

SUBSTITUTE FOR  
HOUSE BILL NO. 5372

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, 12, 15,  
18, 18c, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 25, 26a,  
26b, 31a, 31d, 31f, 32d, 39, 39a, 51a, 51c, 51d, 53a, 54, 56, 61a,  
62, 74, 81, 93, 94a, 98, 99, 101, 102, 104, 107, 147, 147a, 147b,  
152a, 201, 201a, 202, 203, 204, 205, 206, 207, 208, 209, 210, 210a,  
212, 213, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226,  
227, 228, 229, 230, 236, 236a, 237, 238, 239, 239a, 241, 242, 243,  
244, 245, 251, 252, 253, 254, 255, 256, 257, 258, 261, 263, 263a,  
264, 265, 267, 268, 269, 270, 273, 274, 274a, 275, 275a, 276, 277,  
278, 279, 280, 281, 282, 283, 284, 285, 286, 289, 290, 291, and 293  
(MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611g,  
388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1618,  
388.1618c, 388.1619, 388.1620, 388.1620d, 388.1622a, 388.1622b,

388.1622d, 388.1622f, 388.1624, 388.1624a, 388.1624c, 388.1625,  
388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632d,  
388.1639, 388.1639a, 388.1651a, 388.1651c, 388.1651d, 388.1653a,  
388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681,  
388.1693, 388.1694a, 388.1698, 388.1699, 388.1701, 388.1702,  
388.1704, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1752a,  
388.1801, 388.1801a, 388.1802, 388.1803, 388.1804, 388.1805,  
388.1806, 388.1807, 388.1808, 388.1809, 388.1810, 388.1810a,  
388.1812, 388.1813, 388.1816, 388.1817, 388.1818, 388.1819,  
388.1820, 388.1821, 388.1822, 388.1823, 388.1824, 388.1825,  
388.1826, 388.1827, 388.1828, 388.1829, 388.1830, 388.1836,  
388.1836a, 388.1837, 388.1838, 388.1839, 388.1839a, 388.1841,  
388.1842, 388.1843, 388.1844, 388.1845, 388.1851, 388.1852,  
388.1853, 388.1854, 388.1855, 388.1856, 388.1857, 388.1858,  
388.1861, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1867,  
388.1868, 388.1869, 388.1870, 388.1873, 388.1874, 388.1874a,  
388.1875, 388.1875a, 388.1876, 388.1877, 388.1878, 388.1879,  
388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1885,  
388.1886, 388.1889, 388.1890, 388.1891, and 388.1893), sections 3,  
19, and 101 as amended by 2010 PA 110, section 4 as amended by 2008  
PA 268, sections 6, 11, 11a, 11m, 22a, 22b, 24a, 24c, 26b, 51a,  
51c, 74, and 104 as amended by 2012 PA 29, sections 11g, 11k, 15,  
18, 20, 20d, 22d, 24, 31a, 32d, 39, 39a, 51d, 54, 56, 61a, 81, 93,  
94a, 98, 99, 107, 147, and 152a as amended sections 12, 22f, 147a,  
147b, 201, 201a, 202, 203, 204, 205, 206, 207, 208, 209, 210, 210a,  
212, 213, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226,  
227, 228, 229, 230, 236, 236a, 237, 238, 239, 239a, 241, 242, 243,

244, 245, 251, 252, 253, 254, 255, 256, 257, 258, 261, 263, 263a, 264, 265, 267, 268, 269, 270, 273, 274, 274a, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 289, 290, 291, and 293 as added by 2011 PA 62, sections 11j, 26a, 31d, 31f, 53a, and 62 as amended by 2011 PA 299, section 18c as added by 2000 PA 297, section 25 as amended by 2011 PA 322, and section 102 as amended by 2010 PA 204, and by adding sections 11t, 11u, 22g, 22i, 22j, 26c, 32p, 95, 101a, 147c, 202a, 229a, 236b, 237b, 246, 265a, 273a, and 293a; and to repeal acts and parts of acts.

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

1           Sec. 3. (1) "ACHIEVEMENT AUTHORITY" MEANS THE EDUCATION  
2 ACHIEVEMENT AUTHORITY, THE PUBLIC BODY CORPORATE AND SPECIAL  
3 AUTHORITY INITIALLY CREATED UNDER SECTION 5 OF ARTICLE III AND  
4 SECTION 28 OF ARTICLE VII OF THE STATE CONSTITUTION OF 1963 AND THE  
5 URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7, MCL 124.501 TO  
6 124.512, BY AN INTERLOCAL AGREEMENT EFFECTIVE AUGUST 11, 2011,  
7 BETWEEN THE SCHOOL DISTRICT OF THE CITY OF DETROIT AND THE BOARD OF  
8 REGENTS OF EASTERN MICHIGAN UNIVERSITY, A STATE PUBLIC UNIVERSITY.

9           (2) "ACHIEVEMENT SCHOOL" MEANS A PUBLIC SCHOOL WITHIN THE  
10 EDUCATION ACHIEVEMENT SYSTEM OPERATED, MANAGED, AUTHORIZED,  
11 ESTABLISHED, OR OVERSEEN BY THE ACHIEVEMENT AUTHORITY.

12           (3) ~~(1)~~—"Average daily attendance", for the purposes of  
13 complying with federal law, means 92% of the pupils counted in  
14 membership on the pupil membership count day, as defined in section  
15 6(7).

16           (4) ~~(2)~~—"Board" means the governing body of a district or  
17 public school academy.

1           (5) ~~(3)~~—"Center" means the center for educational performance  
2 and information created in section 94a.

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

10          (7) ~~(5)~~—"Department", except in section 107, means the  
11 department of education.

12          (8) ~~(6)~~—"District" means a local school district established  
13 under the revised school code or, except in sections 6(4), 6(6),  
14 13, 20, 22a, ~~23, 29, 31a, 51a(15), 51A(14)~~, 105, 105c, and 166b, a  
15 public school academy. ~~Except in sections 6(4), 6(6), 13, 20, 22a,~~  
16 ~~29, 51a(15), 105, 105c, and 166b, district also includes a~~  
17 ~~university school.~~ **EXCEPT IN SECTIONS 6(4), 6(6), 6(8), 13, 20, 22A,**  
18 **31A, 105, 105C, AND 166B, DISTRICT ALSO INCLUDES THE EDUCATION**  
19 **ACHIEVEMENT SYSTEM.**

20          (9) ~~(7)~~—"District of residence", except as otherwise provided  
21 in this subsection, means the district in which a pupil's custodial  
22 parent or parents or legal guardian resides. For a pupil described  
23 in section 24b, the pupil's district of residence is the district  
24 in which the pupil enrolls under that section. For a pupil  
25 described in section 6(4)(d), the pupil's district of residence  
26 shall be considered to be the district or intermediate district in  
27 which the pupil is counted in membership under that section. For a

1 pupil under court jurisdiction who is placed outside the district  
2 in which the pupil's custodial parent or parents or legal guardian  
3 resides, the pupil's district of residence shall be considered to  
4 be the educating district or educating intermediate district.

5 (10) ~~(8)~~—"District superintendent" means the superintendent of  
6 a district, the chief administrator of a public school academy, or  
7 the ~~chief administrator of a university school.~~**CHANCELLOR OF THE**  
8 **ACHIEVEMENT AUTHORITY.**

9 Sec. 4. (1) **"EDUCATION ACHIEVEMENT SYSTEM" MEANS THE**  
10 **ACHIEVEMENT AUTHORITY AND ALL ACHIEVEMENT SCHOOLS.**

11 (2) ~~(1)~~—"Elementary pupil" means a pupil in membership in  
12 grades K to 8 in a district not maintaining classes above the  
13 eighth grade or in grades K to 6 in a district maintaining classes  
14 above the eighth grade. For the purposes of calculating universal  
15 service fund (e-rate) discounts, "elementary pupil" includes  
16 children enrolled in a preschool program operated by a district in  
17 its facilities.

18 (3) ~~(2)~~—"Extended school year" means an educational program  
19 conducted by a district in which pupils must be enrolled but not  
20 necessarily in attendance on the pupil membership count day in an  
21 extended year program. The mandatory clock hours shall be completed  
22 by each pupil not more than 365 calendar days after the pupil's  
23 first day of classes for the school year prescribed. The department  
24 shall prescribe pupil, personnel, and other reporting requirements  
25 for the educational program.

26 (4) ~~(3)~~—"Fiscal year" means the state fiscal year that  
27 commences October 1 and continues through September 30.

1           (5) ~~(4)~~—"General educational development testing preparation  
2 program" means a program that has high school level courses in  
3 English language arts, social studies, science, and mathematics and  
4 that prepares a person to successfully complete the general  
5 educational development (GED) test.

6           (6) ~~(5)~~—"High school pupil" means a pupil in membership in  
7 grades 7 to 12, except in a district not maintaining grades above  
8 the eighth grade.

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

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

4           (3) "District and high school graduation report" means a  
5 report of the number of pupils, excluding adult participants, in  
6 the district for the immediately preceding school year, adjusted  
7 for those pupils who have transferred into or out of the district  
8 or high school, who leave high school with a diploma or other  
9 credential of equal status.

10           (4) "Membership", except as otherwise provided in this  
11 article, means for a district, **A** public school academy, ~~university~~  
12 ~~school,~~ **THE EDUCATION ACHIEVEMENT SYSTEM**, or **AN** intermediate  
13 district the sum of the product of .90 times the number of full-  
14 time equated pupils in grades K to 12 actually enrolled and in  
15 regular daily attendance on the pupil membership count day for the  
16 current school year, plus the product of .10 times the final  
17 audited count from the supplemental count day for the immediately  
18 preceding school year. **A DISTRICT'S, PUBLIC SCHOOL ACADEMY'S, OR**  
19 **INTERMEDIATE DISTRICT'S MEMBERSHIP SHALL BE ADJUSTED AS PROVIDED**  
20 **UNDER SECTION 25 FOR PUPILS WHO ENROLL IN THE DISTRICT, PUBLIC**  
21 **SCHOOL ACADEMY, OR INTERMEDIATE DISTRICT AFTER THE PUPIL MEMBERSHIP**  
22 **COUNT DAY.** All pupil counts used in this subsection are as  
23 determined by the department and calculated by adding the number of  
24 pupils registered for attendance plus pupils received by transfer  
25 and minus pupils lost as defined by rules promulgated by the  
26 superintendent, and as corrected by a subsequent department audit.  
27 For the purposes of this section and section 6a, for a school of

1 excellence that is a cyber school, as defined in section 551 of the  
2 revised school code, MCL 380.551, and is in compliance with section  
3 553a of the revised school code, MCL 380.553a, **OR FOR THE EDUCATION**  
4 **ACHIEVEMENT SYSTEM**, a pupil's participation in the cyber school's  
5 educational program **OR IN AN ONLINE EDUCATIONAL PROGRAM OF THE**  
6 **EDUCATION ACHIEVEMENT SYSTEM OR OF AN ACHIEVEMENT SCHOOL** is  
7 considered regular daily attendance. The amount of the foundation  
8 allowance for a pupil in membership is determined under section 20.  
9 In making the calculation of membership, all of the following, as  
10 applicable, apply to determining the membership of a district, **A**  
11 public school academy, ~~university school,~~ **THE EDUCATION ACHIEVEMENT**  
12 **SYSTEM**, or **AN** intermediate district:

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

18 (b) If a pupil is educated in a district other than the  
19 pupil's district of residence, if the pupil is not being educated  
20 as part of a cooperative education program, if the pupil's district  
21 of residence does not give the educating district its approval to  
22 count the pupil in membership in the educating district, and if the  
23 pupil is not covered by an exception specified in subsection (6) to  
24 the requirement that the educating district must have the approval  
25 of the pupil's district of residence to count the pupil in  
26 membership, the pupil shall not be counted in membership in any  
27 district.



1 (c) A special education pupil educated by the intermediate  
2 district shall be counted in membership in the intermediate  
3 district.

4 (d) A pupil placed by a court or state agency in an on-grounds  
5 program of a juvenile detention facility, a child caring  
6 institution, or a mental health institution, or a pupil funded  
7 under section 53a, shall be counted in membership in the district  
8 or intermediate district approved by the department to operate the  
9 program.

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

13 (f) A pupil enrolled in a career and technical education  
14 program supported by a millage levied over an area larger than a  
15 single district or in an area vocational-technical education  
16 program established pursuant to section 690 of the revised school  
17 code, MCL 380.690, shall be counted only in the pupil's district of  
18 residence.

19 ~~—— (g) A pupil enrolled in a university school shall be counted~~  
20 ~~in membership in the university school.~~

21 (G) ~~(h)~~ A pupil enrolled in a public school academy shall be  
22 counted in membership in the public school academy.

23 (H) A PUPIL ENROLLED IN AN ACHIEVEMENT SCHOOL SHALL BE COUNTED  
24 IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT SYSTEM.

