, as defined in section
4 6(7).

5 (2) "Board" means the governing body of a district or public
6 school academy.

7 (3) "Center" means the center for educational performance and
8 information created in section 94a.

Senate Bill No. 1107 as amended March 26, 2008

1 (4) "Cooperative education program" means a written voluntary
2 agreement between and among districts to provide certain
3 educational programs for pupils in certain groups of districts. The
4 written agreement shall be approved by all affected districts at
5 least annually and shall specify the educational programs to be
6 provided and the estimated number of pupils from each district who
7 will participate in the educational programs.

8 (5) "Department", except in section 107, means the department
9 of education.

10 (6) "District" means a local school district established under
11 the revised school code, a local act school district, or, except in
12 sections 6(4), 6(6), 13, 20, 22a, 23, 29, 31a, <<51A(15), >>99j, 99k, 105,
and
13 105c, a public school academy. Except in sections 6(4), 6(6), 13,
14 20, 22a, 29, <<51A(15), >>99j, 99k, 105, and 105c, district also includes
a
15 university school.

16 (7) "District of residence", except as otherwise provided in
17 this subsection, means the district in which a pupil's custodial
18 parent or parents or legal guardian resides. For a pupil described
19 in section 24b, the pupil's district of residence is the district
20 in which the pupil enrolls under that section. For a pupil
21 described in section 6(4)(d), the pupil's district of residence
22 shall be considered to be the district or intermediate district in
23 which the pupil is counted in membership under that section. For a
24 pupil under court jurisdiction who is placed outside the district
25 in which the pupil's custodial parent or parents or legal guardian
26 resides, the pupil's district of residence shall be considered to
27 be the educating district or educating intermediate district.

1 (8) "District superintendent" means the superintendent of a
2 district, the chief administrator of a public school academy, or
3 the chief administrator of a university school.

4 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
5 grades K to 8 in a district not maintaining classes above the
6 eighth grade or in grades K to 6 in a district maintaining classes
7 above the eighth grade. **FOR THE PURPOSES OF CALCULATING UNIVERSAL
8 SERVICE FUND (E-RATE) DISCOUNTS, "ELEMENTARY PUPIL" INCLUDES
9 CHILDREN ENROLLED IN A PRESCHOOL PROGRAM OPERATED BY A DISTRICT IN
10 ITS FACILITIES.**

11 (2) "Extended school year" means an educational program
12 conducted by a district in which pupils must be enrolled but not
13 necessarily in attendance on the pupil membership count day in an
14 extended year program. The mandatory clock hours shall be completed
15 by each pupil not more than 365 calendar days after the pupil's
16 first day of classes for the school year prescribed. The department
17 shall prescribe pupil, personnel, and other reporting requirements
18 for the educational program.

19 (3) "Fiscal year" means the state fiscal year that commences
20 October 1 and continues through September 30.

21 (4) "General educational development testing preparation
22 program" means a program that has high school level courses in
23 English language arts, social studies, science, and mathematics and
24 that prepares a person to successfully complete the general
25 educational development (GED) test.

26 (5) "High school pupil" means a pupil in membership in grades
27 7 to 12, except in a district not maintaining grades above the

1 eighth grade.

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

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

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

1 or high school, who leave high school with a diploma or other
2 credential of equal status.

3 (4) "Membership", except as otherwise provided in this act,
4 means for a district, public school academy, university school, or
5 intermediate district the sum of the product of .75 times the
6 number of full-time equated pupils in grades K to 12 actually
7 enrolled and in regular daily attendance on the pupil membership
8 count day for the current school year, plus the product of .25
9 times the final audited count from the supplemental count day for
10 the immediately preceding school year. All pupil counts used in
11 this subsection are as determined by the department and calculated
12 by adding the number of pupils registered for attendance plus
13 pupils received by transfer and minus pupils lost as defined by
14 rules promulgated by the superintendent, and as corrected by a
15 subsequent department audit. The amount of the foundation allowance
16 for a pupil in membership is determined under section 20. In making
17 the calculation of membership, all of the following, as applicable,
18 apply to determining the membership of a district, public school
19 academy, university school, or intermediate district:

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

25 (b) If a pupil is educated in a district other than the
26 pupil's district of residence, if the pupil is not being educated
27 as part of a cooperative education program, if the pupil's district

1 of residence does not give the educating district its approval to
2 count the pupil in membership in the educating district, and if the
3 pupil is not covered by an exception specified in subsection (6) to
4 the requirement that the educating district must have the approval
5 of the pupil's district of residence to count the pupil in
6 membership, the pupil shall not be counted in membership in any
7 district.

8 (c) A special education pupil educated by the intermediate
9 district shall be counted in membership in the intermediate
10 district.

11 (d) A pupil placed by a court or state agency in an on-grounds
12 program of a juvenile detention facility, a child caring
13 institution, or a mental health institution, or a pupil funded
14 under section 53a, shall be counted in membership in the district
15 or intermediate district approved by the department to operate the
16 program.

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

20 (f) A pupil enrolled in a vocational education program
21 supported by a millage levied over an area larger than a single
22 district or in an area vocational-technical education program
23 established pursuant to section 690 of the revised school code, MCL
24 380.690, shall be counted only in the pupil's district of
25 residence.

26 (g) A pupil enrolled in a university school shall be counted
27 in membership in the university school.

1 (h) A pupil enrolled in a public school academy shall be
2 counted in membership in the public school academy.

3 (i) For a new district, university school, or public school
4 academy beginning its operation after December 31, 1994, membership
5 for the first 2 full or partial fiscal years of operation shall be
6 determined as follows:

7 (i) If operations begin before the pupil membership count day
8 for the fiscal year, membership is the average number of full-time
9 equated pupils in grades K to 12 actually enrolled and in regular
10 daily attendance on the pupil membership count day for the current
11 school year and on the supplemental count day for the current
12 school year, as determined by the department and calculated by
13 adding the number of pupils registered for attendance on the pupil
14 membership count day plus pupils received by transfer and minus
15 pupils lost as defined by rules promulgated by the superintendent,
16 and as corrected by a subsequent department audit, plus the final
17 audited count from the supplemental count day for the current
18 school year, and dividing that sum by 2.

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

25 (j) If a district is the authorizing body for a public school
26 academy, then, in the first school year in which pupils are counted
27 in membership on the pupil membership count day in the public

1 school academy, the determination of the district's membership
2 shall exclude from the district's pupil count for the immediately
3 preceding supplemental count day any pupils who are counted in the
4 public school academy on that first pupil membership count day who
5 were also counted in the district on the immediately preceding
6 supplemental count day.

7 (k) In a district, public school academy, university school,
8 or intermediate district operating an extended school year program
9 approved by the superintendent, a pupil enrolled, but not scheduled
10 to be in regular daily attendance on a pupil membership count day,
11 shall be counted.

12 (l) Pupils to be counted in membership shall be not less than 5
13 years of age on December 1 and less than 20 years of age on
14 September 1 of the school year except a special education pupil who
15 is enrolled and receiving instruction in a special education
16 program or service approved by the department and not having a high
17 school diploma who is less than 26 years of age as of September 1
18 of the current school year shall be counted in membership.

19 (m) An individual who has obtained a high school diploma shall
20 not be counted in membership. An individual who has obtained a
21 general educational development (G.E.D.) certificate shall not be
22 counted in membership. An individual participating in a job
23 training program funded under former section 107a or a jobs program
24 funded under former section 107b, administered by the Michigan
25 strategic fund or the department of labor and economic growth, or
26 participating in any successor of either of those 2 programs, shall
27 not be counted in membership.

1 (n) If a pupil counted in membership in a public school
2 academy is also educated by a district or intermediate district as
3 part of a cooperative education program, the pupil shall be counted
4 in membership only in the public school academy unless a written
5 agreement signed by all parties designates the party or parties in
6 which the pupil shall be counted in membership, and the
7 instructional time scheduled for the pupil in the district or
8 intermediate district shall be included in the full-time equated
9 membership determination under subdivision (q). However, for pupils
10 receiving instruction in both a public school academy and in a
11 district or intermediate district but not as a part of a
12 cooperative education program, the following apply:

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

23 (ii) If the public school academy provides instruction for less
24 than 1/2 of the class hours specified in subdivision (q), the
25 district or intermediate district providing the remainder of the
26 hours of instruction shall receive as its prorated share of the
27 full-time equated membership for each of those pupils an amount

1 equal to 1 times the product of the hours of instruction the
2 district or intermediate district provides divided by the number of
3 hours specified in subdivision (q) for full-time equivalency, and
4 the remainder of the full-time membership for each of those pupils
5 shall be allocated to the public school academy.

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

11 (p) The department shall give a uniform interpretation of
12 full-time and part-time memberships.

13 (q) The number of class hours used to calculate full-time
14 equated memberships shall be consistent with section 101(3). In
15 determining full-time equated memberships for pupils who are
16 enrolled in a postsecondary institution, a pupil shall not be
17 considered to be less than a full-time equated pupil solely because
18 of the effect of his or her postsecondary enrollment, including
19 necessary travel time, on the number of class hours provided by the
20 district to the pupil.

21 (r) Full-time equated memberships for pupils in kindergarten
22 shall be determined by dividing the number of class hours scheduled
23 and provided per year per kindergarten pupil by a number equal to
24 1/2 the number used for determining full-time equated memberships
25 for pupils in grades 1 to 12.

26 (s) For a district, university school, or public school
27 academy that has pupils enrolled in a grade level that was not

1 offered by the district, university school, or public school
2 academy in the immediately preceding school year, the number of
3 pupils enrolled in that grade level to be counted in membership is
4 the average of the number of those pupils enrolled and in regular
5 daily attendance on the pupil membership count day and the
6 supplemental count day of the current school year, as determined by
7 the department. Membership shall be calculated by adding the number
8 of pupils registered for attendance in that grade level on the
9 pupil membership count day plus pupils received by transfer and
10 minus pupils lost as defined by rules promulgated by the
11 superintendent, and as corrected by subsequent department audit,
12 plus the final audited count from the supplemental count day for
13 the current school year, and dividing that sum by 2.

14 (t) A pupil enrolled in a cooperative education program may be
15 counted in membership in the pupil's district of residence with the
16 written approval of all parties to the cooperative agreement.

17 (u) If, as a result of a disciplinary action, a district
18 determines through the district's alternative or disciplinary
19 education program that the best instructional placement for a pupil
20 is in the pupil's home or otherwise apart from the general school
21 population, if that placement is authorized in writing by the
22 district superintendent and district alternative or disciplinary
23 education supervisor, and if the district provides appropriate
24 instruction as described in this subdivision to the pupil at the
25 pupil's home or otherwise apart from the general school population,
26 the district may count the pupil in membership on a pro rata basis,
27 with the proration based on the number of hours of instruction the

1 district actually provides to the pupil divided by the number of
2 hours specified in subdivision (q) for full-time equivalency. For
3 the purposes of this subdivision, a district shall be considered to
4 be providing appropriate instruction if all of the following are
5 met:

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

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

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

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

17 ~~(v) A pupil enrolled in an alternative or disciplinary~~
18 ~~education program described in section 25 shall be counted in~~
19 ~~membership in the district or public school academy that expelled~~
20 ~~the pupil.~~ **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 DESCRIBED IN SECTION 64, THE MEMBERSHIP IS THE AVERAGE OF**
23 **THE FULL-TIME EQUATED MEMBERSHIP ON THE PUPIL MEMBERSHIP COUNT DAY**
24 **AND ON THE SUPPLEMENTAL COUNT DAY FOR THE CURRENT SCHOOL YEAR, AS**
25 **DETERMINED BY THE DEPARTMENT. IF A PUPIL WAS COUNTED BY THE**
26 **OPERATING DISTRICT ON THE IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT**
27 **DAY, THE PUPIL SHALL BE EXCLUDED FROM THE DISTRICT'S IMMEDIATELY**

1 **PRECEDING SUPPLEMENTAL COUNT FOR PURPOSES OF DETERMINING THE**
2 **DISTRICT'S MEMBERSHIP.**

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

10 (x) For a public school academy that has been in operation for
11 at least 2 years and that suspended operations for at least 1
12 semester and is resuming operations, membership is the sum of the
13 product of .75 times the number of full-time equated pupils in
14 grades K to 12 actually enrolled and in regular daily attendance on
15 the first pupil membership count day or supplemental count day,
16 whichever is first, occurring after operations resume, plus the
17 product of .25 times the final audited count from the most recent
18 pupil membership count day or supplemental count day that occurred
19 before suspending operations, as determined by the superintendent.

20 (y) If a district's membership for a particular fiscal year,
21 as otherwise calculated under this subsection, would be less than
22 1,550 pupils and the district has 4.5 or fewer pupils per square
23 mile, as determined by the department, and if the district does not
24 receive funding under section 22d, the district's membership shall
25 be considered to be the membership figure calculated under this
26 subdivision. If a district educates and counts in its membership
27 pupils in grades 9 to 12 who reside in a contiguous district that

1 does not operate grades 9 to 12 and if 1 or both of the affected
2 districts request the department to use the determination allowed
3 under this sentence, the department shall include the square
4 mileage of both districts in determining the number of pupils per
5 square mile for each of the districts for the purposes of this
6 subdivision. The membership figure calculated under this
7 subdivision is the greater of the following:

8 (i) The average of the district's membership for the 3-fiscal-
9 year period ending with that fiscal year, calculated by adding the
10 district's actual membership for each of those 3 fiscal years, as
11 otherwise calculated under this subsection, and dividing the sum of
12 those 3 membership figures by 3.

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

15 (z) If a public school academy that is not in its first or
16 second year of operation closes at the end of a school year and
17 does not reopen for the next school year, the department shall
18 adjust the membership count of the district in which a former pupil
19 of the public school academy enrolls and is in regular daily
20 attendance for the next school year to ensure that the district
21 receives the same amount of membership aid for the pupil as if the
22 pupil were counted in the district on the supplemental count day of
23 the preceding school year.

24 (aa) Full-time equated memberships for preprimary-aged special
25 education pupils who are not enrolled in kindergarten but are
26 enrolled in a classroom program under R 340.1754 of the Michigan
27 administrative code shall be determined by dividing the number of

1 class hours scheduled and provided per year by 450. Full-time
2 equated memberships for preprimary-aged special education pupils
3 who are not enrolled in kindergarten but are receiving nonclassroom
4 services under R 340.1755 of the Michigan administrative code shall
5 be determined by dividing the number of hours of service scheduled
6 and provided per year per pupil by 180.

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

12 (5) "Public school academy" means a public school academy,
13 urban high school academy, or strict discipline academy operating
14 under the revised school code.

15 (6) "Pupil" means a person in membership in a public school. A
16 district must have the approval of the pupil's district of
17 residence to count the pupil in membership, except approval by the
18 pupil's district of residence is not required for any of the
19 following:

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

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

24 (c) A pupil enrolled in a public school academy or university
25 school.

26 (d) A pupil enrolled in a district other than the pupil's
27 district of residence under an intermediate district schools of

1 choice pilot program as described in section 91a or former section
2 91 if the intermediate district and its constituent districts have
3 been exempted from section 105.

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

7 (f) A pupil who has made an official written complaint or
8 whose parent or legal guardian has made an official written
9 complaint to law enforcement officials and to school officials of
10 the pupil's district of residence that the pupil has been the
11 victim of a criminal sexual assault or other serious assault, if
12 the official complaint either indicates that the assault occurred
13 at school or that the assault was committed by 1 or more other
14 pupils enrolled in the school the pupil would otherwise attend in
15 the district of residence or by an employee of the district of
16 residence. A person who intentionally makes a false report of a
17 crime to law enforcement officials for the purposes of this
18 subdivision is subject to section 411a of the Michigan penal code,
19 1931 PA 328, MCL 750.411a, which provides criminal penalties for
20 that conduct. As used in this subdivision:

21 (i) "At school" means in a classroom, elsewhere on school
22 premises, on a school bus or other school-related vehicle, or at a
23 school-sponsored activity or event whether or not it is held on
24 school premises.

25 (ii) "Serious assault" means an act that constitutes a felony
26 violation of chapter XI of the Michigan penal code, 1931 PA 328,
27 MCL 750.81 to 750.90g, or that constitutes an assault and

1 infliction of serious or aggravated injury under section 81a of the
2 Michigan penal code, 1931 PA 328, MCL 750.81a.

3 (g) A pupil whose district of residence changed after the
4 pupil membership count day and before the supplemental count day
5 and who continues to be enrolled on the supplemental count day as a
6 nonresident in the district in which he or she was enrolled as a
7 resident on the pupil membership count day of the same school year.

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

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

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

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

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

18 (v) **THE PUPIL IS ENROLLED IN AN ALTERNATIVE OR DISCIPLINARY**
19 **EDUCATION PROGRAM DESCRIBED IN SECTION 25.**

20 (i) A pupil enrolled in the Michigan virtual high school, for
21 the pupil's enrollment in the Michigan virtual high school.

22 (j) A pupil who is the child of a person who is employed by
23 the district. As used in this subdivision, "child" includes an
24 adopted child, stepchild, or legal ward.

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

1 380.1311a.

2 (l) A pupil enrolled in a district other than the pupil's
3 district of residence in a program described in section 64 if the
4 pupil's district of residence and the enrolling district are both
5 constituent districts of the same intermediate district.

6 (M) A PUPIL ENROLLED IN A DISTRICT OTHER THAN THE PUPIL'S
7 DISTRICT OF RESIDENCE WHO ATTENDS A UNITED STATES OLYMPIC EDUCATION
8 CENTER.

9 However, if a district that is not a first class district
10 educates pupils who reside in a first class district and if the
11 primary instructional site for those pupils is located within the
12 boundaries of the first class district, the educating district must
13 have the approval of the first class district to count those pupils
14 in membership. As used in this subsection, "first class district"
15 means a district organized as a school district of the first class
16 under the revised school code.

17 (7) "Pupil membership count day" of a district or intermediate
18 district means:

19 (a) Except as provided in subdivision (b), the fourth
20 Wednesday after Labor day each school year or, for a district or
21 building in which school is not in session on that Wednesday due to
22 conditions not within the control of school authorities, with the
23 approval of the superintendent, the immediately following day on
24 which school is in session in the district or building.

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

27 (i) Fourth Wednesday in July.

1 (ii) Fourth Wednesday after Labor day.

2 (iii) Second Wednesday in February.

3 (iv) Fourth Wednesday in April.

4 (8) "Pupils in grades K to 12 actually enrolled and in regular
5 daily attendance" means pupils in grades K to 12 in attendance and
6 receiving instruction in all classes for which they are enrolled on
7 the pupil membership count day or the supplemental count day, as
8 applicable. Except as otherwise provided in this subsection, a
9 pupil who is absent from any of the classes in which the pupil is
10 enrolled on the pupil membership count day or supplemental count
11 day and who does not attend each of those classes during the 10
12 consecutive school days immediately following the pupil membership
13 count day or supplemental count day, except for a pupil who has
14 been excused by the district, shall not be counted as 1.0 full-time
15 equated membership. A pupil who is excused from attendance on the
16 pupil membership count day or supplemental count day and who fails
17 to attend each of the classes in which the pupil is enrolled within
18 30 calendar days after the pupil membership count day or
19 supplemental count day shall not be counted as 1.0 full-time
20 equated membership. In addition, a pupil who was enrolled and in
21 attendance in a district, intermediate district, or public school
22 academy before the pupil membership count day or supplemental count
23 day of a particular year but was expelled or suspended on the pupil
24 membership count day or supplemental count day shall only be
25 counted as 1.0 full-time equated membership if the pupil resumed
26 attendance in the district, intermediate district, or public school
27 academy within 45 days after the pupil membership count day or

1 supplemental count day of that particular year. Pupils not counted
2 as 1.0 full-time equated membership due to an absence from a class
3 shall be counted as a prorated membership for the classes the pupil
4 attended. For purposes of this subsection, "class" means a period
5 of time in 1 day when pupils and a certificated teacher or legally
6 qualified substitute teacher are together and instruction is taking
7 place.

8 (9) "Rule" means a rule promulgated pursuant to the
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
10 24.328.

11 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
12 380.1852.

13 (11) "School fiscal year" means a fiscal year that commences
14 July 1 and continues through June 30.

15 (12) "State board" means the state board of education.

16 (13) "Superintendent", unless the context clearly refers to a
17 district or intermediate district superintendent, means the
18 superintendent of public instruction described in section 3 of
19 article VIII of the state constitution of 1963.

20 (14) "Supplemental count day" means the day on which the
21 supplemental pupil count is conducted under section 6a.

22 (15) "Tuition pupil" means a pupil of school age attending
23 school in a district other than the pupil's district of residence
24 for whom tuition may be charged. Tuition pupil does not include a
25 pupil who is a special education pupil or a pupil described in
26 subsection ~~(6) (d) to (k)~~ **(6) (C) TO (M)**. A pupil's district of
27 residence shall not require a high school tuition pupil, as

Senate Bill No. 1107 as amended March 26, 2008

1 provided under section 111, to attend another school district after
2 the pupil has been assigned to a school district.

3 (16) "State school aid fund" means the state school aid fund
4 established in section 11 of article IX of the state constitution
5 of 1963.

6 (17) "Taxable value" means the taxable value of property as
7 determined under section 27a of the general property tax act, 1893
8 PA 206, MCL 211.27a.

9 (18) "Textbook" means a book that is selected and approved by
10 the governing board of a district and that contains a presentation
11 of principles of a subject, or that is a literary work relevant to
12 the study of a subject required for the use of classroom pupils, or
13 another type of course material that forms the basis of classroom
14 instruction.

15 (19) "Total state aid" or "total state school aid" means the
16 total combined amount of all funds due to a district, intermediate
17 district, or other entity under all of the provisions of this act.

18 (20) "University school" means an instructional program
19 operated by a public university under section 23 that meets the
20 requirements of section 23.

21 Sec. 11. (1) For the fiscal year ending September 30, 2008,
22 there is appropriated for the public schools of this state and
23 certain other state purposes relating to education the sum of
24 ~~\$11,493,064,200.00~~ <<\$11,386,686,700.00>> from the state school aid
25 fund established by section 11 of article IX of the state
26 constitution of 1963 and the sum of \$34,909,600.00 from the general
27 fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, THERE IS**

Senate Bill No. 1107 as amended March 26, 2008

1 APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER
2 STATE PURPOSES RELATING TO EDUCATION THE SUM OF <<\$11,776,812,400.00>>
3 FROM THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE
4 IX OF THE STATE CONSTITUTION OF 1963 AND THE SUM OF \$43,000,000.00
5 FROM THE GENERAL FUND. In addition, available federal funds are
6 appropriated for the fiscal year ending September 30, 2008 AND FOR
7 THE FISCAL YEAR ENDING SEPTEMBER 30, 2009.

8 (2) The appropriations under this section shall be allocated
9 as provided in this act. Money appropriated under this section from
10 the general fund shall be expended to fund the purposes of this act
11 before the expenditure of money appropriated under this section
12 from the state school aid fund. If the maximum amount appropriated
13 under this section from the state school aid fund for a fiscal year
14 exceeds the amount necessary to fully fund allocations under this
15 act from the state school aid fund, that excess amount shall not be
16 expended in that state fiscal year and shall not lapse to the
17 general fund, but instead shall be deposited into the school aid
18 stabilization fund created in section 11a.

19 (3) If the maximum amount appropriated under this section from
20 the state school aid fund and the school aid stabilization fund for
21 a fiscal year exceeds the amount available for expenditure from the
22 state school aid fund for that fiscal year, payments under sections
23 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a,
24 and 56 shall be made in full. In addition, for districts beginning
25 operations after 1994-95 that qualify for payments under section
26 22b, payments under section 22b shall be made so that the
27 qualifying districts receive the lesser of an amount equal to the

1 1994-95 foundation allowance of the district in which the district
2 beginning operations after 1994-95 is located or \$5,500.00. The
3 amount of the payment to be made under section 22b for these
4 qualifying districts shall be as calculated under section 22a, with
5 the balance of the payment under section 22b being subject to the
6 proration otherwise provided under this subsection and subsection
7 (4). If proration is necessary, state payments under each of the
8 other sections of this act from all state funding sources shall be
9 prorated in the manner prescribed in subsection (4) as necessary to
10 reflect the amount available for expenditure from the state school
11 aid fund for the affected fiscal year. However, if the department
12 of treasury determines that proration will be required under this
13 subsection, or if the department of treasury determines that
14 further proration is required under this subsection after an
15 initial proration has already been made for a fiscal year, the
16 department of treasury shall notify the state budget director, and
17 the state budget director shall notify the legislature at least 30
18 calendar days or 6 legislative session days, whichever is more,
19 before the department reduces any payments under this act because
20 of the proration. During the 30 calendar day or 6 legislative
21 session day period after that notification by the state budget
22 director, the department shall not reduce any payments under this
23 act because of proration under this subsection. The legislature may
24 prevent proration from occurring by, within the 30 calendar day or
25 6 legislative session day period after that notification by the
26 state budget director, enacting legislation appropriating
27 additional funds from the general fund, countercyclical budget and

1 economic stabilization fund, state school aid fund balance, or
2 another source to fund the amount of the projected shortfall.

3 (4) If proration is necessary under subsection (3), the
4 department shall calculate the proration in district and
5 intermediate district payments that is required under subsection
6 (3) as follows:

7 (a) The department shall calculate the percentage of total
8 state school aid allocated under this act for the affected fiscal
9 year for each of the following:

10 (i) Districts.

11 (ii) Intermediate districts.

12 (iii) Entities other than districts or intermediate districts.

13 (b) The department shall recover a percentage of the proration
14 amount required under subsection (3) that is equal to the
15 percentage calculated under subdivision (a)(i) for districts by
16 reducing payments to districts. This reduction shall be made by
17 calculating an equal dollar amount per pupil as necessary to
18 recover this percentage of the proration amount and reducing each
19 district's total state school aid from state sources, other than
20 payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f,
21 51a(2), 51a(12), 51c, and 53a, by that amount.

22 (c) The department shall recover a percentage of the proration
23 amount required under subsection (3) that is equal to the
24 percentage calculated under subdivision (a)(ii) for intermediate
25 districts by reducing payments to intermediate districts. This
26 reduction shall be made by reducing the payments to each
27 intermediate district, other than payments under sections 11f, 11g,

1 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage
2 basis.

3 (d) The department shall recover a percentage of the proration
4 amount required under subsection (3) that is equal to the
5 percentage calculated under subdivision (a)(iii) for entities other
6 than districts and intermediate districts by reducing payments to
7 these entities. This reduction shall be made by reducing the
8 payments to each of these entities, other than payments under
9 sections 11j, 26a, and 26b, on an equal percentage basis.

10 (5) Except for the allocation under section 26a, any general
11 fund allocations under this act that are not expended by the end of
12 the state fiscal year are transferred to the school aid
13 stabilization fund created under section 11a.

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

17 (2) The state treasurer may receive money or other assets from
18 any source for deposit into the school aid stabilization fund. The
19 state treasurer shall deposit into the school aid stabilization
20 fund all of the following:

21 (a) Unexpended and unencumbered state school aid fund revenue
22 for a fiscal year that remains in the state school aid fund as of
23 the bookclosing for that fiscal year.

24 (b) Money statutorily dedicated to the school aid
25 stabilization fund.

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

27 (3) Money available in the school aid stabilization fund may

1 not be expended without a specific appropriation from the school
2 aid stabilization fund. Money in the school aid stabilization fund
3 shall be expended only for purposes for which state school aid fund
4 money may be expended.

5 (4) The state treasurer shall direct the investment of the
6 school aid stabilization fund. The state treasurer shall credit to
7 the school aid stabilization fund interest and earnings from fund
8 investments.

9 (5) Money in the school aid stabilization fund at the close of
10 a fiscal year shall remain in the school aid stabilization fund and
11 shall not lapse to the unreserved school aid fund balance or the
12 general fund.

13 (6) If the maximum amount appropriated under section 11 from
14 the state school aid fund for a fiscal year exceeds the amount
15 available for expenditure from the state school aid fund for that
16 fiscal year, there is appropriated from the school aid
17 stabilization fund to the state school aid fund an amount equal to
18 the projected shortfall as determined by the department of
19 treasury, but not to exceed available money in the school aid
20 stabilization fund. If the money in the school aid stabilization
21 fund is insufficient to fully fund an amount equal to the projected
22 shortfall, the state budget director shall notify the legislature
23 as required under section 11(3) and state payments in an amount
24 equal to the remainder of the projected shortfall shall be prorated
25 in the manner provided under section 11(4).

26 (7) For ~~2007-2008~~ **2008-2009**, there is appropriated from the
27 school aid stabilization fund to the state school aid fund the

1 amount necessary to fully fund the allocations under this act.

2 Sec. 11g. (1) From the appropriation in section 11, there is
3 allocated for this section an amount not to exceed ~~\$141,000.00 for~~
4 ~~the fiscal year ending September 30, 2008, and an amount not to~~
5 ~~exceed \$42,000,000.00~~ **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009**
6 **AND** for each succeeding fiscal year through the fiscal year ending
7 September 30, 2015, after which these payments will cease. These
8 allocations are for paying the amounts described in subsection (3)
9 to districts and intermediate districts, other than those receiving
10 a lump-sum payment under section 11f(2), that were not plaintiffs
11 in the consolidated cases known as Durant v State of Michigan,
12 Michigan supreme court docket no. 104458-104492 and that, on or
13 before March 2, 1998, submitted to the state treasurer a waiver
14 resolution described in section 11f. The amounts paid under this
15 section represent offers of settlement and compromise of any claim
16 or claims that were or could have been asserted by these districts
17 and intermediate districts, as described in this section.

18 (2) This section does not create any obligation or liability
19 of this state to any district or intermediate district that does
20 not submit a waiver resolution described in section 11f. This
21 section, any other provision of this act, and section 353e of the
22 management and budget act, 1984 PA 431, MCL 18.1353e, are not
23 intended to admit liability or waive any defense that is or would
24 be available to this state or its agencies, employees, or agents in
25 any litigation or future litigation with a district or intermediate
26 district regarding these claims or potential claims.

27 (3) The amount paid each fiscal year to each district or

1 intermediate district under this section shall be 1 of the
2 following:

3 (a) If the district or intermediate district does not borrow
4 money and issue bonds under section 11i, 1/30 of the total amount
5 listed in section 11h for the district or intermediate district
6 through the fiscal year ending September 30, 2013.

7 (b) If the district or intermediate district borrows money and
8 issues bonds under section 11i, an amount in each fiscal year
9 calculated by the department of treasury that is equal to the debt
10 service amount in that fiscal year on the bonds issued by that
11 district or intermediate district under section 11i and that will
12 result in the total payments made to all districts and intermediate
13 districts in each fiscal year under this section being no more than
14 the amount appropriated under this section in each fiscal year.

15 (4) The entire amount of each payment under this section each
16 fiscal year shall be paid on May 15 of the applicable fiscal year
17 or on the next business day following that date. If a district or
18 intermediate district borrows money and issues bonds under section
19 11i, the district or intermediate district shall use funds received
20 under this section to pay debt service on bonds issued under
21 section 11i. If a district or intermediate district does not borrow
22 money and issue bonds under section 11i, the district or
23 intermediate district shall use funds received under this section
24 only for the following purposes, in the following order of
25 priority:

26 (a) First, to pay debt service on voter-approved bonds issued
27 by the district or intermediate district before the effective date

1 of this section.

2 (b) Second, to pay debt service on other limited tax
3 obligations.

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

6 (5) To the extent payments under this section are used by a
7 district or intermediate district to pay debt service on debt
8 payable from millage revenues, and to the extent permitted by law,
9 the district or intermediate district may make a corresponding
10 reduction in the number of mills levied for debt service.

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

15 Sec. 11j. From the appropriation in section 11, there is
16 allocated an amount not to exceed ~~\$1,900,000.00~~ **\$3,900,000.00** for
17 2007-2008 **AND AN AMOUNT NOT TO EXCEED \$39,000,000.00 FOR 2008-2009**
18 for payments to the school loan bond redemption fund in the
19 department of treasury on behalf of districts and intermediate
20 districts. Notwithstanding section 11 or any other provision of
21 this act, funds allocated under this section are not subject to
22 proration and shall be paid in full.

23 Sec. 11k. For ~~2007-2008~~ **2008-2009**, there is appropriated from
24 the general fund to the school loan revolving fund an amount equal
25 to the amount of school bond loans assigned to the Michigan
26 municipal bond authority, not to exceed the total amount of school
27 bond loans held in reserve as long-term assets. As used in this

1 section, "school loan revolving fund" means that fund created in
2 section 16c of the shared credit rating act, 1985 PA 227, MCL
3 141.1066c.

4 Sec. 11m. From the appropriations in section 11, there is
5 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
6 ~~\$22,800,000.00~~-\$45,000,000.00 for fiscal year cash-flow borrowing
7 costs solely related to the state school aid fund established by
8 section 11 of article IX of the state constitution of 1963.

9 SEC. 11N. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$32,000,000.00 FOR 2008-2009 AND
11 FOR EACH SUCCEEDING FISCAL YEAR FOR PAYMENTS TO DISTRICTS FOR
12 INFRASTRUCTURE PURPOSES. THE AMOUNT ALLOCATED TO EACH DISTRICT
13 SHALL BE AN EQUAL PER PUPIL AMOUNT, CALCULATED BY DIVIDING
14 \$32,000,000.00 BY THE TOTAL STATEWIDE PUPIL MEMBERSHIP FOR 2008-
15 2009, AND MULTIPLYING THAT BY THE DISTRICT'S PUPIL MEMBERSHIP FOR
16 2008-2009.

17 (2) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR PAYING
18 DOWN EXISTING CAPITAL DEBT, IMMEDIATE BUILDING REPAIRS, OR DEPOSIT
19 INTO A SINKING FUND.

20 (3) EACH DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL
21 SUBMIT A PLAN TO THE DEPARTMENT OF TREASURY BY NOVEMBER 1, 2008
22 PROPOSING HOW THE FUNDS WILL BE SPENT, AND THE DISTRICT SHALL NOT
23 USE FUNDS FOR THOSE PURPOSES UNTIL THE DEPARTMENT OF TREASURY HAS
24 APPROVED THE PROPOSED USES. THE DEPARTMENT OF TREASURY SHALL
25 APPROVE OR DISAPPROVE THE PROPOSED USES NOT LATER THAN JANUARY 15,
26 2009. IF THE DEPARTMENT OF TREASURY DISAPPROVES A PROPOSED USE, THE
27 DISTRICT SHALL NOT USE THE FUNDS UNTIL THE DISTRICT SUBMITS A

1 REVISED PLAN AND THE DEPARTMENT OF TREASURY APPROVES A REVISED
2 PLAN.

3 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
4 SHALL BE PAID ON A SCHEDULE PRESCRIBED BY THE DEPARTMENT.

5 Sec. 15. (1) If a district or intermediate district fails to
6 receive its proper apportionment, the department, upon satisfactory
7 proof that the district or intermediate district was entitled
8 justly, shall apportion the deficiency in the next apportionment.
9 Subject to subsections (2) and (3), if a district or intermediate
10 district has received more than its proper apportionment, the
11 department, upon satisfactory proof, shall deduct the excess in the
12 next apportionment. Notwithstanding any other provision in this
13 act, state aid overpayments to a district, other than overpayments
14 in payments for special education or special education
15 transportation, may be recovered from any payment made under this
16 act other than a special education or special education
17 transportation payment. State aid overpayments made in special
18 education or special education transportation payments may be
19 recovered from subsequent special education or special education
20 transportation payments.

21 (2) If the result of an audit conducted by or for the
22 department affects the current fiscal year membership, affected
23 payments shall be adjusted in the current fiscal year. A deduction
24 due to an adjustment made as a result of an audit conducted by or
25 for the department, or as a result of information obtained by the
26 department from the district, an intermediate district, the
27 department of treasury, or the office of auditor general, shall be

1 deducted from the district's apportionments when the adjustment is
2 finalized. At the request of the district and upon the district
3 presenting evidence satisfactory to the department of the hardship,
4 the department may grant up to an additional 4 years for the
5 adjustment if the district would otherwise experience a significant
6 hardship.