25 (i) For a new district ~~, university school,~~ or public school  
26 academy beginning its operation after December 31, 1994, **OR FOR THE**  
27 **EDUCATION ACHIEVEMENT SYSTEM OR AN ACHIEVEMENT SCHOOL,** membership

1 for the first 2 full or partial fiscal years of operation shall be  
2 determined as follows:

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

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

21 (j) If a district is the authorizing body for a public school  
22 academy, then, in the first school year in which pupils are counted  
23 in membership on the pupil membership count day in the public  
24 school academy, the determination of the district's membership  
25 shall exclude from the district's pupil count for the immediately  
26 preceding supplemental count day any pupils who are counted in the  
27 public school academy on that first pupil membership count day who

1 were also counted in the district on the immediately preceding  
2 supplemental count day.

3 (k) In a district, **A** public school academy, ~~university school,~~  
4 **THE EDUCATION ACHIEVEMENT SYSTEM,** or **AN** intermediate district  
5 operating an extended school year program approved by the  
6 superintendent, a pupil enrolled, but not scheduled to be in  
7 regular daily attendance on a pupil membership count day, shall be  
8 counted.

9 (l) Pupils to be counted in membership shall be not less than 5  
10 years of age on December 1 and less than 20 years of age on  
11 September 1 of the school year except as follows:

12 (i) A special education pupil who is enrolled and receiving  
13 instruction in a special education program or service approved by  
14 the department, who does not have a high school diploma, and who is  
15 less than 26 years of age as of September 1 of the current school  
16 year shall be counted in membership.

17 (ii) A pupil who is determined by the department to meet all of  
18 the following may be counted in membership:

19 (A) Is enrolled in a public school academy or an alternative  
20 education high school diploma program, that is primarily focused on  
21 educating homeless pupils and that is located in a city with a  
22 population of more than 500,000.

23 (B) Had dropped out of school for more than 1 year and has re-  
24 entered school.

25 (C) Is less than 22 years of age as of September 1 of the  
26 current school year.

27 (m) An individual who has obtained a high school diploma shall

1 not be counted in membership. An individual who has obtained a  
2 general educational development (G.E.D.) certificate shall not be  
3 counted in membership unless the individual is a ~~student~~ **PUPIL** with  
4 a disability as defined in R 340.1702 of the Michigan  
5 administrative code. An individual participating in a job training  
6 program funded under former section 107a or a jobs program funded  
7 under former section 107b, administered by the Michigan strategic  
8 fund, ~~or the workforce development agency,~~ or participating in any  
9 successor of either of those 2 programs, shall not be counted in  
10 membership.

11 (n) If a pupil counted in membership in a public school  
12 academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** is also educated by a  
13 district or intermediate district as part of a cooperative  
14 education program, the pupil shall be counted in membership only in  
15 the public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM**  
16 unless a written agreement signed by all parties designates the  
17 party or parties in which the pupil shall be counted in membership,  
18 and the instructional time scheduled for the pupil in the district  
19 or intermediate district shall be included in the full-time equated  
20 membership determination under subdivision (q). However, for pupils  
21 receiving instruction in both a public school academy **OR THE**  
22 **EDUCATION ACHIEVEMENT SYSTEM** and in a district or intermediate  
23 district but not as a part of a cooperative education program, the  
24 following apply:

25 (i) If the public school academy **OR THE EDUCATION ACHIEVEMENT**  
26 **SYSTEM** provides instruction for at least 1/2 of the class hours  
27 specified in subdivision (q), the public school academy **OR THE**

1 **EDUCATION ACHIEVEMENT SYSTEM** shall receive as its prorated share of  
2 the full-time equated membership for each of those pupils an amount  
3 equal to 1 times the product of the hours of instruction the public  
4 school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** provides divided  
5 by the number of hours specified in subdivision (q) for full-time  
6 equivalency, and the remainder of the full-time membership for each  
7 of those pupils shall be allocated to the district or intermediate  
8 district providing the remainder of the hours of instruction.

9 (ii) If the public school academy **OR THE EDUCATION ACHIEVEMENT**  
10 **SYSTEM** provides instruction for less than 1/2 of the class hours  
11 specified in subdivision (q), the district or intermediate district  
12 providing the remainder of the hours of instruction shall receive  
13 as its prorated share of the full-time equated membership for each  
14 of those pupils an amount equal to 1 times the product of the hours  
15 of instruction the district or intermediate district provides  
16 divided by the number of hours specified in subdivision (q) for  
17 full-time equivalency, and the remainder of the full-time  
18 membership for each of those pupils shall be allocated to the  
19 public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM**.

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

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

27 (q) The number of class hours used to calculate full-time

1 equated memberships shall be consistent with section 101(3). In  
2 determining full-time equated memberships for pupils who are  
3 enrolled in a postsecondary institution, a pupil shall not be  
4 considered to be less than a full-time equated pupil solely because  
5 of the effect of his or her postsecondary enrollment, including  
6 necessary travel time, on the number of class hours provided by the  
7 district to the pupil.

8 (r) ~~Full-time equated memberships for pupils in kindergarten~~  
9 ~~shall be determined by dividing the number of class hours scheduled~~  
10 ~~and provided per year per kindergarten pupil by a number equal to~~  
11 ~~1/2 the number used for determining full-time equated memberships~~  
12 ~~for pupils in grades 1 to 12. However, beginning BEGINNING in 2012-~~  
13 ~~2013, full-time equated memberships for pupils in kindergarten~~  
14 ~~shall be determined by dividing the number of class~~ **INSTRUCTIONAL**  
15 ~~hours scheduled and provided per year per kindergarten pupil by the~~  
16 ~~same number used for determining full-time equated memberships for~~  
17 ~~pupils in grades 1 to 12. HOWEVER, TO THE EXTENT ALLOWABLE UNDER~~  
18 **FEDERAL LAW, FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT PROVIDES**  
19 **EVIDENCE SATISFACTORY TO THE DEPARTMENT THAT IT USED FEDERAL TITLE**  
20 **I MONEY IN THE 2 IMMEDIATELY PRECEDING SCHOOL FISCAL YEARS TO FUND**  
21 **FULL-TIME KINDERGARTEN, FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN**  
22 **KINDERGARTEN SHALL BE DETERMINED BY DIVIDING THE NUMBER OF CLASS**  
23 **HOURS SCHEDULED AND PROVIDED PER YEAR PER KINDERGARTEN PUPIL BY A**  
24 **NUMBER EQUAL TO 1/2 THE NUMBER USED FOR DETERMINING FULL-TIME**  
25 **EQUATED MEMBERSHIPS FOR PUPILS IN GRADES 1 TO 12. NOT LATER THAN**  
26 **DECEMBER 1, 2012, THE DEPARTMENT SHALL SEEK A CLARIFICATION FROM**  
27 **THE FEDERAL DEPARTMENT OF EDUCATION AS TO WHETHER THIS IS AN**

1 ALLOWABLE USE OF FEDERAL TITLE I MONEY. THE CHANGE IN THE COUNTING  
2 OF FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN KINDERGARTEN THAT  
3 TAKES EFFECT IN 2012-2013 IS NOT A MANDATE. NOT LATER THAN THE  
4 FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY, EACH DISTRICT  
5 OR PUBLIC SCHOOL ACADEMY AND THE EDUCATION ACHIEVEMENT SYSTEM SHALL  
6 REPORT TO THE DEPARTMENT AND THE CENTER THE NUMBER OF INSTRUCTIONAL  
7 HOURS SCHEDULED PER KINDERGARTEN PUPIL FOR 2012-2013. IF THE NUMBER  
8 OF INSTRUCTIONAL HOURS SCHEDULED PER KINDERGARTEN PUPIL IS NOT  
9 EQUAL FOR ALL KINDERGARTEN PUPILS IN THE DISTRICT, THE DISTRICT OR  
10 PUBLIC SCHOOL ACADEMY AND THE EDUCATION ACHIEVEMENT SYSTEM SHALL  
11 REPORT THE NUMBER OF KINDERGARTEN PUPILS WHO WERE SCHEDULED TO  
12 RECEIVE EACH OF THE DIFFERENT NUMBERS OF INSTRUCTIONAL HOURS  
13 SCHEDULED.

14 (s) For a district, ~~university school, or~~ A public school  
15 academy, OR THE EDUCATION ACHIEVEMENT SYSTEM that has pupils  
16 enrolled in a grade level that was not offered by the district,  
17 ~~university school, or~~ THE public school academy, OR THE EDUCATION  
18 ACHIEVEMENT SYSTEM in the immediately preceding school year, the  
19 number of pupils enrolled in that grade level to be counted in  
20 membership is the average of the number of those pupils enrolled  
21 and in regular daily attendance on the pupil membership count day  
22 and the supplemental count day of the current school year, as  
23 determined by the department. Membership shall be calculated by  
24 adding the number of pupils registered for attendance in that grade  
25 level on the pupil membership count day plus pupils received by  
26 transfer and minus pupils lost as defined by rules promulgated by  
27 the superintendent, and as corrected by subsequent department

1 audit, plus the final audited count from the supplemental count day  
2 for the current school year, and dividing that sum by 2.

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

6 (u) If, as a result of a disciplinary action, a district  
7 determines through the district's alternative or disciplinary  
8 education program that the best instructional placement for a pupil  
9 is in the pupil's home or otherwise apart from the general school  
10 population, if that placement is authorized in writing by the  
11 district superintendent and district alternative or disciplinary  
12 education supervisor, and if the district provides appropriate  
13 instruction as described in this subdivision to the pupil at the  
14 pupil's home or otherwise apart from the general school population,  
15 the district may count the pupil in membership on a pro rata basis,  
16 with the proration based on the number of hours of instruction the  
17 district actually provides to the pupil divided by the number of  
18 hours specified in subdivision (q) for full-time equivalency. For  
19 the purposes of this subdivision, a district shall be considered to  
20 be providing appropriate instruction if all of the following are  
21 met:

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

26 (ii) The district provides instructional materials, resources,  
27 and supplies, except computers, that are comparable to those



1 otherwise provided in the district's alternative education program.

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

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

6 (v) A pupil enrolled in an alternative or disciplinary  
7 education program described in section 25 shall be counted in  
8 membership in the district, ~~or~~ **THE** public school academy, **OR THE**  
9 **EDUCATION ACHIEVEMENT SYSTEM** that is educating the pupil.

10 (w) If a pupil was enrolled in a public school academy on the  
11 pupil membership count day, if the public school academy's contract  
12 with its authorizing body is revoked or the public school academy  
13 otherwise ceases to operate, and if the pupil enrolls in a district  
14 **OR THE EDUCATION ACHIEVEMENT SYSTEM** within 45 days after the pupil  
15 membership count day, the department shall adjust the district's **OR**  
16 **THE EDUCATION ACHIEVEMENT SYSTEM'S** pupil count for the pupil  
17 membership count day to include the pupil in the count.

18 (x) For a public school academy that has been in operation for  
19 at least 2 years and that suspended operations for at least 1  
20 semester and is resuming operations, membership is the sum of the  
21 product of .90 times the number of full-time equated pupils in  
22 grades K to 12 actually enrolled and in regular daily attendance on  
23 the first pupil membership count day or supplemental count day,  
24 whichever is first, occurring after operations resume, plus the  
25 product of .10 times the final audited count from the most recent  
26 pupil membership count day or supplemental count day that occurred  
27 before suspending operations, as determined by the superintendent.

1 (y) If a district's membership for a particular fiscal year,  
2 as otherwise calculated under this subsection, would be less than  
3 1,550 pupils and the district has 4.5 or fewer pupils per square  
4 mile, as determined by the department, and, beginning in 2007-2008,  
5 if the district does not receive funding under section 22d(2), the  
6 district's membership shall be considered to be the membership  
7 figure calculated under this subdivision. If a district educates  
8 and counts in its membership pupils in grades 9 to 12 who reside in  
9 a contiguous district that does not operate grades 9 to 12 and if 1  
10 or both of the affected districts request the department to use the  
11 determination allowed under this sentence, the department shall  
12 include the square mileage of both districts in determining the  
13 number of pupils per square mile for each of the districts for the  
14 purposes of this subdivision. The membership figure calculated  
15 under this subdivision is the greater of the following:

16 (i) The average of the district's membership for the 3-fiscal-  
17 year period ending with that fiscal year, calculated by adding the  
18 district's actual membership for each of those 3 fiscal years, as  
19 otherwise calculated under this subsection, and dividing the sum of  
20 those 3 membership figures by 3.

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

23 (z) If a public school academy that is not in its first or  
24 second year of operation closes at the end of a school year and  
25 does not reopen for the next school year, the department shall  
26 adjust the membership count of the district **OR THE EDUCATION**  
27 **ACHIEVEMENT SYSTEM** in which a former pupil of the public school

1 academy enrolls and is in regular daily attendance for the next  
2 school year to ensure that the district **OR THE EDUCATION**  
3 **ACHIEVEMENT SYSTEM** receives the same amount of membership aid for  
4 the pupil as if the pupil were counted in the district **OR THE**  
5 **EDUCATION ACHIEVEMENT SYSTEM** on the supplemental count day of the  
6 preceding school year.