7 (3) If, because of the receipt of new or updated data, the
8 department determines during a fiscal year that the amount paid to
9 a district or intermediate district under this act for a prior
10 fiscal year was incorrect under the law in effect for that year,
11 the department may make the appropriate deduction or payment in the
12 district's or intermediate district's allocation for the fiscal
13 year in which the determination is made. The deduction or payment
14 shall be calculated according to the law in effect in the fiscal
15 year in which the improper amount was paid.

16 (4) Expenditures made by the department under this act that
17 are caused by the write-off of prior year accruals may be funded by
18 revenue from the write-off of prior year accruals.

19 (5) In addition to funds appropriated in section 11 for all
20 programs and services, there is appropriated for ~~2007-2008-2008-~~
21 ~~2009~~ for obligations in excess of applicable appropriations, an
22 amount equal to the collection of overpayments, but not to exceed
23 amounts available from overpayments.

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

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

3 (b) The public school academy's contract has been revoked **OR**
4 **TERMINATED FOR ANY REASON.**

5 (c) The public school academy's contract has not been reissued
6 by the authorizing body.

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

12 (3) The state treasurer, or his or her designee, is authorized
13 to dispose of property transferred to this state under this
14 section. Except as otherwise provided in this section, the state
15 treasurer shall deposit in the state school aid fund any money
16 included in that property and the net proceeds from the sale of the
17 property or interests in property, after payment by the state
18 treasurer of any public school academy debt secured by the property
19 or interest in property.

20 (4) This section does not impose any liability on this state,
21 any agency of this state, or an authorizing body for any debt
22 incurred by a public school academy.

23 (5) As used in this section and section 18c, "authorizing
24 body" means an authorizing body defined under section 501 **OR 1311B**
25 of the revised school code, MCL 380.501 **AND 380.1311B.**

26 Sec. 19. (1) A district shall comply with any requirements of
27 sections 1204a, 1277, 1278, and 1280 of the revised school code,

1 MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred
2 to as "public act 25 of 1990" that are not also required by the no
3 child left behind act of 2001, Public Law 107-110, as determined by
4 the department.

5 (2) Each district and intermediate district shall provide to
6 the department, in a form and manner prescribed by the department,
7 information necessary for the development of an annual progress
8 report on the required implementation of sections 1204a, 1277,
9 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277,
10 380.1278, and 380.1280, commonly referred to as "public act 25 of
11 1990".

12 (3) A district or intermediate district shall comply with all
13 applicable reporting requirements specified in state and federal
14 law. Data provided to the center, in a form and manner prescribed
15 by the center, shall be aggregated and disaggregated as required by
16 state and federal law.

17 (4) Each district shall furnish to the center not later than 7
18 5 weeks after the pupil membership count day, in a manner
19 prescribed by the center, the information necessary for the
20 preparation of the district and high school graduation report. This
21 information shall meet requirements established in the pupil
22 auditing manual approved and published by the department. The
23 center shall calculate an annual graduation and pupil dropout rate
24 for each high school, each district, and this state, in compliance
25 with nationally recognized standards for these calculations. The
26 center shall report all graduation and dropout rates to the senate
27 and house education committees and appropriations committees, the

1 state budget director, and the department not later than 30 days
2 after the publication of the list described in subsection (8).

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

8 (6) By June 30 of each year, a district shall furnish to the
9 center, in a manner prescribed by the center, information related
10 to safety practices and criminal incidents as necessary for
11 reporting required by state and federal law.

12 (7) If a district or intermediate district fails to meet the
13 requirements of subsection (2), (3), (4), (5), or (6), the
14 department shall withhold 5% of the total funds for which the
15 district or intermediate district qualifies under this act until
16 the district or intermediate district complies with all of those
17 subsections. If the district or intermediate district does not
18 comply with all of those subsections by the end of the fiscal year,
19 the department shall place the amount withheld in an escrow account
20 until the district or intermediate district complies with all of
21 those subsections.

22 (8) Before publishing a list of schools or districts
23 determined to have failed to make adequate yearly progress as
24 required by the no child left behind act of 2001, Public Law 107-
25 110, the department shall allow a school or district to appeal that
26 determination. The department shall consider and act upon the
27 appeal within 30 days after it is submitted and shall not publish

1 the list until after all appeals have been considered and decided.

2 Sec. 20. (1) ~~For 2006-2007, the basic foundation allowance is~~
3 ~~\$7,085.00.~~ For 2007-2008, the basic foundation allowance is
4 \$8,433.00. **FOR 2008-2009, THE BASIC FOUNDATION ALLOWANCE IS**
5 **\$8,504.00.**

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

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

13 (a) For 2007-2008, for a district that had a foundation
14 allowance for 2006-2007, including any adjustment under subdivision
15 (f), that was at least equal to \$7,108.00 but less than \$8,385.00,
16 the district shall receive a foundation allowance in an amount
17 equal to the sum of the district's foundation allowance for 2006-
18 2007 plus the difference between \$96.00 and [(\$48.00 minus \$20.00)
19 times (the difference between the district's foundation allowance
20 for 2006-2007, including any adjustment under subdivision (f), and
21 \$7,108.00) divided by \$1,325.00]. Beginning in 2008-2009, for a
22 district that had a foundation allowance for the immediately
23 preceding state fiscal year that was at least equal to the sum of
24 \$7,108.00 plus the total dollar amount of all adjustments made from
25 2006-2007 to the immediately preceding state fiscal year in the
26 lowest foundation allowance among all districts, but less than the
27 basic foundation allowance for the immediately preceding state

1 fiscal year, the district shall receive a foundation allowance in
2 an amount equal to the sum of the district's foundation allowance
3 for the immediately preceding state fiscal year plus the difference
4 between twice the dollar amount of the adjustment from the
5 immediately preceding state fiscal year to the current state fiscal
6 year made in the basic foundation allowance and [(the dollar amount
7 of the adjustment from the immediately preceding state fiscal year
8 to the current state fiscal year made in the basic foundation
9 allowance minus \$50.00) times (the difference between the
10 district's foundation allowance for the immediately preceding state
11 fiscal year and the sum of \$7,108.00 plus the total dollar amount
12 of all adjustments made from 2006-2007 to the immediately preceding
13 state fiscal year in the lowest foundation allowance among all
14 districts) divided by the difference between the basic foundation
15 allowance for the current state fiscal year and the sum of
16 \$7,108.00 plus the total dollar amount of all adjustments made from
17 2006-2007 to the immediately preceding state fiscal year in the
18 lowest foundation allowance among all districts]. However, the
19 foundation allowance for a district that had less than the basic
20 foundation allowance for the immediately preceding state fiscal
21 year shall not exceed the basic foundation allowance for the
22 current state fiscal year.

23 (b) Except as otherwise provided in this subsection, beginning
24 in 2008-2009, for a district that in the immediately preceding
25 state fiscal year had a foundation allowance in an amount at least
26 equal to the amount of the basic foundation allowance for the
27 immediately preceding state fiscal year, the district shall receive

1 a foundation allowance in an amount equal to the sum of the
2 district's foundation allowance for the immediately preceding state
3 fiscal year plus the dollar amount of the adjustment from the
4 immediately preceding state fiscal year to the current state fiscal
5 year in the basic foundation allowance.

6 (c) For a district that in the 1994-95 state fiscal year had a
7 foundation allowance greater than \$6,500.00, the district's
8 foundation allowance is an amount equal to the sum of the
9 district's foundation allowance for the immediately preceding state
10 fiscal year plus the lesser of the increase in the basic foundation
11 allowance for the current state fiscal year, as compared to the
12 immediately preceding state fiscal year, or the product of the
13 district's foundation allowance for the immediately preceding state
14 fiscal year times the percentage increase in the United States
15 consumer price index in the calendar year ending in the immediately
16 preceding fiscal year as reported by the May revenue estimating
17 conference conducted under section 367b of the management and
18 budget act, 1984 PA 431, MCL 18.1367b. ~~For 2002-2003, 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 \$200.00 or the product of the district's~~
24 ~~foundation allowance for the immediately preceding state fiscal~~
25 ~~year times the percentage increase in the United States consumer~~
26 ~~price index in the calendar year ending in the immediately~~
27 ~~preceding fiscal year as reported by the May revenue estimating~~

1 ~~conference conducted under section 367b of the management and~~
2 ~~budget act, 1984 PA 431, MCL 18.1367b. For 2007-2008, for a~~
3 ~~district that in the 1994-95 state fiscal year had a foundation~~
4 ~~allowance greater than \$6,500.00, the district's foundation~~
5 ~~allowance is an amount equal to the district's foundation allowance~~
6 ~~for the immediately preceding state fiscal year plus \$48.00.~~

7 (d) For a district that has a foundation allowance that is not
8 a whole dollar amount, the district's foundation allowance shall be
9 rounded up to the nearest whole dollar.

10 (e) For a district that received a payment under section 22c
11 as that section was in effect for 2001-2002, the district's 2001-
12 2002 foundation allowance shall be considered to have been an
13 amount equal to the sum of the district's actual 2001-2002
14 foundation allowance as otherwise calculated under this section
15 plus the per pupil amount of the district's equity payment for
16 2001-2002 under section 22c as that section was in effect for 2001-
17 2002.

18 (f) ~~Beginning in 2007-2008, for~~ FOR a district that received a
19 payment under section 22c as that section was in effect for 2006-
20 2007, the district's 2006-2007 foundation allowance shall be
21 considered to have been an amount equal to the sum of the
22 district's actual 2006-2007 foundation allowance as otherwise
23 calculated under this section plus the per pupil amount of the
24 district's equity payment for 2006-2007 under section 22c as that
25 section was in effect for 2006-2007.

26 (4) Except as otherwise provided in this subsection, the state
27 portion of a district's foundation allowance is an amount equal to

1 the district's foundation allowance or the basic foundation
2 allowance for the current state fiscal year, whichever is less,
3 minus the difference between the **SUM OF THE** product of the taxable
4 value per membership pupil of all property in the district that is
5 ~~not a principal residence or qualified agricultural~~ **NONEXEMPT**
6 property times the ~~lesser of 18 mills or the number of mills of~~
7 ~~school operating taxes levied by the district in 1993-94~~ **DISTRICT'S**
8 **CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS EXCEEDING**
9 **12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF**
10 **PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY TIMES**
11 **THE CERTIFIED MILLS MINUS 12 MILLS** and the quotient of the ad
12 valorem property tax revenue of the district captured under ~~1975 PA~~
13 ~~197, MCL 125.1651 to 125.1681, the tax increment finance authority~~
14 ~~act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development~~
15 ~~financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the~~
16 ~~brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651~~
17 ~~to 125.2672, or the corridor improvement authority act, 2005 PA~~
18 ~~280, MCL 125.2871 to 125.2899, TAX INCREMENT FINANCING ACTS~~ divided
19 by the district's membership excluding special education pupils.
20 For a district described in subsection (3)(c), the state portion of
21 the 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 ~~not a principal residence or qualified~~
27 ~~agricultural~~ **NONEXEMPT** property times the ~~lesser of 18 mills or the~~

1 ~~number of mills of school operating taxes levied by the district in~~
2 ~~1993-94-DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH~~
3 ~~CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER~~
4 ~~MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL~~
5 ~~PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12 MILLS and the~~
6 ~~quotient of the ad valorem property tax revenue of the district~~
7 ~~captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax~~
8 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~
9 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~
10 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
11 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
12 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899, **TAX INCREMENT**~~
13 ~~**FINANCING ACTS** divided by the district's membership excluding~~
14 ~~special education pupils. For a district that has a millage~~
15 ~~reduction required under section 31 of article IX of the state~~
16 ~~constitution of 1963, the state portion of the district's~~
17 ~~foundation allowance shall be calculated as if that reduction did~~
18 ~~not occur.~~

19 (5) The allocation calculated under this section for a pupil
20 shall be based on the foundation allowance of the pupil's district
21 of residence. However, for a pupil enrolled in a district other
22 than the pupil's district of residence, if the foundation allowance
23 of the pupil's district of residence has been adjusted pursuant to
24 subsection (19), the allocation calculated under this section shall
25 not include the adjustment described in subsection (19). For a
26 pupil enrolled pursuant to section 105 or 105c in a district other
27 than the pupil's district of residence, the allocation calculated

1 under this section shall be based on the lesser of the foundation
2 allowance of the pupil's district of residence or the foundation
3 allowance of the educating district. For a pupil in membership in a
4 K-5, K-6, or K-8 district who is enrolled in another district in a
5 grade not offered by the pupil's district of residence, the
6 allocation calculated under this section shall be based on the
7 foundation allowance of the educating district if the educating
8 district's foundation allowance is greater than the foundation
9 allowance of the pupil's district of residence. The calculation
10 under this subsection shall take into account a district's per
11 pupil allocation under section 20j(2).

12 (6) For 2007-2008, subject to subsection (7) and section
13 22b(3) and except as otherwise provided in this subsection, for
14 pupils in membership, other than special education pupils, in a
15 public school academy or a university school, the allocation
16 calculated under this section is an amount per membership pupil
17 other than special education pupils in the public school academy or
18 university school equal to the sum of the local school operating
19 revenue per membership pupil other than special education pupils
20 for the district in which the public school academy or university
21 school is located and the state portion of that district's
22 foundation allowance, or \$7,475.00, whichever is less. Beginning in
23 2008-2009, subject to subsection (7) and section 22b(3) and except
24 as otherwise provided in this subsection, for pupils in membership,
25 other than special education pupils, in a public school academy or
26 a university school, the allocation calculated under this section
27 is an amount per membership pupil other than special education

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

17 (7) If more than 25% of the pupils residing within a district
18 are in membership in 1 or more public school academies located in
19 the district, then the amount per membership pupil calculated under
20 this section for a public school academy located in the district
21 shall be reduced by an amount equal to the difference between the
22 **SUM OF THE** product of the taxable value per membership pupil of all
23 property in the district that is ~~not a principal residence or~~
24 ~~qualified agricultural~~ **NONEXEMPT** property times the lesser of ~~18~~
25 ~~mills or the number of mills of school operating taxes levied by~~
26 ~~the district in 1993-94~~ **DISTRICT'S CERTIFIED MILLS AND, FOR A**
27 **DISTRICT WITH CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE**

1 **TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT**
 2 **IS COMMERCIAL PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12**
 3 **MILLS** and the quotient of the ad valorem property tax revenue of
 4 the district captured under ~~1975 PA 197, MCL 125.1651 to 125.1681,~~
 5 ~~the tax increment finance authority act, 1980 PA 450, MCL 125.1801~~
 6 ~~to 125.1830, the local development financing act, 1986 PA 281, MCL~~
 7 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
 8 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
 9 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899, **TAX INCREMENT**~~
 10 **FINANCING ACTS** divided by the district's membership excluding
 11 special education pupils, in the school fiscal year ending in the
 12 current state fiscal year, calculated as if the resident pupils in
 13 membership in 1 or more public school academies located in the
 14 district were in membership in the district. In order to receive
 15 state school aid under this act, a district described in this
 16 subsection shall pay to the authorizing body that is the fiscal
 17 agent for a public school academy located in the district for
 18 forwarding to the public school academy an amount equal to that
 19 local school operating revenue per membership pupil for each
 20 resident pupil in membership other than special education pupils in
 21 the public school academy, as determined by the department.

22 (8) If a district does not receive an amount calculated under
 23 subsection (9); if the number of mills the district may levy on a
 24 principal residence, ~~and~~ qualified agricultural property, **QUALIFIED**
 25 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL**
 26 **PERSONAL PROPERTY** under section ~~1211(1)~~**1211** of the revised school
 27 code, MCL 380.1211, is 0.5 mills or less; and if the district

1 elects not to levy those mills, the district instead shall receive
 2 a separate supplemental amount calculated under this subsection in
 3 an amount equal to the amount the district would have received had
 4 it levied those mills, as determined by the department of treasury.
 5 A district shall not receive a separate supplemental amount
 6 calculated under this subsection for a fiscal year unless in the
 7 calendar year ending in the fiscal year the district levies ~~18~~
 8 ~~mills or the number of mills of school operating taxes levied by~~
 9 ~~the district in 1993, whichever is less, THE DISTRICT'S CERTIFIED~~
 10 **MILLS** on property that is ~~not a principal residence or qualified~~
 11 ~~agricultural~~ **NONEXEMPT** property.

12 (9) For a district that had combined state and local revenue
 13 per membership pupil in the 1993-94 state fiscal year of more than
 14 \$6,500.00 and that had fewer than 350 pupils in membership, if the
 15 district elects not to reduce the number of mills from which a
 16 principal residence, ~~and~~ **qualified agricultural property, QUALIFIED**
 17 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND COMMERCIAL**
 18 **PERSONAL PROPERTY** are exempt and not to levy school operating taxes
 19 on a principal residence, ~~and~~ **qualified agricultural property,**
 20 **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND**
 21 **COMMERCIAL PERSONAL PROPERTY** as provided in section ~~1211(1)~~ **1211** of
 22 the revised school code, MCL 380.1211, and not to levy school
 23 operating taxes on all property as provided in section 1211(2) of
 24 the revised school code, MCL 380.1211, there is calculated under
 25 this subsection for 1994-95 and each succeeding fiscal year a
 26 separate supplemental amount in an amount equal to the amount the
 27 district would have received per membership pupil had it levied

1 school operating taxes on a principal residence, ~~and~~ qualified
 2 agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL**
 3 **PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** at the rate
 4 authorized for the district under section ~~1211(1)~~ **1211** of the
 5 revised school code, MCL 380.1211, and levied school operating
 6 taxes on all property at the rate authorized for the district under
 7 section 1211(2) of the revised school code, MCL 380.1211, as
 8 determined by the department of treasury. If in the calendar year
 9 ending in the fiscal year a district does not levy ~~18 mills or the~~
 10 ~~number of mills of school operating taxes levied by the district in~~
 11 ~~1993, whichever is less,~~ **THE DISTRICT'S CERTIFIED MILLS** on property
 12 that is ~~not a principal residence or qualified agricultural~~
 13 **NONEXEMPT** property, the amount calculated under this subsection
 14 will be reduced by the same percentage as the millage actually
 15 levied compares to the ~~18 mills or the number of mills levied in~~
 16 ~~1993, whichever is less~~ **DISTRICT'S CERTIFIED MILLS.**

17 (10) Subject to subsection (4), for a district that is formed
 18 or reconfigured after June 1, 2002 by consolidation of 2 or more
 19 districts or by annexation, the resulting district's foundation
 20 allowance under this section beginning after the effective date of
 21 the consolidation or annexation shall be the average of the
 22 foundation allowances of each of the original or affected
 23 districts, calculated as provided in this section, weighted as to
 24 the percentage of pupils in total membership in the resulting
 25 district who reside in the geographic area of each of the original
 26 or affected districts. The calculation under this subsection shall
 27 take into account a district's per pupil allocation under section

1 20j(2).

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

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

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

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

25 (b) The revenue adjustment factor shall be computed by
26 dividing the sum of the estimated total state school aid fund
27 revenue for the subsequent state fiscal year plus the estimated

1 total state school aid fund revenue for the current state fiscal
2 year, adjusted for any change in the rate or base of a tax the
3 proceeds of which are deposited in that fund and excluding money
4 transferred into that fund from the countercyclical budget and
5 economic stabilization fund under section 353e of the management
6 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
7 estimated total school aid fund revenue for the current state
8 fiscal year plus the estimated total state school aid fund revenue
9 for the immediately preceding state fiscal year, adjusted for any
10 change in the rate or base of a tax the proceeds of which are
11 deposited in that fund. If a consensus revenue factor is not
12 determined at the revenue estimating conference, the principals of
13 the revenue estimating conference shall report their estimates to
14 the house and senate subcommittees responsible for school aid
15 appropriations not later than 7 days after the conclusion of the
16 revenue conference.

17 (c) The index shall be calculated by multiplying the pupil
18 membership factor by the revenue adjustment factor. ~~However, for~~
19 ~~2007-2008, the index shall be 1.00.~~ If a consensus index is not
20 determined at the revenue estimating conference, the principals of
21 the revenue estimating conference shall report their estimates to
22 the house and senate subcommittees responsible for school aid
23 appropriations not later than 7 days after the conclusion of the
24 revenue conference.

25 (14) If the principals at the revenue estimating conference
26 reach a consensus on the index described in subsection (13)(c), the
27 ~~basic-LOWEST~~ foundation allowance **AMONG ALL DISTRICTS** for the

1 subsequent state fiscal year shall be at least the amount of that
2 consensus index multiplied by the ~~basic~~**LOWEST** foundation allowance
3 ~~specified in subsection (1)~~**AMONG ALL DISTRICTS FOR THE IMMEDIATELY**
4 **PRECEDING STATE FISCAL YEAR.**

5 (15) If at the January revenue estimating conference it is
6 estimated that pupil membership, excluding intermediate district
7 membership, for the subsequent state fiscal year will be greater
8 than 101% of the pupil membership, excluding intermediate district
9 membership, for the current state fiscal year, then it is the
10 intent of the legislature that the executive budget proposal for
11 the school aid budget for the subsequent state fiscal year include
12 a general fund/general purpose allocation sufficient to support the
13 membership in excess of 101% of the current year pupil membership.

14 (16) For a district that had combined state and local revenue
15 per membership pupil in the 1993-94 state fiscal year of more than
16 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
17 94 state fiscal year, that has at least 1 child educated in the
18 district in the current state fiscal year, and that levies the
19 number of mills of school operating taxes authorized for the
20 district under section 1211 of the revised school code, MCL
21 380.1211, a minimum amount of combined state and local revenue
22 shall be calculated for the district as provided under this
23 subsection. The minimum amount of combined state and local revenue
24 for 1999-2000 shall be \$67,000.00 plus the district's additional
25 expenses to educate pupils in grades 9 to 12 educated in other
26 districts as determined and allowed by the department. The minimum
27 amount of combined state and local revenue under this subsection,

1 before adding the additional expenses, shall increase each fiscal
2 year by the same percentage increase as the percentage increase in
3 the basic foundation allowance from the immediately preceding
4 fiscal year to the current fiscal year. The state portion of the
5 minimum amount of combined state and local revenue under this
6 subsection shall be calculated by subtracting from the minimum
7 amount of combined state and local revenue under this subsection
8 the sum of the district's local school operating revenue and an
9 amount equal to the product of the sum of the state portion of the
10 district's foundation allowance plus the amount calculated under
11 section 20j times the district's membership. As used in this
12 subsection, "additional expenses" means the district's expenses for
13 tuition or fees, not to exceed the basic foundation allowance for
14 the current state fiscal year, plus a room and board stipend not to
15 exceed \$10.00 per school day for each pupil in grades 9 to 12
16 educated in another district, as approved by the department.

17 (17) For a district in which 7.75 mills levied in 1992 for
18 school operating purposes in the 1992-93 school year were not
19 renewed in 1993 for school operating purposes in the 1993-94 school
20 year, the district's combined state and local revenue per
21 membership pupil shall be recalculated as if that millage reduction
22 did not occur and the district's foundation allowance shall be
23 calculated as if its 1994-95 foundation allowance had been
24 calculated using that recalculated 1993-94 combined state and local
25 revenue per membership pupil as a base. A district is not entitled
26 to any retroactive payments for fiscal years before 2000-2001 due
27 to this subsection.

1 (18) For a district in which an industrial facilities
2 exemption certificate that abated taxes on property with a state
3 equalized valuation greater than the total state equalized
4 valuation of the district at the time the certificate was issued or
5 \$700,000,000.00, whichever is greater, was issued under 1974 PA
6 198, MCL 207.551 to 207.572, before the calculation of the
7 district's 1994-95 foundation allowance, the district's foundation
8 allowance for 2002-2003 is an amount equal to the sum of the
9 district's foundation allowance for 2002-2003, as otherwise
10 calculated under this section, plus \$250.00.

11 (19) For a district that received a grant under former section
12 32e for 2001-2002, the district's foundation allowance for 2002-
13 2003 and each succeeding fiscal year shall be adjusted to be an
14 amount equal to the sum of the district's foundation allowance, as
15 otherwise calculated under this section, plus the quotient of 100%
16 of the amount of the grant award to the district for 2001-2002
17 under former section 32e divided by the number of pupils in the
18 district's membership for 2001-2002 who were residents of and
19 enrolled in the district. Except as otherwise provided in this
20 subsection, a district qualifying for a foundation allowance
21 adjustment under this subsection shall use the funds resulting from
22 this adjustment for at least 1 of grades K to 3 for purposes
23 allowable under former section 32e as in effect for 2001-2002, and
24 may also use these funds for an early intervening program described
25 in subsection (20). For an individual school or schools operated by
26 a district qualifying for a foundation allowance under this
27 subsection that have been determined by the department to meet the

1 adequate yearly progress standards of the federal no child left
2 behind act of 2001, Public Law 107-110, in both mathematics and
3 English language arts at all applicable grade levels for all
4 applicable subgroups, the district may submit to the department an
5 application for flexibility in using the funds resulting from this
6 adjustment that are attributable to the pupils in the school or
7 schools. The application shall identify the affected school or
8 schools and the affected funds and shall contain a plan for using
9 the funds for specific purposes identified by the district that are
10 designed to reduce class size, but that may be different from the
11 purposes otherwise allowable under this subsection. The department
12 shall approve the application if the department determines that the
13 purposes identified in the plan are reasonably designed to reduce
14 class size. If the department does not act to approve or disapprove
15 an application within 30 days after it is submitted to the
16 department, the application is considered to be approved. If an
17 application for flexibility in using the funds is approved, the
18 district may use the funds identified in the application for any
19 purpose identified in the plan.

20 (20) An early intervening program that uses funds resulting
21 from the adjustment under subsection (19) shall meet either or both
22 of the following:

23 (a) Shall monitor individual pupil learning for pupils in
24 grades K to 3 and provide specific support or learning strategies
25 to pupils in grades K to 3 as early as possible in order to reduce
26 the need for special education placement. The program shall include
27 literacy and numeracy supports, sensory motor skill development,

1 behavior supports, instructional consultation for teachers, and the
2 development of a parent/school learning plan. Specific support or
3 learning strategies may include support in or out of the general
4 classroom in areas including reading, writing, math, visual memory,
5 motor skill development, behavior, or language development. These
6 would be provided based on an understanding of the individual
7 child's learning needs.

8 (b) Shall provide early intervening strategies for pupils in
9 grades K to 3 using schoolwide systems of academic and behavioral
10 supports and shall be scientifically research-based. The strategies
11 to be provided shall include at least pupil performance indicators
12 based upon response to intervention, instructional consultation for
13 teachers, and ongoing progress monitoring. A schoolwide system of
14 academic and behavioral support should be based on a support team
15 available to the classroom teachers. The members of this team could
16 include the principal, special education staff, reading teachers,
17 and other appropriate personnel who would be available to
18 systematically study the needs of the individual child and work
19 with the teacher to match instruction to the needs of the
20 individual child.

21 (21) For a district that levied 1.9 mills in 1993 to finance
22 an operating deficit, the district's foundation allowance shall be
23 calculated as if those mills were included as operating mills in
24 the calculation of the district's 1994-1995 foundation allowance. A
25 district is not entitled to any retroactive payments for fiscal
26 years before 2006-2007 due to this subsection. A district receiving
27 an adjustment under this subsection shall not receive more than

1 \$800,000.00 for a fiscal year as a result of this adjustment.

2 (22) For a district that levied 2.23 mills in 1993 to finance
3 an operating deficit, the district's foundation allowance shall be
4 calculated as if those mills were included as operating mills in
5 the calculation of the district's 1994-1995 foundation allowance. A
6 district is not entitled to any retroactive payments for fiscal
7 years before 2006-2007 due to this subsection. A district receiving
8 an adjustment under this subsection shall not receive more than
9 \$500,000.00 for a fiscal year as a result of this adjustment.

10 (23) Payments to districts, university schools, or public
11 school academies shall not be made under this section. Rather, the
12 calculations under this section shall be used to determine the
13 amount of state payments under section 22b.

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

19 (25) As used in this section:

20 (A) **"CERTIFIED MILLS" MEANS THE LESSER OF 18 MILLS OR THE**
21 **NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY THE DISTRICT IN**
22 **1993-94.**

23 (B) ~~(a)~~-"Combined state and local revenue" means the aggregate
24 of the district's state school aid received by or paid on behalf of
25 the district under this section and the district's local school
26 operating revenue.

27 (C) ~~(b)~~-"Combined state and local revenue per membership

1 pupil" means the district's combined state and local revenue
2 divided by the district's membership excluding special education
3 pupils.

4 (D) ~~(e)~~—"Current state fiscal year" means the state fiscal
5 year for which a particular calculation is made.

6 (E) ~~(d)~~—"Immediately preceding state fiscal year" means the
7 state fiscal year immediately preceding the current state fiscal
8 year.

9 (F) ~~(e)~~—"Local school operating revenue" means school
10 operating taxes levied under section 1211 of the revised school
11 code, MCL 380.1211.

12 (G) ~~(f)~~—"Local school operating revenue per membership pupil"
13 means a district's local school operating revenue divided by the
14 district's membership excluding special education pupils.

15 (H) ~~(g)~~—"Maximum public school academy allocation" means the
16 maximum per-pupil allocation as calculated by adding the highest
17 per-pupil allocation among all public school academies for the
18 immediately preceding state fiscal year plus the difference between
19 twice the dollar amount of the adjustment from the immediately
20 preceding state fiscal year to the current state fiscal year made
21 in the basic foundation allowance and [(the dollar amount of the
22 adjustment from the immediately preceding state fiscal year to the
23 current state fiscal year made in the basic foundation allowance
24 minus \$50.00) times (the difference between the highest per-pupil
25 allocation among all public school academies for the immediately
26 preceding state fiscal year and the sum of \$7,108.00 plus the total
27 dollar amount of all adjustments made from 2006-2007 to the

1 immediately preceding state fiscal year in the lowest per-pupil
2 allocation among all public school academies) divided by the
3 difference between the basic foundation allowance for the current
4 state fiscal year and the sum of \$7,108.00 plus the total dollar
5 amount of all adjustments made from 2006-2007 to the immediately
6 preceding state fiscal year in the lowest per-pupil allocation
7 among all public school academies].

8 (I) ~~(h)~~-"Membership" means the definition of that term under
9 section 6 as in effect for the particular fiscal year for which a
10 particular calculation is made.

11 (J) **"NONEXEMPT PROPERTY" MEANS PROPERTY THAT IS NOT A**
12 **PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL PROPERTY, QUALIFIED**
13 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, OR COMMERCIAL**
14 **PERSONAL PROPERTY.**

15 (K) ~~(i)~~-"Principal residence", ~~and~~-"qualified agricultural
16 property", **"QUALIFIED FOREST PROPERTY", "INDUSTRIAL PERSONAL**
17 **PROPERTY", AND "COMMERCIAL PERSONAL PROPERTY"** mean those terms as
18 defined in section 7dd of the general property tax act, 1893 PA
19 206, MCL 211.7dd, **AND SECTION 1211 OF THE REVISED SCHOOL CODE, MCL**
20 **380.1211.**

21 (L) ~~(j)~~-"School operating purposes" means the purposes included
22 in the operation costs of the district as prescribed in sections 7
23 and 18.

24 (M) ~~(k)~~-"School operating taxes" means local ad valorem
25 property taxes levied under section 1211 of the revised school
26 code, MCL 380.1211, and retained for school operating purposes.

27 (N) **"TAX INCREMENT FINANCING ACTS" MEANS 1975 PA 197, MCL**

1 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980
2 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING
3 ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, THE BROWNFIELD
4 REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672,
5 OR THE CORRIDOR IMPROVEMENT AUTHORITY ACT, 2005 PA 280, MCL
6 125.2871 TO 125.2899.

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

12 Sec. 20d. In making the final determination required under
13 former section 20a of a district's combined state and local revenue
14 per membership pupil in 1993-94 and in making calculations under
15 section 20 **FOR 2008-2009**, the department and the department of
16 treasury shall comply with all of the following:

17 (a) For a district that had combined state and local revenue
18 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
19 or more and served as a fiscal agent for a state board designated
20 area vocational education center in the 1993-94 school year, total
21 state school aid received by or paid on behalf of the district
22 pursuant to this act in 1993-94 shall exclude payments made under
23 former section 146 and under section 147 on behalf of the
24 district's employees who provided direct services to the area
25 vocational education center. Not later than June 30, 1996, the
26 department shall make an adjustment under this subdivision to the
27 district's combined state and local revenue per membership pupil in

1 the 1994-95 state fiscal year and the department of treasury shall
2 make a final certification of the number of mills that may be
3 levied by the district under section 1211 of the revised school
4 code, MCL 380.1211, as a result of the adjustment under this
5 subdivision.

6 (b) If a district had an adjustment made to its 1993-94 total
7 state school aid that excluded payments made under former section
8 146 and under section 147 on behalf of the district's employees who
9 provided direct services for intermediate district center programs
10 operated by the district under article 5, if nonresident pupils
11 attending the center programs were included in the district's
12 membership for purposes of calculating the combined state and local
13 revenue per membership pupil for 1993-94, and if there is a signed
14 agreement by all constituent districts of the intermediate district
15 that an adjustment under this subdivision shall be made, the
16 foundation allowances for 1995-96 and 1996-97 of all districts that
17 had pupils attending the intermediate district center program
18 operated by the district that had the adjustment shall be
19 calculated as if their combined state and local revenue per
20 membership pupil for 1993-94 included resident pupils attending the
21 center program and excluded nonresident pupils attending the center
22 program.

23 Sec. 20j. (1) Foundation allowance supplemental payments for
24 ~~2007-2008-2008-2009~~ to districts that in the 1994-95 state fiscal
25 year had a foundation allowance greater than \$6,500.00 shall be
26 calculated under this section.

27 (2) The per pupil allocation to each district under this

1 section shall be the difference between the basic foundation
2 allowance for the 1998-99 state fiscal year and ~~\$7,108.00~~**\$7,204.00**
3 less \$223.00 minus the dollar amount of the adjustment from the
4 1998-99 state fiscal year to ~~2006-2007~~**2007-2008** in the district's
5 foundation allowance.

6 (3) If a district's local revenue per pupil does not exceed
7 the sum of its foundation allowance under section 20 plus the per
8 pupil allocation under subsection (2), the total payment to the
9 district calculated under this section shall be the product of the
10 per pupil allocation under subsection (2) multiplied by the
11 district's membership excluding special education pupils. If a
12 district's local revenue per pupil exceeds the foundation allowance
13 under section 20 but does not exceed the sum of the foundation
14 allowance under section 20 plus the per pupil allocation under
15 subsection (2), the total payment to the district calculated under
16 this section shall be the product of the difference between the sum
17 of the foundation allowance under section 20 plus the per pupil
18 allocation under subsection (2) minus the local revenue per pupil
19 multiplied by the district's membership excluding special education
20 pupils. If a district's local revenue per pupil exceeds the sum of
21 the foundation allowance under section 20 plus the per pupil
22 allocation under subsection (2), there is no payment calculated
23 under this section for the district.

24 (4) Payments to districts shall not be made under this
25 section. Rather, the calculations under this section shall be made
26 and used to determine the amount of state payments under section
27 22b.

1 Sec. 22a. (1) From the appropriation in section 11, there is
2 allocated an amount not to exceed ~~\$6,012,000,000.00~~
3 **\$5,951,000,000.00** for 2007-2008 **AND AN AMOUNT NOT TO EXCEED**
4 **\$6,038,000,000.00 FOR 2008-2009** for payments to districts,
5 qualifying university schools, and qualifying public school
6 academies to guarantee each district, qualifying university school,
7 and qualifying public school academy an amount equal to its 1994-95
8 total state and local per pupil revenue for school operating
9 purposes under section 11 of article IX of the state constitution
10 of 1963. Pursuant to section 11 of article IX of the state
11 constitution of 1963, this guarantee does not apply to a district
12 in a year in which the district levies a millage rate for school
13 district operating purposes less than it levied in 1994. However,
14 subsection (2) applies to calculating the payments under this
15 section. Funds allocated under this section that are not expended
16 in the state fiscal year for which they were allocated, as
17 determined by the department, may be used to supplement the
18 allocations under sections 22b and 51c in order to fully fund those
19 calculated allocations for the same fiscal year.

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

25 (a) Except as otherwise provided in this subsection, the state
26 portion of a district's 1994-95 foundation allowance is an amount
27 equal to the district's 1994-95 foundation allowance or \$6,500.00,

1 whichever is less, minus the difference between the **SUM OF THE**
2 product of the taxable value per membership pupil of all property
3 in the district that is ~~not a homestead or qualified agricultural~~
4 **NONEXEMPT** property times the ~~lesser of 18 mills or the number of~~
5 ~~mills of school operating taxes levied by the district in 1993-94~~
6 **DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS**
7 **EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL**
8 **OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY**
9 **TIMES THE CERTIFIED MILLS MINUS 12 MILLS** and the quotient of the ad
10 valorem property tax revenue of the district captured under ~~1975 PA~~
11 ~~197, MCL 125.1651 to 125.1681, the tax increment finance authority~~
12 ~~act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development~~
13 ~~financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the~~
14 ~~brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651~~
15 ~~to 125.2672, or the corridor improvement authority act, 2005 PA~~
16 ~~280, MCL 125.2871 to 125.2899, **TAX INCREMENT FINANCING ACTS**~~ divided
17 by the district's membership. For a district that has a millage
18 reduction required under section 31 of article IX of the state
19 constitution of 1963, the state portion of the district's
20 foundation allowance shall be calculated as if that reduction did
21 not occur.

22 (b) For a district that had a 1994-95 foundation allowance
23 greater than \$6,500.00, the state payment under this subsection
24 shall be the sum of the amount calculated under subdivision (a)
25 plus the amount calculated under this subdivision. The amount
26 calculated under this subdivision shall be equal to the difference
27 between the district's 1994-95 foundation allowance minus \$6,500.00

1 and the current year hold harmless school operating taxes per
2 pupil. If the result of the calculation under subdivision (a) is
3 negative, the negative amount shall be an offset against any state
4 payment calculated under this subdivision. If the result of a
5 calculation under this subdivision is negative, there shall not be
6 a state payment or a deduction under this subdivision. The taxable
7 values per membership pupil used in the calculations under this
8 subdivision are as adjusted by ad valorem property tax revenue
9 captured under ~~1975 PA 197, MCL 125.1651 to 125.1681, the tax~~
10 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~
11 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~
12 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
13 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
14 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899, TAX INCREMENT~~
15 **FINANCING ACTS** divided by the district's membership.

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

25 (4) A district, qualifying university school, or qualifying
26 public school academy may use funds allocated under this section in
27 conjunction with any federal funds for which the district,

1 qualifying university school, or qualifying public school academy
2 otherwise would be eligible.

3 (5) For a district that is formed or reconfigured after June
4 1, 2000 by consolidation of 2 or more districts or by annexation,
5 the resulting district's 1994-95 foundation allowance under this
6 section beginning after the effective date of the consolidation or
7 annexation shall be the average of the 1994-95 foundation
8 allowances of each of the original or affected districts,
9 calculated as provided in this section, weighted as to the
10 percentage of pupils in total membership in the resulting district
11 in the state fiscal year in which the consolidation takes place who
12 reside in the geographic area of each of the original districts. If
13 an affected district's 1994-95 foundation allowance is less than
14 the 1994-95 basic foundation allowance, the amount of that
15 district's 1994-95 foundation allowance shall be considered for the
16 purpose of calculations under this subsection to be equal to the
17 amount of the 1994-95 basic foundation allowance.

18 (6) As used in this section:

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

23 **(B) "CERTIFIED MILLS" MEANS THE LESSER OF 18 MILLS OR THE**
24 **NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY THE DISTRICT IN**
25 **1993-94.**

26 (C) ~~(b)~~ "Current state fiscal year" means the state fiscal
27 year for which a particular calculation is made.

1 (D) ~~(e)~~—"Current year hold harmless school operating taxes per
2 pupil" means the per pupil revenue generated by multiplying a
3 district's 1994-95 hold harmless millage by the district's current
4 year taxable value per membership pupil.

5 (E) ~~(d)~~—"Hold harmless millage" means, for a district with a
6 1994-95 foundation allowance greater than \$6,500.00, the number of
7 mills by which the exemption from the levy of school operating
8 taxes on a homestead, ~~and~~ qualified agricultural property,
9 **QUALIFIED FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, AND**
10 **COMMERCIAL PERSONAL PROPERTY** could be reduced as provided in
11 section ~~1211(1)~~ **1211** of the revised school code, MCL 380.1211, and
12 the number of mills of school operating taxes that could be levied
13 on all property as provided in section 1211(2) of the revised
14 school code, MCL 380.1211, as certified by the department of
15 treasury for the 1994 tax year.

16 (F) ~~(e)~~—"Homestead" means that term as defined in section 1211
17 of the revised school code, MCL 380.1211.

18 (G) ~~(f)~~—"Membership" means the definition of that term under
19 section 6 as in effect for the particular fiscal year for which a
20 particular calculation is made.

21 (H) **"NONEXEMPT PROPERTY" MEANS PROPERTY THAT IS NOT A**
22 **PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL PROPERTY, QUALIFIED**
23 **FOREST PROPERTY, INDUSTRIAL PERSONAL PROPERTY, OR COMMERCIAL**
24 **PERSONAL PROPERTY.**

25 (I) ~~(g)~~—"Qualified agricultural property" means that term as
26 defined in section 1211 of the revised school code, MCL 380.1211.

27 (J) ~~(h)~~—"Qualifying public school academy" means a public

1 school academy that was in operation in the 1994-95 school year and
2 is in operation in the current state fiscal year.

3 (K) ~~(i)~~—"Qualifying university school" means a university
4 school that was in operation in the 1994-95 school year and is in
5 operation in the current fiscal year.

6 (L) ~~(j)~~—"School operating taxes" means local ad valorem
7 property taxes levied under section 1211 of the revised school
8 code, MCL 380.1211, and retained for school operating purposes.

9 (M) "TAX INCREMENT FINANCING ACTS" MEANS 1975 PA 197, MCL
10 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980
11 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING
12 ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, THE BROWNFIELD
13 REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672,
14 OR THE CORRIDOR IMPROVEMENT AUTHORITY ACT, 2005 PA 280, MCL
15 125.2871 TO 125.2899.

16 (N) ~~(k)~~—"Taxable value per membership pupil" means each of the
17 following divided by the district's membership:

18 (i) For the number of mills by which the exemption from the
19 levy of school operating taxes on a homestead, ~~and~~ qualified
20 agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL**
21 **PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** may be reduced
22 as provided in section ~~1211(1)~~ 1211 of the revised school code, MCL
23 380.1211, the taxable value of homestead, ~~and~~ qualified
24 agricultural property, **QUALIFIED FOREST PROPERTY, INDUSTRIAL**
25 **PERSONAL PROPERTY, AND COMMERCIAL PERSONAL PROPERTY** for the
26 calendar year ending in the current state fiscal year.

27 (ii) For the number of mills of school operating taxes that may

Senate Bill No. 1107 as amended March 26, 2008

1 be levied on all property as provided in section 1211(2) of the
 2 revised school code, MCL 380.1211, the taxable value of all
 3 property for the calendar year ending in the current state fiscal
 4 year.

5 Sec. 22b. (1) From the appropriation in section 11, there is
 6 allocated an amount not to exceed ~~\$3,722,000,000.00~~
 7 <<**\$3,683,275,000.00**>> for 2007-2008 **AND AN AMOUNT NOT TO EXCEED**
 8 <<**\$3,849,755,100.00**>> **FOR 2008-2009** for discretionary nonmandated
 9 payments to districts under this section. Funds allocated under
 10 this section that are not expended in the state fiscal year for
 11 which they were allocated, as determined by the department, may be
 12 used to supplement the allocations under sections 22a and 51c in
 13 order to fully fund those calculated allocations for the same
 14 fiscal year.

15 (2) Subject to subsection (3) and section 11, the allocation
 16 to a district under this section shall be an amount equal to the
 17 sum of the amounts calculated under sections 20, 20j, 51a(2),
 18 51a(3), and 51a(12), minus the sum of the allocations to the
 19 district under sections 22a and 51c.

20 (3) In order to receive an allocation under this section, each
 21 district shall do all of the following:

22 (a) Administer in each grade level that it operates in grades
 23 1 to 5 a standardized assessment approved by the department of
 24 grade-appropriate basic educational skills. A district may use the
 25 Michigan literacy progress profile to satisfy this requirement for
 26 grades 1 to 3. Also, if the revised school code is amended to
 27 require annual assessments at additional grade levels, in order to

1 receive an allocation under this section each district shall comply
2 with that requirement.

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

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

8 (d) Comply with section 1230g of the revised school code, MCL
9 380.1230g.

10 (4) Districts are encouraged to use funds allocated under this
11 section for the purchase and support of payroll, human resources,
12 and other business function software that is compatible with that
13 of the intermediate district in which the district is located and
14 with other districts located within that intermediate district.

15 (5) From the allocation in subsection (1), the department
16 shall pay up to \$1,000,000.00 in litigation costs incurred by this
17 state associated with lawsuits filed by 1 or more districts or
18 intermediate districts against this state. If the allocation under
19 this section is insufficient to fully fund all payments required
20 under this section, the payments under this subsection shall be
21 made in full before any proration of remaining payments under this
22 section.

23 (6) It is the intent of the legislature that all
24 constitutional obligations of this state have been fully funded
25 under sections 22a, 31d, 51a, and 51c. If a claim is made by an
26 entity receiving funds under this act that challenges the
27 legislative determination of the adequacy of this funding or

1 alleges that there exists an unfunded constitutional requirement,
2 the state budget director may escrow or allocate from the
3 discretionary funds for nonmandated payments under this section the
4 amount as may be necessary to satisfy the claim before making any
5 payments to districts under subsection (2). If funds are escrowed,
6 the escrowed funds are a work project appropriation and the funds
7 are carried forward into the following fiscal year. The purpose of
8 the work project is to provide for any payments that may be awarded
9 to districts as a result of litigation. The work project shall be
10 completed upon resolution of the litigation.

11 (7) If the local claims review board or a court of competent
12 jurisdiction makes a final determination that this state is in
13 violation of section 29 of article IX of the state constitution of
14 1963 regarding state payments to districts, the state budget
15 director shall use work project funds under subsection (6) or
16 allocate from the discretionary funds for nonmandated payments
17 under this section the amount as may be necessary to satisfy the
18 amount owed to districts before making any payments to districts
19 under subsection (2).

20 (8) If a claim is made in court that challenges the
21 legislative determination of the adequacy of funding for this
22 state's constitutional obligations or alleges that there exists an
23 unfunded constitutional requirement, any interested party may seek
24 an expedited review of the claim by the local claims review board.
25 If the claim exceeds \$10,000,000.00, this state may remove the
26 action to the court of appeals, and the court of appeals shall have
27 and shall exercise jurisdiction over the claim.

1 (9) If payments resulting from a final determination by the
2 local claims review board or a court of competent jurisdiction that
3 there has been a violation of section 29 of article IX of the state
4 constitution of 1963 exceed the amount allocated for discretionary
5 nonmandated payments under this section, the legislature shall
6 provide for adequate funding for this state's constitutional
7 obligations at its next legislative session.

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

26 ~~—— (11) From the allocation in subsection (1), there is allocated~~
27 ~~for 2007-2008 only an amount not to exceed \$40,000.00 for payment~~

Senate Bill No. 1107 as amended March 26, 2008

1 ~~to a district that meets all of the following:~~

2 ~~—— (a) Had a membership of less than 900 pupils for 2006-2007.~~

3 ~~—— (b) Is located in an intermediate district that had a taxable~~
 4 ~~value per membership pupil, as defined in section 22a, of greater~~
 5 ~~than \$290,000.00 for 2006-2007.~~

6 ~~—— (c) The school electors of the district voted in the~~
 7 ~~affirmative on May 8, 2007 to restore a millage reduction required~~
 8 ~~under section 31 of article IX of the state constitution of 1963,~~
 9 ~~but the district was later found to have an incorrect millage~~
 10 ~~reduction fraction as defined in section 34d of the general~~
 11 ~~property tax act, 1893 PA 206, MCL 211.34d.~~

12 ~~<<Sec. 22d. (1) From the amount allocated under section 22b, an~~
 13 ~~amount not to exceed \$750,000.00-\$2,025,000.00 is allocated EACH FISCAL~~
 14 ~~YEAR for 2007-2008 AND FOR 2008-2009 for additional payments to small,~~
 15 ~~geographically isolated districts under this section.~~

16 ~~(2) To be eligible for a payment under this section, a district~~
 17 ~~shall meet FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED~~
 18 ~~EACH FISCAL YEAR FOR 2007-2008 AND FOR 2008-2009 AN AMOUNT NOT TO EXCEED~~
 19 ~~\$750,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET all~~
 20 ~~of the following:~~

21 ~~(a) Operates grades K to 12.~~

22 ~~(b) Has fewer than 250 pupils in membership.~~

23 ~~(c) Each school building operated by the district meets at least 1~~
 24 ~~of the following:~~

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

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

Senate Bill No. 1107 as amended March 26, 2008

1 (3) The amount of the additional funding to each eligible district
 2 under ~~this section~~ **SUBSECTION (2)** shall be determined under a spending
 3 plan developed as provided in this subsection and approved by the
 4 superintendent of public instruction. The spending plan shall be
 5 developed cooperatively by the intermediate superintendents of each
 6 intermediate district in which an eligible district is located. The
 7 intermediate superintendents shall review the financial situation of each
 8 eligible district, determine the minimum essential financial needs of
 9 each eligible district, and develop and agree on a spending plan that
 10 distributes the available funding under ~~this section~~ **SUBSECTION (2)** to
 11 the eligible districts based on those financial needs. The intermediate
 12 superintendents shall submit the spending plan to the superintendent of
 13 public instruction for approval. Upon approval by the superintendent of
 14 public instruction, the amounts specified for each eligible district
 under the spending plan are allocated under ~~this section~~ **SUBSECTION (2)**
 and shall be paid to the eligible districts in the same manner as
 payments under section 22b.

(4) **SUBJECT TO SUBSECTION (6), FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2007-2008 AND FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$1,275,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET ALL OF THE FOLLOWING:**

(A) **THE DISTRICT HAS 5.0 OR FEWER PUPILS PER SQUARE MILE AS DETERMINED BY THE DEPARTMENT.**

(B) **THE DISTRICT HAS A TOTAL SQUARE MILEAGE GREATER THAN 200.0 OR IS 1 OF 2 DISTRICTS THAT HAVE CONSOLIDATED TRANSPORTATION SERVICES AND HAVE A COMBINED TOTAL SQUARE MILEAGE GREATER THAN 200.0.**

(5) **THE FUNDS ALLOCATED UNDER SUBSECTION (4) SHALL BE ALLOCATED ON AN EQUAL PER PUPIL BASIS.**

(6) **A DISTRICT RECEIVING FUNDS ALLOCATED UNDER SUBSECTION (2) IS NOT ELIGIBLE FOR FUNDING ALLOCATED UNDER SUBSECTION (4).>>**

15 **SEC. 22E. (1) BEGINNING IN 2008-2009, AN AMOUNT WILL BE**
 16 **ALLOCATED EACH FISCAL YEAR FROM THE AMOUNT ALLOCATED UNDER SECTION**
 17 **22B FOR ADDITIONAL PAYMENTS UNDER THIS SECTION TO DISTRICTS THAT**
 18 **MEET THE ELIGIBILITY REQUIREMENTS UNDER SUBSECTION (2). FOR 2008-**
 19 **2009, THERE IS ALLOCATED FOR THIS PURPOSE FROM THE AMOUNT ALLOCATED**
 20 **UNDER SECTION 22B AN AMOUNT NOT TO EXCEED \$1,300,000.00.**

21 **(2) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A**
 22 **DISTRICT MUST BE DETERMINED BY THE DEPARTMENT AND THE DEPARTMENT OF**
 23 **TREASURY TO MEET ALL OF THE FOLLOWING:**

24 **(A) THE DISTRICT LEVIES 1 OF THE FOLLOWING OPERATING MILLAGE**
 25 **AMOUNTS:**

26 **(i) ALL OF THE OPERATING MILLAGE IT IS AUTHORIZED TO LEVY UNDER**
 27 **SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211.**

1 (ii) THE AMOUNT OF OPERATING MILLAGE IT IS AUTHORIZED TO LEVY
2 AFTER A VOLUNTARY REDUCTION OF ITS OPERATING MILLAGE RATE ADOPTED
3 BY THE BOARD OF THE DISTRICT.

4 (iii) THE AMOUNT OF OPERATING MILLAGE IT IS AUTHORIZED TO LEVY
5 AFTER A MILLAGE REDUCTION REQUIRED UNDER THE LIMITATION OF SECTION
6 31 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963, IF A BALLOT
7 QUESTION ASKING FOR APPROVAL TO LEVY MILLAGE IN EXCESS OF THE
8 LIMITATION HAS BEEN REJECTED IN THE DISTRICT.

9 (B) THE DISTRICT RECEIVES A REDUCED AMOUNT OF LOCAL SCHOOL
10 OPERATING REVENUE UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
11 MCL 380.1211, AS A RESULT OF THE EXEMPTIONS OF INDUSTRIAL PERSONAL
12 PROPERTY AND COMMERCIAL PERSONAL PROPERTY THAT WERE ENACTED IN 2007
13 PA 37.

14 (C) THE DISTRICT DOES NOT RECEIVE ANY STATE PORTION OF ITS
15 FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20(4).

16 (3) THE AMOUNT OF THE ADDITIONAL FUNDING TO EACH ELIGIBLE
17 DISTRICT UNDER THIS SECTION IS THE SUM OF THE FOLLOWING AND SHALL
18 BE PAID TO THE ELIGIBLE DISTRICTS IN THE SAME MANNER AS PAYMENTS
19 UNDER SECTION 22B:

20 (A) THE PRODUCT OF THE TAXABLE VALUE OF THE DISTRICT'S
21 INDUSTRIAL PERSONAL PROPERTY FOR THE CALENDAR YEAR ENDING IN THE
22 FISCAL YEAR MULTIPLIED BY THE TOTAL NUMBER OF MILLS THE DISTRICT
23 LEVIES ON NONEXEMPT PROPERTY UNDER SECTION 1211 OF THE REVISED
24 SCHOOL CODE, MCL 380.1211, FOR THAT CALENDAR YEAR.

25 (B) THE PRODUCT OF THE TAXABLE VALUE OF THE DISTRICT'S
26 COMMERCIAL PERSONAL PROPERTY FOR THE CALENDAR YEAR ENDING IN THE
27 FISCAL YEAR MULTIPLIED BY THE LESSER OF 12 MILLS OR THE TOTAL

1 NUMBER OF MILLS THE DISTRICT LEVIES ON NONEXEMPT PROPERTY UNDER
2 SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211, FOR THAT
3 CALENDAR YEAR.

4 Sec. 24. (1) From the appropriation in section 11, there is
5 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
6 \$8,000,000.00 for payments to the educating district or
7 intermediate district for educating pupils assigned by a court or
8 the department of human services to reside in or to attend a
9 juvenile detention facility or child caring institution licensed by
10 the department of human services and approved by the department to
11 provide an on-grounds education program. The amount of the payment
12 under this section to a district or intermediate district shall be
13 calculated as prescribed under subsection (2).

14 (2) ~~For 2007-2008, 90% of the total amount allocated under~~
15 ~~this section shall be allocated by paying to the educating district~~
16 ~~or intermediate district an amount equal to the lesser of the~~
17 ~~district's or intermediate district's added cost or the~~
18 ~~department's approved per pupil allocation for the district or~~
19 ~~intermediate district, and 10% of the total amount allocated under~~
20 ~~this section shall be allocated by paying to the educating district~~
21 ~~or intermediate district an amount equal to the district's or~~
22 ~~intermediate district's added cost. Beginning with allocations for~~
23 ~~2008-2009, 100% of the~~ **THE** total amount allocated under this
24 section shall be allocated by paying to the educating district or
25 intermediate district an amount equal to the lesser of the
26 district's or intermediate district's added cost or the
27 department's approved per pupil allocation for the district or

1 intermediate district. For the purposes of this subsection:

2 (a) "Added cost" means 100% of the added cost each fiscal year
3 for educating all pupils assigned by a court or the department of
4 human services to reside in or to attend a juvenile detention
5 facility or child caring institution licensed by the department of
6 human services or the department of labor and economic growth and
7 approved by the department to provide an on-grounds education
8 program. Added cost shall be computed by deducting all other
9 revenue received under this act for pupils described in this
10 section from total costs, as approved by the department, in whole
11 or in part, for educating those pupils in the on-grounds education
12 program or in a program approved by the department that is located
13 on property adjacent to a juvenile detention facility or child
14 caring institution. Costs reimbursed by federal funds are not
15 included.

16 (b) "Department's approved per pupil allocation" for a
17 district or intermediate district shall be determined by dividing
18 the total amount allocated under this section for a fiscal year by
19 the full-time equated membership total for all pupils approved by
20 the department to be funded under this section for that fiscal year
21 for the district or intermediate district.

22 (3) A district or intermediate district educating pupils
23 described in this section at a residential child caring institution
24 may operate, and receive funding under this section for, a
25 department-approved on-grounds educational program for those pupils
26 that is longer than 181 days, but not longer than 233 days, if the
27 child caring institution was licensed as a child caring institution

1 and offered in 1991-92 an on-grounds educational program that was
2 longer than 181 days but not longer than 233 days and that was
3 operated by a district or intermediate district.

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

6 Sec. 24a. From the appropriation in section 11, there is
7 allocated an amount not to exceed ~~\$3,103,400.00~~ **\$2,828,500.00** for
8 ~~2007-2008~~ **2008-2009** for payments to intermediate districts for
9 pupils who are placed in juvenile justice service facilities
10 operated by the department of human services. Each intermediate
11 district shall receive an amount equal to the state share of those
12 costs that are clearly and directly attributable to the educational
13 programs for pupils placed in facilities described in this section
14 that are located within the intermediate district's boundaries. The
15 intermediate districts receiving payments under this section shall
16 cooperate with the department of human services to ensure that all
17 funding allocated under this section is utilized by the
18 intermediate district and department of human services for
19 educational programs for pupils described in this section. Pupils
20 described in this section are not eligible to be funded under
21 section 24. However, a program responsibility or other fiscal
22 responsibility associated with these pupils shall not be
23 transferred from the department of human services to a district or
24 intermediate district unless the district or intermediate district
25 consents to the transfer.

26 Sec. 24c. From the appropriation in section 11, there is
27 allocated an amount not to exceed ~~\$1,283,900.00~~ **\$1,284,600.00** for

1 ~~2007-2008-2008-2009~~ for payments to districts for pupils who are
2 enrolled in a nationally administered community-based education and
3 youth mentoring program, known as the youth challenge program, that
4 is located within the district and is administered by the
5 department of military and veterans affairs. A district receiving
6 payments under this section shall contract with the department of
7 military and veterans affairs to ensure that all funding allocated
8 under this section is utilized by the district and the department
9 of military and veterans affairs for the youth challenge program.

10 Sec. 25c. (1) ~~Beginning in 2000-2001, this~~ **THIS** section
11 applies to an educating district's enrollment of a pupil if the
12 educating district is a school district of the first class under
13 the revised school code and if all of the following apply:

14 (a) The pupil transfers from another district and enrolls in
15 the educating district after the pupil membership count day.

16 (b) Due to the pupil's enrollment status as of the pupil
17 membership count day, the pupil was counted in membership in the
18 district from which he or she transfers.

19 (c) The pupil was a resident of the educating district on the
20 pupil membership count day or met other eligibility criteria under
21 section 6(4) or (6) to be counted in membership in the educating
22 district if the pupil had been enrolled in the educating district
23 on the pupil membership count day.

24 (d) The total number of pupils enrolled in the district who
25 are described in subdivisions (a), (b), and (c) is at least equal
26 to 25.

27 (2) If the conditions specified in subsection (1) are met, and

1 a pupil transfers from another district and enrolls during a school
2 year in the educating district, **THEN NOT LATER THAN DECEMBER 31 OF**
3 **THE NEXT FISCAL YEAR BEGINNING AFTER THE SCHOOL YEAR THE PUPIL**
4 **TRANSFERRED** the educating district shall report the enrollment
5 information to the department and to the district in which the
6 pupil is counted in membership, and **NOT LATER THAN OCTOBER 31 OF**
7 **THE SECOND FISCAL YEAR BEGINNING AFTER THE SCHOOL YEAR THE PUPIL**
8 **TRANSFERRED** the district in which the pupil is counted in
9 membership shall pay to the educating district an amount equal to
10 the amount of the foundation allowance or per pupil payment as
11 calculated under section 20 for the district in which the pupil is
12 counted in membership, prorated according to the number of days of
13 the school year ending in the fiscal year the pupil is educated in
14 the educating district compared to the number of days of the school
15 year ending in the fiscal year the pupil was actually enrolled in
16 the district in which the pupil is counted in membership. The
17 foundation allowance or per pupil payment shall be adjusted by the
18 pupil's full-time equated status as affected by the membership
19 definition under section 6(4). If a district does not make the
20 payment required under this section, ~~within 30 days after receipt~~
21 ~~of the report,~~ the department shall calculate the amount owed,
22 shall deduct that amount from the remaining state school aid
23 payments to the district for that fiscal year under this act, and
24 shall pay that amount to the educating district. The district in
25 which the pupil is counted in membership and the educating district
26 shall provide to the department all information the department
27 requires to enforce this section.

1 (3) In determining the total amount a district owes to the
2 educating district under this section, regardless of whether that
3 district is otherwise eligible for payment from the educating
4 district under this section, the district may calculate and
5 subtract from the amount owed, using the calculation described in
6 subsection (1), any amount applicable to pupils who transfer to
7 that district from the educating district and meet the requirements
8 of subsection (1)(a) to (c). **IF, AFTER CALCULATING AND SUBTRACTING**
9 **FROM THE AMOUNT OWED BY A DISTRICT TO THE EDUCATING DISTRICT UNDER**
10 **THIS SECTION ANY AMOUNT APPLICABLE TO PUPILS WHO TRANSFER TO THAT**
11 **DISTRICT FROM THE EDUCATING DISTRICT AND MEET THE REQUIREMENTS OF**
12 **SUBSECTION (1)(A) TO (C), IT IS DETERMINED THAT THE EDUCATING**
13 **DISTRICT OWES FUNDS TO THE DISTRICT, THE EDUCATING DISTRICT SHALL**
14 **PAY THOSE FUNDS TO THE DISTRICT IN THE SAME MANNER AS PROVIDED**
15 **UNDER SUBSECTION (2).**

16 (4) As used in this section, "educating district" means the
17 district in which a pupil enrolls after the pupil membership count
18 day as described in subsection (1).

19 Sec. 26a. From the state school aid fund appropriation in
20 section 11, there is allocated an amount not to exceed
21 ~~\$36,000,000.00~~ **\$41,400,000.00** for ~~2007-2008~~ **2008-2009**, and from the
22 general fund appropriation in section 11, there is allocated an
23 amount not to exceed ~~\$14,000,000.00~~ **\$16,100,000.00** for ~~2007-2008~~
24 **2008-2009** to reimburse districts, intermediate districts, and the
25 state school aid fund pursuant to section 12 of the Michigan
26 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
27 in ~~2007-2008~~. The allocations shall be made not later than 60 days

Senate Bill No. 1107 as amended March 26, 2008

1 after the department of treasury certifies to the department and to
2 the state budget director that the department of treasury has
3 received all necessary information to properly determine the
4 amounts due to each eligible recipient.

5 Sec. 26b. (1) From the appropriation in section 11, there is
6 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
7 \$3,400,000.00 for payments to districts, intermediate districts,
8 and community college districts for the portion of the payment in
9 lieu of taxes obligation that is attributable to districts,
10 intermediate districts, and community college districts pursuant to
11 section 2154 of the natural resources and environmental protection
12 act, 1994 PA 451, MCL 324.2154.

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

17 Sec. 29. (1) From the appropriation in section 11, there is
18 allocated an amount not to exceed <<\$20,000,000.00 >> for
19 ~~2007-2008-2008-2009~~ for additional payments to eligible districts
20 for declining enrollment assistance.

21 (2) A district is eligible for a payment under this section if
22 all of the following apply:

23 (a) The district's pupil membership for the current fiscal
24 year is less than the district's pupil membership for the
25 immediately preceding fiscal year and the district's pupil
26 membership for the immediately preceding fiscal year is less than
27 the district's pupil membership for the previously preceding fiscal

1 year as calculated under section 6 for that fiscal year.

2 (b) The district's average pupil membership is greater than
3 the district's pupil membership for the current fiscal year as
4 calculated under section 6.

5 (c) The district is not eligible to receive funding under
6 sections 6(4)(y) or 22d.

7 (3) Payments to each eligible district shall be equal to the
8 difference between the district's average pupil membership and the
9 district's pupil membership as calculated under section 6 for the
10 current fiscal year multiplied by the district's foundation
11 allowance as calculated under section 20. If the total amount of
12 the payments calculated under this subsection exceeds the
13 allocation for this section, the payment to each district shall be
14 prorated on an equal percentage basis.

15 (4) For the purposes of this section, "average pupil
16 membership" means the average of the district's membership for the
17 3-fiscal-year period ending with the current fiscal year,
18 calculated by adding the district's actual membership for each of
19 those 3 fiscal years, as otherwise calculated under section 6, and
20 dividing the sum of those 3 membership figures by 3.

21 Sec. 31a. (1) From the state school aid fund money
22 appropriated in section 11, there is allocated for ~~2007-2008-2008-~~
23 ~~2009~~ an amount not to exceed ~~\$319,350,000.00~~ **\$320,350,000.00** for
24 payments to eligible districts and eligible public school academies
25 under this section. Subject to subsection (14), the amount of the
26 additional allowance under this section, other than funding under
27 subsection (6) or (7), shall be based on the number of actual

1 pupils in membership in the district or public school academy who
2 met the income eligibility criteria for free breakfast, lunch, or
3 milk in the immediately preceding state fiscal year, as determined
4 under the Richard B. Russell national school lunch act, 42 USC 1751
5 to 1769i, and reported to the department by October 31 of the
6 immediately preceding fiscal year and adjusted not later than
7 December 31 of the immediately preceding fiscal year. However, for
8 a public school academy that began operations as a public school
9 academy after the pupil membership count day of the immediately
10 preceding school year, the basis for the additional allowance under
11 this section shall be the number of actual pupils in membership in
12 the public school academy who met the income eligibility criteria
13 for free breakfast, lunch, or milk in the current state fiscal
14 year, as determined under the Richard B. Russell national school
15 lunch act.

16 (2) To be eligible to receive funding under this section,
17 other than funding under subsection (6) or (7), a district or
18 public school academy that has not been previously determined to be
19 eligible shall apply to the department, in a form and manner
20 prescribed by the department, and a district or public school
21 academy must meet all of the following:

22 (a) The sum of the district's or public school academy's
23 combined state and local revenue per membership pupil in the
24 current state fiscal year, as calculated under section 20, plus the
25 amount of the district's per pupil allocation under section 20j(2),
26 is less than or equal to the basic foundation allowance under
27 section 20 for the current state fiscal year.

1 (b) The district or public school academy agrees to use the
2 funding only for purposes allowed under this section and to comply
3 with the program and accountability requirements under this
4 section.

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

4 (4) Except as otherwise provided in this section, a district
5 or public school academy receiving funding under this section shall
6 use that money only to provide instructional programs and direct
7 noninstructional services, including, but not limited to, medical
8 or counseling services, for at-risk pupils; for school health
9 clinics; and for the purposes of subsection (5), (6), or (7). In
10 addition, a district that is organized as a school district of the
11 first class under the revised school code or a district or public
12 school academy in which at least 50% of the pupils in membership
13 met the income eligibility criteria for free breakfast, lunch, or
14 milk in the immediately preceding state fiscal year, as determined
15 and reported as described in subsection (1), may use not more than
16 15% of the funds it receives under this section for school
17 security. A district or public school academy shall not use any of
18 that money for administrative costs or to supplant another program
19 or other funds, except for funds allocated to the district or
20 public school academy under this section in the immediately
21 preceding year and already being used by the district or public
22 school academy for at-risk pupils. The instruction or direct
23 noninstructional services provided under this section may be
24 conducted before or after regular school hours or by adding extra
25 school days to the school year and may include, but are not limited
26 to, tutorial services, early childhood programs to serve children
27 age 0 to 5, and reading programs as described in former section 32f

1 as in effect for 2001-2002. A tutorial method may be conducted with
2 paraprofessionals working under the supervision of a certificated
3 teacher. The ratio of pupils to paraprofessionals shall be between
4 10:1 and 15:1. Only 1 certificated teacher is required to supervise
5 instruction using a tutorial method. As used in this subsection,
6 "to supplant another program" means to take the place of a
7 previously existing instructional program or direct
8 noninstructional services funded from a funding source other than
9 funding under this section.

10 (5) Except as otherwise provided in subsection (12), a
11 district or public school academy that receives funds under this
12 section and that operates a school breakfast program under section
13 1272a of the revised school code, MCL 380.1272a, shall use from the
14 funds received under this section an amount, not to exceed \$10.00
15 per pupil for whom the district or public school academy receives
16 funds under this section, necessary to ~~operate~~ **PAY FOR COSTS**
17 **ASSOCIATED WITH THE OPERATION OF** the school breakfast program.

18 (6) From the funds allocated under subsection (1), there is
19 allocated for ~~2007-2008-2008-2009~~ an amount not to exceed
20 ~~\$3,743,000.00~~ **\$4,743,000.00** to support child and adolescent health
21 centers. These grants shall be awarded for 5 consecutive years
22 beginning with 2003-2004 in a form and manner approved jointly by
23 the department and the department of community health. Each grant
24 recipient shall remain in compliance with the terms of the grant
25 award or shall forfeit the grant award for the duration of the 5-
26 year period after the noncompliance. Beginning in 2004-2005, to
27 continue to receive funding for a child and adolescent health

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

15 (7) From the funds allocated under subsection (1), there is
16 allocated for ~~2007-2008~~ **2008-2009** an amount not to exceed
17 \$5,150,000.00 for the state portion of the hearing and vision
18 screenings as described in section 9301 of the public health code,
19 1978 PA 368, MCL 333.9301. A local public health department shall
20 pay at least 50% of the total cost of the screenings. The frequency
21 of the screenings shall be as required under R 325.13091 to R
22 325.13096 and R 325.3271 to R 325.3276 of the Michigan
23 administrative code. Funds shall be awarded in a form and manner
24 approved jointly by the department and the department of community
25 health. Notwithstanding section 17b, payments to eligible entities
26 under this subsection shall be paid on a schedule determined by the
27 department.

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

18 (9) In order to receive funds under this section, a district
19 or public school academy shall allow access for the department or
20 the department's designee to audit all records related to the
21 program for which it receives those funds. The district or public
22 school academy shall reimburse the state for all disallowances
23 found in the audit.

24 (10) Subject to subsections (5), (6), (7), (12), and (13), any
25 district may use up to 100% of the funds it receives under this
26 section to reduce the ratio of pupils to teachers in grades K-6, or
27 any combination of those grades, in school buildings in which the

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

14 (11) A district or public school academy may use funds
15 received under this section for adult high school completion,
16 general educational development (G.E.D.) test preparation, adult
17 English as a second language, or adult basic education programs
18 described in section 107.

19 (12) For an individual school or schools operated by a
20 district or public school academy receiving funds under this
21 section that have been determined by the department to meet the
22 adequate yearly progress standards of the federal no child left
23 behind act of 2001, Public Law 107-110, in both mathematics and
24 English language arts at all applicable grade levels for all
25 applicable subgroups, the district or public school academy may
26 submit to the department an application for flexibility in using
27 the funds received under this section that are attributable to the

1 pupils in the school or schools. The application shall identify the
2 affected school or schools and the affected funds and shall contain
3 a plan for using the funds for specific purposes identified by the
4 district that are designed to benefit at-risk pupils in the school,
5 but that may be different from the purposes otherwise allowable
6 under this section. The department shall approve the application if
7 the department determines that the purposes identified in the plan
8 are reasonably designed to benefit at-risk pupils in the school. If
9 the department does not act to approve or disapprove an application
10 within 30 days after it is submitted to the department, the
11 application is considered to be approved. If an application for
12 flexibility in using the funds is approved, the district may use
13 the funds identified in the application for any purpose identified
14 in the plan.