7 (aa) Full-time equated memberships for ~~preprimary-aged-special~~  
8 education pupils who are not enrolled in kindergarten but are  
9 enrolled in a classroom program under R 340.1754 of the Michigan  
10 administrative code shall be determined by dividing the number of  
11 class hours scheduled and provided per year by 450. Full-time  
12 equated memberships for ~~preprimary-aged-special~~ education pupils  
13 who are not enrolled in kindergarten but are receiving early  
14 childhood special education services under R 340.1755 of the  
15 Michigan administrative code shall be determined by dividing the  
16 number of hours of service scheduled and provided per year per  
17 pupil by 180.

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

23 (cc) For the first year in which a pupil is counted in  
24 membership on the pupil membership count day in a middle college  
25 program, the membership is the average of the full-time equated  
26 membership on the pupil membership count day and on the  
27 supplemental count day for the current school year, as determined

1 by the department. If a pupil was counted by the operating district  
2 on the immediately preceding supplemental count day, the pupil  
3 shall be excluded from the district's immediately preceding  
4 supplemental count for purposes of determining the district's  
5 membership.

6 (dd) A district, **A PUBLIC SCHOOL ACADEMY, OR THE EDUCATION**  
7 **ACHIEVEMENT SYSTEM** that educates a pupil who attends a United  
8 States Olympic education center may count the pupil in membership  
9 regardless of whether or not the pupil is a resident of this state.

10 (ee) A pupil enrolled in a district other than the pupil's  
11 district of residence pursuant to section 1148(2) of the revised  
12 school code, MCL 380.1148, shall be counted in the educating  
13 district **OR THE EDUCATION ACHIEVEMENT SYSTEM.**

14 (5) "Public school academy" means that term as defined in the  
15 revised school code.

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

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

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

25 (c) A pupil enrolled in a public school academy or ~~university~~  
26 ~~school~~. **THE EDUCATION ACHIEVEMENT SYSTEM.**

27 (d) A pupil enrolled in a district other than the pupil's

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

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

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

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

26 (ii) "Serious assault" means an act that constitutes a felony  
27 violation of chapter XI of the Michigan penal code, 1931 PA 328,

1 MCL 750.81 to 750.90g, or that constitutes an assault and  
2 infliction of serious or aggravated injury under section 81a of the  
3 Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

19 (v) The pupil is enrolled in an alternative or disciplinary  
20 education program described in section 25.

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

23 (j) A pupil who is the child of a person who works at the  
24 district or who is the child of a person who worked at the district  
25 as of the time the pupil first enrolled in the district but who no  
26 longer works at the district due to a workforce reduction. As used  
27 in this subdivision, "child" includes an adopted child, stepchild,

1 or legal ward.

2 (k) An expelled pupil who has been denied reinstatement by the  
3 expelling district and is reinstated by another school board under  
4 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
5 380.1311a.

6 (l) A pupil enrolled in a district other than the pupil's  
7 district of residence in a middle college program if the pupil's  
8 district of residence and the enrolling district are both  
9 constituent districts of the same intermediate district.

10 (m) A pupil enrolled in a district other than the pupil's  
11 district of residence who attends a United States Olympic education  
12 center.

13 (n) A pupil enrolled in a district other than the pupil's  
14 district of residence pursuant to section 1148(2) of the revised  
15 school code, MCL 380.1148.

16 (o) A pupil who enrolls in a district other than the pupil's  
17 district of residence as a result of the pupil's school not making  
18 adequate yearly progress under the no child left behind act of  
19 2001, Public Law 107-110.

20 (p) A pupil enrolled in a district other than the pupil's  
21 district of residence as a qualifying pupil under section 22h(2).

22 However, if a district educates pupils who reside in another  
23 district and if the primary instructional site for those pupils is  
24 established by the educating district after 2009-2010 and is  
25 located within the boundaries of that other district, the educating  
26 district must have the approval of that other district to count  
27 those pupils in membership.

1           (7) "Pupil membership count day" of a district or intermediate  
2 district means:

3           (a) Except as provided in subdivision (b), the first Wednesday  
4 in October each school year or, for a district or building in which  
5 school is not in session on that Wednesday due to conditions not  
6 within the control of school authorities, with the approval of the  
7 superintendent, the immediately following day on which school is in  
8 session in the district or building.

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

11           (i) Fourth Wednesday in July.

12           (ii) First Wednesday in October.

13           (iii) Second Wednesday in February.

14           (iv) Fourth Wednesday in April.

15           (8) "Pupils in grades K to 12 actually enrolled and in regular  
16 daily attendance" means pupils in grades K to 12 in attendance and  
17 receiving instruction in all classes for which they are enrolled on  
18 the pupil membership count day or the supplemental count day, as  
19 applicable. Except as otherwise provided in this subsection, a  
20 pupil who is absent from any of the classes in which the pupil is  
21 enrolled on the pupil membership count day or supplemental count  
22 day and who does not attend each of those classes during the 10  
23 consecutive school days immediately following the pupil membership  
24 count day or supplemental count day, except for a pupil who has  
25 been excused by the district, shall not be counted as 1.0 full-time  
26 equated membership. A pupil who is excused from attendance on the  
27 pupil membership count day or supplemental count day and who fails



1 to attend each of the classes in which the pupil is enrolled within  
2 30 calendar days after the pupil membership count day or  
3 supplemental count day shall not be counted as 1.0 full-time  
4 equated membership. In addition, a pupil who was enrolled and in  
5 attendance in a district, **AN** intermediate district, ~~or~~**A** public  
6 school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** before the  
7 pupil membership count day or supplemental count day of a  
8 particular year but was expelled or suspended on the pupil  
9 membership count day or supplemental count day shall only be  
10 counted as 1.0 full-time equated membership if the pupil resumed  
11 attendance in the district, intermediate district, ~~or~~public school  
12 academy, **OR EDUCATION ACHIEVEMENT SYSTEM** within 45 days after the  
13 pupil membership count day or supplemental count day of that  
14 particular year. Pupils not counted as 1.0 full-time equated  
15 membership due to an absence from a class shall be counted as a  
16 prorated membership for the classes the pupil attended. For  
17 purposes of this subsection, "class" means a period of time in 1  
18 day when pupils and a certificated teacher or legally qualified  
19 substitute teacher are together and instruction is taking place.

20 (9) "Rule" means a rule promulgated pursuant to the  
21 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
22 24.328.

23 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
24 380.1852.

25 (11) "School district of the first class", "first class school  
26 district", and "district of the first class" mean a district that  
27 had at least 60,000 pupils in membership for the immediately

1 preceding fiscal year.

2 (12) "School fiscal year" means a fiscal year that commences  
3 July 1 and continues through June 30.

4 (13) "State board" means the state board of education.

5 (14) "Superintendent", unless the context clearly refers to a  
6 district or intermediate district superintendent, means the  
7 superintendent of public instruction described in section 3 of  
8 article VIII of the state constitution of 1963.

9 (15) "Supplemental count day" means the day on which the  
10 supplemental pupil count is conducted under section 6a.

11 (16) "Tuition pupil" means a pupil of school age attending  
12 school in a district other than the pupil's district of residence  
13 for whom tuition may be charged. Tuition pupil does not include a  
14 pupil who is a special education pupil or a pupil described in  
15 subsection (6)(c) to (o). A pupil's district of residence shall not  
16 require a high school tuition pupil, as provided under section 111,  
17 to attend another school district after the pupil has been assigned  
18 to a school district.

19 (17) "State school aid fund" means the state school aid fund  
20 established in section 11 of article IX of the state constitution  
21 of 1963.

22 (18) "Taxable value" means the taxable value of property as  
23 determined under section 27a of the general property tax act, 1893  
24 PA 206, MCL 211.27a.

25 (19) "Textbook" means a book, electronic book, or other  
26 instructional print or electronic resource that is selected and  
27 approved by the governing board of a district **OR, FOR AN**

1 **ACHIEVEMENT SCHOOL, BY THE CHANCELLOR OF THE ACHIEVEMENT AUTHORITY**  
 2 and that contains a presentation of principles of a subject, or  
 3 that is a literary work relevant to the study of a subject required  
 4 for the use of classroom pupils, or another type of course material  
 5 that forms the basis of classroom instruction.

6 (20) "Total state aid" or "total state school aid" means the  
 7 total combined amount of all funds due to a district, intermediate  
 8 district, or other entity under all of the provisions of this  
 9 article.

10 ~~—— (21) "University school" means an instructional program~~  
 11 ~~operated by a public university under section 23 that meets the~~  
 12 ~~requirements of section 23.~~

13 Sec. 11. (1) Subject to subsection (3), for the fiscal year  
 14 ending September 30, 2012, there is appropriated for the public  
 15 schools of this state and certain other state purposes relating to  
 16 education the sum of ~~\$10,967,333,600.00~~ **\$11,010,210,400.00** from the  
 17 state school aid fund and the sum of ~~\$118,642,400.00~~ **\$78,642,400.00**  
 18 from the general fund. **SUBJECT TO SUBSECTION (3), FOR THE FISCAL**  
 19 **YEAR ENDING SEPTEMBER 30, 2013, THERE IS APPROPRIATED FOR THE**  
 20 **PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES**  
 21 **RELATING TO EDUCATION THE SUM OF \$10,961,087,100.00 FROM THE STATE**  
 22 **SCHOOL AID FUND AND THE SUM OF \$282,400,000.00 FROM THE GENERAL**  
 23 **FUND.** In addition, all other available federal funds, except those  
 24 otherwise appropriated under section 11p, are appropriated **EACH**  
 25 **FISCAL YEAR** for the fiscal year ending September 30, 2012 **AND FOR**  
 26 **THE FISCAL YEAR ENDING SEPTEMBER 30, 2013.**

27 (2) The appropriations under this section shall be allocated

1 as provided in this article. Money appropriated under this section  
2 from the general fund shall be expended to fund the purposes of  
3 this article before the expenditure of money appropriated under  
4 this section from the state school aid fund.

5 (3) Any general fund allocations under this article that are  
6 not expended by the end of the state fiscal year are transferred to  
7 the school aid stabilization fund created under section 11a.

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

11 (2) The state treasurer may receive money or other assets from  
12 any source for deposit into the school aid stabilization fund. The  
13 state treasurer shall deposit into the school aid stabilization  
14 fund all of the following:

15 (a) Unexpended and unencumbered state school aid fund revenue  
16 for a fiscal year that remains in the state school aid fund as of  
17 the bookclosing for that fiscal year.

18 (b) Money statutorily dedicated to the school aid  
19 stabilization fund.

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

21 (3) Money available in the school aid stabilization fund may  
22 not be expended without a specific appropriation from the school  
23 aid stabilization fund. Money in the school aid stabilization fund  
24 shall be expended only for purposes for which state school aid fund  
25 money may be expended.

26 (4) The state treasurer shall direct the investment of the  
27 school aid stabilization fund. The state treasurer shall credit to

1 the school aid stabilization fund interest and earnings from fund  
2 investments.

3 (5) Money in the school aid stabilization fund at the close of  
4 a fiscal year shall remain in the school aid stabilization fund and  
5 shall not lapse to the unreserved school aid fund balance or the  
6 general fund.

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

20 (7) For ~~2011-2012,~~ **2012-2013**, in addition to the  
21 appropriations in section 11, there is appropriated from the school  
22 aid stabilization fund to the state school aid fund the amount  
23 necessary to fully fund the allocations under this article.

24 (8) Effective ~~on the effective date of this subsection,~~  
25 **FEBRUARY 24, 2012**, in addition to any amounts otherwise deposited  
26 into the school aid stabilization fund, there is transferred from  
27 the state school aid fund to the school aid stabilization fund an

1 amount equal to \$100,000,000.00.

2       Sec. 11g. (1) From the appropriation in section 11, there is  
3 allocated for this section an amount not to exceed \$39,000,000.00  
4 for the fiscal year ending September 30, ~~2012~~2013, and for each  
5 succeeding fiscal year through the fiscal year ending September 30,  
6 2015, after which these payments will cease. These allocations are  
7 for paying the amounts described in subsection (3) to districts and  
8 intermediate districts, other than those receiving a lump-sum  
9 payment under section 11f(2), that were not plaintiffs in the  
10 consolidated cases known as Durant v State of Michigan, Michigan  
11 supreme court docket no. 104458-104492 and that, on or before March  
12 2, 1998, submitted to the state treasurer a waiver resolution  
13 described in section 11f. The amounts paid under this section  
14 represent offers of settlement and compromise of any claim or  
15 claims that were or could have been asserted by these districts and  
16 intermediate districts, as described in this section.

17       (2) This section does not create any obligation or liability  
18 of this state to any district or intermediate district that does  
19 not submit a waiver resolution described in section 11f. This  
20 section and any other provision of this article are not intended to  
21 admit liability or waive any defense that is or would be available  
22 to this state or its agencies, employees, or agents in any  
23 litigation or future litigation with a district or intermediate  
24 district regarding these claims or potential claims.

25       (3) The amount paid each fiscal year to each district or  
26 intermediate district under this section shall be 1 of the  
27 following:

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

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

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

24 (a) First, to pay debt service on voter-approved bonds issued  
25 by the district or intermediate district before the effective date  
26 of this section.

27 (b) Second, to pay debt service on other limited tax

1 obligations.