15 (13) A district or public school academy that receives funds
16 under this section may use funds it receives under this section to
17 implement and operate an early intervening program for pupils in
18 grades K to 3 that meets either or both of the following:

19 (a) Monitors individual pupil learning and provides specific
20 support or learning strategies to pupils as early as possible in
21 order to reduce the need for special education placement. The
22 program shall include literacy and numeracy supports, sensory motor
23 skill development, behavior supports, instructional consultation
24 for teachers, and the development of a parent/school learning plan.
25 Specific support or learning strategies may include support in or
26 out of the general classroom in areas including reading, writing,
27 math, visual memory, motor skill development, behavior, or language

1 development. These would be provided based on an understanding of
2 the individual child's learning needs.

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

15 (14) If necessary, and before any proration required under
16 section 11, the department shall prorate payments under this
17 section by reducing the amount of the per pupil payment under this
18 section by a dollar amount calculated by determining the amount by
19 which the amount necessary to fully fund the requirements of this
20 section exceeds the maximum amount allocated under this section and
21 then dividing that amount by the total statewide number of pupils
22 who met the income eligibility criteria for free breakfast, lunch,
23 or milk in the immediately preceding fiscal year, as described in
24 subsection (1).

25 (15) If a district is formed by consolidation after June 1,
26 1995, and if 1 or more of the original districts was not eligible
27 before the consolidation for an additional allowance under this

1 section, the amount of the additional allowance under this section
2 for the consolidated district shall be based on the number of
3 pupils described in subsection (1) enrolled in the consolidated
4 district who reside in the territory of an original district that
5 was eligible before the consolidation for an additional allowance
6 under this section.

7 (16) A district or public school academy that does not meet
8 the eligibility requirement under subsection (2)(a) is eligible for
9 funding under this section if at least 1/4 of the pupils in
10 membership in the district or public school academy met the income
11 eligibility criteria for free breakfast, lunch, or milk in the
12 immediately preceding state fiscal year, as determined and reported
13 as described in subsection (1), and at least 4,500 of the pupils in
14 membership in the district or public school academy met the income
15 eligibility criteria for free breakfast, lunch, or milk in the
16 immediately preceding state fiscal year, as determined and reported
17 as described in subsection (1). A district or public school academy
18 that is eligible for funding under this section because the
19 district meets the requirements of this subsection shall receive
20 under this section for each membership pupil in the district or
21 public school academy who met the income eligibility criteria for
22 free breakfast, lunch, or milk in the immediately preceding fiscal
23 year, as determined and reported as described in subsection (1), an
24 amount per pupil equal to 11.5% of the sum of the district's
25 foundation allowance or public school academy's per pupil
26 allocation under section 20, plus the amount of the district's per
27 pupil allocation under section 20j(2), not to exceed the basic

1 foundation allowance under section 20 for the current state fiscal
2 year.

3 (17) As used in this section, "at-risk pupil" means a pupil
4 for whom the district has documentation that the pupil meets at
5 least 2 of the following criteria: is a victim of child abuse or
6 neglect; is below grade level in English language and communication
7 skills or mathematics; is a pregnant teenager or teenage parent; is
8 eligible for a federal free or reduced-price lunch subsidy; has
9 atypical behavior or attendance patterns; or has a family history
10 of school failure, incarceration, or substance abuse. For pupils
11 for whom the results of at least the applicable Michigan education
12 assessment program (MEAP) test have been received, at-risk pupil
13 also includes a pupil who does not meet the other criteria under
14 this subsection but who did not achieve at least a score of level 2
15 on the most recent MEAP English language arts, mathematics, or
16 science test for which results for the pupil have been received.
17 For pupils for whom the results of the Michigan merit examination
18 have been received, at-risk pupil also includes a pupil who does
19 not meet the other criteria under this subsection but who did not
20 achieve proficiency on the reading component of the most recent
21 Michigan merit examination for which results for the pupil have
22 been received, did not achieve proficiency on the mathematics
23 component of the most recent Michigan merit examination for which
24 results for the pupil have been received, or did not achieve basic
25 competency on the science component of the most recent Michigan
26 merit examination for which results for the pupil have been
27 received. For pupils in grades K-3, at-risk pupil also includes a

1 pupil who is at risk of not meeting the district's core academic
2 curricular objectives in English language arts or mathematics.

3 Sec. 31d. (1) From the appropriations in section 11, there is
4 allocated an amount not to exceed \$22,495,100.00 for ~~2007-2008~~
5 **2008-2009** for the purpose of making payments to districts and other
6 eligible entities under this section.

7 (2) The amounts allocated from state sources under this
8 section shall be used to pay the amount necessary to reimburse
9 districts for 6.0127% of the necessary costs of the state mandated
10 portion of the school lunch programs provided by those districts.
11 The amount due to each district under this section shall be
12 computed by the department using the methods of calculation adopted
13 by the Michigan supreme court in the consolidated cases known as
14 Durant v State of Michigan, Michigan supreme court docket no.
15 104458-104492.

16 (3) The payments made under this section include all state
17 payments made to districts so that each district receives at least
18 6.0127% of the necessary costs of operating the state mandated
19 portion of the school lunch program in a fiscal year.

20 (4) The payments made under this section to districts and
21 other eligible entities that are not required under section 1272a
22 of the revised school code, MCL 380.1272a, to provide a school
23 lunch program shall be in an amount not to exceed \$10.00 per
24 eligible pupil plus 5 cents for each free lunch and 2 cents for
25 each reduced price lunch provided, as determined by the department.

26 (5) From the federal funds appropriated in section 11, there
27 is allocated for ~~2007-2008-2008-2009~~ all available federal funding,

1 estimated at \$330,000,000.00, for the national school lunch program
2 and all available federal funding, estimated at \$2,506,000.00, for
3 the emergency food assistance program.

4 (6) Notwithstanding section 17b, payments to eligible entities
5 other than districts under this section shall be paid on a schedule
6 determined by the department.

7 Sec. 31f. (1) From the appropriations in section 11, there is
8 allocated an amount not to exceed \$9,625,000.00 for ~~2007-2008-2008-~~
9 ~~2009~~ for the purpose of making payments to districts to reimburse
10 for the cost of providing breakfast.

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

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

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

19 (3) The payment for a district under this section is at a per
20 meal rate equal to the lesser of the district's actual cost or 100%
21 of the **STATEWIDE AVERAGE** cost of a breakfast served, ~~by an~~
22 ~~efficiently operated breakfast program as determined~~ **AND APPROVED**
23 by the department, less federal reimbursement, participant
24 payments, and other state reimbursement. ~~Determination of efficient~~
25 ~~cost by the department shall be determined by using a statistical~~
26 ~~sampling of statewide and regional cost~~ **THE STATEWIDE AVERAGE COST**
27 **SHALL BE DETERMINED BY THE DEPARTMENT USING COSTS** as reported in a

1 manner approved by the department for the preceding school year.

2 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
3 MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

4 Sec. 32b. (1) From the funds appropriated under section 11,
5 there is allocated an amount not to exceed \$1,750,000.00 for ~~2007-~~
6 ~~2008-2008-2009~~ for competitive grants to intermediate districts for
7 the creation and continuance of great start communities or other
8 community purposes as identified by the early childhood investment
9 corporation. These dollars may not be expended until both of the
10 following conditions have been met:

11 (a) The early childhood investment corporation has identified
12 matching dollars of at least an ~~equal~~ amount **EQUAL TO THE AMOUNT OF**
13 **THE MATCHING DOLLARS FOR 2006-2007.**

14 (b) ~~The membership of the executive committee includes 1~~
15 ~~member appointed by the senate majority leader, 1 member appointed~~
16 ~~by the senate minority leader, 1 member appointed by the speaker of~~
17 ~~the house of representatives, and 1 member appointed by the~~
18 ~~minority leader of the house of representatives. Not later than 60~~
19 ~~days after the convening of each legislative session in each odd~~
20 ~~numbered year, each legislative leader shall appoint a member of~~
21 ~~the executive committee.~~ **SHALL CONSIST OF 4 MEMBERS APPOINTED BY**
22 **THE GOVERNOR. THE GOVERNOR SHALL APPOINT 1 MEMBER FROM AMONG**
23 **NOMINEES SUBMITTED BY THE SENATE MAJORITY LEADER, 1 MEMBER FROM**
24 **AMONG NOMINEES SUBMITTED BY THE SENATE MINORITY LEADER, 1 MEMBER**
25 **FROM AMONG NOMINEES SUBMITTED BY THE SPEAKER OF THE HOUSE OF**
26 **REPRESENTATIVES, AND 1 MEMBER FROM AMONG NOMINEES SUBMITTED BY THE**
27 **MINORITY LEADER OF THE HOUSE OR REPRESENTATIVES. THE GOVERNOR SHALL**

1 **APPOINT THESE MEMBERS NOT LATER THAN 60 DAYS AFTER THE CONVENING OF**
2 **THE LEGISLATIVE SESSION IN EACH ODD-NUMBERED YEAR.** A member
3 ~~appointed in this manner shall continue to~~ **SHALL** serve on the
4 executive committee through ~~the next~~ **THAT** regular legislative
5 session unless he or she voluntarily resigns or is otherwise unable
6 to serve. When a vacancy occurs as a result of a voluntary
7 resignation or inability to serve, the ~~legislative leader who had~~
8 ~~appointed the member~~ **GOVERNOR** shall make an appointment to fill
9 that vacancy **IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT** not
10 later than 60 days after the date the vacancy occurs.

11 (2) The early childhood investment corporation shall award
12 grants to eligible intermediate districts in an amount to be
13 determined by the corporation.

14 (3) In order to receive funding, each intermediate district
15 applicant shall agree to convene local great start collaboratives
16 to address the availability of the 6 components of a great start
17 system in its communities: physical health, social-emotional
18 health, family supports, basic needs, economic stability and
19 safety, and parenting education and early education and care, to
20 ensure that every child in the community is ready for kindergarten.
21 Specifically, each grant will fund the following:

22 (a) ~~A~~ **THE COMPLETION OF A** community needs assessment and
23 strategic plan for the ~~development~~ **CREATION** of a comprehensive
24 system of early childhood services and supports, accessible to all
25 children from birth to kindergarten and their families.

26 (b) Identification of local resources and services for
27 children with disabilities, developmental delays, or special needs

1 and their families.

2 (c) Coordination and expansion of high-quality early childhood
3 and childcare programs.

4 (d) Evaluation of local programs.

5 (4) Not later than ~~December 1, 2007 for the 2006-2007 fiscal~~
6 ~~year grants under this section, and not later than~~ December 1, 2008
7 for the 2007-2008 grants under this section, the department shall
8 provide to the house and senate appropriations subcommittees on
9 state school aid, the state budget director, and the house and
10 senate fiscal agencies a report detailing the amounts of grants
11 awarded under this section, the grant recipients, the activities
12 funded by each grant under this section, and an analysis of each
13 grant recipient's success in addressing the development of a
14 comprehensive system of early childhood services and supports.

15 (5) AN INTERMEDIATE DISTRICT RECEIVING FUNDS UNDER THIS
16 SECTION MAY CARRY OVER ANY UNEXPENDED FUNDS RECEIVED UNDER THIS
17 SECTION INTO THE NEXT FISCAL YEAR AND MAY EXPEND THOSE UNUSED FUNDS
18 IN THE NEXT FISCAL YEAR. A RECIPIENT OF A GRANT SHALL RETURN ANY
19 UNEXPENDED GRANT FUNDS TO THE DEPARTMENT IN THE MANNER PRESCRIBED
20 BY THE DEPARTMENT NOT LATER THAN SEPTEMBER 30 OF THE NEXT FISCAL
21 YEAR AFTER THE FISCAL YEAR IN WHICH THE FUNDS ARE RECEIVED.

22 (6) ~~(5)~~ Notwithstanding section 17b, payments under this
23 section may be made pursuant to an agreement with the department.

24 Sec. 32c. (1) From the general fund appropriation in section
25 11, there is allocated an amount not to exceed \$2,125,000.00 for
26 ~~2007-2008-2008-2009~~ to the department for grants for community-
27 based collaborative prevention services designed to foster positive

1 parenting skills; improve parent/child interaction, especially for
2 children 0-3 years of age; promote access to needed community
3 services; increase local capacity to serve families at risk;
4 improve school readiness; and support healthy family environments
5 that discourage alcohol, tobacco, and other drug use. The
6 allocation under this section is to fund secondary prevention
7 programs as defined by the children's trust fund for the prevention
8 of child abuse and neglect.

9 (2) The funds allocated under subsection (1) shall be
10 distributed through a joint request for proposals process
11 established by the department in conjunction with the children's
12 trust fund and the interagency director's workgroup. Projects
13 funded with grants awarded under this section shall meet all of the
14 following:

15 (a) Be secondary prevention initiatives and voluntary to
16 consumers. This appropriation is not intended to serve the needs of
17 children for whom and families in which neglect or abuse has been
18 substantiated.

19 (b) Demonstrate that the planned services are part of a
20 community's integrated comprehensive family support strategy
21 endorsed by the community collaborative **AND, WHERE THERE IS A GREAT**
22 **START COLLABORATIVE, DEMONSTRATE THAT THE PLANNED SERVICES ARE PART**
23 **OF THE COMMUNITY'S GREAT START STRATEGIC PLAN.**

24 (c) Provide a 25% local match, of which not more than 10% may
25 be in-kind services, unless this requirement is waived by the
26 interagency director's workgroup.

27 (3) Notwithstanding section 17b, payments under this section

1 may be made pursuant to an agreement with the department.

2 (4) Not later than January 30 of the next fiscal year, the
3 department shall prepare and submit to the governor and the
4 legislature an annual report of outcomes achieved by the providers
5 of the community-based collaborative prevention services funded
6 under this section for a fiscal year.

7 Sec. 32d. (1) From the state school aid fund money
8 appropriated under section 11, there is allocated an amount not to
9 exceed ~~\$80,900,000.00~~ **\$85,600,000.00** for ~~2007-2008~~ **2008-2009** for
10 school readiness or preschool and parenting program grants to
11 enable eligible districts, as determined under section 37, to
12 develop or expand, in conjunction with whatever federal funds may
13 be available **TO THE DISTRICT AND ITS COMMUNITY**, including, but not
14 limited to, federal funds under title I of the elementary and
15 secondary education act of 1965, 20 USC 6301 to 6578, chapter 1 of
16 title I of the Hawkins-Stafford elementary and secondary school
17 improvement amendments of 1988, Public Law 100-297, and the head
18 start act, 42 USC 9831 to 9852, **PART-DAY OR FULL-DAY** comprehensive
19 compensatory programs designed to do 1 or both of the following:

20 (a) Improve the readiness and subsequent achievement of
21 educationally disadvantaged children as defined by the department
22 who will be at least 4, but less than 5 years of age, as of
23 December 1 of the school year in which the programs are offered,
24 and who show evidence of 2 or more risk factors as defined in the
25 state board report entitled "children at risk" that was adopted by
26 the state board on April 5, 1988. **A DISTRICT SHALL NOT USE FUNDS**
27 **RECEIVED UNDER THIS SECTION TO SUPPLANT ANY FEDERAL FUNDS RECEIVED**

1 BY THE DISTRICT OR ITS COMMUNITY. FOR THE PURPOSES OF THIS SECTION,
2 "SUPPLANT" MEANS TO SERVE CHILDREN ELIGIBLE FOR A FEDERALLY FUNDED
3 EXISTING PRESCHOOL PROGRAM THAT HAS CAPACITY TO SERVE THOSE
4 CHILDREN.

5 (b) Provide preschool and parenting education programs similar
6 to those under former section 32b as in effect for 2001-2002.
7 Beginning in 2007-2008, funds spent by a district for programs
8 described in this subdivision shall not exceed the lesser of the
9 amount spent by the district under this subdivision for 2006-2007
10 or the amount spent under this subdivision in any subsequent fiscal
11 year.

12 (2) A comprehensive free compensatory program funded under
13 this section shall include an age-appropriate educational
14 curriculum, as described in the early childhood standards of
15 quality for prekindergarten children adopted by the state board,
16 that prepares children for success in school, including language,
17 early literacy, and early mathematics. In addition, the
18 comprehensive program shall include nutritional services, health
19 **AND DEVELOPMENTAL** screening **AS DESCRIBED IN THE EARLY CHILDHOOD**
20 **STANDARDS OF QUALITY FOR PREKINDERGARTEN** for participating
21 children, a plan for parent and legal guardian involvement, and
22 provision of referral services for families eligible for community
23 social services.

24 (3) In addition to the allocation under subsection (1), from
25 the general fund money appropriated under section 11, there is
26 allocated an amount not to exceed \$279,100.00 for ~~2007-2008~~ **2007-**
27 **2008** for a competitive grant to continue a longitudinal evaluation

1 of children who have participated in the Michigan school readiness
2 program.

3 (4) A district receiving a grant under this section may
4 contract with for-profit or nonprofit preschool center providers
5 that meet all provisions of the early childhood standards of
6 quality for prekindergarten children adopted by the state board for
7 the provision of the comprehensive compensatory program and retain
8 for administrative services an amount equal to not more than 5% of
9 the grant amount. A district may expend not more than 10% of the
10 total grant amount for administration of the program.

11 (5) A ~~grant recipient~~**DISTRICT** receiving funds under this
12 section shall report to the department on the midyear report the
13 number of children participating in the program who meet the income
14 or other eligibility criteria specified under section 37(3)(g) and
15 the total number of children participating in the program. For
16 children participating in the program who meet the income or other
17 eligibility criteria specified under section 37(3)(g), ~~grant~~
18 ~~recipients~~**DISTRICTS** shall also report whether or not a parent is
19 available to provide care based on employment status. For the
20 purposes of this subsection, "employment status" shall be defined
21 by the department of human services in a manner consistent with
22 maximizing the amount of spending that may be claimed for temporary
23 assistance for needy families maintenance of effort purposes.

24 **SEC. 32E. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED**
25 **UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
26 **\$4,700,000.00 FOR 2007-2008 TO DISTRICTS ELIGIBLE TO RECEIVE**
27 **FUNDING UNDER SECTION 32D. THE FUNDING UNDER THIS SECTION SHALL BE**

1 DISTRIBUTED AMONG DISTRICTS IN DECREASING ORDER OF CONCENTRATION OF
2 ELIGIBLE CHILDREN AS DETERMINED BY SECTION 38. THE AMOUNT
3 DISTRIBUTED TO EACH DISTRICT UNDER THIS SECTION SHALL BE AN AMOUNT
4 EQUAL TO THE NUMBER OF CHILDREN THE DISTRICT SERVED UNDER SECTION
5 32D IN 2006-2007 OR THE NUMBER OF CHILDREN THE DISTRICT INDICATES
6 IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) IN 2007-2008,
7 WHICHEVER IS LESS, MINUS THE NUMBER OF CHILDREN FOR WHICH THE
8 DISTRICT HAS PREVIOUSLY RECEIVED FUNDING IN 2007-2008
9 AS DETERMINED BY THE DEPARTMENT, MULTIPLIED BY \$3,400.00. HOWEVER,
10 A DISTRICT IS NOT REQUIRED TO RETURN PREVIOUSLY ALLOCATED FUNDING
11 TO THE SCHOOL AID FUND IN 2007-2008 AS A RESULT OF THIS
12 CALCULATION.

13 Sec. 32j. (1) From the appropriations in section 11, there is
14 allocated an amount not to exceed \$5,000,000.00 for ~~2007-2008-2008-~~
15 2009 for great parents, great start grants to intermediate
16 districts to provide programs for parents with ~~preschool-~~YOUNG
17 children. The purpose of these programs is to encourage early
18 mathematics and reading literacy, improve school readiness, reduce
19 the need for special education services, and foster the maintenance
20 of stable families by encouraging positive parenting skills.

21 (2) To qualify for funding under this section, a program shall
22 provide services to all families with children age 5 or younger
23 residing within the intermediate district who choose to
24 participate, including at least all of the following services:

25 (a) Providing parents with information on child development
26 from birth to age 5.

27 (b) Providing parents with methods to enhance parent-child

1 interaction that promote social and emotional development ~~for~~
2 ~~infants and toddlers~~ and age-appropriate language, mathematics, and
3 early reading skills **FOR YOUNG CHILDREN**; including, but not limited
4 to, encouraging parents to read to their preschool children at
5 least 1/2 hour per day.

6 (c) Providing parents with examples of learning opportunities
7 to promote intellectual, physical, and social growth of
8 ~~preschoolers~~ **YOUNG CHILDREN**, including the acquisition of age-
9 appropriate language, mathematics, and early reading skills.

10 (d) Promoting access to needed community services through a
11 community-school-home partnership.

12 (3) To receive a grant under this section, an intermediate
13 district shall submit a plan to the department not later than
14 October ~~1, 2007~~ **15, 2008** in the form and manner prescribed by the
15 department. The plan shall do all of the following in a manner
16 prescribed by the department:

17 (a) Provide a plan for the delivery of the program components
18 described in subsection (2) that **TARGETS RESOURCES BASED ON FAMILY**
19 **NEED AND** provides for educators trained in child development to
20 help parents understand their role in their child's developmental
21 process, thereby promoting school readiness and mitigating the need
22 for special education services.

23 (b) Demonstrate an adequate collaboration of local entities
24 involved in providing programs and services for preschool children
25 and their parents **AND, WHERE THERE IS A GREAT START COLLABORATIVE,**
26 **DEMONSTRATE THAT THE PLANNED SERVICES ARE PART OF THE COMMUNITY'S**
27 **GREAT START STRATEGIC PLAN.**

1 (c) Provide a projected budget for the program to be funded.
2 The intermediate district shall provide at least a 20% local match
3 from local public or private resources for the funds received under
4 this section. Not more than 1/2 of this matching requirement, up to
5 a total of 10% of the total project budget, may be satisfied
6 through in-kind services provided by participating providers of
7 programs or services. In addition, not more than 10% of the grant
8 may be used for program administration.

9 (4) Each intermediate district receiving a grant under this
10 section shall agree to include a data collection system approved by
11 the department. The data collection system shall provide a report
12 by October 15 of each year on the number of children in families
13 with income below 200% of the federal poverty level that received
14 services under this program and the total number of children who
15 received services under this program.

16 (5) The department or superintendent, as applicable, shall do
17 all of the following:

18 (a) The superintendent shall approve or disapprove the plans
19 and notify the intermediate district of that decision not later
20 than November 15, ~~2007-2008~~. The amount allocated to each
21 intermediate district shall be at least an amount equal to 100% of
22 the intermediate district's ~~2006-2007-2007-2008~~ payment under this
23 section.

24 (b) The department shall ensure that all programs funded under
25 this section utilize the most current validated research-based
26 methods and curriculum for providing the program components
27 described in subsection (2).

1 (c) The department shall submit a report to the state budget
2 director and the senate and house fiscal agencies summarizing the
3 data collection reports described in subsection (4) by December 1
4 of each year.

5 (6) An intermediate district receiving funds under this
6 section shall use the funds only for the program funded under this
7 section. An intermediate district receiving funds under this
8 section may carry over any unexpended funds received under this
9 section into the next fiscal year and may expend those unused funds
10 in the next fiscal year. A recipient of a grant shall return any
11 unexpended grant funds to the department in the manner prescribed
12 by the department not later than September 30 of the next fiscal
13 year after the fiscal year in which the funds are received.

14 Sec. 32l. (1) From the general fund money appropriated in
15 section 11, there is allocated for ~~2007-2008-2008-2009~~ an amount
16 not to exceed \$12,650,000.00 for competitive school readiness
17 program grants for the purposes of preparing children for success
18 in school, ~~including~~ **THROUGH COMPREHENSIVE PART-DAY OR FULL-DAY**
19 **PROGRAMS THAT INCLUDE** language, early literacy, ~~and~~ early
20 mathematics, **NUTRITIONAL SERVICES, AND HEALTH AND DEVELOPMENTAL**
21 **SCREENING, AS DESCRIBED IN THE EARLY CHILDHOOD STANDARDS OF QUALITY**
22 **FOR PREKINDERGARTEN FOR PARTICIPATING CHILDREN; A PLAN FOR PARENT**
23 **AND LEGAL GUARDIAN INVOLVEMENT; AND PROVISION OF REFERRAL SERVICES**
24 **FOR FAMILIES ELIGIBLE FOR COMMUNITY SOCIAL SERVICES.** These grants
25 shall be made available through a competitive application process
26 as follows:

27 (a) Any public or private nonprofit legal entity or agency may

1 apply for a grant under this section. However, a district or
 2 intermediate district may not apply for a grant under this section
 3 unless the district or intermediate district is acting as a ~~fiscal~~
 4 ~~agent for a child caring organization regulated under 1973 PA 116,~~
 5 ~~MCL 722.111 to 722.128~~ **LOCAL GRANTEE FOR THE FEDERAL HEAD START**
 6 **PROGRAM OPERATING UNDER THE HEAD START ACT, 42 USC 9831 TO 9852.**

7 (b) An applicant shall submit an application in the form and
 8 manner prescribed by the department.

9 (c) The department shall establish a diverse interagency
 10 committee to review the applications. The committee shall be
 11 composed of representatives of the department, appropriate
 12 community, volunteer, and social service agencies and
 13 organizations, and parents.

14 (d) The superintendent shall award the grants and shall give
 15 priority for awarding the grants based upon the following criteria:

16 (i) Compliance with the state board-approved early childhood
 17 standards of quality for prekindergarten.

18 (ii) Active and continuous involvement of the parents or
 19 guardians of the children participating in the program.

20 (iii) Employment of teachers possessing proper training,
 21 including a valid Michigan teaching certificate with an early
 22 childhood (ZA) endorsement, ~~a valid Michigan teaching certificate~~
 23 ~~with a child development associate credential (CDA)~~ **OR THE**
 24 **EQUIVALENT FROM ANOTHER STATE**, or a bachelor's degree in child
 25 development with a specialization in preschool teaching. ~~However,~~
 26 ~~both of the following apply to this subparagraph:~~

27 ~~(A) If an applicant demonstrates to the department that it is~~

1 ~~unable to fully comply with this subparagraph after making~~
2 ~~reasonable efforts to comply~~ **ALL NEW APPLICANTS MUST COMPLY WITH**
3 **THESE TEACHER QUALIFICATIONS REQUIREMENTS. IF AN APPLICANT THAT HAS**
4 **RECEIVED A GRANT FOR THE PRECEDING FISCAL YEAR HAS 1 OR MORE**
5 **TEACHERS WHO DO NOT MEET THESE TEACHER QUALIFICATIONS REQUIREMENTS,**
6 the superintendent may still give priority to the applicant if the
7 applicant will employ teachers who have significant but incomplete
8 training in early childhood education or child development if the
9 applicant provides to the department, and the department approves,
10 a plan for each teacher to come into compliance with the standards
11 in this subparagraph. A teacher's compliance plan must be completed
12 within 4 years of the date of employment. Progress toward
13 completion of the compliance plan shall consist of at least 2
14 courses per calendar year.

15 ~~—— (B) For a subcontracted program, the department shall consider~~
16 ~~a teacher with 90 credit hours and at least 4 years' teaching~~
17 ~~experience in a qualified preschool program to meet the~~
18 ~~requirements under this subparagraph.~~

19 (iv) Employment of paraprofessionals possessing proper training
20 in early childhood development, including an associate's degree in
21 early childhood education or child development or the equivalent,
22 or a child development associate (CDA) credential. ~~or the~~
23 ~~equivalent, as approved by the state board.~~ If an applicant
24 demonstrates to the department that it is unable to fully comply
25 with this subparagraph, after making reasonable efforts to comply,
26 the superintendent of public instruction may still give priority to
27 an applicant if the applicant will employ paraprofessionals who

1 have completed at least 1 course in early childhood education or
2 child development if the applicant provides to the department, and
3 the department approves, a plan for each paraprofessional to come
4 into compliance with the standards in this subparagraph. A
5 paraprofessional's compliance plan must be completed within 2 years
6 of the date of employment. ~~Progress toward completion of the~~
7 ~~compliance plan shall consist of at least 2 courses or 60 clock~~
8 ~~hours of training per calendar year.~~

9 (v) Evidence of collaboration with the community of child
10 development programs, including, but not limited to, Michigan
11 school readiness and head start providers, including documentation
12 of the total number of children in the community who would meet the
13 criteria established in subparagraph (vii), and who are being served
14 by other providers, and the number of children who will remain
15 unserved by other community early childhood programs if this
16 program is funded.

17 (vi) The extent to which these funds will supplement other
18 federal, state, local, or private funds.

19 (vii) The extent to which these funds will be targeted to
20 children who will be at least 4, but less than 5, years of age as
21 of December 1 of the year in which the programs are offered and who
22 show evidence of 2 or more ~~"at risk"~~ **RISK** factors as defined in the
23 state board report entitled "children at risk" that was adopted by
24 the state board on April 5, 1988.

25 (viii) The program offers **OR CONTRACTS WITH ANOTHER NONPROFIT**
26 **EARLY CHILDHOOD PROGRAM TO PROVIDE** supplementary day care and
27 thereby offers full-day programs as part of its early childhood

1 development program.

2 (ix) The application contains a plan approved by the department
3 to conduct and report annual school readiness program evaluations
4 and continuous improvement plans using criteria approved by the
5 department. At a minimum, the evaluations shall include a self-
6 assessment of program quality and assessment of the gains in
7 educational readiness and progress of the children participating in
8 the program.

9 (e) An application shall demonstrate that the program has
10 established or has joined a multidistrict, multiagency school
11 readiness advisory committee that is involved in the planning and
12 evaluation of the program and that provides for the involvement of
13 parents and appropriate community, volunteer, and social service
14 agencies and organizations. The advisory committee shall include at
15 least 1 parent or guardian of a program participant for every 18
16 children enrolled in the program, with a minimum of 2 parent or
17 guardian representatives. The advisory committee shall do all of
18 the following:

19 (i) Review the mechanisms and criteria used to determine
20 referrals for participation in the school readiness program.

21 (ii) Review the health screening program for all participants.

22 (iii) Review the nutritional services provided to all
23 participants.

24 (iv) Review the mechanisms in place for the referral of
25 families to community social service agencies, as appropriate.

26 (v) Review the collaboration with and the involvement of
27 appropriate community, volunteer, and social service agencies and

1 organizations in addressing all aspects of education disadvantage.

2 (vi) Review, evaluate, and make recommendations for changes in
3 the school readiness program.

4 (vii) Review the agency's participation in a collaborative
5 recruitment and enrollment process with, at a minimum, all other
6 funded preschool programs that may serve children in the same
7 geographic area, including school district part-day programs
8 described under section 32d and head start programs, to assure that
9 each child is enrolled in the program most appropriate to his or
10 her needs and to maximize the use of federal, state, and local
11 funds. The collaborative recruitment and enrollment process should
12 be established to reflect the geographic service areas of the
13 collaborative partners. **AN EFFECTIVE PROCESS INCLUDES OPPORTUNITIES
14 FOR FAMILIES TO MEET WITH AND LEARN ABOUT EACH PROGRAM FOR WHICH
15 THEIR CHILD IS ELIGIBLE. A CHILD WHO IS INCOME-ELIGIBLE FOR HEAD
16 START MUST BE REFERRED TO HEAD START. THE CHILD SHALL NOT BE
17 ENROLLED IN THE MICHIGAN SCHOOL READINESS PROGRAM UNTIL THE HEAD
18 START REFERRAL PROCESS IS COMPLETE. IF, AFTER REFERRAL TO HEAD
19 START, A FAMILY CHOOSES TO ENROLL A HEAD START ELIGIBLE CHILD IN
20 THE MICHIGAN SCHOOL READINESS PROGRAM, A WAIVER FORM MUST BE
21 COMPLETED AND SUBMITTED TO THE MICHIGAN SCHOOL READINESS PROGRAM
22 WITH SIGNATURES FROM THE FAMILY AND THE HEAD START AGENCY BEFORE
23 THE CHILD MAY BE ENROLLED IN THE MICHIGAN SCHOOL READINESS PROGRAM.
24 THE MICHIGAN SCHOOL READINESS PROGRAM SHALL RETAIN THE WAIVER FORM
25 IN THE CHILD'S ENROLLMENT FILE.**

26 (2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, THE AGENCY
27 MUST DEMONSTRATE PARTICIPATION IN A COLLABORATIVE RECRUITMENT AND

1 ENROLLMENT PROCESS WITH ALL OTHER FUNDED PRESCHOOL PROGRAMS SERVING
2 CHILDREN IN THE SAME GEOGRAPHIC AREA TO ASSURE THAT EACH CHILD IS
3 ENROLLED IN THE PROGRAM MOST APPROPRIATE TO HIS OR HER NEEDS.

4 (3) ~~(2)~~—To be eligible for a grant under this section, a
5 program shall demonstrate that more than 50% of the children
6 participating in the program live with families with a household
7 income that is less than or equal to ~~250%~~—300% of the federal
8 poverty level.

9 (4) ~~(3)~~—The superintendent may award grants under this section
10 at whatever level the superintendent determines appropriate.
11 However, the amount of a grant under this section, when combined
12 with other sources of state revenue for this program, shall not
13 exceed \$3,400.00 per participating child or the cost of the
14 program, whichever is less.

15 (5) ~~(4)~~—For a grant recipient that enrolls pupils in a full-
16 day program funded under this section, each child enrolled in the
17 full-day program shall be counted as 2 children served by the
18 program for purposes of determining the number of children to be
19 served and for determining the amount of the grant award. A grant
20 award shall not be increased solely on the basis of providing a
21 full-day program. As used in this subsection, "full-day program"
22 means a program that operates for at least the same length of day
23 as a district's first grade program for a minimum of 4 days per
24 week, 30 weeks per year. A classroom that offers a full-day program
25 must enroll all children for the full day to be considered a full-
26 day program.

27 (6) ~~(5)~~—Except as otherwise provided in this subsection, an

1 applicant that received a new grant under this section for ~~2006-~~
2 ~~2007-2007-2008~~ shall also receive priority for funding under this
3 section for ~~2007-2008 and 2008-2009~~ **AND 2009-2010**. However, after 3
4 fiscal years of continuous funding, an applicant is required to
5 compete openly with new programs and other programs completing
6 their third year. All grant awards under this section are
7 contingent on the availability of funds and documented evidence of
8 grantee compliance with early childhood standards of quality for
9 prekindergarten, as approved by the state board, and with all
10 operational, fiscal, administrative, and other program
11 requirements.

12 (7) ~~(6)~~ Notwithstanding section 17b, payments to eligible
13 entities under this section shall be paid on a schedule and in a
14 manner determined by the department.

15 Sec. 37. (1) A district is eligible for an allocation under
16 section 32d if the district meets all of the requirements in
17 subsections (2), (3), and (4).

18 (2) The district shall submit a preapplication, in a manner
19 and on forms prescribed by the department, by a date specified by
20 the department in the immediately preceding state fiscal year. The
21 preapplication shall include a comprehensive needs assessment and
22 community collaboration plan that includes, but is not limited to,
23 Michigan school readiness and head start providers, and shall
24 identify all of the following:

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

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

5 (c) The number of children the district will be able to serve
6 who meet the criteria of section 32d including a verification of
7 physical facility and staff resources capacity.

8 (d) The estimated number of children who meet the criteria of
9 section 32d who will remain unserved after the district and
10 community early childhood programs have met their funded
11 enrollments. The school district shall maintain a waiting list of
12 identified unserved eligible children who would be served when
13 openings are available.

14 (3) The district shall submit a final application for
15 approval, in a manner and on forms prescribed by the department, by
16 a date specified by the department. The final application shall
17 indicate all of the following that apply:

18 (a) The district complies with the state board approved early
19 childhood standards of quality for prekindergarten.

20 (b) The district provides for the active and continuous
21 participation of parents or guardians of the children in the
22 program, and describes the district's participation plan as part of
23 the application.

24 (c) The district only employs for this program the following:

25 (i) Teachers possessing proper training. ~~For programs the~~
26 ~~district manages itself, a~~ valid teaching certificate and an
27 early childhood (ZA) endorsement are required. This provision does

1 not apply to a district that subcontracts with an eligible child
2 development program. In that situation a teacher must have a valid
3 Michigan teaching certificate with an early childhood (ZA)
4 endorsement, a valid Michigan teaching certificate with a child
5 development associate credential, or a bachelor's degree in child
6 development with specialization in preschool teaching. ~~However,~~
7 ~~both of the following apply to this subparagraph:~~

8 ~~——(A) If a district demonstrates to the department that it is~~
9 ~~unable to fully comply with this subparagraph after making~~
10 ~~reasonable efforts to comply, teachers who have significant but~~
11 ~~incomplete training in early childhood education or child~~
12 ~~development may be employed by the district if the district~~
13 ~~provides to the department, and the department approves, a plan for~~
14 ~~each teacher to come into compliance with the standards in this~~
15 ~~subparagraph. A teacher's compliance plan must be completed within~~
16 ~~4 years of the date of employment. Progress toward completion of~~
17 ~~the compliance plan shall consist of at least 2 courses per~~
18 ~~calendar year.~~

19 ~~——(B) For a subcontracted program, the department shall consider~~
20 ~~a teacher with 90 credit hours and at least 4 years' teaching~~
21 ~~experience in a qualified preschool program to meet the~~
22 ~~requirements under this subparagraph.~~

23 (ii) Paraprofessionals possessing proper training in early
24 childhood development, including an associate's degree in early
25 childhood education or child development or the equivalent, or a
26 child development associate (CDA) credential. ~~, or the equivalent~~
27 ~~as approved by the state board.~~ However, if a district demonstrates

1 to the department that it is unable to fully comply with this
2 subparagraph after making reasonable efforts to comply, the
3 district may employ paraprofessionals who have completed at least 1
4 course in early childhood education or child development if the
5 district provides to the department, and the department approves, a
6 plan for each paraprofessional to come into compliance with the
7 standards in this subparagraph. A paraprofessional's compliance
8 plan must be completed within 2 years of the date of employment.
9 ~~Progress toward completion of the compliance plan shall consist of~~
10 ~~at least 2 courses or 60 clock hours of training per calendar year.~~

11 (d) The district has submitted for approval a program budget
12 that includes only those costs not reimbursed or reimbursable by
13 federal funding, that are clearly and directly attributable to the
14 early childhood readiness program, and that would not be incurred
15 if the program were not being offered. If children other than those
16 determined to be educationally disadvantaged participate in the
17 program, state reimbursement under section 32d shall be limited to
18 the portion of approved costs attributable to educationally
19 disadvantaged children.

20 (e) The district has established a, or has joined a
21 multidistrict, multiagency, school readiness advisory committee
22 consisting of, at a minimum, classroom teachers for
23 prekindergarten, kindergarten, and first grade; parents or
24 guardians of program participants; representatives from appropriate
25 community agencies and organizations; the district curriculum
26 director or equivalent administrator; and, if feasible, a school
27 psychologist, school social worker, or school counselor. In

1 addition, there shall be on the committee at least 1 parent or
2 guardian of a program participant for every 18 children enrolled in
3 the program, with a minimum of 2 parent or guardian

4 representatives. The committee shall do all of the following:

5 (i) Ensure the ongoing articulation of the early childhood,
6 kindergarten, and first grade programs offered by the district or
7 districts.

8 (ii) Review the mechanisms and criteria used to determine
9 participation in the early childhood program.

10 (iii) Review the health screening program for all participants.

11 (iv) Review the nutritional services provided to program
12 participants.

13 (v) Review the mechanisms in place for the referral of
14 families to community social service agencies, as appropriate.

15 (vi) Review the collaboration with and the involvement of
16 appropriate community, volunteer, and social service agencies and
17 organizations in addressing all aspects of educational
18 disadvantage. The district must participate in a collaborative
19 recruitment and enrollment process with, at a minimum, all other
20 funded preschool programs that may serve children in the same
21 geographic area, including the competitive programs described under
22 section 32/ and head start programs, to assure that each child is
23 enrolled in the program most appropriate to his or her needs and to
24 maximize the use of federal, state, and local funds. The
25 collaborative recruitment and enrollment process should be
26 established to reflect the geographic service areas of the
27 collaborative partners. **AN EFFECTIVE PROCESS INCLUDES OPPORTUNITIES**

1 FOR FAMILIES TO MEET WITH AND LEARN ABOUT EACH PROGRAM FOR WHICH
2 THEIR CHILD IS ELIGIBLE. A CHILD WHO IS INCOME-ELIGIBLE FOR HEAD
3 START MUST BE REFERRED TO HEAD START. THE CHILD SHALL NOT BE
4 ENROLLED IN THE MICHIGAN SCHOOL READINESS PROGRAM UNTIL THE HEAD
5 START REFERRAL PROCESS IS COMPLETE. IF, AFTER REFERRAL TO HEAD
6 START, A FAMILY CHOOSES TO ENROLL A HEAD START ELIGIBLE CHILD IN
7 THE MICHIGAN SCHOOL READINESS PROGRAM, A WAIVER FORM MUST BE
8 COMPLETED AND SUBMITTED TO THE MICHIGAN SCHOOL READINESS PROGRAM
9 WITH SIGNATURES FROM THE FAMILY AND THE HEAD START AGENCY BEFORE
10 THE CHILD MAY BE ENROLLED IN THE MICHIGAN SCHOOL READINESS PROGRAM.
11 THE MICHIGAN SCHOOL READINESS PROGRAM SHALL RETAIN THE WAIVER FORM
12 IN THE CHILD'S ENROLLMENT FILE.

13 (vii) Review, evaluate, and make recommendations to a local
14 school readiness program or programs for changes to the school
15 readiness program.

16 (f) The district has submitted for departmental approval a
17 plan to conduct and report annual school readiness program
18 evaluations and continuous improvement plans using criteria
19 approved by the department. At a minimum, the evaluations shall
20 include a self-assessment of program quality and assessment of the
21 gains in educational readiness and progress of the children
22 participating in the program.

23 (g) More than 50% of the children participating in the program
24 live with families with a household income that is equal to or less
25 than ~~250%~~ 300% of the federal poverty level.

26 (H) THE DISTRICT MUST DEMONSTRATE PARTICIPATION IN A
27 COLLABORATIVE RECRUITMENT AND ENROLLMENT PROCESS WITH ALL OTHER

1 FUNDED PRESCHOOL PROGRAMS SERVING CHILDREN IN THE SAME GEOGRAPHIC
2 AREA TO ASSURE THAT EACH CHILD IS ENROLLED IN THE PROGRAM MOST
3 APPROPRIATE TO HIS OR HER NEEDS.

4 (4) A consortium of 2 or more districts shall be eligible for
5 an allocation under section 32d if the districts designate a single
6 fiscal agent for the allocation. A district or intermediate
7 district may administer a consortium described in this subsection.
8 A consortium shall submit a single preapplication and application
9 for the children to be served, regardless of the number of
10 districts participating in the consortium. **THE CONSORTIUM MAY**
11 **DECIDE, WITH APPROVAL OF ALL CONSORTIUM MEMBERS, TO SERVE NUMBERS**
12 **OF CHILDREN BASED ON THE ALLOCATION TO EACH DISTRICT OR BASED ON**
13 **THE ALLOCATION TO THE ENTIRE CONSORTIUM, ALLOWING CHILDREN RESIDING**
14 **IN ANY DISTRICT IN THE CONSORTIUM TO BE SERVED BY THE CONSORTIUM AT**
15 **ANY LOCATION.**

16 (5) With the final application, an applicant district shall
17 submit to the department a resolution adopted by its board
18 certifying the number of 4-year-old children who show evidence of
19 risk factors as described in section 32d who live with families
20 with a household income that is less than or equal to ~~250%~~ 300% of
21 the federal poverty level.

22 Sec. 38. The ~~maximum~~ number of prekindergarten children
23 construed to be in need of special readiness assistance under
24 section 32d shall be calculated for each district in the following
25 manner: one-half of the percentage of the district's pupils in
26 grades 1-5 who are eligible for free lunch, as determined by the
27 district's October count in the school year 2 years before the

1 fiscal year for which the calculation is made under the Richard B.
2 Russell national school lunch act, chapter 281, 60 Stat. 230, 42
3 ~~U.S.C.~~ **USC** 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769,
4 1769b to 1769c, and 1769f to 1769h, as reported to the department
5 not later than December 31 of the fiscal year 2 years before the
6 fiscal year for which the calculation is made, shall be multiplied
7 by the average kindergarten enrollment of the district on the pupil
8 membership count day of the 2 immediately preceding years.

9 Sec. 39. (1) ~~The tentative~~ **BEGINNING IN 2008-2009, THE INITIAL**
10 allocation for each fiscal year to each eligible district under
11 section 32d shall be determined by multiplying the number of
12 children determined in section 38 or the number of children the
13 district indicates it will be able to serve under section 37(2)(c),
14 whichever is less, by \$3,400.00 and shall be distributed among
15 districts in decreasing order of concentration of eligible children
16 as determined by section 38. ~~until the money allocated in section~~
17 ~~32d is distributed.~~ If the number of children a district indicates
18 it will be able to serve under section 37(2)(c) includes children
19 able to be served in a full-day program, then the number able to be
20 served in a full-day program shall be doubled for the purposes of
21 making this calculation of the lesser of the number of children
22 determined in section 38 and the number of children the district
23 indicates it will be able to serve under section 37(2)(c) and
24 determining the amount of the ~~tentative~~ **INITIAL** allocation to the
25 district under section 32d. **A DISTRICT MAY CONTRACT WITH A HEAD**
26 **START AGENCY TO SERVE CHILDREN ENROLLED IN HEAD START WITH A FULL-**
27 **DAY PROGRAM BY BLENDING HEAD START FUNDS WITH A PART-DAY MICHIGAN**

1 SCHOOL READINESS PROGRAM ALLOCATION. ALL HEAD START AND MICHIGAN
2 SCHOOL READINESS PROGRAM POLICIES AND REGULATIONS APPLY TO THE
3 BLENDED PROGRAM.

4 (2) IF FUNDS APPROPRIATED IN SECTION 32D REMAIN AFTER THE
5 INITIAL ALLOCATION UNDER SUBSECTION (1), THE ALLOCATION UNDER THIS
6 SUBSECTION SHALL BE DISTRIBUTED TO EACH ELIGIBLE DISTRICT UNDER
7 SECTION 32D IN DECREASING ORDER OF CONCENTRATION OF ELIGIBLE
8 CHILDREN AS DETERMINED BY SECTION 38. THE ALLOCATION SHALL BE
9 DETERMINED BY MULTIPLYING THE NUMBER OF CHILDREN EACH ELIGIBLE
10 DISTRICT SERVED IN THE IMMEDIATELY PRECEDING FISCAL YEAR OR THE
11 NUMBER OF CHILDREN THE DISTRICT INDICATES IT WILL BE ABLE TO SERVE
12 UNDER SECTION 37(2)(C), WHICHEVER IS LESS, MINUS THE NUMBER OF
13 CHILDREN FOR WHICH THE DISTRICT RECEIVED FUNDING IN SUBSECTION (1)
14 BY \$3,400.00.

15 (3) IF FUNDS APPROPRIATED IN SECTION 32D REMAIN AFTER THE
16 ALLOCATIONS UNDER SUBSECTIONS (1) AND (2), REMAINING FUNDS SHALL BE
17 DISTRIBUTED TO EACH ELIGIBLE DISTRICT UNDER SECTION 32D IN
18 DECREASING ORDER OF CONCENTRATION OF ELIGIBLE CHILDREN AS
19 DETERMINED BY SECTION 38. IF THE NUMBER OF CHILDREN THE DISTRICT
20 INDICATES IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) EXCEEDS
21 THE NUMBER OF CHILDREN FOR WHICH FUNDS HAVE BEEN RECEIVED UNDER
22 SUBSECTIONS (1) AND (2), THE ALLOCATION UNDER THIS SUBSECTION SHALL
23 BE DETERMINED BY MULTIPLYING THE NUMBER OF CHILDREN THE DISTRICT
24 INDICATES IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) LESS THE
25 NUMBER OF CHILDREN FOR WHICH FUNDS HAVE BEEN RECEIVED UNDER
26 SUBSECTIONS (1) AND (2) BY \$3,400.00 UNTIL THE FUNDS ALLOCATED IN
27 SECTION 32D ARE DISTRIBUTED.

1 (4) IF A DISTRICT IS PARTICIPATING IN A PROGRAM UNDER SECTION
2 32D FOR THE FIRST YEAR, THE MAXIMUM ALLOCATION UNDER THIS SECTION
3 IS 32 MULTIPLIED BY \$3,400.00.

4 (5) ~~(2)~~—A district that received funds under this section in
5 at least 1 of the 2 immediately preceding fiscal years shall
6 receive priority in funding over other eligible districts. However,
7 funding beyond 3 state fiscal years is contingent upon the
8 availability of funds and documented evidence satisfactory to the
9 department of compliance with all operational, fiscal,
10 administrative, and other program requirements.

11 (6) ~~(3)~~—A district that offers supplementary day care funded
12 by funds other than those received under this section and therefore
13 offers full-day programs as part of its early childhood development
14 program shall receive priority in the allocation of funds under
15 this section over other eligible districts other than those
16 districts funded under subsection ~~(2)~~—(5).

17 (7) ~~(4)~~—For any district with 315 or more eligible pupils, the
18 number of eligible pupils shall be 65% of the number calculated
19 under section 38. However, none of these districts may have less
20 than 315 pupils for purposes of calculating the tentative
21 allocation under section 32d.

22 (8) ~~(5)~~—If, taking into account the total amount to be
23 allocated to the district as calculated under this section, a
24 district determines that it is able to include additional eligible
25 children in the school readiness program without additional funds
26 under this section, the district may include additional eligible
27 children but shall not receive additional funding under this

1 section for those children.

2 (9) ~~(6)~~—For a district that enrolls pupils in a full-day
3 program under section 32d, each child enrolled in the full-day
4 program shall be counted as 2 children served by the program for
5 purposes of determining the number of children to be served and for
6 determining the allocation under section 32d. A district's
7 allocation shall not be increased solely on the basis of providing
8 a full-day program.

9 (10) ~~(7)~~—As used in this section, **"PART-DAY PROGRAM" MEANS A**
10 **PROGRAM THAT OPERATES AT LEAST 4 DAYS PER WEEK, 30 WEEKS PER YEAR,**
11 **WITH AT LEAST 300 HOURS OF TEACHER-CHILD CONTACT, AND "full-day**
12 **program"** means a program that operates for at least the same length
13 of day as the district's first grade program for a minimum of 4
14 days per week, 30 weeks per year. A classroom that offers a full-
15 day program must enroll all children for the full day to be
16 considered a full-day program.

17 Sec. 39a. (1) From the federal funds appropriated in section
18 11, there is allocated for ~~2007-2008-2008-2009~~ to districts,
19 intermediate districts, and other eligible entities all available
20 federal funding, estimated at ~~\$669,660,100.00~~ **\$752,987,500.00**, for
21 the federal programs under the no child left behind act of 2001,
22 Public Law 107-110. These funds are allocated as follows:

23 (a) An amount estimated at ~~\$9,625,800.00~~ **\$8,033,600.00** to
24 provide students with drug- and violence-prevention programs and to
25 implement strategies to improve school safety, funded from DED-
26 OESE, drug-free schools and communities funds.

27 (b) An amount estimated at ~~\$6,405,500.00~~ **\$7,461,800.00** for the

1 purpose of improving teaching and learning through a more effective
2 use of technology, funded from DED-OESE, educational technology
3 state grant funds.

4 (c) An amount estimated at ~~\$106,249,200.00~~ **\$109,411,900.00** for
5 the purpose of preparing, training, and recruiting high-quality
6 teachers and class size reduction, funded from DED-OESE, improving
7 teacher quality funds.

8 (d) An amount estimated at ~~\$9,854,300.00~~ **\$10,322,300.00** for
9 programs to teach English to limited English proficient (LEP)
10 children, funded from DED-OESE, language acquisition state grant
11 funds.

12 (e) An amount estimated at \$8,550,000.00 for the Michigan
13 charter school subgrant program, funded from DED-OESE, charter
14 school funds.

15 (f) An amount estimated at ~~\$676,000.00~~ **\$898,300.00** for rural
16 and low income schools, funded from DED-OESE, rural and low income
17 school funds.

18 (g) An amount estimated at ~~\$3,115,900.00~~ **\$1,000.00** to help
19 schools develop and implement comprehensive school reform programs,
20 funded from DED-OESE, title I and title X, comprehensive school
21 reform funds.

22 (h) An amount estimated at ~~\$456,971,500.00~~ **\$517,479,800.00** to
23 provide supplemental programs to enable educationally disadvantaged
24 children to meet challenging academic standards, funded from DED-
25 OESE, title I, disadvantaged children funds.

26 (i) An amount estimated at ~~\$2,531,700.00~~ **\$2,152,700.00** for the
27 purpose of providing unified family literacy programs, funded from

1 DED-OESE, title I, even start funds.

2 (j) An amount estimated at ~~\$8,186,200.00~~ **\$7,797,700.00** for the
3 purpose of identifying and serving migrant children, funded from
4 DED-OESE, title I, migrant education funds.

5 (k) An amount estimated at \$24,733,200.00 to promote high-
6 quality school reading instruction for grades K-3, funded from DED-
7 OESE, title I, reading first state grant funds.

8 (l) An amount estimated at \$2,849,000.00 for the purpose of
9 implementing innovative strategies for improving student
10 achievement, funded from DED-OESE, title VI, innovative strategies
11 funds.

12 (m) An amount estimated at ~~\$29,911,800.00~~ **\$35,710,100.00** for
13 the purpose of providing high-quality extended learning
14 opportunities, after school and during the summer, for children in
15 low-performing schools, funded from DED-OESE, twenty-first century
16 community learning center funds. Of these funds, \$50,000.00 may be
17 used to support the Michigan after-school partnership. All of the
18 following apply to the Michigan after-school partnership:

19 (i) The department shall collaborate with the department of
20 human services to extend the duration of the Michigan after-school
21 initiative, to be renamed the Michigan after-school partnership and
22 oversee its efforts to implement the policy recommendations and
23 strategic next steps identified in the Michigan after-school
24 initiative's report of December 15, 2003.

25 (ii) Funds shall be used to leverage other private and public
26 funding to engage the public and private sectors in building and
27 sustaining high-quality out-of-school-time programs and resources.

1 The co-chairs, representing the department and the department of
2 human services, shall name a fiduciary agent and may authorize the
3 fiduciary to expend funds and hire people to accomplish the work of
4 the Michigan after-school partnership.

5 (iii) Participation in the Michigan after-school partnership
6 shall be expanded beyond the membership of the initial Michigan
7 after-school initiative to increase the representation of parents,
8 youth, foundations, employers, and others with experience in
9 education, child care, after-school and youth development services,
10 and crime and violence prevention, and to include representation
11 from the ~~Michigan~~ department of community health. Each year, on or
12 before December 31, the Michigan after-school partnership shall
13 report its progress in reaching the recommendations set forth in
14 the Michigan after-school initiative's report to the legislature
15 and the governor.

16 **(N) AN AMOUNT ESTIMATED AT \$17,586,100.00 TO HELP SUPPORT**
17 **LOCAL SCHOOL IMPROVEMENT EFFORTS, FUNDED FROM DED-OESE, TITLE I,**
18 **LOCAL SCHOOL IMPROVEMENT GRANTS.**

19 (2) From the federal funds appropriated in section 11, there
20 is allocated for ~~2007-2008-2008-2009~~ to districts, intermediate
21 districts, and other eligible entities all available federal
22 funding, estimated at ~~\$32,411,000.00~~ **\$32,559,700.00**, for the
23 following programs that are funded by federal grants:

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

27 (b) An amount estimated at ~~\$1,665,400.00~~ **\$1,814,100.00** to

1 provide services to homeless children and youth, funded from DED-
2 OVAE, homeless children and youth funds.

3 (c) An amount estimated at \$200,000.00 for refugee children
4 school impact grants, funded from HHS-ACF, refugee children school
5 impact funds.

6 (d) An amount estimated at \$1,445,600.00 for serve America
7 grants, funded from the corporation for national and community
8 service funds.

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

12 (3) To the extent allowed under federal law, the funds
13 allocated under subsection (1)(h), (i), ~~and (k)~~, **AND (N)** may be
14 used for 1 or more reading improvement programs that meet at least
15 1 of the following:

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

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

25 (c) A cognitive development program that is a research-based,
26 validated educational service program focused on assessing and
27 building essential cognitive and perceptual learning abilities to

1 strengthen pupil concentration and learning.

2 (d) A structured mentoring-tutorial reading program for pupils
3 in preschool to grade 4 that is a research-based, validated program
4 that develops individualized educational plans based on each
5 pupil's age, assessed needs, reading level, interests, and learning
6 style.

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

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

15 (5) As used in this section:

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

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

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

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

23 (e) "HHS-ACF" means the HHS administration for children and
24 families.

25 Sec. 41. From the appropriation in section 11, there is
26 allocated an amount not to exceed \$2,800,000.00 for ~~2007-2008-2008-~~
27 **2009** to applicant districts and intermediate districts offering

Senate Bill No. 1107 as amended March 26, 2008

1 programs of instruction for pupils of limited English-speaking
 2 ability under section 1153 of the revised school code, MCL
 3 380.1153. Reimbursement shall be on a per pupil basis and shall be
 4 based on the number of pupils of limited English-speaking ability
 5 in membership on the pupil membership count day. Funds allocated
 6 under this section shall be used solely for instruction in
 7 speaking, reading, writing, or comprehension of English. A pupil
 8 shall not be counted under this section or instructed in a program
 9 under this section for more than 3 years.

<<SEC. 42. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$100.00 FOR INTERVENTION GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR ENGLISH LANGUAGE ARTS EARLY INTERVENTION PROGRAMS FOR PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE LEVEL. THE PROGRAMS SHALL INCLUDE UNIVERSAL SCREENING OF READING SKILLS FOR ALL PUPILS IN EACH OF THESE GRADES AT LEAST 3 TIMES A SCHOOL YEAR AND SHALL PROVIDE INCREASING LEVELS OF INTERVENTION BASED ON A PUPIL'S ASSESSED GRADE LEVEL READING DEFICIENCIES.>>

10 Sec. 51a. (1) From the appropriation in section 11, there is
 11 allocated for 2007-2008 an amount not to exceed ~~\$1,006,483,000.00~~
 12 **\$990,483,000.00** from state sources and all available federal
 13 funding under sections 611 to 619 of part B of the individuals with
 14 disabilities education act, 20 USC 1411 to 1419, estimated at
 15 \$350,700,000.00, plus any carryover federal funds from previous
 16 year appropriations. **FROM THE APPROPRIATION IN SECTION 11, THERE IS**
 17 **ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$1,025,983,000.00**
 18 **FROM STATE SOURCES AND ALL AVAILABLE FEDERAL FUNDING UNDER SECTIONS**
 19 **611 TO 619 OF PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION**
 20 **ACT, 20 USC 1411 TO 1419, ESTIMATED AT \$350,700,000.00, PLUS ANY**
 21 **CARRYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS.** The
 22 allocations under this subsection are for the purpose of
 23 reimbursing districts and intermediate districts for special
 24 education programs, services, and special education personnel as
 25 prescribed in article 3 of the revised school code, MCL 380.1701 to
 26 380.1766; net tuition payments made by intermediate districts to
 27 the Michigan schools for the deaf and blind; and special education

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

20 (2) From the funds allocated under subsection (1), there is
21 allocated ~~for 2007-2008~~ **EACH FISCAL YEAR** the amount necessary,
22 estimated at ~~\$215,900,000.00~~ **\$216,500,000.00 FOR 2007-2008 AND**
23 **\$224,300,000.00 FOR 2008-2009**, for payments toward reimbursing
24 districts and intermediate districts for 28.6138% of total approved
25 costs of special education, excluding costs reimbursed under
26 section 53a, and 70.4165% of total approved costs of special
27 education transportation. Allocations under this subsection shall

1 be made as follows:

2 (a) The initial amount allocated to a district under this
3 subsection toward fulfilling the specified percentages shall be
4 calculated by multiplying the district's special education pupil
5 membership, excluding pupils described in subsection (12), times
6 the sum of the foundation allowance under section 20 of the pupil's
7 district of residence plus the amount of the district's per pupil
8 allocation under section 20j(2), not to exceed the basic foundation
9 allowance under section 20 for the current fiscal year, or, for a
10 special education pupil in membership in a district that is a
11 public school academy or university school, times an amount equal
12 to the amount per membership pupil calculated under section 20(6).
13 For an intermediate district, the amount allocated under this
14 subdivision toward fulfilling the specified percentages shall be an
15 amount per special education membership pupil, excluding pupils
16 described in subsection (12), and shall be calculated in the same
17 manner as for a district, using the foundation allowance under
18 section 20 of the pupil's district of residence, not to exceed the
19 basic foundation allowance under section 20 for the current fiscal
20 year, and that district's per pupil allocation under section
21 20j(2).

22 (b) After the allocations under subdivision (a), districts and
23 intermediate districts for which the payments under subdivision (a)
24 do not fulfill the specified percentages shall be paid the amount
25 necessary to achieve the specified percentages for the district or
26 intermediate district.

27 (3) From the funds allocated under subsection (1), there is

1 allocated **EACH FISCAL YEAR** for 2007-2008 **AND 2008-2009** the amount
2 necessary, estimated at \$1,500,000.00 **FOR EACH FISCAL YEAR**, to make
3 payments to districts and intermediate districts under this
4 subsection. If the amount allocated to a district or intermediate
5 district for a fiscal year under subsection (2)(b) is less than the
6 sum of the amounts allocated to the district or intermediate
7 district for 1996-97 under sections 52 and 58, there is allocated
8 to the district or intermediate district for the fiscal year an
9 amount equal to that difference, adjusted by applying the same
10 proration factor that was used in the distribution of funds under
11 section 52 in 1996-97 as adjusted to the district's or intermediate
12 district's necessary costs of special education used in
13 calculations for the fiscal year. This adjustment is to reflect
14 reductions in special education program operations or services
15 between 1996-97 and subsequent fiscal years. Adjustments for
16 reductions in special education program operations or services
17 shall be made in a manner determined by the department and shall
18 include adjustments for program or service shifts.

19 (4) If the department determines that the sum of the amounts
20 allocated for a fiscal year to a district or intermediate district
21 under subsection (2)(a) and (b) is not sufficient to fulfill the
22 specified percentages in subsection (2), then the shortfall shall
23 be paid to the district or intermediate district during the fiscal
24 year beginning on the October 1 following the determination and
25 payments under subsection (3) shall be adjusted as necessary. If
26 the department determines that the sum of the amounts allocated for
27 a fiscal year to a district or intermediate district under

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

11 (5) State funds shall be allocated on a total approved cost
12 basis. Federal funds shall be allocated under applicable federal
13 requirements, except that an amount not to exceed \$3,500,000.00 may
14 be allocated by the department for 2007-2008 **AND FOR 2008-2009** to
15 districts, intermediate districts, or other eligible entities on a
16 competitive grant basis for programs, equipment, and services that
17 the department determines to be designed to benefit or improve
18 special education on a statewide scale.

19 (6) From the amount allocated in subsection (1), there is
20 allocated an amount not to exceed \$2,200,000.00 **EACH FISCAL YEAR**
21 for 2007-2008 **AND FOR 2008-2009** to reimburse 100% of the net
22 increase in necessary costs incurred by a district or intermediate
23 district in implementing the revisions in the administrative rules
24 for special education that became effective on July 1, 1987. As
25 used in this subsection, "net increase in necessary costs" means
26 the necessary additional costs incurred solely because of new or
27 revised requirements in the administrative rules minus cost savings

1 permitted in implementing the revised rules. Net increase in
2 necessary costs shall be determined in a manner specified by the
3 department.

4 (7) For purposes of this article, all of the following apply:

5 (a) "Total approved costs of special education" shall be
6 determined in a manner specified by the department and may include
7 indirect costs, but shall not exceed 115% of approved direct costs
8 for section 52 and section 53a programs. The total approved costs
9 include salary and other compensation for all approved special
10 education personnel for the program, including payments for social
11 security and medicare and public school employee retirement system
12 contributions. The total approved costs do not include salaries or
13 other compensation paid to administrative personnel who are not
14 special education personnel as defined in section 6 of the revised
15 school code, MCL 380.6. Costs reimbursed by federal funds, other
16 than those federal funds included in the allocation made under this
17 article, are not included. Special education approved personnel not
18 utilized full time in the evaluation of students or in the delivery
19 of special education programs, ancillary, and other related
20 services shall be reimbursed under this section only for that
21 portion of time actually spent providing these programs and
22 services, with the exception of special education programs and
23 services provided to youth placed in child caring institutions or
24 juvenile detention programs approved by the department to provide
25 an on-grounds education program.

26 (b) Beginning with the 2004-2005 fiscal year, a district or
27 intermediate district that employed special education support

1 services staff to provide special education support services in
2 2003-2004 or in a subsequent fiscal year and that in a fiscal year
3 after 2003-2004 receives the same type of support services from
4 another district or intermediate district shall report the cost of
5 those support services for special education reimbursement purposes
6 under this act. This subdivision does not prohibit the transfer of
7 special education classroom teachers and special education
8 classroom aides if the pupils counted in membership associated with
9 those special education classroom teachers and special education
10 classroom aides are transferred and counted in membership in the
11 other district or intermediate district in conjunction with the
12 transfer of those teachers and aides.

13 (c) If the department determines before bookclosing for ~~2006-~~
14 ~~2007-2007-2008~~ that the amounts allocated for ~~2006-2007-2007-2008~~
15 under subsections (2), (3), (6), (8), and (12) and sections 53a,
16 54, and 56 will exceed expenditures for ~~2006-2007-2007-2008~~ under
17 subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and
18 56, then for ~~2006-2007-2007-2008~~ only, for a district or
19 intermediate district whose reimbursement for ~~2006-2007-2007-2008~~
20 would otherwise be affected by subdivision (b), subdivision (b)
21 does not apply to the calculation of the reimbursement for that
22 district or intermediate district and reimbursement for that
23 district or intermediate district shall be calculated in the same
24 manner as it was for 2003-2004. If the amount of the excess
25 allocations under subsections (2), (3), (6), (8), and (12) and
26 sections 53a, 54, and 56 is not sufficient to fully fund the
27 calculation of reimbursement to those districts and intermediate

1 districts under this subdivision, then the calculations and
2 resulting reimbursement under this subdivision shall be prorated on
3 an equal percentage basis.

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

16 (e) Beginning with calculations for 2004-2005, if an
17 intermediate district purchases a special education pupil
18 transportation service from a constituent district that was
19 previously purchased from a private entity; if the purchase from
20 the constituent district is at a lower cost, adjusted for changes
21 in fuel costs; and if the cost shift from the intermediate district
22 to the constituent does not result in any net change in the revenue
23 the constituent district receives from payments under sections 22b
24 and 51c, then upon application by the intermediate district, the
25 department shall direct the intermediate district to continue to
26 report the cost associated with the specific identified special
27 education pupil transportation service and shall adjust the costs

1 reported by the constituent district to remove the cost associated
2 with that specific service.

3 (8) From the allocation in subsection (1), there is allocated
4 for 2007-2008 **AND FOR 2008-2009** an amount not to exceed
5 \$15,313,900.00 **EACH FISCAL YEAR** to intermediate districts. The
6 payment under this subsection to each intermediate district shall
7 be equal to the amount of the 1996-97 allocation to the
8 intermediate district under subsection (6) of this section as in
9 effect for 1996-97.

10 (9) 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 (10) Special education personnel transferred from 1 district
17 to another to implement the revised school code shall be entitled
18 to 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 (11) 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 (12) From the funds allocated in subsection (1), there is

1 allocated ~~for 2007-2008~~ **EACH FISCAL YEAR** the amount necessary,
2 estimated at ~~\$6,600,000.00~~ **\$7,600,000.00 FOR 2007-2008 AND**
3 **\$7,100,000.00 FOR 2008-2009**, to pay the foundation allowances for
4 pupils described in this subsection. The allocation to a district
5 under this subsection shall be calculated by multiplying the number
6 of pupils described in this subsection who are counted in
7 membership in the district times the sum of the foundation
8 allowance under section 20 of the pupil's district of residence
9 plus the amount of the district's per pupil allocation under
10 section 20j(2), not to exceed the basic foundation allowance under
11 section 20 for the current fiscal year, or, for a pupil described
12 in this subsection who is counted in membership in a district that
13 is a public school academy or university school, times an amount
14 equal to the amount per membership pupil under section 20(6). The
15 allocation to an intermediate district under this subsection shall
16 be calculated in the same manner as for a district, using the
17 foundation allowance under section 20 of the pupil's district of
18 residence, not to exceed the basic foundation allowance under
19 section 20 for the current fiscal year, and that district's per
20 pupil allocation under section 20j(2). This subsection applies to
21 all of the following pupils:

22 (a) Pupils described in section 53a.

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

27 (c) Emotionally impaired pupils counted in membership by an

Senate Bill No. 1107 as amended March 26, 2008

1 intermediate district and provided educational services by the
2 department of community health.

3 (13) IF IT IS DETERMINED THAT FUNDS ALLOCATED UNDER
4 SUBSECTIONS (2) AND (12) AND SECTION 51C WILL NOT BE EXPENDED,
5 FUNDS UP TO THE AMOUNT NECESSARY AND AVAILABLE MAY BE USED TO
6 SUPPLEMENT THE ALLOCATIONS UNDER SUBSECTIONS (2) AND (12) AND
7 SECTION 51C IN ORDER TO FULLY FUND THOSE ALLOCATIONS. After
8 payments under subsections (2) and (12) and section 51c, the
9 remaining expenditures from the allocation in subsection (1) shall
10 be made in the following order:

- 11 (a) 100% of the reimbursement required under section 53a.
12 (b) 100% of the reimbursement required under subsection (6).
13 (c) 100% of the payment required under section 54.
14 (d) 100% of the payment required under subsection (3).
15 (e) 100% of the payment required under subsection (8).
16 (f) 100% of the payments under section 56.

17 (14) The allocations under ~~subsection~~ SUBSECTIONS (2),
18 ~~subsection~~ (3), and ~~subsection~~ (12) shall be allocations to
19 intermediate districts only and shall not be allocations to
20 districts, but instead shall be calculations used only to determine
21 the state payments under section 22b.

22 (15) IN ORDER FOR A DISTRICT OR INTERMEDIATE DISTRICT TO
23 ENROLL PURSUANT TO THIS SECTION A PUPIL FROM A PUBLIC SCHOOL
24 ACADEMY WHO RESIDES << >> OUTSIDE OF THE
25 INTERMEDIATE DISTRICT << >>
26 AND WHO IS ELIGIBLE FOR SPECIAL EDUCATION PROGRAMS AND SERVICES
27 ACCORDING TO STATUTE OR RULE, OR WHO IS A CHILD WITH DISABILITIES,

Senate Bill No. 1107 as amended March 26, 2008

1 AS DEFINED UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT,
2 PUBLIC LAW 108-446, THE ENROLLING DISTRICT <<OR INTERMEDIATE DISTRICT>>
SHALL HAVE A WRITTEN
3 AGREEMENT WITH THE RESIDENT DISTRICT OF THE PUPIL OR THE PUBLIC
4 SCHOOL ACADEMY FOR THE PURPOSE OF PROVIDING THE PUPIL WITH A FREE
5 APPROPRIATE PUBLIC EDUCATION. THE WRITTEN AGREEMENT SHALL INCLUDE,
6 BUT IS NOT LIMITED TO, AN AGREEMENT ON THE RESPONSIBILITY FOR THE
7 PAYMENT OF THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND
8 SERVICES FOR THE PUPIL.