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

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

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

13 Sec. 11j. From the appropriation in section 11, there is  
14 allocated an amount not to exceed ~~\$2,837,800.00 for 2010-2011 and~~  
15 ~~an amount not to exceed \$93,575,300.00 for 2011-2012~~  
16 **\$120,390,000.00 FOR 2012-2013** for payments to the school loan bond  
17 redemption fund in the department of treasury on behalf of  
18 districts and intermediate districts. Notwithstanding section 11 or  
19 any other provision of this act, funds allocated under this section  
20 are not subject to proration and shall be paid in full.

21 Sec. 11k. For ~~2011-2012,~~ **2012-2013**, there is appropriated from  
22 the general fund to the school loan revolving fund an amount equal  
23 to the amount of school bond loans assigned to the Michigan finance  
24 authority, not to exceed the total amount of school bond loans held  
25 in reserve as long-term assets. As used in this section, "school  
26 loan revolving fund" means that fund created in section 16c of the  
27 shared credit rating act, 1985 PA 227, MCL 141.1066c.



1           Sec. 11m. From the appropriations in section 11, there is  
2 allocated for 2011-2012 an amount not to exceed ~~\$8,500,000.00~~  
3 **\$2,100,000.00 AND THERE IS ALLOCATED FOR 2012-2013 AN AMOUNT NOT TO**  
4 **EXCEED \$3,200,000.00** for fiscal year cash-flow borrowing costs  
5 solely related to the state school aid fund established by section  
6 11 of article IX of the state constitution of 1963.

7           **SEC. 11T. IT IS THE INTENT OF THE LEGISLATURE TO ENACT**  
8 **LEGISLATION AS NECESSARY TO CHANGE THE NAME OF THE STATE SCHOOL AID**  
9 **FUND TO THE "COMPREHENSIVE EDUCATION FUND".**

10           **SEC. 11U. IT IS THE INTENT OF THE LEGISLATURE TO EXAMINE THE**  
11 **EXISTING STRUCTURE OF FUNDING UNDER THIS ARTICLE AND TO DETERMINE**  
12 **TO WHAT EXTENT, IF ANY, CATEGORICAL FUNDING UNDER THIS ARTICLE MAY**  
13 **INSTEAD BE USED FOR FUNDING FOUNDATION ALLOWANCES AND OTHER BASIC**  
14 **PER PUPIL PAYMENTS.**

15           Sec. 12. It is the intent of the legislature to appropriate  
16 and allocate for the fiscal year ending September 30, ~~2013-2014~~ the  
17 same amounts of money from the same sources for the same purposes  
18 as are appropriated and allocated under this article for the fiscal  
19 year ending September 30, ~~2012-2013~~, as adjusted for changes in  
20 pupil membership, taxable values, special education costs, **INTEREST**  
21 **COSTS**, and available revenue. These adjustments will be determined  
22 after the January ~~2012-2013~~ consensus revenue estimating  
23 conference.

24           Sec. 15. (1) If a district or intermediate district fails to  
25 receive its proper apportionment, the department, upon satisfactory  
26 proof that the district or intermediate district was entitled  
27 justly, shall apportion the deficiency in the next apportionment.

1 Subject to subsections (2) and (3), if a district or intermediate  
2 district has received more than its proper apportionment, the  
3 department, upon satisfactory proof, shall deduct the excess in the  
4 next apportionment. Notwithstanding any other provision in this  
5 article, state aid overpayments to a district, other than  
6 overpayments in payments for special education or special education  
7 transportation, may be recovered from any payment made under this  
8 article other than a special education or special education  
9 transportation payment. State aid overpayments made in special  
10 education or special education transportation payments may be  
11 recovered from subsequent special education or special education  
12 transportation payments.

13 (2) If the result of an audit conducted by or for the  
14 department affects the current fiscal year membership, affected  
15 payments shall be adjusted in the current fiscal year. A deduction  
16 due to an adjustment made as a result of an audit conducted by or  
17 for the department, or as a result of information obtained by the  
18 department from the district, an intermediate district, the  
19 department of treasury, or the office of auditor general, shall be  
20 deducted from the district's apportionments when the adjustment is  
21 finalized. At the request of the district and upon the district  
22 presenting evidence satisfactory to the department of the hardship,  
23 the department may grant up to an additional 4 years for the  
24 adjustment if the district would otherwise experience a significant  
25 hardship.

26 (3) If, because of the receipt of new or updated data, the  
27 department determines during a fiscal year that the amount paid to

1 a district or intermediate district under this ~~act~~ **ARTICLE** for a  
2 prior fiscal year was incorrect under the law in effect for that  
3 year, the department may make the appropriate deduction or payment  
4 in the district's or intermediate district's allocation for the  
5 fiscal year in which the determination is made. The deduction or  
6 payment shall be calculated according to the law in effect in the  
7 fiscal year in which the improper amount was paid.

8 (4) Expenditures made by the department under this article  
9 that are caused by the write-off of prior year accruals may be  
10 funded by revenue from the write-off of prior year accruals.

11 (5) In addition to funds appropriated in section 11 for all  
12 programs and services, there is appropriated for ~~2011-2012-2012-~~  
13 **2013** for obligations in excess of applicable appropriations an  
14 amount equal to the collection of overpayments, but not to exceed  
15 amounts available from overpayments.

16 Sec. 18. (1) Except as provided in another section of this  
17 article, each district or other entity shall apply the money  
18 received by the district or entity under this article to salaries  
19 and other compensation of teachers and other employees, tuition,  
20 transportation, lighting, heating, ventilation, water service, the  
21 purchase of textbooks, ~~which are designated by the board to be used~~  
22 ~~in the schools under the board's charge,~~ other supplies, and any  
23 other school operating expenditures defined in section 7. However,  
24 not more than 20% of the total amount received by a district or  
25 intermediate district under this article may be transferred by the  
26 board to either the capital projects fund or to the debt retirement  
27 fund for debt service. The money shall not be applied or taken for

1 a purpose other than as provided in this section. The department  
2 shall determine the reasonableness of expenditures and may withhold  
3 from a recipient of funds under this article the apportionment  
4 otherwise due upon a violation by the recipient.

5 (2) Within 30 days after a board adopts its annual operating  
6 budget for the following school fiscal year, or after a board  
7 adopts a subsequent revision to that budget, the district shall  
8 make all of the following available through a link on its website  
9 home page, or may make the information available through a link on  
10 its intermediate district's website home page, in a form and manner  
11 prescribed by the department:

12 (a) The annual operating budget and subsequent budget  
13 revisions.

14 (b) Using data that have already been collected and submitted  
15 to the department, a summary of district expenditures for the most  
16 recent fiscal year for which they are available, expressed in the  
17 following 2 pie charts:

18 (i) A chart of personnel expenditures, broken into the  
19 following subcategories:

20 (A) Salaries and wages.

21 (B) Employee benefit costs, including, but not limited to,  
22 medical, dental, vision, life, disability, and long-term care  
23 benefits.

24 (C) Retirement benefit costs.

25 (D) All other personnel costs.

26 (ii) A chart of all district expenditures, broken into the  
27 following subcategories:

1 (A) Instruction.

2 (B) Support services.

3 (C) Business and administration.

4 (D) Operations and maintenance.

5 (c) Links to all of the following:

6 (i) The current collective bargaining agreement for each  
7 bargaining unit.

8 (ii) Each health care benefits plan, including, but not limited  
9 to, medical, dental, vision, disability, long-term care, or any  
10 other type of benefits that would constitute health care services,  
11 offered to any bargaining unit or employee in the district.

12 (iii) The audit report of the audit conducted under subsection  
13 (4) for the most recent fiscal year for which it is available.

14 (iv) The bids required under section 5 of the public employee  
15 health benefits act, 2007 PA 106, MCL 124.75.

16 (d) The total salary and a description and cost of each fringe  
17 benefit included in the compensation package for the superintendent  
18 of the district and for each employee of the district whose salary  
19 exceeds \$100,000.00.

20 (e) The annual amount spent on dues paid to associations.

21 (f) The annual amount spent on lobbying or lobbying services.

22 As used in this subdivision, "lobbying" means that term as defined  
23 in section 5 of 1978 PA 472, MCL 4.415.

24 (3) For the information required under subsection (2) (a),  
25 (2) (b) (i), and (2) (c), an intermediate district shall provide the  
26 same information in the same manner as required for a district  
27 under subsection (2).

1           (4) For the purpose of determining the reasonableness of  
2 expenditures and whether a violation of this article has occurred,  
3 all of the following apply:

4           (a) The department shall require that each district and  
5 intermediate district have an audit of the district's or  
6 intermediate district's financial and pupil accounting records  
7 conducted at least annually at the expense of the district or  
8 intermediate district, as applicable, by a certified public  
9 accountant or by the intermediate district superintendent, as may  
10 be required by the department, or in the case of a district of the  
11 first class by a certified public accountant, the intermediate  
12 superintendent, or the auditor general of the city.

13           (b) If a district operates in a single building with fewer  
14 than 700 full-time equated pupils, if the district has stable  
15 membership, and if the error rate of the immediately preceding 2  
16 pupil accounting field audits of the district is less than 2%, the  
17 district may have a pupil accounting field audit conducted  
18 biennially but must continue to have desk audits for each pupil  
19 count. The auditor must document compliance with the audit cycle in  
20 the pupil auditing manual. As used in this subdivision, "stable  
21 membership" means that the district's membership for the current  
22 fiscal year varies from the district's membership for the  
23 immediately preceding fiscal year by less than 5%.

24           (c) A district's or intermediate district's annual financial  
25 audit shall include an analysis of the financial and pupil  
26 accounting data used as the basis for distribution of state school  
27 aid.

1 (d) The pupil and financial accounting records and reports,  
2 audits, and management letters are subject to requirements  
3 established in the auditing and accounting manuals approved and  
4 published by the department.

5 (e) All of the following shall be done not later than November  
6 15 each year:

7 (i) A district shall file the annual financial audit reports  
8 with the intermediate district and the department.

9 (ii) The intermediate district shall file the annual financial  
10 audit reports for the intermediate district with the department.

11 (iii) The intermediate district shall enter the pupil membership  
12 audit reports for its constituent districts and for the  
13 intermediate district, for the pupil membership count day and  
14 supplemental count day, in the Michigan student data system.

15 (f) The annual financial audit reports and pupil accounting  
16 procedures reports shall be available to the public in compliance  
17 with the freedom of information act, 1976 PA 442, MCL 15.231 to  
18 15.246.

19 (g) Not later than January 31 of each year, the department  
20 shall notify the state budget director and the legislative  
21 appropriations subcommittees responsible for review of the school  
22 aid budget of districts and intermediate districts that have not  
23 filed an annual financial audit and pupil accounting procedures  
24 report required under this section for the school year ending in  
25 the immediately preceding fiscal year.

26 (5) By November 15 of each year, each district and  
27 intermediate district shall submit to the center, in a manner

1 prescribed by the center, annual comprehensive financial data  
2 consistent with accounting manuals and charts of accounts approved  
3 and published by the department. For an intermediate district, the  
4 report shall also contain the website address where the department  
5 can access the report required under section 620 of the revised  
6 school code, MCL 380.620. The department shall ensure that the  
7 prescribed Michigan public school accounting manual chart of  
8 accounts includes standard conventions to distinguish expenditures  
9 by allowable fund function and object. The functions shall include  
10 at minimum categories for instruction, pupil support, instructional  
11 staff support, general administration, school administration,  
12 business administration, transportation, facilities operation and  
13 maintenance, facilities acquisition, and debt service; and shall  
14 include object classifications of salary, benefits, including  
15 categories for active employee health expenditures, purchased  
16 services, supplies, capital outlay, and other. Districts shall  
17 report the required level of detail consistent with the manual as  
18 part of the comprehensive annual financial report.

19 (6) By September 30 of each year, each district and  
20 intermediate district shall file with the department the special  
21 education actual cost report, known as "SE-4096", on a form and in  
22 the manner prescribed by the department.

23 (7) By October 7 of each year, each district and intermediate  
24 district shall file with the center the transportation expenditure  
25 report, known as "SE-4094", on a form and in the manner prescribed  
26 by the center.

27 (8) The department shall review its pupil accounting and pupil



1 auditing manuals at least annually and shall periodically update  
2 those manuals to reflect changes in this article.

3 (9) If a district that is a public school academy purchases  
4 property using money received under this article, the public school  
5 academy shall retain ownership of the property unless the public  
6 school academy sells the property at fair market value.

7 (10) If a district or intermediate district does not comply  
8 with subsections (4), (5), (6), and (7), the department shall  
9 withhold all state school aid due to the district or intermediate  
10 district under this article, beginning with the next payment due to  
11 the district or intermediate district, until the district or  
12 intermediate district complies with subsections (4), (5), (6), and  
13 (7). If the district or intermediate district does not comply with  
14 subsections (4), (5), (6), and (7) by the end of the fiscal year,  
15 the district or intermediate district forfeits the amount withheld.