9 Sec. 51c. As required by the court in the consolidated cases
10 known as Durant v State of Michigan, Michigan supreme court docket
11 no. 104458-104492, from the allocation under section 51a(1), there
12 is allocated for 2007-2008 **AND FOR 2008-2009** the amount necessary,
13 estimated at ~~\$713,600,000.00~~ **\$696,000,000.00 FOR 2007-2008 AND**
14 **\$724,200,000.00 FOR 2008-2009**, for payments to reimburse districts
15 for 28.6138% of total approved costs of special education excluding
16 costs reimbursed under section 53a, and 70.4165% of total approved
17 costs of special education transportation. Funds allocated under
18 this section that are not expended in the state fiscal year for
19 which they were allocated, as determined by the department, may be
20 used to supplement the allocations under sections 22a and 22b in
21 order to fully fund those calculated allocations for the same
22 fiscal year.

23 Sec. 51d. (1) From the federal funds appropriated in section
24 11, there is allocated for ~~2007-2008~~ **2008-2009** all available
25 federal funding, estimated at \$74,000,000.00, for special education
26 programs that are funded by federal grants. All federal funds
27 allocated under this section shall be distributed in accordance

1 with federal law. Notwithstanding section 17b, payments of federal
2 funds to districts, intermediate districts, and other eligible
3 entities under this section shall be paid on a schedule determined
4 by the department.

5 (2) From the federal funds allocated under subsection (1), the
6 following amounts are allocated for ~~2007-2008~~ **2008-2009**:

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

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

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

16 (3) As used in this section, "DED-OSERS" means the United
17 States department of education office of special education and
18 rehabilitative services.

19 Sec. 53a. (1) For districts, reimbursement for pupils
20 described in subsection (2) shall be 100% of the total approved
21 costs of operating special education programs and services approved
22 by the department and included in the intermediate district plan
23 adopted pursuant to article 3 of the revised school code, MCL
24 380.1701 to 380.1766, minus the district's foundation allowance
25 calculated under section 20, and minus the amount calculated for
26 the district under section 20j. For intermediate districts,
27 reimbursement for pupils described in subsection (2) shall be

1 calculated in the same manner as for a district, using the
2 foundation allowance under section 20 of the pupil's district of
3 residence, not to exceed the basic foundation allowance under
4 section 20 for the current fiscal year, and under section 20j.

5 (2) Reimbursement under subsection (1) is for the following
6 special education pupils:

7 (a) Pupils assigned to a district or intermediate district
8 through the community placement program of the courts or a state
9 agency, if the pupil was a resident of another intermediate
10 district at the time the pupil came under the jurisdiction of the
11 court or a state agency.

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

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

17 (d) Pupils enrolled in a department-approved on-grounds
18 educational program longer than 180 days, but not longer than 233
19 days, at a residential child care institution, if the child care
20 institution offered in 1991-92 an on-grounds educational program
21 longer than 180 days but not longer than 233 days.

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

25 (3) Only those costs that are clearly and directly
26 attributable to educational programs for pupils described in
27 subsection (2), and that would not have been incurred if the pupils

1 were not being educated in a district or intermediate district, are
2 reimbursable under this section.

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

5 (5) Not more than \$12,800,000.00 of the allocation for ~~2007-~~
6 ~~2008-2008-2009~~ in section 51a(1) shall be allocated under this
7 section.

8 Sec. 54. Each intermediate district shall receive an amount
9 per pupil for each pupil in attendance at the Michigan schools for
10 the deaf and blind. The amount shall be proportionate to the total
11 instructional cost at each school. Not more than \$1,688,000.00 of
12 the allocation for ~~2007-2008-2008-2009~~ in section 51a(1) shall be
13 allocated under this section.

14 Sec. 54a. (1) From the state school aid fund money
15 appropriated in section 11, there is allocated an amount not to
16 exceed ~~\$250,000.00 for 2007-2008~~ **\$100,000.00 FOR 2008-2009** to the
17 lending library located at central Michigan university from which
18 districts and intermediate districts can borrow assessment
19 materials designed specifically for children with severe loss of
20 vision or hearing, severe cognitive or motor disabilities, or
21 multiple disabilities and for children who require the most
22 specialized types of psychological and educational assessment. ~~It~~
23 ~~is the intent of the legislature to allocate an amount not to~~
24 ~~exceed \$100,000.00 for subsequent fiscal years for this purpose.~~

25 (2) The lending library shall make test assessment materials
26 available through borrowing to districts and intermediate
27 districts. The lending library shall also provide information about

1 the lending library at meetings and conferences for school
2 personnel and shall develop a website to describe the services
3 offered by the lending library. The lending library also shall mail
4 information about the services offered by the lending library to
5 all districts and intermediate districts.

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

7 (a) "Membership" means for a particular fiscal year the total
8 membership for the immediately preceding fiscal year of the
9 intermediate district and the districts constituent to the
10 intermediate district.

11 (b) "Millage levied" means the millage levied for special
12 education pursuant to part 30 of the revised school code, MCL
13 380.1711 to 380.1743, including a levy for debt service
14 obligations.

15 (c) "Taxable value" means the total taxable value of the
16 districts constituent to an intermediate district, except that if a
17 district has elected not to come under part 30 of the revised
18 school code, MCL 380.1711 to 380.1743, membership and taxable value
19 of the district shall not be included in the membership and taxable
20 value of the intermediate district.

21 (2) From the allocation under section 51a(1), there is
22 allocated an amount not to exceed \$36,881,100.00 **EACH FISCAL YEAR**
23 for 2007-2008 **AND FOR 2008-2009** to reimburse intermediate districts
24 levying millages for special education pursuant to part 30 of the
25 revised school code, MCL 380.1711 to 380.1743. The purpose, use,
26 and expenditure of the reimbursement shall be limited as if the
27 funds were generated by these millages and governed by the

1 intermediate district plan adopted pursuant to article 3 of the
2 revised school code, MCL 380.1701 to 380.1766. As a condition of
3 receiving funds under this section, an intermediate district
4 distributing any portion of special education millage funds to its
5 constituent districts shall submit for departmental approval and
6 implement a distribution plan.

7 (3) Reimbursement for those millages levied in 2006-2007 shall
8 be made in 2007-2008 at an amount per 2006-2007 membership pupil
9 computed by subtracting from ~~\$161,400.00~~ **\$161,800.00** the 2006-2007
10 taxable value behind each membership pupil and multiplying the
11 resulting difference by the 2006-2007 millage levied. **REIMBURSEMENT**
12 **FOR THOSE MILLAGES LEVIED IN 2007-2008 SHALL BE MADE IN 2008-2009**
13 **AT AN AMOUNT PER 2007-2008 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING**
14 **FROM \$172,500.00 THE 2007-2008 TAXABLE VALUE BEHIND EACH MEMBERSHIP**
15 **PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2007-2008**
16 **MILLAGE LEVIED.**

17 Sec. 57. (1) From the appropriation in section 11, there is
18 allocated an amount not to exceed ~~\$285,000.00 for 2007-2008~~
19 **\$350,000.00 FOR 2008-2009** for grants to intermediate districts for
20 advanced and accelerated students.

21 (2) To qualify for funding under this section, a grant
22 recipient shall support part of the cost of summer institutes for
23 advanced and accelerated students and, to the extent the funding
24 allows, provide comprehensive programs for advanced and accelerated
25 pupils.

26 (3) Except as otherwise provided in this subsection, the
27 amount of a single grant award under this section shall not exceed

Senate Bill No. 1107 as amended March 26, 2008

1 ~~\$5,000.00~~-\$6,100.00. Intermediate districts may form a consortium,
 2 and that consortium may receive a maximum grant amount of ~~\$5,000.00~~
 3 \$6,100.00 for each participant intermediate district. Each
 4 intermediate district or consortium must apply for grant funding by
 5 April 1, ~~2008~~2009 and demonstrate compliance with subsection (2).

6 (4) A district, intermediate district, or consortium that
 7 receives a grant under this section shall provide at least a 25%
 8 match for grant money received under this section from local public
 9 or private resources.

10 (5) Any unallocated grant funds may be allocated to
 11 intermediate districts and consortia receiving grants under this
 12 section in an equal amount per intermediate district.

13 **SEC. 57A. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN**
 14 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00**
 15 **FOR 2008-2009 FOR GRANTS UNDER THIS SECTION. THE DEPARTMENT SHALL**
 16 **MAKE GRANTS TO APPLICANT DISTRICTS, INTERMEDIATE DISTRICTS, OR**
 17 **CONSORTIA CONSISTING OF DISTRICTS OR INTERMEDIATE DISTRICTS OR**
 18 **BOTH, TO ASSIST TO OFFSET THE COSTS OF ESTABLISHING AN**
 19 **INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM OR INTERNATIONAL**
 20 **BACCALAUREATE MIDDLE YEARS PROGRAM<<, OR TO ASSIST TO OFFSET THE COSTS OF**
SUPPORTING AN INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM OR
INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM ESTABLISHED WITHIN THE
PRIOR THREE YEARS>>.

21 (2) ALL OF THE FOLLOWING APPLY TO A GRANT UNDER THIS SECTION:

22 (A) A DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM
 23 CONSISTING OF DISTRICTS OR INTERMEDIATE DISTRICTS OR BOTH SHALL
 24 APPLY FOR THE GRANT TO THE DEPARTMENT IN THE FORM AND MANNER
 25 PRESCRIBED BY THE DEPARTMENT.

26 (B) THE AMOUNT OF EACH GRANT SHALL BE \$50,000.00, AND A GRANT
 27 RECIPIENT MAY RECEIVE A GRANT UNDER THIS SECTION EACH FISCAL YEAR

Senate Bill No. 1107 as amended March 26, 2008

1 FOR NOT MORE THAN 4 FISCAL YEARS.

2 (C) GRANT FUNDS SHALL BE USED ONLY FOR START-UP COSTS FOR THE
3 FIRST <<7>> YEARS OF ESTABLISHING AN INTERNATIONAL BACCALAUREATE
4 DIPLOMA PROGRAM OR INTERNATIONAL BACCALAUREATE MIDDLE YEARS
5 PROGRAM, AS PRESCRIBED BY THE DEPARTMENT.

6 (D) THE DEPARTMENT SHALL AWARD THE GRANTS TO GRANT APPLICANTS
7 IN CONSULTATION WITH AN ADVISORY COMMITTEE ESTABLISHED BY THE
8 DEPARTMENT. THE ADVISORY COMMITTEE SHALL CONSIST OF A
9 REPRESENTATIVE OF THE DEPARTMENT, A REPRESENTATIVE DESIGNATED BY
10 THE GOVERNOR, A DISTRICT SUPERINTENDENT, A REPRESENTATIVE FROM AN
11 EXISTING INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM, AND A
12 REPRESENTATIVE OF THE INTERNATIONAL BACCALAUREATE ORGANIZATION.

13 (E) A PROGRAM FUNDED BY A GRANT UNDER THIS SECTION SHALL SERVE
14 EITHER AT LEAST 75 PUPILS ENROLLED IN EACH GRADE LEVEL IN WHICH THE
15 PROGRAM IS OFFERED OR AT LEAST 200 TOTAL PUPILS ENROLLED IN THE
16 PROGRAM.

17 (F) IF THE NUMBER OF GRANT APPLICANTS EXCEEDS THE NUMBER THAT
18 MAY BE FULLY FUNDED WITH THE AMOUNT ALLOCATED UNDER THIS SECTION,
19 THE DEPARTMENT SHALL AWARD THE GRANTS BASED ON THE FOLLOWING:

20 (i) THE NUMBER OF PUPILS TO BE ENROLLED IN THE PROGRAM. FOR A
21 MIDDLE YEARS PROGRAM, THIS MEANS THE NUMBER ENROLLED IN THE PROGRAM
22 IN GRADES 6 TO 8. FOR A DIPLOMA PROGRAM, THIS MEANS THE NUMBER OF
23 PUPILS ENROLLED IN GRADES 9 TO 12.

24 (ii) THE DEPARTMENT SHALL GIVE PRIORITY TO PROGRAMS OPERATED BY
25 A CONSORTIUM AND TO DIPLOMA PROGRAMS THAT REQUIRE FULL DIPLOMA
26 PARTICIPATION.

27 (iii) THE DEPARTMENT SHALL ATTEMPT TO BALANCE THE GRANTS BETWEEN

1 DIPLOMA PROGRAMS AND MIDDLE YEARS PROGRAMS.

2 (G) IF MORE THAN 1 DISTRICT, INTERMEDIATE DISTRICT, OR
3 CONSORTIUM APPLIES FOR A GRANT OR GRANTS UNDER THIS SECTION, THE
4 DEPARTMENT SHALL NOT AWARD MORE THAN 1 GRANT UNDER THIS SECTION TO
5 A PARTICULAR DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM.

6 (H) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
7 MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

8 (3) AS USED IN THIS SECTION:

9 (A) "INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM" OR "DIPLOMA
10 PROGRAM" MEANS A PROGRAM THAT OFFERS THE CURRICULUM AND
11 EXAMINATIONS LEADING TO AN INTERNATIONAL BACCALAUREATE DIPLOMA
12 AWARDED BY THE INTERNATIONAL BACCALAUREATE ORGANIZATION AND THAT
13 EITHER HAS BEEN AUTHORIZED BY THE INTERNATIONAL BACCALAUREATE
14 ORGANIZATION OR HAS INITIATED THE APPLICATION PROCESS FOR ACHIEVING
15 THAT AUTHORIZATION.

16 (B) "INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM" OR
17 "MIDDLE YEARS PROGRAM" MEANS A MIDDLE SCHOOL PROGRAM THAT OFFERS
18 THE MIDDLE SCHOOL CURRICULUM AND EXAMINATIONS OF THE INTERNATIONAL
19 BACCALAUREATE ORGANIZATION AND THAT EITHER HAS BEEN AUTHORIZED BY
20 THE INTERNATIONAL BACCALAUREATE ORGANIZATION OR HAS INITIATED THE
21 APPLICATION PROCESS FOR ACHIEVING THAT AUTHORIZATION.

22 Sec. 61a. (1) From the appropriation in section 11, there is
23 allocated an amount not to exceed \$30,000,000.00 for ~~2007-2008~~
24 2008-2009 to reimburse on an added cost basis districts, except for
25 a district that served as the fiscal agent for a vocational
26 education consortium in the 1993-94 school year, and secondary area
27 vocational-technical education centers for secondary-level

1 vocational-technical education programs, including parenthood
2 education programs, according to rules approved by the
3 superintendent. Applications for participation in the programs
4 shall be submitted in the form prescribed by the department. The
5 department shall determine the added cost for each vocational-
6 technical program area. The allocation of added cost funds shall be
7 based on the type of vocational-technical programs provided, the
8 number of pupils enrolled, and the length of the training period
9 provided, and shall not exceed 75% of the added cost of any
10 program. With the approval of the department, the board of a
11 district maintaining a secondary vocational-technical education
12 program may offer the program for the period from the close of the
13 school year until September 1. The program shall use existing
14 facilities and shall be operated as prescribed by rules promulgated
15 by the superintendent.

16 (2) Except for a district that served as the fiscal agent for
17 a vocational education consortium in the 1993-94 school year,
18 districts and intermediate districts shall be reimbursed for local
19 vocational administration, shared time vocational administration,
20 and career education planning district vocational-technical
21 administration. The definition of what constitutes administration
22 and reimbursement shall be pursuant to guidelines adopted by the
23 superintendent. Not more than \$800,000.00 of the allocation in
24 subsection (1) shall be distributed under this subsection.

25 (3) From the allocation in subsection (1), there is allocated
26 an amount not to exceed \$388,700.00 for ~~2007-2008~~**2008-2009** to
27 intermediate districts with constituent districts that had combined

1 state and local revenue per membership pupil in the 1994-95 state
2 fiscal year of \$6,500.00 or more, served as a fiscal agent for a
3 state board designated area vocational education center in the
4 1993-94 school year, and had an adjustment made to their 1994-95
5 combined state and local revenue per membership pupil pursuant to
6 section 20d. The payment under this subsection to the intermediate
7 district shall equal the amount of the allocation to the
8 intermediate district for 1996-97 under this subsection.

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

10 (a) "Membership" means for a particular fiscal year the total
11 membership for the immediately preceding fiscal year of the
12 intermediate district and the districts constituent to the
13 intermediate district or the total membership for the immediately
14 preceding fiscal year of the area vocational-technical program.

15 (b) "Millage levied" means the millage levied for area
16 vocational-technical education pursuant to sections 681 to 690 of
17 the revised school code, MCL 380.681 to 380.690, including a levy
18 for debt service obligations incurred as the result of borrowing
19 for capital outlay projects and in meeting capital projects fund
20 requirements of area vocational-technical education.

21 (c) "Taxable value" means the total taxable value of the
22 districts constituent to an intermediate district or area
23 vocational-technical education program, except that if a district
24 has elected not to come under sections 681 to 690 of the revised
25 school code, MCL 380.681 to 380.690, the membership and taxable
26 value of that district shall not be included in the membership and
27 taxable value of the intermediate district. However, the membership

1 and taxable value of a district that has elected not to come under
2 sections 681 to 690 of the revised school code, MCL 380.681 to
3 380.690, shall be included in the membership and taxable value of
4 the intermediate district if the district meets both of the
5 following:

6 (i) The district operates the area vocational-technical
7 education program pursuant to a contract with the intermediate
8 district.

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

14 (2) From the appropriation in section 11, there is allocated
15 an amount not to exceed \$9,000,000.00 **EACH FISCAL YEAR** for 2007-
16 2008 **AND FOR 2008-2009** to reimburse intermediate districts and area
17 vocational-technical education programs established under section
18 690(3) of the revised school code, MCL 380.690, levying millages
19 for area vocational-technical education pursuant to sections 681 to
20 690 of the revised school code, MCL 380.681 to 380.690. The
21 purpose, use, and expenditure of the reimbursement shall be limited
22 as if the funds were generated by those millages.

23 (3) Reimbursement for the millages levied in 2006-2007 shall
24 be made in 2007-2008 at an amount per 2006-2007 membership pupil
25 computed by subtracting from ~~\$171,200.00~~ **\$171,300.00** the 2006-2007
26 taxable value behind each membership pupil and multiplying the
27 resulting difference by the 2006-2007 millage levied. **REIMBURSEMENT**

1 FOR THE MILLAGES LEVIED IN 2007-2008 SHALL BE MADE IN 2008-2009 AT
2 AN AMOUNT PER 2007-2008 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING
3 FROM \$181,500.00 THE 2007-2008 TAXABLE VALUE BEHIND EACH MEMBERSHIP
4 PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2008-2009
5 MILLAGE LEVIED.

6 Sec. 64. (1) From the appropriation in section 11, there is
7 allocated an amount not to exceed \$2,000,000.00 for ~~2007-2008-2008-~~
8 2009 for grants to intermediate districts or a district of the
9 first class that are in consortium with a community college or
10 state public university and a hospital to create and implement a
11 middle college focused on the field of health sciences.

12 (2) Awards shall be made in a manner and form as determined by
13 the department; however, at a minimum, eligible consortia funded
14 under this section shall ensure the middle college provides all of
15 the following:

16 (a) Outreach programs to provide information to middle school
17 and high school students about career opportunities in the health
18 sciences field.

19 (b) An individualized education plan for each pupil enrolled
20 in the program.

21 (c) Curriculum that includes entry-level college courses.

22 (d) Clinical rotations that provide opportunities for pupils
23 to observe careers in the health sciences.

24 **(E) INTEGRATED ACADEMICS STAFFING TO PROVIDE INSTRUCTION IN**
25 **MATHEMATICS, SCIENCE, AND LANGUAGE ARTS.**

26 (3) For the purposes of this section, "middle college" means a
27 series of courses and other requirements and conditions established

1 by the consortium that allow a pupil to graduate with a high school
2 diploma and a certificate or degree from a community college or
3 state public university.

4 (4) ~~A district or intermediate district that received a grant~~
5 ~~under this section in 2006-2007 shall receive 100% of that amount~~
6 ~~in 2007-2008, 50% of the 2007-2008 amount in 2008-2009, and 50% of~~
7 ~~the 2008-2009 amount in 2009-2010.~~ **BEGINNING IN 2006-2007, A**
8 **DISTRICT OR INTERMEDIATE DISTRICT MAY RECEIVE A GRANT UNDER THIS**
9 **SECTION FOR UP TO 4 CONSECUTIVE FISCAL YEARS. FOR THE FIRST 2**
10 **FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT SHALL BE 100% OF**
11 **THE AWARD DETERMINED BY THE DEPARTMENT. FOR EACH OF THE REMAINING 2**
12 **FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT SHALL BE AN**
13 **AMOUNT EQUAL TO 50% OF THE RECIPIENT'S GRANT AMOUNT FOR THE**
14 **PREVIOUS FISCAL YEAR.**

15 Sec. 65. (1) From the amount appropriated in section 11, there
16 is allocated an amount not to exceed ~~\$680,100.00~~ **\$1,100,000.00** for
17 ~~2007-2008-2008-2009~~ for grants to districts or intermediate
18 districts, as determined by the department, for eligible precollege
19 programs in engineering and the sciences.

20 (2) From the funds allocated under subsection (1), the
21 department shall award ~~\$680,100.00 for 2007-2008~~ **\$500,000.00 FOR**
22 **EACH PROGRAM FOR 2008-2009** to the 2 eligible existing programs that
23 received funds appropriated for these purposes in the
24 appropriations act containing the department of labor and economic
25 growth budget for 2005-2006.

26 (3) **FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE**
27 **DEPARTMENT SHALL AWARD \$100,000.00 FOR 2008-2009 TO THE KALAMAZOO**

1 REGIONAL EDUCATION SERVICE AGENCY TO SUPPORT AN AREA PROGRAM
2 SUBSTANTIALLY SIMILAR TO THE 2 ELIGIBLE EXISTING PROGRAMS RECEIVING
3 FUNDS UNDER SUBSECTION (2).

4 (4) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, AN ELIGIBLE
5 PRECOLLEGE ENGINEERING PROGRAM IN ENGINEERING AND THE SCIENCES
6 SHALL RECRUIT HISPANIC STUDENTS.

7 (5) ~~(3)~~—The department shall submit a report to the
8 appropriations subcommittees responsible for this act, **TO THE STATE**
9 **BUDGET DIRECTOR**, and to the house and senate fiscal agencies by
10 February 1, ~~2008~~—**2009** regarding dropout rates, grade point
11 averages, enrollment in science, engineering, and math-based
12 curricula, and employment in science, engineering, and mathematics-
13 based fields for pupils who were enrolled in the programs awarded
14 funds under this section or under preceding legislation. The report
15 shall continue to evaluate the effectiveness of the precollege
16 programs in engineering and sciences funded under this section.

17 (6) ~~(4)~~—Notwithstanding section 17b, payments under this
18 section ~~may be made pursuant to an agreement with~~ **SHALL BE PAID ON**
19 **A SCHEDULE AND IN A MANNER DETERMINED BY** the department.

20 Sec. 74. (1) From the amount appropriated in section 11, there
21 is allocated an amount not to exceed ~~\$3,025,800.00~~ **\$3,028,500.00**
22 for ~~2007-2008~~—**2008-2009** for the purposes of this section.

23 (2) From the allocation in subsection (1), there is allocated
24 for ~~2007-2008~~—**2008-2009** the amount necessary for payments to state
25 supported colleges or universities and intermediate districts
26 providing school bus driver safety instruction or driver skills
27 road tests pursuant to sections 51 and 52 of the pupil

1 transportation act, 1990 PA 187, MCL 257.1851 and 257.1852. The
2 payments shall be in an amount determined by the department not to
3 exceed 75% of the actual cost of instruction and driver
4 compensation for each public or nonpublic school bus driver
5 attending a course of instruction. For the purpose of computing
6 compensation, the hourly rate allowed each school bus driver shall
7 not exceed the hourly rate received for driving a school bus.
8 Reimbursement compensating the driver during the course of
9 instruction or driver skills road tests shall be made by the
10 department to the college or university or intermediate district
11 providing the course of instruction.

12 (3) From the allocation in subsection (1), there is allocated
13 each fiscal year the amount necessary to pay the reasonable costs
14 of nonspecial education auxiliary services transportation provided
15 pursuant to section 1323 of the revised school code, MCL 380.1323.
16 Districts funded under this subsection shall not receive funding
17 under any other section of this act for nonspecial education
18 auxiliary services transportation.

19 (4) From the funds allocated in subsection (1), there is
20 allocated an amount not to exceed ~~\$1,400,800.00~~ **\$1,403,500.00** for
21 ~~2007-2008-2008-2009~~ for reimbursement to districts and intermediate
22 districts for costs associated with the inspection of school buses
23 and pupil transportation vehicles by the department of state police
24 as required under section 715a of the Michigan vehicle code, 1949
25 PA 300, MCL 257.715a, and section 39 of the pupil transportation
26 act, 1990 PA 187, MCL 257.1839. The department of state police
27 shall prepare a statement of costs attributable to each district

1 for which bus inspections are provided and submit it to the
2 department and to each affected district in a time and manner
3 determined jointly by the department and the department of state
4 police. The department shall reimburse each district and
5 intermediate district for costs detailed on the statement within 30
6 days after receipt of the statement. Districts for which services
7 are provided shall make payment in the amount specified on the
8 statement to the department of state police within 45 days after
9 receipt of the statement. The total reimbursement of costs under
10 this subsection shall not exceed the amount allocated under this
11 subsection. Notwithstanding section 17b, payments to eligible
12 entities under this subsection shall be paid on a schedule
13 prescribed by the department.

14 Sec. 81. (1) Except as otherwise provided in this section,
15 from the appropriation in section 11, there is allocated for ~~2007-~~
16 ~~2008-2009~~ to the intermediate districts the sum necessary, but
17 not to exceed ~~\$80,912,000.00~~ **\$81,805,000.00**, to provide state aid
18 to intermediate districts under this section. Except as otherwise
19 provided in this section, there shall be allocated to each
20 intermediate district for ~~2007-2008-~~ **2008-2009** an amount equal to
21 ~~101.0%~~ **101.1%** of the amount appropriated under this subsection for
22 ~~2006-2007-~~ **2007-2008**. Funding provided under this section shall be
23 used to comply with requirements of this act and the revised school
24 code that are applicable to intermediate districts, and for which
25 funding is not provided elsewhere in this act, and to provide
26 technical assistance to districts as authorized by the intermediate
27 school board.

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

6 (3) From the allocation in subsection (1), there is allocated
7 to an intermediate district, formed by the consolidation or
8 annexation of 2 or more intermediate districts or the attachment of
9 a total intermediate district to another intermediate school
10 district or the annexation of all of the constituent K-12 districts
11 of a previously existing intermediate school district which has
12 disorganized, an additional allotment of \$3,500.00 each fiscal year
13 for each intermediate district included in the new intermediate
14 district for 3 years following consolidation, annexation, or
15 attachment.

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

25 (5) In order to receive funding under this section, an
26 intermediate district shall do all of the following:

27 (a) Demonstrate to the satisfaction of the department that the

1 intermediate district employs at least 1 person who is trained in
2 pupil counting procedures, rules, and regulations.

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

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

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

14 (e) Comply with section 1230g of the revised school code, MCL
15 380.1230g.

16 (f) Comply with section 761 of the revised school code, MCL
17 380.761.

18 Sec. 94a. (1) There is created within the office of the state
19 budget director in the department of management and budget the
20 center for educational performance and information. The center
21 shall do all of the following:

22 (a) Coordinate the collection of all data required by state
23 and federal law from all entities receiving funds under this act.

24 (b) Collect data in the most efficient manner possible in
25 order to reduce the administrative burden on reporting entities.

26 (c) Establish procedures to ensure the reasonable validity and
27 reliability of the data and the collection process.

1 (d) Develop state and model local data collection policies,
2 including, but not limited to, policies that ensure the privacy of
3 individual student data. State privacy policies shall ensure that
4 student social security numbers are not released to the public for
5 any purpose.

6 (e) Provide data in a useful manner to allow state and local
7 policymakers to make informed policy decisions.

8 (f) Provide reports to the citizens of this state to allow
9 them to assess allocation of resources and the return on their
10 investment in the education system of this state.

11 (g) Assist all entities receiving funds under this act in
12 complying with audits performed according to generally accepted
13 accounting procedures.

14 **(H) TO THE EXTENT THAT FUNDING IS AVAILABLE, COORDINATE THE**
15 **ELECTRONIC EXCHANGE OF STUDENT RECORDS USING A UNIQUE**
16 **IDENTIFICATION NUMBERING SYSTEM AMONG ENTITIES RECEIVING FUNDS**
17 **UNDER THIS ACT AND POSTSECONDARY INSTITUTIONS FOR STUDENTS**
18 **PARTICIPATING IN PUBLIC EDUCATION PROGRAMS FROM PRESCHOOL THROUGH**
19 **POSTSECONDARY EDUCATION.**

20 **(I) ~~(h)~~**Other functions as assigned by the state budget
21 director.

22 (2) Each state department, officer, or agency that collects
23 information from districts or intermediate districts as required
24 under state or federal law shall make arrangements with the center,
25 and with the districts or intermediate districts, to have the
26 center collect the information and to provide it to the department,
27 officer, or agency as necessary. To the extent that it does not

1 cause financial hardship, the center shall arrange to collect the
2 information in a manner that allows electronic submission of the
3 information to the center. Each affected state department, officer,
4 or agency shall provide the center with any details necessary for
5 the center to collect information as provided under this
6 subsection. This subsection does not apply to information collected
7 by the department of treasury under the uniform budgeting and
8 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised
9 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the
10 school bond qualification, approval, and loan act, 2005 PA 92, MCL
11 388.1921 to 388.1939; or section 1351a of the revised school code,
12 MCL 380.1351a.

13 (3) The state budget director shall appoint a CEPI advisory
14 committee, consisting of the following members:

15 (a) One representative from the house fiscal agency.

16 (b) One representative from the senate fiscal agency.

17 (c) One representative from the office of the state budget
18 director.

19 (d) One representative from the state education agency.

20 (e) One representative each from the department of labor and
21 economic growth and the department of treasury.

22 (f) Three representatives from intermediate school districts.

23 (g) One representative from each of the following educational
24 organizations:

25 (i) Michigan association of school boards.

26 (ii) Michigan association of school administrators.

27 (iii) Michigan school business officials.

1 (h) One representative representing private sector firms
2 responsible for auditing school records.

3 (i) Other representatives as the state budget director
4 determines are necessary.

5 (4) The CEPI advisory committee appointed under subsection (3)
6 shall provide advice to the director of the center regarding the
7 management of the center's data collection activities, including,
8 but not limited to:

9 (a) Determining what data is necessary to collect and maintain
10 in order to perform the center's functions in the most efficient
11 manner possible.

12 (b) Defining the roles of all stakeholders in the data
13 collection system.

14 (c) Recommending timelines for the implementation and ongoing
15 collection of data.

16 (d) Establishing and maintaining data definitions, data
17 transmission protocols, and system specifications and procedures
18 for the efficient and accurate transmission and collection of data.

19 (e) Establishing and maintaining a process for ensuring the
20 reasonable accuracy of the data.

21 (f) Establishing and maintaining state and model local
22 policies related to data collection, including, but not limited to,
23 privacy policies related to individual student data.

24 (g) Ensuring the data is made available to state and local
25 policymakers and citizens of this state in the most useful format
26 possible.

27 (h) Other matters as determined by the state budget director

1 or the director of the center.

2 (5) The center may enter into any interlocal agreements
3 necessary to fulfill its functions.

4 (6) From the general fund appropriation in section 11, there
5 is allocated an amount not to exceed ~~\$2,435,400.00~~ **\$4,755,400.00**
6 for ~~2007-2008-2008-2009~~ to the department of management and budget
7 to support the operations of the center and the development and
8 implementation of a comprehensive **LONGITUDINAL** data **COLLECTION**
9 management and ~~student tracking-REPORTING~~ system **THAT INCLUDES**
10 **STUDENT-LEVEL DATA**. The center shall cooperate with the state
11 education agency to ensure that this state is in compliance with
12 federal law and is maximizing opportunities for increased federal
13 funding to improve education in this state. In addition, from the
14 federal funds appropriated in section 11 for ~~2007-2008-2008-2009~~,
15 there is allocated the amount necessary, estimated at ~~\$3,543,200.00~~
16 **\$2,793,200.00**, in order to fulfill federal reporting requirements.

17 (7) From ~~the allocation under subsection (6), there is~~
18 ~~allocated for 2007-2008 an amount to support the development and~~
19 ~~implementation of a comprehensive longitudinal educational data~~
20 ~~management and student tracking system. In addition, from the~~
21 federal funds allocated in subsection (6), there is allocated for
22 ~~2007-2008-2008-2009~~ an amount not to exceed ~~\$1,500,000.00~~
23 **\$750,000.00** funded from the competitive grants of DED-OESE, title
24 II, educational technology funds for the purposes of this
25 subsection. Not later than November 30, ~~2007-2008~~, the department
26 shall award a single grant to an eligible partnership that includes
27 an intermediate district with at least 1 high-need local school

1 district and the center.

2 (8) The center and the department shall work cooperatively to
3 develop a cost allocation plan that pays for center expenses from
4 the appropriate federal fund revenues.

5 (9) Funds allocated under this section that are not expended
6 in the fiscal year in which they were allocated may be carried
7 forward to a subsequent fiscal year.

8 (10) The center may bill departments as necessary in order to
9 fulfill reporting requirements of state and federal law. The center
10 may also enter into agreements to supply custom data, analysis, and
11 reporting to other principal executive departments, state agencies,
12 local units of government, and other individuals and organizations.
13 The center may receive and expend funds in addition to those
14 authorized in subsection (6) to cover the costs associated with
15 salaries, benefits, supplies, materials, and equipment necessary to
16 provide such data, analysis, and reporting services.

17 (11) As used in this section:

18 (a) "DED-OESE" means the United States department of education
19 office of elementary and secondary education.

20 (b) "High-need local school district" means a local
21 educational agency as defined in the enhancing education through
22 technology part of the no child left behind act of 2001, Public Law
23 107-110.

24 (c) "State education agency" means the department.

25 Sec. 98. (1) From the state school aid fund money appropriated
26 in section 11, there is allocated an amount not to exceed
27 \$500,000.00 for ~~2007-2008~~ 2008-2009 and from the general fund money

1 appropriated in section 11, there is allocated an amount not to
2 exceed \$1,750,000.00 for ~~2007-2008~~**2008-2009** to provide a grant to
3 the Michigan virtual university for the development,
4 implementation, and operation of the Michigan virtual high school;
5 to provide professional development opportunities for educators;
6 and to fund other purposes described in this section. In addition,
7 from the federal funds appropriated in section 11, there is
8 allocated for ~~2007-2008~~**2008-2009** an amount estimated at
9 ~~\$3,250,000.00~~**\$2,700,000.00**.

10 (2) The Michigan virtual high school shall have the following
11 goals:

12 (a) Significantly expand curricular offerings for high schools
13 across this state through agreements with districts or licenses
14 from other recognized providers. The Michigan virtual high school
15 shall explore options for providing rigorous civics curricula
16 online.

17 (b) Create statewide instructional models using interactive
18 multimedia tools delivered by electronic means, including, but not
19 limited to, the internet, digital broadcast, or satellite network,
20 for distributed learning at the high school level.

21 (c) Provide pupils with opportunities to develop skills and
22 competencies through on-line learning.

23 (d) Grant high school diplomas through a dual enrollment
24 method with districts.

25 (e) Act as a broker for college level equivalent courses, as
26 defined in section 1471 of the revised school code, MCL 380.1471,
27 and dual enrollment courses from postsecondary education

1 institutions.

2 **(F) MAINTAIN THE ACCREDITATION STATUS OF THE MICHIGAN VIRTUAL**
3 **HIGH SCHOOL FROM RECOGNIZED NATIONAL AND INTERNATIONAL ACCREDITING**
4 **ENTITIES.**

5 (3) The Michigan virtual high school course offerings shall
6 include, but are not limited to, all of the following:

7 (a) Information technology courses.

8 (b) College level equivalent courses, as defined in section
9 1471 of the revised school code, MCL 380.1471.

10 (c) Courses and dual enrollment opportunities.

11 (d) Programs and services for at-risk pupils.

12 (e) General education development test preparation courses for
13 adjudicated youth.

14 (f) Special interest courses.

15 (g) Professional development programs and services for
16 teachers.