16 (11) NOT LATER THAN OCTOBER 1, 2012, IF A DISTRICT OR  
17 INTERMEDIATE DISTRICT OFFERS ONLINE LEARNING, THE DISTRICT OR  
18 INTERMEDIATE DISTRICT SHALL SUBMIT TO THE DEPARTMENT A REPORT THAT  
19 DETAILS THE PER-PUPIL COSTS OF OPERATING THE ONLINE LEARNING. THE  
20 REPORT SHALL INCLUDE, ON A PER-PUPIL BASIS, AT LEAST ALL OF THE  
21 FOLLOWING COSTS:

22 (A) TEXTBOOKS, INSTRUCTIONAL MATERIALS, AND SUPPLIES,  
23 INCLUDING ELECTRONIC INSTRUCTIONAL MATERIAL.

24 (B) COMPUTER AND OTHER ELECTRONIC EQUIPMENT, INCLUDING  
25 INTERNET AND TELEPHONE ACCESS.

26 (C) SALARIES AND BENEFITS FOR THE ONLINE LEARNING EMPLOYEES.

27 (D) PURCHASED COURSES AND CURRICULA.

1 (E) FEES ASSOCIATED WITH OVERSIGHT AND REGULATION.

2 (F) TRAVEL COSTS ASSOCIATED WITH SCHOOL ACTIVITIES AND  
3 TESTING.

4 (G) FACILITIES COSTS.

5 (H) COSTS ASSOCIATED WITH SPECIAL EDUCATION.

6 (12) NOT LATER THAN DECEMBER 31, 2012, THE DEPARTMENT SHALL  
7 ISSUE A REPORT TO THE LEGISLATURE INCLUDING THE FOLLOWING:

8 (A) A REVIEW OF THE DATA SUBMITTED UNDER SUBSECTION (11).

9 (B) A COMPARISON WITH COSTS OF SUBSTANTIALLY SIMILAR PROGRAMS  
10 IN OTHER STATES AND RELEVANT NATIONAL RESEARCH ON THE COSTS OF  
11 ONLINE LEARNING.

12 (C) ANY CONCLUSIONS CONCERNING FACTORS OR CHARACTERISTICS OF  
13 ONLINE LEARNING PROGRAMS THAT MAKE A DIFFERENCE IN THE COSTS OF  
14 OPERATING THE PROGRAMS.

15 Sec. 18c. Any contract, mortgage, loan, or other instrument of  
16 indebtedness entered into by a public school academy, **THE**  
17 **ACHIEVEMENT AUTHORITY, OR AN ACHIEVEMENT SCHOOL** receiving funds  
18 under this act and a third party does not constitute an obligation,  
19 either general, special, or moral, of this state or of an  
20 authorizing body. The full faith and credit or the taxing power of  
21 this state or any agency of this state, or the full faith and  
22 credit of an authorizing body, shall not be pledged for the payment  
23 of any contract, mortgage, loan, or other instrument of  
24 indebtedness entered into by a public school academy, **THE**  
25 **ACHIEVEMENT AUTHORITY, OR AN ACHIEVEMENT SCHOOL.**

26 Sec. 19. (1) A district or intermediate district shall comply  
27 with all applicable reporting requirements specified in state and

1 federal law. Data provided to the center, in a form and manner  
2 prescribed by the center, shall be aggregated and disaggregated as  
3 required by state and federal law. In addition, a district or  
4 intermediate district shall cooperate with all measures taken by  
5 the center to ~~comply with the provisions of the American recovery~~  
6 ~~and reinvestment act of 2009, Public Law 111-5, requiring the~~  
7 ~~establishment of~~ **ESTABLISH AND MAINTAIN** a statewide P-20  
8 longitudinal data system.

9 (2) Each district shall furnish to the center not later than 5  
10 weeks after the pupil membership count day **AND BY JUNE 30 OF THE**  
11 **SCHOOL FISCAL YEAR ENDING IN THE FISCAL YEAR**, in a manner  
12 prescribed by the center, the information necessary for the  
13 preparation of the district and high school graduation report. This  
14 information shall meet requirements established in the pupil  
15 auditing manual approved and published by the department. The  
16 center shall calculate an annual graduation and pupil dropout rate  
17 for each high school, each district, and this state, in compliance  
18 with nationally recognized standards for these calculations. The  
19 center shall report all graduation and dropout rates to the senate  
20 and house education committees and appropriations committees, the  
21 state budget director, and the department not later than 30 days  
22 after the publication of the list described in subsection (6).

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

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

5           (5) If a district or intermediate district fails to meet the  
6 requirements of this section, the department shall withhold 5% of  
7 the total funds for which the district or intermediate district  
8 qualifies under this ~~act~~ **ARTICLE** until the district or intermediate  
9 district complies with all of those subsections. If the district or  
10 intermediate district does not comply with all of those subsections  
11 by the end of the fiscal year, the department shall place the  
12 amount withheld in an escrow account until the district or  
13 intermediate district complies with all of those subsections.

14           (6) Before publishing a list of schools or districts  
15 determined to have failed to make adequate yearly progress as  
16 required by the no child left behind act of 2001, Public Law 107-  
17 110, the department shall allow a school or district to appeal that  
18 determination. The department shall consider and act upon the  
19 appeal within 30 days after it is submitted and shall not publish  
20 the list until after all appeals have been considered and decided.

21           **(7) IT IS THE INTENT OF THE LEGISLATURE TO IMPLEMENT NOT LATER**  
22 **THAN 2014-2015 STATEWIDE STANDARD REPORTING REQUIREMENTS FOR**  
23 **EDUCATION DATA APPROVED BY THE DEPARTMENT IN CONJUNCTION WITH THE**  
24 **CENTER. THE DEPARTMENT SHALL WORK WITH THE CENTER, INTERMEDIATE**  
25 **DISTRICTS, DISTRICTS, AND OTHER INTERESTED STAKEHOLDERS TO DEVELOP**  
26 **RECOMMENDATIONS ON THE IMPLEMENTATION OF THIS POLICY CHANGE. A**  
27 **DISTRICT OR INTERMEDIATE DISTRICT SHALL IMPLEMENT THE STATEWIDE**

1 **STANDARD REPORTING REQUIREMENTS NOT LATER THAN 2014-2015 OR WHEN A**  
2 **DISTRICT OR INTERMEDIATE DISTRICT UPDATES ITS EDUCATION DATA**  
3 **REPORTING SYSTEM, WHICHEVER IS LATER.**

4       Sec. 20. (1) For 2011-2012, **AND FOR 2012-2013**, the basic  
5 foundation allowance is \$8,019.00.

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 a district that had a foundation allowance for the  
14 immediately preceding state fiscal year that was at least equal to  
15 the sum of \$7,108.00 plus the total dollar amount of all  
16 adjustments made from 2006-2007 to the immediately preceding state  
17 fiscal year in the lowest foundation allowance among all districts,  
18 but less than the basic foundation allowance for the immediately  
19 preceding state fiscal year, the district shall receive a  
20 foundation allowance in an amount equal to the sum of the  
21 district's foundation allowance for the immediately preceding state  
22 fiscal year plus the difference between twice the dollar amount of  
23 the adjustment from the immediately preceding state fiscal year to  
24 the current state fiscal year made in the basic foundation  
25 allowance and [(the dollar amount of the adjustment from the  
26 immediately preceding state fiscal year to the current state fiscal  
27 year made in the basic foundation allowance minus \$20.00) times

1 (the difference between the district's foundation allowance for the  
2 immediately preceding state fiscal year and the sum of \$7,108.00  
3 plus the total dollar amount of all adjustments made from 2006-2007  
4 to the immediately preceding state fiscal year in the lowest  
5 foundation allowance among all districts) divided by the difference  
6 between the basic foundation allowance for the current state fiscal  
7 year and the sum of \$7,108.00 plus the total dollar amount of all  
8 adjustments made from 2006-2007 to the immediately preceding state  
9 fiscal year in the lowest foundation allowance among all  
10 districts]. For 2011-2012, for a district that had a foundation  
11 allowance for the immediately preceding state fiscal year that was  
12 at least equal to the sum of \$7,108.00 plus the total dollar amount  
13 of all adjustments made from 2006-2007 to the immediately preceding  
14 state fiscal year in the lowest foundation allowance among all  
15 districts, but less than the basic foundation allowance for the  
16 immediately preceding state fiscal year, the district shall receive  
17 a foundation allowance in an amount equal to the district's  
18 foundation allowance for 2010-2011, minus \$470.00. **EXCEPT AS**  
19 **OTHERWISE PROVIDED IN SUBDIVISION (H), FOR 2012-2013, FOR A**  
20 **DISTRICT THAT HAD A FOUNDATION ALLOWANCE FOR THE IMMEDIATELY**  
21 **PRECEDING STATE FISCAL YEAR THAT WAS AT LEAST EQUAL TO THE SUM OF**  
22 **\$7,108.00 PLUS THE TOTAL DOLLAR AMOUNT OF ALL ADJUSTMENTS MADE FROM**  
23 **2006-2007 TO THE IMMEDIATELY PRECEDING STATE FISCAL YEAR IN THE**  
24 **LOWEST FOUNDATION ALLOWANCE AMONG ALL DISTRICTS, BUT LESS THAN THE**  
25 **BASIC FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE**  
26 **FISCAL YEAR, THE DISTRICT SHALL RECEIVE A FOUNDATION ALLOWANCE IN**  
27 **AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE**

1 **IMMEDIATELY PRECEDING STATE FISCAL YEAR.** However, the foundation  
2 allowance for a district that had less than the basic foundation  
3 allowance for the immediately preceding state fiscal year shall not  
4 exceed the basic foundation allowance for the current state fiscal  
5 year.

6 (b) Except as otherwise provided in this subsection, for a  
7 district that in the immediately preceding state fiscal year had a  
8 foundation allowance in an amount at least equal to the amount of  
9 the basic foundation allowance for the immediately preceding state  
10 fiscal year, the district shall receive a foundation allowance for  
11 2011-2012 in an amount equal to the district's foundation allowance  
12 for 2010-2011, minus \$470.00. **FOR 2012-2013, EXCEPT AS OTHERWISE**  
13 **PROVIDED IN THIS SUBSECTION, FOR A DISTRICT THAT IN THE IMMEDIATELY**  
14 **PRECEDING STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE IN AN AMOUNT**  
15 **AT LEAST EQUAL TO THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE FOR**  
16 **THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, THE DISTRICT SHALL**  
17 **RECEIVE A FOUNDATION ALLOWANCE FOR 2012-2013 IN AN AMOUNT EQUAL TO**  
18 **THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING**  
19 **STATE FISCAL YEAR.**

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

1 district's foundation allowance for the immediately preceding state  
2 fiscal year times the percentage increase in the United States  
3 consumer price index in the calendar year ending in the immediately  
4 preceding fiscal year as reported by the May revenue estimating  
5 conference conducted under section 367b of the management and  
6 budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided  
7 in subdivision (d), for 2011-2012, for a district that in the 1994-  
8 1995 state fiscal year had a foundation allowance greater than  
9 \$6,500.00, the district's foundation allowance is an amount equal  
10 to the district's foundation allowance for the 2010-2011 fiscal  
11 year minus \$470.00. **FOR 2012-2013, EXCEPT AS OTHERWISE PROVIDED IN**  
12 **SUBDIVISION (D), FOR A DISTRICT THAT IN THE 1994-1995 STATE FISCAL**  
13 **YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE**  
14 **DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL TO THE**  
15 **DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE**  
16 **FISCAL YEAR.**

17 (d) For a district that in the 1994-95 state fiscal year had a  
18 foundation allowance greater than \$6,500.00 and that had a  
19 foundation allowance for the 2009-2010 state fiscal year, as  
20 otherwise calculated under this section, that was less than the  
21 basic foundation allowance, the district's foundation allowance for  
22 2011-2012 and each succeeding fiscal year shall be considered to be  
23 an amount equal to the basic foundation allowance.

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

27 (f) For a district that received a payment under section 22c



1 as that section was in effect for 2001-2002, the district's 2001-  
2 2002 foundation allowance shall be considered to have been an  
3 amount equal to the sum of the district's actual 2001-2002  
4 foundation allowance as otherwise calculated under this section  
5 plus the per pupil amount of the district's equity payment for  
6 2001-2002 under section 22c as that section was in effect for 2001-  
7 2002.

8 (g) For a district that received a payment under section 22c  
9 as that section was in effect for 2006-2007, the district's 2006-  
10 2007 foundation allowance shall be considered to have been an  
11 amount equal to the sum of the district's actual 2006-2007  
12 foundation allowance as otherwise calculated under this section  
13 plus the per pupil amount of the district's equity payment for  
14 2006-2007 under section 22c as that section was in effect for 2006-  
15 2007.

16 **(H) FOR 2012-2013, FOR A DISTRICT THAT HAD A FOUNDATION**  
17 **ALLOWANCE FOR THE 2011-2012 STATE FISCAL YEAR OF LESS THAN**  
18 **\$6,966.00, THE DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL**  
19 **TO \$6,966.00.**

20 (4) Except as otherwise provided in this subsection, the state  
21 portion of a district's foundation allowance is an amount equal to  
22 the district's foundation allowance or the basic foundation  
23 allowance for the current state fiscal year, whichever is less,  
24 minus the difference between the sum of the product of the taxable  
25 value per membership pupil of all property in the district that is  
26 nonexempt property times the 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 tax increment financing acts divided by  
5 the district's membership excluding special education pupils. For a  
6 district described in subsection (3)(c), the state portion of the  
7 district's foundation allowance is an amount equal to \$6,962.00  
8 plus the difference between the district's foundation allowance for  
9 the current state fiscal year and the district's foundation  
10 allowance for 1998-99, minus the difference between the sum of the  
11 product of the taxable value per membership pupil of all property  
12 in the district that is nonexempt property times the district's  
13 certified mills and, for a district with certified mills exceeding  
14 12, the product of the taxable value per membership pupil of  
15 property in the district that is commercial personal property times  
16 the certified mills minus 12 mills and the quotient of the ad  
17 valorem property tax revenue of the district captured under tax  
18 increment financing acts divided by the district's membership  
19 excluding special education pupils. For a district that has a  
20 millage reduction required under section 31 of article IX of the  
21 state constitution of 1963, the state portion of the district's  
22 foundation allowance shall be calculated as if that reduction did  
23 not occur.

24 (5) The allocation calculated under this section for a pupil  
25 shall be based on the foundation allowance of the pupil's district  
26 of residence. ~~However, for a pupil enrolled in a district other~~  
27 ~~than the pupil's district of residence, if the foundation allowance~~

1 ~~of the pupil's district of residence has been adjusted pursuant to~~  
2 ~~subsection (15), the allocation calculated under this section shall~~  
3 ~~not include the adjustment described in subsection (15).~~ For a  
4 pupil enrolled pursuant to section 105 or 105c in a district other  
5 than the pupil's district of residence, the allocation calculated  
6 under this section shall be based on the lesser of the foundation  
7 allowance of the pupil's district of residence or the foundation  
8 allowance of the educating district. For a pupil in membership in a  
9 K-5, K-6, or K-8 district who is enrolled in another district in a  
10 grade not offered by the pupil's district of residence, the  
11 allocation calculated under this section shall be based on the  
12 foundation allowance of the educating district if the educating  
13 district's foundation allowance is greater than the foundation  
14 allowance of the pupil's district of residence.

15 (6) ~~Subject to subsection (7) and except~~ **EXCEPT** as otherwise  
16 provided in this subsection, for pupils in membership, other than  
17 special education pupils, in a public school academy, ~~or a~~  
18 ~~university school,~~ the allocation calculated under this section is  
19 an amount per membership pupil other than special education pupils  
20 in the public school academy ~~or university school~~ equal to the  
21 foundation allowance of the district in which the public school  
22 academy ~~or university school~~ is located or the state maximum public  
23 school academy allocation, whichever is less. However, a public  
24 school academy ~~or university school~~ that had an allocation under  
25 this subsection before 2009-2010 that was equal to the sum of the  
26 local school operating revenue per membership pupil other than  
27 special education pupils for the district in which the public

1 school academy ~~or university school~~ is located and the state  
2 portion of that district's foundation allowance shall not have that  
3 allocation reduced as a result of the 2010 amendment to this  
4 subsection. Notwithstanding section 101, for a public school  
5 academy that begins operations after the pupil membership count  
6 day, the amount per membership pupil calculated under this  
7 subsection shall be adjusted by multiplying that amount per  
8 membership pupil by the number of hours of pupil instruction  
9 provided by the public school academy after it begins operations,  
10 as determined by the department, divided by the minimum number of  
11 hours of pupil instruction required under section 101(3). The  
12 result of this calculation shall not exceed the amount per  
13 membership pupil otherwise calculated under this subsection.

14 ~~—— (7) If more than 25% of the pupils residing within a district~~  
15 ~~are in membership in 1 or more public school academies located in~~  
16 ~~the district, then the amount per membership pupil calculated under~~  
17 ~~this section for a public school academy located in the district~~  
18 ~~shall be reduced by an amount equal to the difference between the~~  
19 ~~sum of the product of the taxable value per membership pupil of all~~  
20 ~~property in the district that is nonexempt property times the~~  
21 ~~district's certified mills and, for a district with certified mills~~  
22 ~~exceeding 12, the product of the taxable value per membership pupil~~  
23 ~~of property in the district that is commercial personal property~~  
24 ~~times the certified mills minus 12 mills and the quotient of the ad~~  
25 ~~valorem property tax revenue of the district captured under tax~~  
26 ~~increment financing acts divided by the district's membership~~  
27 ~~excluding special education pupils, in the school fiscal year~~

1 ending in the current state fiscal year, calculated as if the  
2 resident pupils in membership in 1 or more public school academies  
3 located in the district were in membership in the district. In  
4 order to receive state school aid under this article, a district  
5 described in this subsection shall pay to the authorizing body that  
6 is the fiscal agent for a public school academy located in the  
7 district for forwarding to the public school academy an amount  
8 equal to that local school operating revenue per membership pupil  
9 for each resident pupil in membership other than special education  
10 pupils in the public school academy, as determined by the  
11 department.

12 (7) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR  
13 PUPILS ATTENDING AN ACHIEVEMENT SCHOOL AND IN MEMBERSHIP IN THE  
14 EDUCATION ACHIEVEMENT SYSTEM, OTHER THAN SPECIAL EDUCATION PUPILS,  
15 THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT PER  
16 MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS EQUAL TO THE  
17 FOUNDATION ALLOWANCE OF THE DISTRICT IN WHICH THE ACHIEVEMENT  
18 SCHOOL IS LOCATED, NOT TO EXCEED THE BASIC FOUNDATION ALLOWANCE.  
19 NOTWITHSTANDING SECTION 101, FOR AN ACHIEVEMENT SCHOOL THAT BEGINS  
20 OPERATION AFTER THE PUPIL MEMBERSHIP COUNT DAY, THE AMOUNT PER  
21 MEMBERSHIP PUPIL CALCULATED UNDER THIS SUBSECTION SHALL BE ADJUSTED  
22 BY MULTIPLYING THAT AMOUNT PER MEMBERSHIP PUPIL BY THE NUMBER OF  
23 HOURS OF PUPIL INSTRUCTION PROVIDED BY THE ACHIEVEMENT SCHOOL AFTER  
24 IT BEGINS OPERATIONS, AS DETERMINED BY THE DEPARTMENT, DIVIDED BY  
25 THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER  
26 SECTION 101(3). THE RESULT OF THIS CALCULATION SHALL NOT EXCEED THE  
27 AMOUNT PER MEMBERSHIP PUPIL OTHERWISE CALCULATED UNDER THIS

1 SUBSECTION. FOR THE PURPOSES OF THIS SUBSECTION, IF A PUBLIC SCHOOL  
2 IS TRANSFERRED FROM A DISTRICT TO THE STATE SCHOOL REFORM/REDESIGN  
3 DISTRICT OR THE ACHIEVEMENT AUTHORITY UNDER SECTION 1280C OF THE  
4 REVISED SCHOOL CODE, THAT PUBLIC SCHOOL IS CONSIDERED TO BE AN  
5 ACHIEVEMENT SCHOOL WITHIN THE EDUCATION ACHIEVEMENT SYSTEM AND NOT  
6 A SCHOOL THAT IS PART OF A DISTRICT, AND A PUPIL ATTENDING THAT  
7 PUBLIC SCHOOL IS CONSIDERED TO BE IN MEMBERSHIP IN THE EDUCATION  
8 ACHIEVEMENT SYSTEM AND NOT IN MEMBERSHIP IN THE DISTRICT THAT  
9 OPERATED THE SCHOOL BEFORE THE TRANSFER.

10 (8) Subject to subsection (4), for a district that is formed  
11 or reconfigured after June 1, 2002 by consolidation of 2 or more  
12 districts or by annexation, the resulting district's foundation  
13 allowance under this section beginning after the effective date of  
14 the consolidation or annexation shall be the average of the  
15 foundation allowances of each of the original or affected  
16 districts, calculated as provided in this section, weighted as to  
17 the percentage of pupils in total membership in the resulting  
18 district who reside in the geographic area of each of the original  
19 or affected districts.

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

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

27 (11) To assist the legislature in determining the basic

1 foundation allowance for the subsequent state fiscal year, each  
2 revenue estimating conference conducted under section 367b of the  
3 management and budget act, 1984 PA 431, MCL 18.1367b, shall  
4 calculate a pupil membership factor, a revenue adjustment factor,  
5 and an index as follows:

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

16 (b) The revenue adjustment factor shall be computed by  
17 dividing the sum of the estimated total state school aid fund  
18 revenue for the subsequent state fiscal year plus the estimated  
19 total state school aid fund revenue for the current state fiscal  
20 year, adjusted for any change in the rate or base of a tax the  
21 proceeds of which are deposited in that fund and excluding money  
22 transferred into that fund from the countercyclical budget and  
23 economic stabilization fund under the management and budget act,  
24 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated  
25 total school aid fund revenue for the current state fiscal year  
26 plus the estimated total state school aid fund revenue for the  
27 immediately preceding state fiscal year, adjusted for any change in

1 the rate or base of a tax the proceeds of which are deposited in  
2 that fund. If a consensus revenue factor is not determined at the  
3 revenue estimating conference, the principals of the revenue  
4 estimating conference shall report their estimates to the house and  
5 senate subcommittees responsible for school aid appropriations not  
6 later than 7 days after the conclusion of the revenue conference.

7 (c) The index shall be calculated by multiplying the pupil  
8 membership factor by the revenue adjustment factor. However, for  
9 2011-2012, the index shall be 0.93575 **AND FOR 2012-2013, THE INDEX**  
10 **SHALL BE 1.00**. If a consensus index is not determined at the  
11 revenue estimating conference, the principals of the revenue  
12 estimating conference shall report their estimates to the house and  
13 senate subcommittees responsible for school aid appropriations not  
14 later than 7 days after the conclusion of the revenue conference.

15 ~~———— (12) If the principals at the revenue estimating conference~~  
16 ~~reach a consensus on the index described in subsection (11)(c), the~~  
17 ~~lowest foundation allowance among all districts for the subsequent~~  
18 ~~state fiscal year shall be at least the amount of that consensus~~  
19 ~~index multiplied by the lowest foundation allowance among all~~  
20 ~~districts for the immediately preceding state fiscal year.~~

21 (12) ~~(13)~~ For a district in which 7.75 mills levied in 1992  
22 for school operating purposes in the 1992-93 school year were not  
23 renewed in 1993 for school operating purposes in the 1993-94 school  
24 year, the district's combined state and local revenue per  
25 membership pupil shall be recalculated as if that millage reduction  
26 did not occur and the district's foundation allowance shall be  
27 calculated as if its 1994-95 foundation allowance had been



1 calculated using that recalculated 1993-94 combined state and local  
2 revenue per membership pupil as a base. A district is not entitled  
3 to any retroactive payments for fiscal years before 2000-2001 due  
4 to this subsection. A district receiving an adjustment under this  
5 subsection shall not receive as a result of this adjustment an  
6 amount that exceeds 50% of the amount the district received as a  
7 result of this adjustment for 2010-2011. This adjustment shall not  
8 be made after 2011-2012.

9 (13) ~~(14)~~—For a district in which an industrial facilities  
10 exemption certificate that abated taxes on property with a state  
11 equalized valuation greater than the total state equalized  
12 valuation of the district at the time the certificate was issued or  
13 \$700,000,000.00, whichever is greater, was issued under 1974 PA  
14 198, MCL 207.551 to 207.572, before the calculation of the  
15 district's 1994-95 foundation allowance, the district's foundation  
16 allowance for 2002-2003 is an amount equal to the sum of the  
17 district's foundation allowance for 2002-2003, as otherwise  
18 calculated under this section, plus \$250.00. A district receiving  
19 an adjustment under this subsection shall not receive as a result  
20 of this adjustment an amount that exceeds 50% of the amount the  
21 district received as a result of this adjustment for 2010-2011.  
22 This adjustment shall not be made after 2011-2012.