17 (4) From the federal funds allocated in subsection (1), there
18 is allocated for ~~2007-2008-2008-2009~~ an amount estimated at
19 ~~\$2,250,000.00~~ **\$1,700,000.00** from DED-OESE, title II, improving
20 teacher quality funds for a grant to the Michigan virtual
21 university for the purpose of this subsection. The state education
22 agency shall sign a memorandum of understanding with the Michigan
23 virtual university regarding the DED-OESE, title II, improving
24 teacher quality funds as provided under this subsection. The
25 memorandum of understanding under this subsection shall require
26 that the Michigan virtual university coordinate the following
27 activities related to DED-OESE, title II, improving teacher quality

1 funds in accordance with federal law:

2 (a) Develop, and assist districts in the development and use
3 of, proven, innovative strategies to deliver intensive professional
4 development programs that are both cost-effective and easily
5 accessible, such as strategies that involve delivery through the
6 use of technology, peer networks, and distance learning.

7 (b) Encourage and support the training of teachers and
8 administrators to effectively integrate technology into curricula
9 and instruction.

10 (c) Coordinate the activities of eligible partnerships that
11 include higher education institutions for the purposes of providing
12 professional development activities for teachers,
13 paraprofessionals, and principals as defined in federal law.

14 (d) Offer teachers opportunities to learn new skills and
15 strategies for developing and delivering instructional services.

16 (e) Provide online professional development opportunities for
17 educators to update and expand knowledge and skills needed to
18 support the Michigan merit curriculum core content standards and
19 credit requirements.

20 (5) The Michigan virtual university shall offer at least 200
21 hours of online professional development for classroom teachers
22 under this section each fiscal year beginning in 2006-2007 without
23 charge to the teachers or to districts or intermediate districts. A
24 district or intermediate district may require a full-time teacher
25 to participate in at least 5 hours of online professional
26 development provided by the Michigan virtual university under
27 subsection (4). Five hours of this professional development shall

1 be considered to be part of the 38 hours allowed to be counted as
2 hours of pupil instruction under section 101(10).

3 (6) From the federal funds appropriated in subsection (1),
4 there is allocated for ~~2007-2008~~**2008-2009** an amount estimated at
5 \$1,000,000.00 from the DED-OESE, title II, educational technology
6 grant funds to support e-learning and virtual school initiatives
7 consistent with the goals contained in the United States national
8 educational technology plan issued in January 2005. **THESE FUNDS**
9 **SHALL BE USED TO SUPPORT ACTIVITIES DESIGNED TO BUILD THE CAPACITY**
10 **OF THE MICHIGAN VIRTUAL UNIVERSITY AND SHALL NOT BE USED TO**
11 **SUPPLANT OTHER FUNDING.** Not later than November 30, ~~2007-2008~~, from
12 the funds allocated in this subsection, the department shall award
13 a single grant of \$1,000,000.00 to a consortium or partnership
14 established by the Michigan virtual university that meets the
15 requirements of this subsection. To be eligible for this funding, a
16 consortium or partnership established by the Michigan virtual
17 university shall include at least 1 intermediate district and at
18 least 1 high-need local district. All of the following apply to
19 this funding:

20 (a) An eligible consortium or partnership must demonstrate the
21 following:

22 (i) Prior success in delivering online courses and
23 instructional services to K-12 pupils throughout this state.

24 (ii) Expertise in designing, developing, and evaluating online
25 K-12 course content.

26 (iii) Experience in maintaining a statewide help desk service
27 for pupils, online teachers, and other school personnel.

1 (iv) Knowledge and experience in providing technical assistance
2 and support to K-12 schools in the area of online education.

3 (v) Experience in training and supporting K-12 educators in
4 this state to teach online courses.

5 (vi) Demonstrated technical expertise and capacity in managing
6 complex technology systems.

7 (vii) Experience promoting twenty-first century learning skills
8 through the use of online technologies.

9 (b) The Michigan virtual university, which operates the
10 Michigan virtual high school, shall perform the following tasks
11 related to this funding:

12 (i) **STRENGTHEN ITS CAPACITY BY PURSUING ACTIVITIES, POLICIES,**
13 **AND PRACTICES THAT INCREASE THE OVERALL NUMBER OF MICHIGAN VIRTUAL**
14 **HIGH SCHOOL COURSE ENROLLMENTS AND COURSE COMPLETIONS BY AT-RISK**
15 **STUDENTS.**

16 (ii) ~~(i)~~—Examine the curricular and specific course content
17 needs of middle and high school students in the areas of
18 mathematics and science.

19 (iii) ~~(ii)~~—Design, develop, and acquire online courses and
20 related supplemental resources aligned to state standards to create
21 a comprehensive and rigorous statewide catalog of online courses
22 and instructional services.

23 (iv) ~~(iii)~~—Conduct a demonstration pilot to promote new and
24 innovative online courses and instructional services.

25 (v) ~~(iv)~~—Evaluate existing online teaching and learning
26 practices and develop continuous improvement strategies to enhance
27 student achievement.

1 (vi) ~~(v)~~—Develop, support, and maintain the technology
2 infrastructure and related software required to deliver online
3 courses and instructional services to students statewide.

4 (7) From the state school aid fund allocation in subsection
5 (1), an amount not to exceed \$500,000.00 for ~~2007-2008-2008-2009~~
6 shall be awarded as a single grant to an intermediate district
7 working in partnership with the Michigan virtual high school for a
8 statewide license for "my dream explorer", a career exploration and
9 planning tool, to be made available to all pupils at no cost. **THE**
10 **MICHIGAN VIRTUAL HIGH SCHOOL SHALL WORK COLLABORATIVELY WITH THE**
11 **DEPARTMENT, THE PRESIDENTS COUNCIL OF STATE UNIVERSITIES OF**
12 **MICHIGAN, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, THE**
13 **ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF MICHIGAN,**
14 **AND THE APPROPRIATE K-12 EDUCATION ORGANIZATIONS TO DEVELOP A**
15 **COMPREHENSIVE OUTREACH AND COMMUNICATIONS PLAN THAT PROVIDES**
16 **PARENTS AND STUDENTS WITH ACCESS TO ONLINE RESOURCES DESIGNED TO**
17 **INCREASE POSTSECONDARY ENROLLMENTS AND PROVIDE CURRENT INFORMATION**
18 **RELATED TO CAREER PLANNING, COLLEGE SELECTION, FINANCIAL AID, AND**
19 **DUAL ENROLLMENT OPPORTUNITIES.**

20 (8) If a home-schooled or nonpublic school student is a
21 resident of a district that subscribes to services provided by the
22 Michigan virtual high school, the student may use the services
23 provided by the Michigan virtual high school to the district
24 without charge to the student beyond what is charged to a district
25 pupil using the same services.

26 (9) **NOT LATER THAN DECEMBER 1, 2008, THE MICHIGAN VIRTUAL**
27 **UNIVERSITY SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE**

1 APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET
2 DIRECTOR, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT
3 THAT INCLUDES AT LEAST ALL OF THE FOLLOWING INFORMATION RELATED TO
4 THE MICHIGAN VIRTUAL HIGH SCHOOL FOR THE PRECEDING STATE FISCAL
5 YEAR:

6 (A) A LIST OF THE MICHIGAN SCHOOLS SERVED BY THE MICHIGAN
7 VIRTUAL HIGH SCHOOL.

8 (B) A LIST OF ONLINE COURSE TITLES AVAILABLE TO MICHIGAN
9 SCHOOLS.

10 (C) THE TOTAL NUMBER OF ONLINE COURSE ENROLLMENTS AND
11 INFORMATION ON REGISTRATIONS AND COMPLETIONS BY COURSE.

12 (D) THE OVERALL COURSE COMPLETION RATE PERCENTAGE.

13 (E) A SUMMARY OF DED-OESE TITLE IIA, TEACHER QUALITY GRANT AND
14 DED-OESE TITLE IID, EDUCATION TECHNOLOGY GRANT EXPENDITURES.

15 (F) IDENTIFICATION OF UNMET EDUCATIONAL NEEDS THAT COULD BE
16 ADDRESSED BY THE MICHIGAN VIRTUAL HIGH SCHOOL.

17 (G) THE TOTAL NUMBER OF ACTIVE USERS OF "MY DREAM EXPLORER"
18 FUNDED UNDER SUBSECTION (7).

19 (10) ~~(9)~~—As used in this section:

20 (a) "DED-OESE" means the United States department of education
21 office of elementary and secondary education.

22 (b) "High-need local district" means a local educational
23 agency as defined in the enhancing education through technology
24 part of the no child left behind act of 2001, Public Law 107-110.

25 (c) "State education agency" means the department.

26 Sec. 99. (1) From the state school aid fund money appropriated
27 in section 11, there is allocated an amount not to exceed

1 ~~\$3,390,000.00~~ **\$4,390,000.00** for ~~2007-2008~~ **2008-2009** and from the
2 general fund appropriation in section 11, there is allocated an
3 amount not to exceed \$110,000.00 for ~~2007-2008~~ **2008-2009** for
4 implementing the comprehensive master plan for mathematics and
5 science centers developed by the department and approved by the
6 state board, and for other purposes as described in this section.
7 In addition, from the federal funds appropriated in section 11,
8 there is allocated for ~~2007-2008~~ **2008-2009** an amount estimated at
9 ~~\$4,456,000.00~~ **\$5,249,300.00** from DED-OESE, title II, mathematics
10 and science partnership grants.

11 (2) Within a service area designated locally, approved by the
12 department, and consistent with the master plan described in
13 subsection (1), an established mathematics and science center shall
14 address 2 or more of the following 6 basic services, as described
15 in the master plan, to constituent districts and communities:
16 leadership, pupil services, curriculum support, community
17 involvement, professional development, and resource clearinghouse
18 services.

19 (3) The department shall not award a state grant under this
20 section to more than 1 mathematics and science center located in a
21 designated region as prescribed in the 2007 master plan unless each
22 of the grants serves a distinct target population or provides a
23 service that does not duplicate another program in the designated
24 region.

25 (4) As part of the technical assistance process, the
26 department shall provide minimum standard guidelines that may be
27 used by the mathematics and science center for providing fair

1 access for qualified pupils and professional staff as prescribed in
2 this section.

3 (5) Allocations under this section to support the activities
4 and programs of mathematics and science centers shall be continuing
5 support grants to all 33 established mathematics and science
6 centers. Each established mathematics and science center that was
7 funded in ~~2006-2007~~**2007-2008** shall receive state funding in an
8 amount equal to 100% of the amount it was allocated under this
9 subsection for ~~2006-2007~~**2007-2008**. If a center declines state
10 funding or a center closes, the remaining money available under
11 this section shall be distributed ~~on a pro-rata basis~~ to the
12 remaining centers, as determined by the department.

13 (6) From the funds allocated in subsection (1), there is
14 allocated for ~~2007-2008~~**2008-2009** an amount not to exceed
15 \$1,000,000.00 in a form and manner determined by the department to
16 those centers able to provide curriculum and professional
17 development support to assist districts in implementing the
18 Michigan merit curriculum components for mathematics and science.
19 Funding under this subsection is in addition to funding allocated
20 under subsection (5).

21 **(7) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS**
22 **ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$1,000,000.00 IN A**
23 **FORM AND MANNER DETERMINED BY THE DEPARTMENT TO THOSE CENTERS ABLE**
24 **TO PROVIDE CREDIT RECOVERY AND REMEDIAL EDUCATION TO PUPILS WHO ARE**
25 **AT RISK OF FAILING, OR ARE FAILING, MATHEMATICS AND SCIENCE**
26 **CLASSES.**

27 (8) ~~(7)~~—In order to receive state funds under this section, a

1 grant recipient shall allow access for the department or the
2 department's designee to audit all records related to the program
3 for which it receives such funds. The grant recipient shall
4 reimburse the state for all disallowances found in the audit.

5 (9) ~~(8)~~—Not later than September 30, ~~2008~~**2013**, the department
6 shall reevaluate and update the comprehensive master plan described
7 in subsection (1).

8 (10) ~~(9)~~—The department shall give preference in awarding the
9 federal grants allocated in subsection (1) to eligible existing
10 mathematics and science centers.

11 (11) ~~(10)~~—In order to receive state funds under this section,
12 a grant recipient shall provide at least a 10% local match from
13 local public or private resources for the funds received under this
14 section.

15 (12) ~~(11)~~—As used in this section:

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

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

19 Sec. 99e. (1) From the funds appropriated in section 11, there
20 is allocated the amount of \$125,000.00 for ~~2007-2008~~**2008-2009** to a
21 district that meets all of the following requirements:

22 (a) The district's membership increased by at least 20%
23 between 2004-2005 and 2005-2006.

24 (b) At least 60% of the pupils in the district were eligible
25 for free or reduced lunch for 2005-2006.

26 (c) The district levies at least 10 mills for the purpose of
27 debt retirement.

Senate Bill No. 1107 as amended March 26, 2008

1 (d) The district had an emergency financial manager in place
2 during 2004-2005.

3 (2) The funds allocated under subsection (1) shall be used to
4 supplement the district's operational funds as compensation for
5 having received a reduced foundation allowance due to proration
6 while having had an emergency financial manager in place.

7 (3) The funds appropriated in this section shall be awarded
8 for 3 consecutive years beginning with 2006-2007 in a form and
9 manner approved by the department.

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

12 **SEC. 99M. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN**
13 **SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO**
14 **EXCEED \$100.00 FOR PROGRAMS DESIGNED TO INCREASE THE NUMBER OF**
15 **AGRI-SCIENCE AND FUTURE FARMERS OF AMERICA PROGRAMS IN BOTH URBAN**
16 **AND RURAL DISTRICTS. THE DEPARTMENT SHALL MAKE PAYMENTS TO**
17 **DISTRICTS FOR THESE PURPOSES IN THE FORM AND MANNER DETERMINED BY**
18 **THE DEPARTMENT.**

19 **SEC. 99N. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN**
20 **SECTION 11, THERE IS ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO**
21 **EXCEED \$250,000.00 FOR PAYMENTS TO THE CENTER FOR ADVANCED STUDIES**
22 **AND THE ARTS ON BEHALF OF DISTRICTS PARTICIPATING IN THAT**
23 **CONSORTIUM. THESE FUNDS SHALL BE USED TO SUPPORT TECHNOLOGY NEEDS.**

<<SEC. 99O. FROM THE APPROPRIATION IN SECTION 11, THERE IS
ALLOCATED FOR 2008-2009 AN AMOUNT NOT TO EXCEED \$100.00 FOR GRANTS TO
DISTRICTS FOR THE COMMUNITIES IN SCHOOLS PROGRAM.>>

24 Sec. 104. (1) From the state school aid fund money
25 appropriated in section 11, there is allocated ~~for 2007-2008~~ an
26 amount not to exceed ~~\$25,400,000.00~~ **\$29,322,400.00 FOR 2007-2008**
27 **AND AN AMOUNT NOT TO EXCEED \$28,872,800.00 FOR 2008-2009 for**

1 payments on behalf of districts for costs associated with complying
2 with sections 104a and 104b, sections **1278A, 1278B**, 1279, 1279g,
3 and 1280b of the revised school code, MCL **380.1278A, 380.1278B**,
4 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to
5 388.1086. In addition, from the federal funds appropriated in
6 section 11, there is allocated ~~for 2007-2008~~ an amount estimated at
7 ~~\$8,800,000.00~~ **\$5,477,600.00 FOR 2007-2008 AND AN AMOUNT ESTIMATED**
8 **AT \$8,512,900.00 FOR 2008-2009**, funded from DED-OESE, title VI,
9 state assessments funds **AND DED-OSERS, SECTION 504 OF PART B OF THE**
10 **INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 94-142,**
11 **PLUS ANY CARRYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS,**
12 for the purposes of complying with the federal no child left behind
13 act of 2001, Public Law 107-110.

14 (2) The results of each test administered as part of the
15 Michigan educational assessment program, including tests
16 administered to high school students, shall include an item
17 analysis that lists all items that are counted for individual pupil
18 scores and the percentage of pupils choosing each possible
19 response.

20 (3) All federal funds allocated under this section shall be
21 distributed in accordance with federal law and with flexibility
22 provisions outlined in Public Law 107-116, and in the education
23 flexibility partnership act of 1999, Public Law 106-25.

24 (4) Notwithstanding section 17b, payments on behalf of
25 districts, intermediate districts, and other eligible entities
26 under this section shall be paid on a schedule determined by the
27 department.

1 (5) AS USED IN THIS SECTION:

2 (A) "DED" MEANS THE UNITED STATES DEPARTMENT OF EDUCATION.

3 (B) "DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND
4 SECONDARY EDUCATION.

5 (C) "DED-OSERS" MEANS THE DED OFFICE OF SPECIAL EDUCATION AND
6 REHABILITATIVE SERVICES.

7 Sec. 104b. (1) ~~Beginning in the 2006 calendar year, in IN~~
8 order to receive state aid under this act, a district shall comply
9 with this section and shall administer the ~~state assessments under~~
10 ~~section 1279 or the Michigan merit examination~~ to pupils in grade
11 11 as provided in this section. ~~, as follows:~~

12 ~~—— (a) For pupils in grade 11 in the 2005-2006 school year, the~~
13 ~~provisions concerning state assessments under section 104a apply to~~
14 ~~all pupils in grade 11 and the Michigan merit examination shall be~~
15 ~~administered to a sample of pupils in grade 11 statewide, as~~
16 ~~identified by the department. The pupils to be included in this~~
17 ~~sample shall be determined by the department as the department~~
18 ~~determines necessary to seek the approval of the United States~~
19 ~~department of education to use the Michigan merit examination for~~
20 ~~the purposes of the federal no child left behind act of 2001,~~
21 ~~Public Law 107-110.~~

22 ~~—— (b) Subject to subdivision (c), for pupils in grade 11 in the~~
23 ~~2006-2007 school year and subsequent school years, the Michigan~~
24 ~~merit examination shall be offered to all pupils in grade 11.~~

25 ~~—— (c) If the United States department of education has not~~
26 ~~approved the use of the Michigan merit examination for the purposes~~
27 ~~of the federal no child left behind act of 2001, Public Law 107-~~

1 ~~110, by December 31, 2006, all of the following apply:~~

2 ~~—— (i) The provisions concerning state assessments under section~~
3 ~~104a shall continue to apply to all pupils in grade 11 until the~~
4 ~~next calendar year that begins after that approval occurs.~~

5 ~~—— (ii) The Michigan merit examination shall be offered to all~~
6 ~~pupils in grade 11 beginning in the next calendar year that begins~~
7 ~~after that approval occurs.~~

8 ~~—— (iii) If it is necessary as part of the process of continuing to~~
9 ~~seek the approval of the United States department of education to~~
10 ~~use the Michigan merit examination for the purposes of the federal~~
11 ~~no child left behind act of 2001, Public Law 107 110, the~~
12 ~~department may again provide for the administration of both the~~
13 ~~state assessments under section 104a and the Michigan merit~~
14 ~~examination to a sample of pupils in grade 11 statewide as~~
15 ~~described in subdivision (a).~~

16 ~~—— (2) The department shall take all steps necessary, including,~~
17 ~~but not limited to, conducting a content alignment study and~~
18 ~~statistical analyses, to obtain the approval of the United States~~
19 ~~department of education to use the Michigan merit examination for~~
20 ~~the purposes of the federal no child left behind act of 2001,~~
21 ~~Public Law 107 110, by not later than December 31, 2006 or as soon~~
22 ~~thereafter as possible.~~

23 (2) ~~(3)~~ For the purposes of this section, the department of
24 management and budget shall contract with 1 or more providers to
25 develop, supply, and score the Michigan merit examination. The
26 Michigan merit examination shall consist of all of the following:

27 (a) Assessment instruments that measure English language arts,

1 mathematics, reading, and science and are used by colleges and
2 universities in this state for entrance or placement purposes. **THIS**
3 **SHALL INCLUDE A WRITING COMPONENT IN WHICH THE PUPIL PRODUCES A**
4 **WRITING SAMPLE. THE MICHIGAN MERIT EXAMINATION SHALL NOT INCLUDE**
5 **ANY OTHER WRITING TEST.**

6 (b) ~~One or more~~ **THREE** tests from 1 or more test developers
7 that assess a pupil's ability to apply reading and mathematics
8 skills in a manner that is intended to allow employers to use the
9 results in making employment decisions. **THE DEPARTMENT OF**
10 **MANAGEMENT AND BUDGET AND THE SUPERINTENDENT SHALL ENSURE THAT ANY**
11 **TESTS SELECTED UNDER THIS SUBDIVISION HAVE ALL THE COMPONENTS**
12 **NECESSARY TO ALLOW A PUPIL TO BE ELIGIBLE FOR A NATIONALLY**
13 **RECOGNIZED WORKFORCE READY CREDENTIAL IF THE PUPIL'S TEST**
14 **PERFORMANCE IS ADEQUATE.**

15 (c) A social studies component.

16 (d) Any other component that is necessary to obtain the
17 approval of the United States department of education to use the
18 Michigan merit examination for the purposes of the federal no child
19 left behind act of 2001, Public Law 107-110.

20 (3) ~~(4)~~—In addition to all other requirements of this section,
21 all of the following apply to the Michigan merit examination:

22 (a) The department of management and budget and the
23 superintendent shall ensure that any contractor used for scoring
24 the Michigan merit examination supplies an individual report for
25 each pupil that will identify for the pupil's parents and teachers
26 whether the pupil met expectations or failed to meet expectations
27 for each standard, to allow the pupil's parents and teachers to

1 assess and remedy problems before the pupil moves to the next
2 grade.

3 (b) The department of management and budget and the
4 superintendent shall ensure that any contractor used for scoring,
5 developing, or processing the Michigan merit examination meets
6 quality management standards commonly used in the assessment
7 industry, including at least meeting level 2 of the capability
8 maturity model developed by the software engineering institute of
9 Carnegie Mellon university for the first year the Michigan merit
10 examination is offered to all grade 11 pupils and at least meeting
11 level 3 of the capability maturity model for subsequent years.

12 (c) The department of management and budget and the
13 superintendent shall ensure that any contract for scoring,
14 administering, or developing the Michigan merit examination
15 includes specific deadlines for all steps of the assessment
16 process, including, but not limited to, deadlines for the correct
17 testing materials to be supplied to schools and for the correct
18 results to be returned to schools, and includes penalties for
19 noncompliance with these deadlines.

20 (d) The superintendent shall ensure that the Michigan merit
21 examination meets all of the following:

22 (i) Is designed to test pupils on grade level content
23 expectations or course content expectations, as appropriate, in all
24 subjects tested.

25 (ii) Complies with requirements of the no child left behind act
26 of 2001, Public Law 107-110.

27 (iii) Is consistent with the code of fair testing practices in

1 education prepared by the joint committee on testing practices of
2 the American psychological association.

3 (iv) Is factually accurate. If the superintendent determines
4 that a question is not factually accurate and should be removed
5 from an assessment instrument, the state board and the
6 superintendent shall ensure that the question is removed from the
7 assessment instrument.

8 (4) ~~(5) Beginning with pupils completing grade 11 in 2006, a A~~
9 district shall include on each pupil's high school transcript all
10 of the following:

11 (a) For each high school graduate who has completed the
12 Michigan merit examination under this section, the pupil's scaled
13 score on each subject area component of the Michigan merit
14 examination.

15 (b) The number of school days the pupil was in attendance at
16 school each school year during high school and the total number of
17 school days in session for each of those school years.

18 (5) ~~(6)~~—The superintendent shall work with the provider or
19 providers of the Michigan merit examination to produce Michigan
20 merit examination subject area scores for each pupil participating
21 in the Michigan merit examination, including scaling and merging of
22 test items for the different subject area components. The
23 superintendent shall design and distribute to districts,
24 intermediate districts, and nonpublic schools a simple and concise
25 document that describes the scoring for each subject area and
26 indicates the scaled score ranges for each subject area.

27 (6) ~~(7)~~—The Michigan merit examination shall be administered

Senate Bill No. 1107 as amended March 26, 2008

1 each year after March 1 and before June 1 to pupils in grade 11.
 2 The superintendent shall ensure that the Michigan merit examination
 3 is scored and the scores are returned to pupils, their parents or
 4 legal guardians, and districts not later than the beginning of the
 5 pupil's first semester of grade 12. The returned scores shall
 6 indicate at least the pupil's scaled score for each subject area
 7 component and the range of scaled scores for each subject area. In
 8 reporting the scores to pupils, parents, and schools, the
 9 superintendent shall provide standards-specific, meaningful, and
 10 timely feedback on the pupil's performance on the Michigan merit
 11 examination.

12 (7) ~~(8)~~—A pupil who does not qualify for a Michigan merit
 13 award scholarship under the Michigan merit award scholarship act,
 14 1999 PA 94, MCL 390.1451 to 390.1459, **OR WHO DOES NOT QUALIFY FOR A**
 15 **MICHIGAN PROMISE GRANT UNDER SECTION 6 OF THE MICHIGAN PROMISE**
 16 **GRANT ACT, 2006 PA 479, MCL 390.1626,** and who wants to repeat the
 17 **COLLEGE ENTRANCE EXAMINATION COMPONENT OF THE** Michigan merit
 18 **EXAMINATION DESCRIBED IN SUBSECTION (2) (A)** may repeat **THAT**
 19 **COMPONENT OF** the Michigan merit examination. ~~in the next school~~
 20 ~~year on a designated testing date. The~~ **FOR A PUPIL WHO MEETS THE**
 21 **INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS**
 22 **DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, <<AND**
WHO HAS APPLIED TO THE PROVIDER OF THE COLLEGE ENTRANCE EXAMINATION
COMPONENT FOR A SCHOLARSHIP TO COVER THE COST OF THE RETAKE AND THAT
APPLICATION HAS BEEN DENIED,>>
 23 **THE** first time ~~<<a—THE>>~~ pupil repeats **THIS COMPONENT OF** the Michigan
 merit
 24 examination under this subsection shall be without charge to the
 25 pupil. ~~—but the~~ **OTHERWISE, A** pupil is responsible for paying the
 26 cost of any ~~subsequent—repeat.~~

27 (8) ~~(9)~~—The superintendent shall ensure that the length of the

1 Michigan merit examination and the combined total time necessary to
2 administer all of the components of the Michigan merit examination
3 are the shortest possible that will still maintain the degree of
4 reliability and validity of the Michigan merit examination results
5 determined necessary by the superintendent. The superintendent
6 shall ensure that the maximum total combined length of time that
7 schools are required to set aside for administration of all of the
8 components of the Michigan merit examination does not exceed 8
9 hours.

10 (9) ~~(10)~~—A district shall provide accommodations to a pupil
11 with disabilities for the Michigan merit examination, as provided
12 under section 504 of title V of the rehabilitation act of 1973, 29
13 USC 794; subtitle A of title II of the Americans with disabilities
14 act of 1990, 42 USC 12131 to 12134; the individuals with
15 disabilities education act amendments of 1997, Public Law 105-17;
16 and the implementing regulations for those statutes. The provider
17 or providers of the Michigan merit examination and the
18 superintendent shall mutually agree upon the accommodations to be
19 provided under this subsection.

20 (10) ~~(11)~~—To the greatest extent possible, the Michigan merit
21 examination shall be based on grade level content expectations or
22 course content expectations, as appropriate. **NOT LATER THAN JULY 1,**
23 **2008, THE DEPARTMENT SHALL IDENTIFY SPECIFIC GRADE LEVEL CONTENT**
24 **EXPECTATIONS TO BE TAUGHT BEFORE AND AFTER THE MIDDLE OF GRADE 11,**
25 **SO THAT TEACHERS WILL KNOW WHAT CONTENT WILL BE COVERED WITHIN THE**
26 **MICHIGAN MERIT EXAMINATION.**

27 (11) ~~(12)~~—A child who is a student in a nonpublic school or

1 home school may take the Michigan merit examination under this
2 section. To take the Michigan merit examination, a child who is a
3 student in a home school shall contact the district in which the
4 child resides, and that district shall administer the Michigan
5 merit examination, or the child may take the Michigan merit
6 examination at a nonpublic school if allowed by the nonpublic
7 school. Upon request from a nonpublic school, the superintendent
8 shall direct the provider or providers to supply the Michigan merit
9 examination to the nonpublic school and the nonpublic school may
10 administer the Michigan merit examination. If a district
11 administers the Michigan merit examination under this subsection to
12 a child who is not enrolled in the district, the scores for that
13 child are not considered for any purpose to be scores of a pupil of
14 the district.

15 (12) ~~(13)~~—In contracting under subsection ~~(3)~~—(2), the
16 department of management and budget shall consider a contractor
17 that provides electronically-scored essays with the ability to
18 score constructed response feedback in multiple languages and
19 provide ongoing instruction and feedback.

20 (13) ~~(14)~~—The purpose of the Michigan merit examination is to
21 assess pupil performance in mathematics, science, social studies,
22 and English language arts for the purpose of improving academic
23 achievement and establishing a statewide standard of competency.
24 The assessment under this section provides a common measure of data
25 that will contribute to the improvement of Michigan schools'
26 curriculum and instruction by encouraging alignment with Michigan's
27 curriculum framework standards and promotes pupil participation in

1 higher level mathematics, science, social studies, and English
2 language arts courses. These standards are based upon the
3 expectations of what pupils should learn through high school and
4 are aligned with national standards.

5 (14) ~~(15)~~—As used in this section:

6 (a) "English language arts" means reading and writing.

7 (b) "Social studies" means United States history, world
8 history, world geography, economics, and American government.

9 Sec. 105. (1) In order to avoid a penalty under this section,
10 and in order to count a nonresident pupil residing within the same
11 intermediate district in membership without the approval of the
12 pupil's district of residence, a district shall comply with this
13 section.

14 (2) Except as otherwise provided in this section, a district
15 shall determine whether or not it will accept applications for
16 enrollment by nonresident applicants residing within the same
17 intermediate district for the next school year. If the district
18 determines to accept applications for enrollment of a number of
19 nonresidents, beyond those entitled to preference under this
20 section, the district shall use the following procedures for
21 accepting applications from and enrolling nonresidents:

22 (a) The district shall publish the grades, schools, and
23 special programs, if any, for which enrollment may be available to,
24 and for which applications will be accepted from, nonresident
25 applicants residing within the same intermediate district.

26 (b) If the district has a limited number of positions
27 available for nonresidents residing within the same intermediate

1 district in a grade, school, or program, all of the following apply
2 to accepting applications for and enrollment of nonresidents in
3 that grade, school, or program:

4 (i) The district shall do all of the following not later than
5 the second Friday in August:

6 (A) Provide notice to the general public that applications
7 will be taken for a ~~15-day~~ period **OF AT LEAST 15 CALENDAR DAYS BUT**
8 **NOT MORE THAN 30 CALENDAR DAYS** from nonresidents residing within
9 the same intermediate district for enrollment in that grade,
10 school, or program. The notice shall identify the ~~15-day~~ **DATES OF**
11 **THE APPLICATION** period and the place and manner for submitting
12 applications.

13 (B) During the application period under sub-subparagraph (A),
14 accept applications from nonresidents residing within the same
15 intermediate district for enrollment in that grade, school, or
16 program.

17 (C) Within 15 **CALENDAR** days after the end of the application
18 period under sub-subparagraph (A), using the procedures and
19 preferences required under this section, determine which
20 nonresident applicants will be allowed to enroll in that grade,
21 school, or program, using the random draw system required under
22 subsection (14) as necessary, and notify the parent or legal
23 guardian of each nonresident applicant of whether or not the
24 applicant may enroll in the district. The notification to parents
25 or legal guardians of nonresident applicants accepted for
26 enrollment shall contain notification of the date by which the
27 applicant must enroll in the district and procedures for

1 enrollment. **THE DATE FOR ENROLLMENT SHALL BE NO LATER THAN THE END**
2 **OF THE FIRST WEEK OF SCHOOL.**

3 (ii) Beginning on the third Monday in August and not later than
4 the end of the first week of school, if any positions become
5 available in a grade, school, or program due to accepted applicants
6 failing to enroll or to more positions being added, the district
7 may enroll nonresident applicants from the waiting list maintained
8 under subsection (14), offering enrollment in the order that
9 applicants appear on the waiting list. If there are still positions
10 available after enrolling all applicants from the waiting list who
11 desire to enroll, the district may not fill those positions until
12 the second semester **OR TRIMESTER** enrollment under subsection (3),
13 as provided under that subsection, or until the next school year.

14 (c) For a grade, school, or program that has an unlimited
15 number of positions available for nonresidents residing within the
16 same intermediate district, all of the following apply to
17 enrollment of nonresidents in that grade, school, or program:

18 (i) The district may accept applications for enrollment in that
19 grade, school, or program, and may enroll nonresidents residing
20 within the same intermediate district in that grade, school, or
21 program, until the end of the first week of school. The district
22 shall provide notice to the general public of the place and manner
23 for submitting applications and, if the district has a limited
24 application period, the notice shall include the dates of the
25 application period. The application period shall be at least a ~~15-~~
26 ~~day~~-**15-CALENDAR-DAY** period.

27 (ii) Not later than the end of the first week of school, the

1 district shall notify the parent or legal guardian of each
2 nonresident applicant who is accepted for enrollment that the
3 applicant has been accepted for enrollment in the grade, school, or
4 program and of ~~the date by which the applicant must enroll in the~~
5 ~~district and~~ the procedures for enrollment. **THE DATE FOR ENROLLMENT**
6 **SHALL BE NO LATER THAN THE END OF THE FIRST WEEK OF SCHOOL.**

7 (3) If a district determines during the first semester **OR**
8 **TRIMESTER** of a school year that it has positions available for
9 enrollment of a number of nonresidents residing within the same
10 intermediate district, beyond those entitled to preference under
11 this section, for the second semester **OR TRIMESTER** of the school
12 year, the district may accept applications from and enroll
13 nonresidents residing within the same intermediate district for the
14 second semester **OR TRIMESTER** using the following procedures:

15 (a) Not later than 2 weeks before the end of the first
16 semester **OR TRIMESTER**, the district shall publish the grades,
17 schools, and special programs, if any, for which enrollment for the
18 second semester **OR TRIMESTER** may be available to, and for which
19 applications will be accepted from, nonresident applicants residing
20 within the same intermediate district.

21 (b) During the last 2 weeks of the first semester **OR**
22 **TRIMESTER**, the district shall accept applications from nonresidents
23 residing within the same intermediate district for enrollment for
24 the second semester **OR TRIMESTER** in the available grades, schools,
25 and programs.

26 (c) By the beginning of the second semester **OR TRIMESTER**,
27 using the procedures and preferences required under this section,

1 the district shall determine which nonresident applicants will be
2 allowed to enroll in the district for the second semester **OR**
3 **TRIMESTER** and notify the parent or legal guardian of each
4 nonresident applicant residing within the same intermediate
5 district of whether or not the applicant may enroll in the
6 district. The notification to parents or legal guardians of
7 nonresident applicants accepted for enrollment shall contain
8 notification of the date by which the applicant must enroll in the
9 district and procedures for enrollment. **THE DATE FOR ENROLLMENT**
10 **SHALL BE NO LATER THAN THE END OF THE FIRST WEEK OF SCHOOL.**

11 (4) If deadlines similar to those described in subsection (2)
12 or (3) have been established in an intermediate district, and if
13 those deadlines are not later than the deadlines under subsection
14 (2) or (3), the districts within the intermediate district may use
15 those deadlines.

16 (5) A district offering to enroll nonresident applicants
17 residing within the same intermediate district may limit the number
18 of nonresident pupils it accepts in a grade, school, or program, at
19 its discretion, and may use that limit as the reason for refusal to
20 enroll an applicant.

21 (6) A nonresident applicant residing within the same
22 intermediate district shall not be granted or refused enrollment
23 based on intellectual, academic, artistic, or other ability,
24 talent, or accomplishment, or lack thereof, or based on a mental or
25 physical disability, except that a district may refuse to admit a
26 nonresident applicant if the applicant does not meet the same
27 criteria, other than residence, that an applicant who is a resident

1 of the district must meet to be accepted for enrollment in a grade
2 or a specialized, magnet, or intra-district choice school or
3 program to which the applicant applies.