23 (14) ~~(15)~~—For a district that received a grant under former  
24 section 32e for 2001-2002, the district's foundation allowance for  
25 2002-2003 and each succeeding fiscal year shall be adjusted to be  
26 an amount equal to the sum of the district's foundation allowance,  
27 as otherwise calculated under this section, plus the quotient of

1 100% of the amount of the grant award to the district for 2001-2002  
2 under former section 32e divided by the number of pupils in the  
3 district's membership for 2001-2002 who were residents of and  
4 enrolled in the district. Except as otherwise provided in this  
5 subsection, a district qualifying for a foundation allowance  
6 adjustment under this subsection shall use the funds resulting from  
7 this adjustment for at least 1 of grades K to 3 for purposes  
8 allowable under former section 32e as in effect for 2001-2002. ~~7~~  
9 ~~and may also use these funds for an early intervening program~~  
10 ~~described in subsection (20).~~ For an individual school or schools  
11 operated by a district qualifying for a foundation allowance under  
12 this subsection that have been determined by the department to meet  
13 the adequate yearly progress standards of the federal no child left  
14 behind act of 2001, Public Law 107-110, in both mathematics and  
15 English language arts at all applicable grade levels for all  
16 applicable subgroups, the district may submit to the department an  
17 application for flexibility in using the funds resulting from this  
18 adjustment that are attributable to the pupils in the school or  
19 schools. The application shall identify the affected school or  
20 schools and the affected funds and shall contain a plan for using  
21 the funds for specific purposes identified by the district that are  
22 designed to reduce class size, but that may be different from the  
23 purposes otherwise allowable under this subsection. The department  
24 shall approve the application if the department determines that the  
25 purposes identified in the plan are reasonably designed to reduce  
26 class size. If the department does not act to approve or disapprove  
27 an application within 30 days after it is submitted to the

1 department, the application is considered to be approved. If an  
2 application for flexibility in using the funds is approved, the  
3 district may use the funds identified in the application for any  
4 purpose identified in the plan. A district receiving an adjustment  
5 under this subsection shall not receive as a result of this  
6 adjustment an amount that exceeds 68.5% of the amount the district  
7 received as a result of this adjustment for 2010-2011. ~~This~~  
8 ~~adjustment shall not be made after 2011-2012.~~

9 (15) ~~(16)~~ For a district that levied 1.9 mills in 1993 to  
10 finance an operating deficit, the district's foundation allowance  
11 shall be calculated as if those mills were included as operating  
12 mills in the calculation of the district's 1994-1995 foundation  
13 allowance. A district is not entitled to any retroactive payments  
14 for fiscal years before 2006-2007 due to this subsection. A  
15 district receiving an adjustment under this subsection shall not  
16 receive more than \$800,000.00 for a fiscal year as a result of this  
17 adjustment. A district receiving an adjustment under this  
18 subsection shall not receive as a result of this adjustment an  
19 amount that exceeds 50% of the amount the district received as a  
20 result of this adjustment for 2010-2011. This adjustment shall not  
21 be made after 2011-2012.

22 (16) ~~(17)~~ For a district that levied 2.23 mills in 1993 to  
23 finance an operating deficit, the district's foundation allowance  
24 shall be calculated as if those mills were included as operating  
25 mills in the calculation of the district's 1994-1995 foundation  
26 allowance. A district is not entitled to any retroactive payments  
27 for fiscal years before 2006-2007 due to this subsection. A

1 district receiving an adjustment under this subsection shall not  
2 receive more than \$500,000.00 for a fiscal year as a result of this  
3 adjustment. A district receiving an adjustment under this  
4 subsection shall not receive as a result of this adjustment an  
5 amount that exceeds 50% of the amount the district received as a  
6 result of this adjustment for 2010-2011. This adjustment shall not  
7 be made after 2011-2012.

8 (17) ~~(18)~~ Payments to districts, ~~university schools, or public~~  
9 school academies, **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall not be  
10 made under this section. Rather, the calculations under this  
11 section shall be used to determine the amount of state payments  
12 under section 22b.

13 (18) ~~(19)~~ If an amendment to section 2 of article VIII of the  
14 state constitution of 1963 allowing state aid to some or all  
15 nonpublic schools is approved by the voters of this state, each  
16 foundation allowance or per pupil payment calculation under this  
17 section may be reduced.

18 (19) ~~(20)~~ As used in this section:

19 (a) "Certified mills" means the lesser of 18 mills or the  
20 number of mills of school operating taxes levied by the district in  
21 1993-94.

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

26 (c) "Combined state and local revenue per membership pupil"  
27 means the district's combined state and local revenue divided by

1 the district's membership excluding special education pupils.

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

4 (e) "Immediately preceding state fiscal year" means the state  
5 fiscal year immediately preceding the current state fiscal year.

6 (f) "Local school operating revenue" means school operating  
7 taxes levied under section 1211 of the revised school code, MCL  
8 380.1211.

9 (g) "Local school operating revenue per membership pupil"  
10 means a district's local school operating revenue divided by the  
11 district's membership excluding special education pupils.

12 (h) "Maximum public school academy allocation", except as  
13 otherwise provided in this subdivision, means the maximum per-pupil  
14 allocation as calculated by adding the highest per-pupil allocation  
15 among all public school academies for the immediately preceding  
16 state fiscal year plus the difference between twice the dollar  
17 amount of the adjustment from the immediately preceding state  
18 fiscal year to the current state fiscal year made in the basic  
19 foundation allowance and [(the dollar amount of the adjustment from  
20 the immediately preceding state fiscal year to the current state  
21 fiscal year made in the basic foundation allowance minus \$20.00)  
22 times (the difference between the highest per-pupil allocation  
23 among all public school academies for the immediately preceding  
24 state fiscal year and the sum of \$7,108.00 plus the total dollar  
25 amount of all adjustments made from 2006-2007 to the immediately  
26 preceding state fiscal year in the lowest per-pupil allocation  
27 among all public school academies) divided by the difference

1 between the basic foundation allowance for the current state fiscal  
2 year and the sum of \$7,108.00 plus the total dollar amount of all  
3 adjustments made from 2006-2007 to the immediately preceding state  
4 fiscal year in the lowest per-pupil allocation among all public  
5 school academies]. For 2011-2012 **AND 2012-2013**, maximum public  
6 school academy allocation means \$7,110.00.

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

10 (j) "Nonexempt property" means property that is not a  
11 principal residence, qualified agricultural property, qualified  
12 forest property, supportive housing property, industrial personal  
13 property, or commercial personal property.

14 (k) "Principal residence", "qualified agricultural property",  
15 "qualified forest property", "supportive housing property",  
16 "industrial personal property", and "commercial personal property"  
17 mean those terms as defined in section 1211 of the revised school  
18 code, MCL 380.1211.

19 (l) "School operating purposes" means the purposes included in  
20 the operation costs of the district as prescribed in sections 7 and  
21 18.

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

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

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

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

10 Sec. 20d. In making the final determination required under  
11 former section 20a of a district's combined state and local revenue  
12 per membership pupil in 1993-94 and in making calculations under  
13 section 20 for ~~2011-2012~~, **2012-2013**, the department and the  
14 department of treasury shall comply with all of the following:

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

1 levied by the district under section 1211 of the revised school  
2 code, MCL 380.1211, as a result of the adjustment under this  
3 subdivision.

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

21 Sec. 22a. (1) From the appropriation in section 11, there is  
22 allocated an amount not to exceed ~~\$5,769,000,000.00~~  
23 **\$5,776,000,000.00** for 2011-2012 **AND THERE IS ALLOCATED AN AMOUNT**  
24 **NOT TO EXCEED \$5,712,000,000.00 FOR 2012-2013** for payments to  
25 districts ~~, qualifying university schools,~~ and qualifying public  
26 school academies to guarantee each district ~~, qualifying university~~  
27 ~~school,~~ and qualifying public school academy an amount equal to its



1 1994-95 total state and local per pupil revenue for school  
2 operating purposes under section 11 of article IX of the state  
3 constitution of 1963. Pursuant to section 11 of article IX of the  
4 state constitution of 1963, this guarantee does not apply to a  
5 district in a year in which the district levies a millage rate for  
6 school district operating purposes less than it levied in 1994.  
7 However, subsection (2) applies to calculating the payments under  
8 this section. Funds allocated under this section that are not  
9 expended in the state fiscal year for which they were allocated, as  
10 determined by the department, may be used to supplement the  
11 allocations under sections 22b and 51c in order to fully fund those  
12 calculated allocations for the same fiscal year.

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

18 (a) Except as otherwise provided in this subsection, the state  
19 portion of a district's 1994-95 foundation allowance is an amount  
20 equal to the district's 1994-95 foundation allowance or \$6,500.00,  
21 whichever is less, minus the difference between the sum of the  
22 product of the taxable value per membership pupil of all property  
23 in the district that is nonexempt property times the district's  
24 certified mills and, for a district with certified mills exceeding  
25 12, the product of the taxable value per membership pupil of  
26 property in the district that is commercial personal property times  
27 the certified mills minus 12 mills and the quotient of the ad

1 valorem property tax revenue of the district captured under tax  
2 increment financing acts divided by the district's membership. For  
3 a district that has a millage reduction required under section 31  
4 of article IX of the state constitution of 1963, the state portion  
5 of the district's foundation allowance shall be calculated as if  
6 that reduction did not occur.

7 (b) For a district that had a 1994-95 foundation allowance  
8 greater than \$6,500.00, the state payment under this subsection  
9 shall be the sum of the amount calculated under subdivision (a)  
10 plus the amount calculated under this subdivision. The amount  
11 calculated under this subdivision shall be equal to the difference  
12 between the district's 1994-95 foundation allowance minus \$6,500.00  
13 and the current year hold harmless school operating taxes per  
14 pupil. If the result of the calculation under subdivision (a) is  
15 negative, the negative amount shall be an offset against any state  
16 payment calculated under this subdivision. If the result of a  
17 calculation under this subdivision is negative, there shall not be  
18 a state payment or a deduction under this subdivision. The taxable  
19 values per membership pupil used in the calculations under this  
20 subdivision are as adjusted by ad valorem property tax revenue  
21 captured under tax increment financing acts divided by the  
22 district's membership.

23 (3) Beginning in 2003-2004, for pupils in membership in a  
24 qualifying public school academy, ~~or qualifying university school,~~  
25 there is allocated under this section to the authorizing body that  
26 is the fiscal agent for the qualifying public school academy for  
27 forwarding to the qualifying public school academy, ~~or to the~~

1 ~~board of the public university operating the qualifying university~~  
2 ~~school,~~ an amount equal to the 1994-95 per pupil payment to the  
3 qualifying public school academy ~~or qualifying university school~~  
4 under section 20.

5 (4) A district ~~, qualifying university school,~~ or qualifying  
6 public school academy may use funds allocated under this section in  
7 conjunction with any federal funds for which the district ~~,~~  
8 ~~qualifying university school,~~ or qualifying public school academy  
9 otherwise would be eligible.

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

25 (6) Subject to conditions set forth in this subsection, from  
26 the allocation in subsection (1), there is allocated for 2011-2012  
27 only an amount not to exceed \$6,000,000.00 for payments to

1 districts that meet the eligibility requirements under this  
2 subsection, for the reduction in school operating revenues  
3 resulting from a settlement or other disposition of appeals  
4 described in subdivision (a). A payment may only be made under this  
5 subsection if a settlement agreement is signed by all applicable  
6 parties. Payments made under this subsection shall be in accordance  
7 with the settlement agreement. All of the following apply to  
8 payments under this subsection:

9 (a) To be eligible for a payment under this subsection, a  
10 district shall be determined by the department and the department  
11 of treasury to meet all of the following:

12 (i) The district does not receive any state portion of its  
13 foundation allowance, as calculated under section 20(4).

14 (ii) Before January 1, 2011, the owner of a natural-gas-powered  
15 power plant located in a renaissance zone within the district's  
16 geographic boundaries for 2009 and 2010 appealed to the Michigan  
17 tax tribunal an order of the state tax commission for tax years  
18 2009 and 2010 pursuant to section 154 of the general property tax  
19 act, 1893 PA 206, MCL 211.154, and appealed to the state tax  
20 commission the 2011 classification and valuation of the power  
21 plant.

22 (iii) The district received a reduced amount of local school  
23 operating revenue for tax years 2009, 2010, and 2011 as a result of  
24 the exemptions of industrial personal property and commercial  
25 personal property under section 1211 of the revised school code,  
26 MCL 380.1211.

27 (iv) A settlement agreement has been signed to resolve the

1 Michigan tax tribunal appeal described in subparagraph (ii) and a  
2 memorandum of understanding that stipulates terms of the settlement  
3 has been executed by the parties.

4 (b) A payment made under this subsection shall be in addition  
5 to renaissance zone reimbursement amounts paid in the 2009-2010 and  
6 2010-2011 state fiscal years under section 26a to districts  
7 eligible for payment under this subsection. The 2009-2010 and 2010-  
8 2011 state fiscal year payments under section 26a to a district  
9 receiving a payment under this subsection shall not be reduced as a  
10 result of the reduction to the district's 2009 and 2010 taxable  
11 value of real property under the appeals described in subdivision  
12 (a) (ii).

13 (7) As used in this section:

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

18 (b) "Certified mills" means the lesser of 18 mills or the  
19 number of mills of school operating taxes levied by the district in  
20 1993-94.

21 (c) "Current state fiscal year" means the state fiscal year  
22 for which a particular calculation is made.

23 (d) "Current year hold harmless school operating taxes per  
24 pupil" means the per pupil revenue generated by multiplying a  
25 district's 1994-95 hold harmless millage by the district's current  
26 year taxable value per membership pupil.

27 (e) "Hold harmless millage" means, for a district with a 1994-

1 95 foundation allowance greater than \$6,500.00, the number of mills  
2 by which the exemption from the levy of school operating taxes on a  
3 homestead, qualified agricultural property, qualified forest  
4 property, supportive housing property, industrial personal  
5 property, and commercial personal property could be reduced as  
6 provided in section 1211 of the revised school code, MCL 380.1211,  
7 and the number of mills of school operating taxes that could be  
8 levied on all property as provided in section 1211(2) of the  
9 revised school code, MCL 380.1211, as certified by the department  
10 of treasury for the 1994 tax year.