4 (7) A nonresident applicant residing within the same
5 intermediate district shall not be granted or refused enrollment
6 based on age, except that a district may refuse to admit a
7 nonresident applicant applying for a program that is not
8 appropriate for the age of the applicant.

9 (8) A nonresident applicant residing within the same
10 intermediate district shall not be granted or refused enrollment
11 based upon religion, race, color, national origin, sex, height,
12 weight, marital status, or athletic ability, or, generally, in
13 violation of any state or federal law prohibiting discrimination.

14 (9) Subject to subsection (10), a district may refuse to
15 enroll a nonresident applicant if any of the following are met:

16 (a) The applicant is, or has been within the preceding 2
17 years, suspended from another school.

18 (b) The applicant, at any time before enrolling under this
19 section, has been expelled from another school.

20 (c) The applicant, at any time before enrolling under this
21 section, has been convicted of a felony.

22 (10) If a district has counted a pupil in membership on either
23 the pupil membership count day or the supplemental count day, the
24 district shall not refuse to enroll or refuse to continue to enroll
25 that pupil for a reason specified in subsection (9). This
26 subsection does not prohibit a district from expelling a pupil
27 described in this subsection for disciplinary reasons.

1 (11) A district shall continue to allow a pupil who was
2 enrolled in and attended the district under this section in the
3 school year or semester **OR TRIMESTER** immediately preceding the
4 school year or semester **OR TRIMESTER** in question to enroll in the
5 district until the pupil graduates from high school. This
6 subsection does not prohibit a district from expelling a pupil
7 described in this subsection for disciplinary reasons.

8 (12) A district shall give preference for enrollment under
9 this section over all other nonresident applicants residing within
10 the same intermediate district to other school-age children who
11 reside in the same household as a pupil described in subsection
12 (11).

13 (13) If a nonresident pupil was enrolled in and attending
14 school in a district as a nonresident pupil in the 1995-96 school
15 year and continues to be enrolled continuously each school year in
16 that district, the district shall allow that nonresident pupil to
17 continue to enroll in and attend school in the district until high
18 school graduation, without requiring the nonresident pupil to apply
19 for enrollment under this section. This subsection does not
20 prohibit a district from expelling a pupil described in this
21 subsection for disciplinary reasons.

22 (14) If the number of qualified nonresident applicants
23 eligible for acceptance in a school, grade, or program does not
24 exceed the positions available for nonresident pupils in the
25 school, grade, or program, the school district shall accept for
26 enrollment all of the qualified nonresident applicants eligible for
27 acceptance. If the number of qualified nonresident applicants

1 residing within the same intermediate district eligible for
2 acceptance exceeds the positions available in a grade, school, or
3 program in a district for nonresident pupils, the district shall
4 use a random draw system, subject to the need to abide by state and
5 federal antidiscrimination laws and court orders and subject to
6 preferences allowed by this section. The district shall develop and
7 maintain a waiting list based on the order in which nonresident
8 applicants were drawn under this random draw system.

9 (15) If a district, or the nonresident applicant, requests the
10 district in which a nonresident applicant resides to supply
11 information needed by the district for evaluating the applicant's
12 application for enrollment or for enrolling the applicant, the
13 district of residence shall provide that information on a timely
14 basis.

15 (16) If a district is subject to a court-ordered desegregation
16 plan, and if the court issues an order prohibiting pupils residing
17 in that district from enrolling in another district or prohibiting
18 pupils residing in another district from enrolling in that
19 district, this section is subject to the court order.

20 (17) This section does not require a district to provide
21 transportation for a nonresident pupil enrolled in the district
22 under this section or for a resident pupil enrolled in another
23 district under this section. However, at the time a nonresident
24 pupil enrolls in the district, a district shall provide to the
25 pupil's parent or legal guardian information on available
26 transportation to and from the school in which the pupil enrolls.

27 (18) A district may participate in a cooperative education

1 program with 1 or more other districts or intermediate districts
2 whether or not the district enrolls any nonresidents pursuant to
3 this section.

4 (19) A district that, pursuant to this section, enrolls a
5 nonresident pupil who is eligible for special education programs
6 and services according to statute or rule, or who is a child with
7 disabilities, as defined under the individuals with disabilities
8 education act, Public Law 108-446, shall be considered to be the
9 resident district of the pupil for the purpose of providing the
10 pupil with a free appropriate public education. Consistent with
11 state and federal law, that district is responsible for developing
12 and implementing an individualized education plan annually for a
13 nonresident pupil described in this subsection.

14 (20) If a district does not comply with this section, the
15 district forfeits 5% of the total state school aid allocation to
16 the district under this act.

17 (21) Upon application by a district, the superintendent may
18 grant a waiver for the district from a specific requirement under
19 this section for not more than 1 year.

20 Sec. 105c. (1) In order to avoid a penalty under this section,
21 and in order to count a nonresident pupil residing in a district
22 located in a contiguous intermediate district in membership without
23 the approval of the pupil's district of residence, a district shall
24 comply with this section.

25 (2) Except as otherwise provided in this section, a district
26 shall determine whether or not it will accept applications for
27 enrollment by nonresident applicants residing in a district located

1 in a contiguous intermediate district for the next school year. If
2 the district determines to accept applications for enrollment of a
3 number of nonresidents under this section, beyond those entitled to
4 preference under this section, the district shall use the following
5 procedures for accepting applications from and enrolling
6 nonresidents under this section:

7 (a) The district shall publish the grades, schools, and
8 special programs, if any, for which enrollment may be available to,
9 and for which applications will be accepted from, nonresident
10 applicants residing in a district located in a contiguous
11 intermediate district.

12 (b) If the district has a limited number of positions
13 available for nonresidents residing in a district located in a
14 contiguous intermediate district in a grade, school, or program,
15 all of the following apply to accepting applications for and
16 enrollment of nonresidents under this section in that grade,
17 school, or program:

18 (i) The district shall do all of the following not later than
19 the second Friday in August:

20 (A) Provide notice to the general public that applications
21 will be taken for a ~~15-day~~ period **OF AT LEAST 15 CALENDAR DAYS BUT**
22 **NOT MORE THAN 30 CALENDAR DAYS** from nonresidents residing in a
23 district located in a contiguous intermediate district for
24 enrollment in that grade, school, or program. The notice shall
25 identify the ~~15-day~~ **DATES OF THE APPLICATION** period and the place
26 and manner for submitting applications.

27 (B) During the application period under sub-subparagraph (A),

1 accept applications from nonresidents residing in a district
2 located in a contiguous intermediate district for enrollment in
3 that grade, school, or program.

4 (C) Within 15 **CALENDAR** days after the end of the application
5 period under sub-subparagraph (A), using the procedures and
6 preferences required under this section, determine which
7 nonresident applicants will be allowed to enroll under this section
8 in that grade, school, or program, using the random draw system
9 required under subsection (14) as necessary, and notify the parent
10 or legal guardian of each nonresident applicant of whether or not
11 the applicant may enroll in the district. The notification to
12 parents or legal guardians of nonresident applicants accepted for
13 enrollment under this section shall contain notification of the
14 date by which the applicant must enroll in the district and
15 procedures for enrollment. **THE DATE FOR ENROLLMENT SHALL BE NO**
16 **LATER THAN THE END OF THE FIRST WEEK OF SCHOOL.**

17 (ii) Beginning on the third Monday in August and not later than
18 the end of the first week of school, if any positions become
19 available in a grade, school, or program due to accepted applicants
20 failing to enroll or to more positions being added, the district
21 may enroll nonresident applicants from the waiting list maintained
22 under subsection (14), offering enrollment in the order that
23 applicants appear on the waiting list. If there are still positions
24 available after enrolling all applicants from the waiting list who
25 desire to enroll, the district may not fill those positions until
26 the second semester **OR TRIMESTER** enrollment under subsection (3),
27 as provided under that subsection, or until the next school year.

1 (c) For a grade, school, or program that has an unlimited
2 number of positions available for nonresidents residing in a
3 district located in a contiguous intermediate district, all of the
4 following apply to enrollment of nonresidents in that grade,
5 school, or program under this section:

6 (i) The district may accept applications for enrollment in that
7 grade, school, or program, and may enroll nonresidents residing in
8 a district located in a contiguous intermediate district in that
9 grade, school, or program, until the end of the first week of
10 school. The district shall provide notice to the general public of
11 the place and manner for submitting applications and, if the
12 district has a limited application period, the notice shall include
13 the dates of the application period. The application period shall
14 be at least a ~~15-day~~ **15-CALENDAR-DAY** period.

15 (ii) Not later than the end of the first week of school, the
16 district shall notify the parent or legal guardian of each
17 nonresident applicant who is accepted for enrollment under this
18 section that the applicant has been accepted for enrollment in the
19 grade, school, or program and of the date by which the applicant
20 must enroll in the district and the procedures for enrollment. **THE**
21 **DATE FOR ENROLLMENT SHALL BE NO LATER THAN THE END OF THE FIRST**
22 **WEEK OF SCHOOL.**

23 (3) If a district determines during the first semester **OR**
24 **TRIMESTER** of a school year that it has positions available for
25 enrollment of a number of nonresidents residing in a district
26 located in a contiguous intermediate district, beyond those
27 entitled to preference under this section, for the second semester

1 **OR TRIMESTER** of the school year, the district may accept
2 applications from and enroll nonresidents residing in a district
3 located in a contiguous intermediate district for the second
4 semester **OR TRIMESTER** using the following procedures:

5 (a) Not later than 2 weeks before the end of the first
6 semester **OR TRIMESTER**, the district shall publish the grades,
7 schools, and special programs, if any, for which enrollment for the
8 second semester **OR TRIMESTER** may be available to, and for which
9 applications will be accepted from, nonresident applicants residing
10 in a district located in a contiguous intermediate district.

11 (b) During the last 2 weeks of the first semester **OR**
12 **TRIMESTER**, the district shall accept applications from nonresidents
13 residing in a district located in a contiguous intermediate
14 district for enrollment for the second semester **OR TRIMESTER** in the
15 available grades, schools, and programs.

16 (c) By the beginning of the second semester **OR TRIMESTER**,
17 using the procedures and preferences required under this section,
18 the district shall determine which nonresident applicants will be
19 allowed to enroll under this section in the district for the second
20 semester **OR TRIMESTER** and notify the parent or legal guardian of
21 each nonresident applicant residing in a district located in a
22 contiguous intermediate district of whether or not the applicant
23 may enroll in the district. The notification to parents or legal
24 guardians of nonresident applicants accepted for enrollment shall
25 contain notification of the date by which the applicant must enroll
26 in the district and procedures for enrollment. **THE DATE FOR**
27 **ENROLLMENT SHALL BE NO LATER THAN THE END OF THE FIRST WEEK OF**

1 **SCHOOL.**

2 (4) If deadlines similar to those described in subsection (2)
3 or (3) have been established in an intermediate district, and if
4 those deadlines are not later than the deadlines under subsection
5 (2) or (3), the districts within the intermediate district may use
6 those deadlines.

7 (5) A district offering to enroll nonresident applicants
8 residing in a district located in a contiguous intermediate
9 district may limit the number of those nonresident pupils it
10 accepts in a grade, school, or program, at its discretion, and may
11 use that limit as the reason for refusal to enroll an applicant
12 under this section.

13 (6) A nonresident applicant residing in a district located in
14 a contiguous intermediate district shall not be granted or refused
15 enrollment based on intellectual, academic, artistic, or other
16 ability, talent, or accomplishment, or lack thereof, or based on a
17 mental or physical disability, except that a district may refuse to
18 admit a nonresident applicant under this section if the applicant
19 does not meet the same criteria, other than residence, that an
20 applicant who is a resident of the district must meet to be
21 accepted for enrollment in a grade or a specialized, magnet, or
22 intra-district choice school or program to which the applicant
23 applies.

24 (7) A nonresident applicant residing in a district located in
25 a contiguous intermediate district shall not be granted or refused
26 enrollment under this section based on age, except that a district
27 may refuse to admit a nonresident applicant applying for a program

1 that is not appropriate for the age of the applicant.

2 (8) A nonresident applicant residing in a district located in
3 a contiguous intermediate district shall not be granted or refused
4 enrollment under this section based upon religion, race, color,
5 national origin, sex, height, weight, marital status, or athletic
6 ability, or, generally, in violation of any state or federal law
7 prohibiting discrimination.

8 (9) Subject to subsection (10), a district may refuse to
9 enroll a nonresident applicant under this section if any of the
10 following are met:

11 (a) The applicant is, or has been within the preceding 2
12 years, suspended from another school.

13 (b) The applicant, at any time before enrolling under this
14 section, has been expelled from another school.

15 (c) The applicant, at any time before enrolling under this
16 section, has been convicted of a felony.

17 (10) If a district has counted a pupil in membership on either
18 the pupil membership count day or the supplemental count day, the
19 district shall not refuse to enroll or refuse to continue to enroll
20 that pupil for a reason specified in subsection (9). This
21 subsection does not prohibit a district from expelling a pupil
22 described in this subsection for disciplinary reasons.

23 (11) A district shall continue to allow a pupil who was
24 enrolled in and attended the district under this section in the
25 school year or semester **OR TRIMESTER** immediately preceding the
26 school year or semester **OR TRIMESTER** in question to enroll in the
27 district until the pupil graduates from high school. This

1 subsection does not prohibit a district from expelling a pupil
2 described in this subsection for disciplinary reasons.

3 (12) A district shall give preference for enrollment under
4 this section over all other nonresident applicants residing in a
5 district located in a contiguous intermediate district to other
6 school-age children who reside in the same household as a pupil
7 described in subsection (11).

8 (13) If a nonresident pupil was enrolled in and attending
9 school in a district as a nonresident pupil in the 1995-96 school
10 year and continues to be enrolled continuously each school year in
11 that district, the district shall allow that nonresident pupil to
12 continue to enroll in and attend school in the district until high
13 school graduation, without requiring the nonresident pupil to apply
14 for enrollment under this section. This subsection does not
15 prohibit a district from expelling a pupil described in this
16 subsection for disciplinary reasons.

17 (14) If the number of qualified nonresident applicants
18 eligible for acceptance under this section in a school, grade, or
19 program does not exceed the positions available for nonresident
20 pupils under this section in the school, grade, or program, the
21 school district shall accept for enrollment all of the qualified
22 nonresident applicants eligible for acceptance. If the number of
23 qualified nonresident applicants residing in a district located in
24 a contiguous intermediate district eligible for acceptance under
25 this section exceeds the positions available in a grade, school, or
26 program in a district for nonresident pupils, the district shall
27 use a random draw system, subject to the need to abide by state and

1 federal antidiscrimination laws and court orders and subject to
2 preferences allowed by this section. The district shall develop and
3 maintain a waiting list based on the order in which nonresident
4 applicants were drawn under this random draw system.

5 (15) If a district, or the nonresident applicant, requests the
6 district in which a nonresident applicant resides to supply
7 information needed by the district for evaluating the applicant's
8 application for enrollment or for enrolling the applicant under
9 this section, the district of residence shall provide that
10 information on a timely basis.

11 (16) If a district is subject to a court-ordered desegregation
12 plan, and if the court issues an order prohibiting pupils residing
13 in that district from enrolling in another district or prohibiting
14 pupils residing in another district from enrolling in that
15 district, this section is subject to the court order.

16 (17) This section does not require a district to provide
17 transportation for a nonresident pupil enrolled in the district
18 under this section or for a resident pupil enrolled in another
19 district under this section. However, at the time a nonresident
20 pupil enrolls in the district, a district shall provide to the
21 pupil's parent or legal guardian information on available
22 transportation to and from the school in which the pupil enrolls.

23 (18) A district may participate in a cooperative education
24 program with 1 or more other districts or intermediate districts
25 whether or not the district enrolls any nonresidents pursuant to
26 this section.

27 (19) In order for a district or intermediate district to

1 enroll pursuant to this section a nonresident pupil who resides in
2 a district located in a contiguous intermediate district and who is
3 eligible for special education programs and services according to
4 statute or rule, or who is a child with disabilities, as defined
5 under the individuals with disabilities education act, Public Law
6 108-446, the enrolling district shall have a written agreement with
7 the resident district of the pupil for the purpose of providing the
8 pupil with a free appropriate public education. The written
9 agreement shall include, but is not limited to, an agreement on the
10 responsibility for the payment of the added costs of special
11 education programs and services for the pupil. **THE WRITTEN**
12 **AGREEMENT SHALL ADDRESS HOW THE AGREEMENT SHALL BE AMENDED IN THE**
13 **EVENT OF SIGNIFICANT CHANGES IN THE COSTS OR LEVEL OF SPECIAL**
14 **EDUCATION PROGRAMS OR SERVICES REQUIRED BY THE PUPIL.**

15 (20) If a district does not comply with this section, the
16 district forfeits 5% of the total state school aid allocation to
17 the district under this act.

18 (21) Upon application by a district, the superintendent may
19 grant a waiver for the district from a specific requirement under
20 this section for not more than 1 year.

21 (22) This section is repealed if the final decision of a court
22 of competent jurisdiction holds that any portion of this section is
23 unconstitutional, ineffective, invalid, or in violation of federal
24 law.

25 (23) As used in this section, "district located in a
26 contiguous intermediate district" means a district located in an
27 intermediate district that is contiguous to the intermediate

1 district in which a pupil's district of residence is located.

2 Sec. 107. (1) From the appropriation in section 11, there is
3 allocated an amount not to exceed \$24,000,000.00 for ~~2007-2008~~
4 **2008-2009** for adult education programs authorized under this
5 section.

6 (2) To be eligible to be a participant funded under this
7 section, a person shall be enrolled in an adult basic education
8 program, an adult English as a second language program, a general
9 educational development (G.E.D.) test preparation program, a job or
10 employment related program, or a high school completion program,
11 that meets the requirements of this section, and shall meet either
12 of the following, as applicable:

13 (a) If the individual has obtained a high school diploma or a
14 general educational development (G.E.D.) certificate, the
15 individual meets 1 of the following:

16 (i) Is less than 20 years of age on September 1 of the school
17 year and is enrolled in the Michigan career and technical
18 institute.

19 (ii) Is less than 20 years of age on September 1 of the school
20 year, is not attending an institution of higher education, and is
21 enrolled in a job or employment-related program through a referral
22 by an employer.

23 (iii) Is enrolled in an English as a second language program.

24 (iv) Is enrolled in a high school completion program.

25 (b) If the individual has not obtained a high school diploma
26 or G.E.D. certificate, the individual meets 1 of the following:

27 (i) Is at least 20 years of age on September 1 of the school

1 year.

2 (ii) Is at least 16 years of age on September 1 of the school
3 year, has been permanently expelled from school under section
4 1311(2) or 1311a of the revised school code, MCL 380.1311 and
5 380.1311a, and has no appropriate alternative education program
6 available through his or her district of residence.

7 (3) Except as otherwise provided in subsection (4), from the
8 amount allocated under subsection (1), ~~\$23,800,000.00~~
9 **\$23,100,000.00** shall be distributed as follows:

10 (a) For districts and consortia that received payments for
11 ~~2006-2007-2007-2008~~ under this section, the amount allocated to
12 each for ~~2007-2008-2008-2009~~ shall be based on the number of
13 participants served by the district or consortium for ~~2007-2008~~
14 **2008-2009**, using the amount allocated per full-time equated
15 participant under subsection (6), up to a maximum total allocation
16 under this subsection in an amount equal to ~~104.3% of the amount~~
17 the district or consortium received for ~~2006-2007-2007-2008~~ under
18 this section before any reallocations made for ~~2006-2007-2007-2008~~
19 under subsection (4).

20 (b) A district or consortium that received funding in ~~2003-~~
21 ~~2004-2007-2008~~ under this section may operate independently of a
22 consortium or join or form a consortium for ~~2007-2008-2008-2009~~.
23 The allocation for ~~2007-2008-2008-2009~~ to the district or the newly
24 formed consortium under this subsection shall be determined by the
25 department ~~of labor and economic growth~~ and shall be based on the
26 proportion of the amounts that are attributable to the district or
27 consortium that received funding in ~~2006-2007-2007-2008~~. A district

1 or consortium described in this subdivision shall notify the
2 department ~~of labor and economic growth~~ of its intention with
3 regard to ~~2007-2008-2008-2009~~ by October 1, ~~2007-2008~~.

4 (4) A district that operated an adult education program in
5 ~~2006-2007-2007-2008~~ and does not intend to operate a program in
6 ~~2007-2008-2008-2009~~ shall notify the department ~~of labor and~~
7 ~~economic growth~~ by October 1, ~~2007-2008~~ of its intention. The funds
8 intended to be allocated under this section to a district that does
9 not operate a program in ~~2007-2008-2008-2009~~ and the unspent funds
10 originally allocated under this section to a district or consortium
11 that subsequently operates a program at less than the level of
12 funding allocated under subsection (3) shall instead be
13 proportionately reallocated to the other districts described in
14 subsection (3)(a) that are operating an adult education program in
15 ~~2007-2008-2008-2009~~ under this section.

16 (5) From the amount allocated under subsection (1), up to a
17 maximum of \$200,000.00 shall be allocated for not more than 1 grant
18 not to exceed \$200,000.00 for expansion of an existing innovative
19 community college program that focuses on educating adults. Grants
20 may be used for program operating expenses such as staffing, rent,
21 equipment, and other expenses. To be eligible for this grant
22 funding, a program must meet the following criteria:

23 (a) Collaborates with local districts and businesses to
24 determine area academic needs and to promote the learning
25 opportunities.

26 (b) Is located off-campus in an urban residential setting with
27 documented high poverty and low high school graduation rates.

1 (c) Provides general educational development (G.E.D.) test
2 preparation courses and workshops.

3 (d) Provides developmental courses taught by college faculty
4 that prepare students to be successful in college-level courses.

5 (e) Uses learning communities to allow for shared, rather than
6 isolated, learning experiences.

7 (f) Provides on-site tutoring.

8 (g) Provides access to up-to-date technology, including
9 personal computers.

10 (h) Partners with a financial institution to provide financial
11 literacy education.

12 (i) Assists students in gaining access to financial aid.

13 (j) Provides on-site academic advising to students.

14 (k) Provides vouchers for reduced G.E.D. testing costs.

15 (l) Partners with local agencies to provide referrals for
16 social services as needed.

17 (m) Enrolls participants as students of the community college.

18 (n) Partners with philanthropic and business entities to
19 provide capital funding.

20 (6) The amount allocated under this section per full-time
21 equated participant is \$2,850.00 for a 450-hour program. The amount
22 shall be proportionately reduced for a program offering less than
23 450 hours of instruction.

24 (7) An adult basic education program or an adult English as a
25 second language program operated on a year-round or school year
26 basis may be funded under this section, subject to all of the
27 following:

1 (a) The program enrolls adults who are determined by an
2 appropriate assessment, in a form and manner prescribed by the
3 department, to be below ninth grade level in reading or
4 mathematics, or both, or to lack basic English proficiency.

5 (b) The program tests individuals for eligibility under
6 subdivision (a) before enrollment and tests participants to
7 determine progress after every 90 hours of attendance, using
8 assessment instruments approved by the department of labor and
9 economic growth.

10 (c) A participant in an adult basic education program is
11 eligible for reimbursement until 1 of the following occurs:

12 (i) The participant's reading and mathematics proficiency are
13 assessed at or above the ninth grade level.

14 (ii) The participant fails to show progress on 2 successive
15 assessments after having completed at least 450 hours of
16 instruction.

17 (d) A funding recipient enrolling a participant in an English
18 as a second language program is eligible for funding according to
19 subsection (11) until the participant meets 1 of the following:

20 (i) The participant is assessed as having attained basic
21 English proficiency **AS DEFINED BY THE DEPARTMENT**.

22 (ii) The participant fails to show progress on 2 successive
23 assessments after having completed at least 450 hours of
24 instruction. The department ~~of labor and economic growth~~ shall
25 provide information to a funding recipient regarding appropriate
26 assessment instruments for this program.

27 (8) A general educational development (G.E.D.) test

1 preparation program operated on a year-round or school year basis
2 may be funded under this section, subject to all of the following:

3 (a) The program enrolls adults who do not have a high school
4 diploma.

5 (b) The program shall administer a G.E.D. pre-test approved by
6 the department ~~of labor and economic growth~~ before enrolling an
7 individual to determine the individual's potential for success on
8 the G.E.D. test, and shall administer other tests after every 90
9 hours of attendance to determine a participant's readiness to take
10 the G.E.D. test.

11 (c) A funding recipient shall receive funding according to
12 subsection (11) for a participant, and a participant may be
13 enrolled in the program until 1 of the following occurs:

14 (i) The participant passes the G.E.D. test.

15 (ii) The participant fails to show progress on 2 successive
16 tests used to determine readiness to take the G.E.D. test after
17 having completed at least 450 hours of instruction.

18 (9) A high school completion program operated on a year-round
19 or school year basis may be funded under this section, subject to
20 all of the following:

21 (a) The program enrolls adults who do not have a high school
22 diploma.

23 (b) A funding recipient shall receive funding according to
24 subsection (11) for a participant in a course offered under this
25 subsection until 1 of the following occurs:

26 (i) The participant passes the course and earns a high school
27 diploma.

1 (ii) The participant fails to earn credit in 2 successive
2 semesters or terms in which the participant is enrolled after
3 having completed at least 900 hours of instruction.

4 (10) A job or employment-related adult education program
5 operated on a year-round or school year basis may be funded under
6 this section, subject to all of the following:

7 (a) The program enrolls adults referred by their employer who
8 are less than 20 years of age, have a high school diploma, are
9 determined to be in need of remedial mathematics or communication
10 arts skills and are not attending an institution of higher
11 education.

12 (b) An individual may be enrolled in this program and the
13 grant recipient shall receive funding according to subsection (11)
14 until 1 of the following occurs:

15 (i) The individual achieves the requisite skills as determined
16 by appropriate assessment instruments administered at least after
17 every 90 hours of attendance.

18 (ii) The individual fails to show progress on 2 successive
19 assessments after having completed at least 450 hours of
20 instruction. ~~The department of labor and economic growth shall~~
21 provide information to a funding recipient regarding appropriate
22 assessment instruments for this program.

23 (11) A funding recipient shall receive payments under this
24 section in accordance with the following:

25 (a) Ninety percent for enrollment of eligible participants.

26 (b) Ten percent for completion of the adult basic education
27 objectives by achieving an increase of at least 1 grade level of

1 proficiency in reading or mathematics; for achieving basic English
2 proficiency, **AS DEFINED BY THE DEPARTMENT IN THE ADULT EDUCATION**
3 **GUIDEBOOK; for OBTAINING A G.E.D. OR** passage of ~~the G.E.D. test~~
4 **OR MORE INDIVIDUAL G.E.D. TESTS; for ATTAINMENT OF A HIGH SCHOOL**
5 **DIPLOMA OR** passage of a course required for a participant to attain
6 a high school diploma; or for completion of the course and
7 demonstrated proficiency in the academic skills to be learned in
8 the course, as applicable.

9 (12) As used in this section, "participant" means the sum of
10 the number of full-time equated individuals enrolled in and
11 attending a department-approved adult education program under this
12 section, using quarterly participant count days on the schedule
13 described in section 6(7)(b).

14 (13) A person who is not eligible to be a participant funded
15 under this section may receive adult education services upon the
16 payment of tuition. In addition, a person who is not eligible to be
17 served in a program under this section due to the program
18 limitations specified in subsection (7), (8), (9), or (10) may
19 continue to receive adult education services in that program upon
20 the payment of tuition. The tuition level shall be determined by
21 the local or intermediate district conducting the program.

22 (14) An individual who is an inmate in a state correctional
23 facility shall not be counted as a participant under this section.
24 **HOWEVER, FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), UP TO A**
25 **MAXIMUM OF \$700,000.00 SHALL BE MADE AVAILABLE AS COMPETITIVE**
26 **GRANTS TO DISTRICTS THAT ENROLL ADULTS WHO DO NOT HAVE A HIGH**
27 **SCHOOL DIPLOMA OR G.E.D. AND WHO ARE INCARCERATED IN A STATE**

1 CORRECTIONAL FACILITY IN GENERAL EDUCATION DEVELOPMENT (G.E.D.)
2 TEST PREPARATION COURSES AND WORKSHOPS OR HIGH SCHOOL COMPLETION
3 PROGRAMS. DISTRICTS APPLYING FOR GRANTS UNDER THIS SUBSECTION SHALL
4 DO SO IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. DISTRICTS
5 RECEIVING FUNDING UNDER THIS SUBSECTION SHALL PROVIDE G.E.D. AND
6 HIGH SCHOOL DIPLOMA PROGRAMS SUBSTANTIALLY SIMILAR TO THOSE
7 PROGRAMS AS DESCRIBED IN THIS SECTION, AND SHALL RECEIVE \$2,850.00
8 PER PARTICIPANT ENROLLED IN THE PROGRAMS.

9 (15) A district shall not commingle money received under this
10 section or from another source for adult education purposes with
11 any other funds of the district. A district receiving adult
12 education funds shall establish a separate ledger account for those
13 funds. This subsection does not prohibit a district from using
14 general funds of the district to support an adult education or
15 community education program.

16 (16) A district or intermediate district receiving funds under
17 this section may establish a sliding scale of tuition rates based
18 upon a participant's family income. A district or intermediate
19 district may charge a participant tuition to receive adult
20 education services under this section from that sliding scale of
21 tuition rates on a uniform basis. The amount of tuition charged per
22 participant shall not exceed the actual operating cost per
23 participant minus any funds received under this section per
24 participant. A district or intermediate district may not charge a
25 participant tuition under this section if the participant's income
26 is at or below 200% of the federal poverty guidelines published by
27 the United States department of health and human services.

1 (17) In order to receive funds under this section, a district
2 shall furnish to the department, in a form and manner determined by
3 the department, all information needed to administer this program
4 **AND MEET FEDERAL REPORTING REQUIREMENTS**; shall allow the department
5 or the department's designee to review all records related to the
6 program for which it receives funds; and shall reimburse the state
7 for all disallowances found in the review, as determined by the
8 department.

9 (18) **ALL INTERMEDIATE DISTRICT PARTICIPANT AUDITS OF ADULT**
10 **EDUCATION PROGRAMS SHALL BE PERFORMED PURSUANT TO THE ADULT**
11 **EDUCATION PARTICIPANT AUDITING AND ACCOUNTING MANUALS PUBLISHED BY**
12 **THE DEPARTMENT.**

13 (19) ~~(18)~~ As used in this section, "department" means the
14 department of labor and economic growth.

15 Sec. 147. The allocation for ~~2007-2008~~ **2008-2009** for the
16 public school employees' retirement system pursuant to the public
17 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
18 to 38.1408, shall be made using the entry age normal cost actuarial
19 method and risk assumptions adopted by the public school employees
20 retirement board and the department of management and budget. The
21 annual level percentage of payroll contribution rate is estimated
22 at ~~16.72%~~ **16.54%** for the ~~2007-2008~~ **2008-2009** state fiscal year. The
23 portion of the contribution rate assigned to districts and
24 intermediate districts for each fiscal year is all of the total
25 percentage points. This contribution rate reflects an amortization
26 period of ~~30~~ **29** years for ~~2007-2008~~ **2008-2009**. The public school
27 employees' retirement system board shall notify each district and

1 intermediate district by February 28 of each fiscal year of the
2 estimated contribution rate for the next fiscal year.

3 Sec. 151. (1) The treasurer of each county shall furnish to
4 the department, on or before August 1 of each year following the
5 receipt of assessment rolls, a statement of the taxable value of
6 each district and fraction of a district within the county, using
7 forms furnished by the department. On or before May 1 of each year,
8 the treasurer of each county shall submit to the department
9 revisions to the taxable value for the immediately preceding year
10 of each district and fraction of a district within the county,
11 using forms furnished by the department. On or before October 1 of
12 each year, the treasurer of each county shall submit to the
13 department revisions to the taxable value for the years after 1993
14 of each district and fraction of a district within the county,
15 using forms furnished by the department. The reports required by
16 this subsection shall also contain the amount of ad valorem taxable
17 value captured for school operating taxes under ~~a tax increment~~
18 ~~financing plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax~~
19 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~
20 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~
21 ~~125.2151 to 125.2174, the brownfield redevelopment financing act,~~
22 ~~1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement~~
23 ~~authority act, 2005 PA 280, MCL 125.2871 to 125.2899~~ **TAX INCREMENT**
24 **FINANCING ACTS.**

25 (2) Not later than the tenth day of each month, the tax
26 tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701
27 to 205.779, shall report to the department the changes in taxable

1 value for tax years after 1993 that are not reported to the
2 department under subsection (1) and that are caused by tax tribunal
3 decisions in the immediately preceding month for property that is a
4 principal residence or qualified agricultural property, as defined
5 in section 1211 of the revised school code, MCL 380.1211, and for
6 property that is not a principal residence or qualified
7 agricultural property, in each district and intermediate district.
8 The report shall also contain the amount of taxable value captured
9 under a tax increment financing plan described in subsection (1)
10 for school operating tax purposes.

11 **(3) AS USED IN THIS SECTION, "TAX INCREMENT FINANCING ACTS"**
12 **MEANS 1975 PA 197, MCL 125.1651 TO 125.1681, THE TAX INCREMENT**
13 **FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE**
14 **LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151 TO**
15 **125.2174, THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381,**
16 **MCL 125.2651 TO 125.2672, OR THE CORRIDOR IMPROVEMENT AUTHORITY**
17 **ACT, 2005 PA 280, MCL 125.2871 TO 125.2899.**

18 Sec. 164c. A district or intermediate district shall not use
19 funds appropriated under this act to purchase foreign goods or
20 services, or both, if American goods or services, or both, are
21 available and are competitively priced and of comparable quality.
22 Preference should be given to goods or services, or both,
23 manufactured or provided by Michigan businesses if they are
24 competitively priced and of comparable quality. **IN ADDITION,**
25 **PREFERENCE SHALL BE GIVEN TO GOODS OR SERVICES, OR BOTH, THAT ARE**
26 **MANUFACTURED OR PROVIDED BY MICHIGAN BUSINESSES OWNED AND OPERATED**
27 **BY VETERANS, IF THEY ARE COMPETITIVELY PRICED AND OF COMPARABLE**

Senate Bill No. 1107 as amended March 26, 2008

1 **QUALITY.**

2 Enacting section 1. (1) In accordance with section 30 of
3 article I of the state constitution of 1963, total state spending
4 in this amendatory act and in 2007 PA 137 from state sources for
5 fiscal year 2007-2008 is estimated at ~~<<\$11,420,321,200.00~~
~~\$11,421,596,300.00>>~~ and state
6 appropriations to be paid to local units of government for fiscal
7 year 2007-2008 are estimated at ~~<<\$11,344,918,300.00~~
~~\$11,346,193,300.00>>~~.

8 (2) In accordance with section 30 of article I of the state
9 constitution of 1963, total state spending in this amendatory act
10 from state sources for fiscal year 2008-2009 is estimated at
11 ~~<<\$11,813,537,300.00~~ \$11,819,812,400.00>> and state appropriations to be
paid to local
12 units of government for fiscal year 2008-2009 are estimated at
13 ~~<<\$11,599,105,000.00~~ \$11,605,380,200.00>>.

14 Enacting section 2. (1) Sections 32, 99c, 99i, 99j, and 99k,
15 of the state school aid act of 1979, 1979 PA 94, MCL 388.1632,
16 388.1699c, 388.1699i, 388.1699j, and 388.1699k, are repealed
17 effective October 1, 2008.

18 (2) Section 32e of the state school aid act of 1979, 1979 PA
19 94, MCL 388.1632e, as added by this amendatory act, is repealed
20 effective October 1, 2008.

21 Enacting section 3. (1) Except as otherwise provided in
22 subsection (2), this amendatory act takes effect October 1, 2008.

23 (2) Sections 11, 11j, 22a, 22b, 51a, 51c, 56, 62, 104, and
24 104b of the state school aid act of 1979, 1979 PA 94, MCL 388.1611,
25 388.1611j, 388.1622a, 388.1622b, 388.1651a, 388.1651c, 388.1656,
26 388.1662, 388.1704, and 388.1704b, as amended by this amendatory
27 act, and section 32e of the state school aid act of 1979, 1979 PA

1 94, as added by this amendatory act, take effect upon enactment of
2 this amendatory act.