11 (f) "Homestead", "qualified agricultural property", "qualified  
12 forest property", "supportive housing property", "industrial  
13 personal property", and "commercial personal property" mean those  
14 terms as defined in section 1211 of the revised school code, MCL  
15 380.1211.

16 (g) "Membership" means the definition of that term under  
17 section 6 as in effect for the particular fiscal year for which a  
18 particular calculation is made.

19 (h) "Nonexempt property" means property that is not a  
20 principal residence, qualified agricultural property, qualified  
21 forest property, supportive housing property, industrial personal  
22 property, or commercial personal property.

23 (i) "Qualifying public school academy" means a public school  
24 academy that was in operation in the 1994-95 school year and is in  
25 operation in the current state fiscal year.

26 ~~—— (j) "Qualifying university school" means a university school~~  
27 ~~that was in operation in the 1994-95 school year and is in~~

1 ~~operation in the current fiscal year.~~

2 (J) ~~(k)~~—"School operating taxes" means local ad valorem  
3 property taxes levied under section 1211 of the revised school  
4 code, MCL 380.1211, and retained for school operating purposes.

5 (K) ~~(l)~~—"Tax increment financing acts" means 1975 PA 197, MCL  
6 125.1651 to 125.1681, the tax increment finance authority act, 1980  
7 PA 450, MCL 125.1801 to 125.1830, the local development financing  
8 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
9 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
10 or the corridor improvement authority act, 2005 PA 280, MCL  
11 125.2871 to 125.2899.

12 (L) ~~(m)~~—"Taxable value per membership pupil" means each of the  
13 following divided by the district's membership:

14 (i) For the number of mills by which the exemption from the  
15 levy of school operating taxes on a homestead, qualified  
16 agricultural property, qualified forest property, supportive  
17 housing property, industrial personal property, and commercial  
18 personal property may be reduced as provided in section 1211 of the  
19 revised school code, MCL 380.1211, the taxable value of homestead,  
20 qualified agricultural property, qualified forest property,  
21 supportive housing property, industrial personal property, and  
22 commercial personal property for the calendar year ending in the  
23 current state fiscal year.

24 (ii) For the number of mills of school operating taxes that may  
25 be levied on all property as provided in section 1211(2) of the  
26 revised school code, MCL 380.1211, the taxable value of all  
27 property for the calendar year ending in the current state fiscal

1 year.

2           Sec. 22b. (1) From the state funds appropriated in section 11,  
3 there is allocated for 2011-2012 an amount not to exceed  
4 \$3,052,000,000.00 **AND THERE IS ALLOCATED FOR 2012-2013 AN AMOUNT**  
5 **NOT TO EXCEED \$3,152,300,000.00** for discretionary nonmandated  
6 payments to districts under this section. Funds allocated under  
7 this section that are not expended in the state fiscal year for  
8 which they were allocated, as determined by the department, may be  
9 used to supplement the allocations under sections 22a and 51c in  
10 order to fully fund those calculated allocations for the same  
11 fiscal year.

12           (2) Subject to subsection (3) and section 296, the allocation  
13 to a district under this section shall be an amount equal to the  
14 sum of the amounts calculated under sections 20, 51a(2), 51a(3),  
15 and 51a(11), minus the sum of the allocations to the district under  
16 sections 22a and 51c.

17           (3) In order to receive an allocation under subsection (1),  
18 each district shall do all of the following:

19           (a) Administer in each grade level that it operates in grades  
20 1 to 5 a standardized assessment approved by the department of  
21 grade-appropriate basic educational skills. A district may use the  
22 Michigan literacy progress profile to satisfy this requirement for  
23 grades 1 to 3. Also, if the revised school code is amended to  
24 require annual assessments at additional grade levels, in order to  
25 receive an allocation under this section each district shall comply  
26 with that requirement.

27           (b) Comply with sections 1278a and 1278b of the revised school



1 code, MCL 380.1278a and 380.1278b.

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

5 (d) Comply with section 1230g of the revised school code, MCL  
6 380.1230g.

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

12 (5) From the allocation in subsection (1), the department  
13 shall pay up to \$1,000,000.00 in litigation costs incurred by this  
14 state related to commercial or industrial property tax appeals,  
15 including, but not limited to, appeals of classification, that  
16 impact revenues dedicated to the state school aid fund.

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

25 (7) It is the intent of the legislature that all  
26 constitutional obligations of this state have been fully funded  
27 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by

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

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

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

1 action to the court of appeals, and the court of appeals shall have  
2 and shall exercise jurisdiction over the claim.

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

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

1           (12) NOT LATER THAN JANUARY 1, 2013, THE DEPARTMENT SHALL  
2 SUBMIT A REPORT TO THE LEGISLATURE IDENTIFYING THE AMOUNT OF THE  
3 SAVINGS THAT THE DEPARTMENT HAS CALCULATED AS HAVING BEEN ACHIEVED  
4 DUE TO THE REVISED NUMBER OF INSTRUCTIONAL HOURS USED TO CALCULATE  
5 FULL-TIME EQUATED MEMBERSHIPS FOR KINDERGARTEN PUPILS UNDER SECTION  
6 6(4) (R) AS AMENDED BY 2011 PA 62.

7           Sec. 22d. (1) From the appropriation in section 11, an amount  
8 not to exceed \$2,025,000.00 is allocated **EACH FISCAL YEAR** for 2011-  
9 2012 **AND FOR 2012-2013** for supplemental payments to rural districts  
10 under this section.

11           (2) From the allocation under subsection (1), there is  
12 allocated **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** an  
13 amount not to exceed \$750,000.00 for payments under this subsection  
14 to districts that meet all of the following:

15           (a) Operates grades K to 12.

16           (b) Has fewer than 250 pupils in membership.

17           (c) Each school building operated by the district meets at  
18 least 1 of the following:

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

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

22           (3) The amount of the additional funding to each eligible  
23 district under subsection (2) shall be determined under a spending  
24 plan developed as provided in this subsection and approved by the  
25 superintendent of public instruction. The spending plan shall be  
26 developed cooperatively by the intermediate superintendents of each  
27 intermediate district in which an eligible district is located. The

1 intermediate superintendents shall review the financial situation  
2 of each eligible district, determine the minimum essential  
3 financial needs of each eligible district, and develop and agree on  
4 a spending plan that distributes the available funding under  
5 subsection (2) to the eligible districts based on those financial  
6 needs. The intermediate superintendents shall submit the spending  
7 plan to the superintendent of public instruction for approval. Upon  
8 approval by the superintendent of public instruction, the amounts  
9 specified for each eligible district under the spending plan are  
10 allocated under subsection (2) and shall be paid to the eligible  
11 districts in the same manner as payments under section 22b.

12 (4) Subject to subsection (6), from the allocation in  
13 subsection (1), there is allocated **EACH FISCAL YEAR** for 2011-2012  
14 **AND FOR 2012-2013** an amount not to exceed \$1,275,000.00 for  
15 payments under this subsection to districts that meet all of the  
16 following:

17 (a) The district has 5.0 or fewer pupils per square mile as  
18 determined by the department.

19 (b) The district has a total square mileage greater than 200.0  
20 or is 1 of 2 districts that have consolidated transportation  
21 services and have a combined total square mileage greater than  
22 200.0.

23 (5) The funds allocated under subsection (4) shall be  
24 allocated on an equal per pupil basis.

25 (6) A district receiving funds allocated under subsection (2)  
26 is not eligible for funding allocated under subsection (4).

27 Sec. 22f. (1) From the appropriation in section 11, there is

1 allocated for ~~2011-2012 only~~ **2012-2013** an amount not to exceed  
 2 ~~\$154,000,000.00~~ **\$80,000,000.00** to provide incentive payments to  
 3 districts that meet ~~financial~~ best practices under this section.  
 4 ~~The money allocated in this section represents a portion of the~~  
 5 ~~year-end state school aid fund balance for 2010-2011.~~ **PAYMENTS**  
 6 **RECEIVED UNDER THIS SECTION MAY BE USED FOR ANY PURPOSE FOR WHICH**  
 7 **PAYMENTS UNDER SECTIONS 22A AND 22B MAY BE USED.**

8 (2) The amount of the incentive payment **UNDER THIS SECTION** is  
 9 an amount equal to ~~\$100.00~~ **\$52.00** per pupil. A district shall  
 10 receive an incentive payment under this section if the district  
 11 satisfies at least ~~4~~ **7** of the following requirements not later than  
 12 June 1, ~~2012-2013~~:

13 ~~—— (a) If a district provides medical, pharmacy, dental, vision,~~  
 14 ~~disability, long term care, or any other type of benefit that would~~  
 15 ~~constitute a health care services benefit, to employees and their~~  
 16 ~~dependents, the district does not pay on behalf of any employee a~~  
 17 ~~total amount that is greater than the state maximum allowable~~  
 18 ~~employer contribution for health care services benefits, as~~  
 19 ~~described in subsection (3), depending on the coverage option.~~

20 **(A)** ~~(b)~~ If a district provides medical, pharmacy, dental,  
 21 vision, disability, long-term care, or any other type of benefit  
 22 that would constitute a health care services benefit, to employees  
 23 and their dependents, the district is the policyholder for each of  
 24 its insurance policies that covers 1 or more of these benefits. A  
 25 district that does not directly employ its staff is considered to  
 26 have satisfied this requirement.

27 ~~—— (c) If a district did not enter into an agreement with the~~

1 ~~department to develop a service consolidation plan to reduce school~~  
2 ~~operating costs under former section 11d as it was in effect for~~  
3 ~~2010-2011, the district enters into an agreement with the~~  
4 ~~department to develop a service consolidation plan that is in~~  
5 ~~compliance with department guidelines described in subsection (2).~~  
6 ~~If a district entered into an agreement with the department to~~  
7 ~~develop a service consolidation plan under former section 11d, the~~  
8 ~~district continues to implement that plan and report to the~~  
9 ~~department not later than February 1 of each fiscal year the~~  
10 ~~district's progress in implementing that plan.~~

11 (B) ~~(d)~~The district has obtained competitive bids on the  
12 provision of pupil transportation, food service, custodial, or 1 or  
13 more other noninstructional services with a value of at least  
14 \$50,000.00.FOR 2012-2013.

15 (C) THE DISTRICT ACCEPTS APPLICATIONS FOR ENROLLMENT BY  
16 NONRESIDENT APPLICANTS UNDER SECTION 105 OR 105C. A PUBLIC SCHOOL  
17 ACADEMY IS CONSIDERED TO HAVE MET THIS REQUIREMENT.

18 (D) THE DISTRICT MONITORS INDIVIDUAL PUPIL ACADEMIC GROWTH IN  
19 EACH SUBJECT AREA AT LEAST TWICE DURING THE SCHOOL YEAR USING  
20 COMPETENCY-BASED ONLINE ASSESSMENTS AND REPORTS THOSE RESULTS TO  
21 THE PUPIL AND HIS OR HER PARENT OR GUARDIAN, OR PROVIDES THE  
22 DEPARTMENT WITH A PLAN AND IS ABLE TO SHOW PROGRESS TOWARD  
23 DEVELOPING THE TECHNOLOGY INFRASTRUCTURE NECESSARY FOR THE  
24 IMPLEMENTATION OF PUPIL ACADEMIC GROWTH ASSESSMENTS BY 2014-2015.

25 (E) THE DISTRICT SUPPORTS OPPORTUNITIES FOR PUPILS TO RECEIVE  
26 POSTSECONDARY CREDIT WHILE ATTENDING SECONDARY SCHOOL, BY DOING AT  
27 LEAST 1 OF THE FOLLOWING, AND MAKES ALL ELIGIBLE PUPILS AND THEIR

1 PARENTS OR GUARDIANS AWARE OF THESE OPPORTUNITIES:

2 (i) SUPPORTS ATTENDANCE OF DISTRICT PUPILS UNDER THE  
3 POSTSECONDARY ENROLLMENT OPERATIONS ACT, MCL 388.511 TO 388.524, OR  
4 UNDER THE CAREER AND TECHNICAL PREPARATION ACT, MCL 388.1901 TO  
5 388.1913, CONSISTENT WITH PROVISIONS UNDER SECTION 21B.

6 (ii) OFFERS COLLEGE-LEVEL EQUIVALENT COURSES, AS DEFINED IN  
7 SECTION 1471 OF THE REVISED SCHOOL CODE, MCL 380.1471.

8 (iii) PARTICIPATES IN A MIDDLE COLLEGE. FOR THE PURPOSES OF THIS  
9 SUBPARAGRAPH, "MIDDLE COLLEGE" MEANS A SERIES OF COURSES AND OTHER  
10 REQUIREMENTS AND CONDITIONS THAT ALLOW A PUPIL TO GRADUATE WITH A  
11 HIGH SCHOOL DIPLOMA AND A CERTIFICATE OR DEGREE FROM A COMMUNITY  
12 COLLEGE OR STATE PUBLIC UNIVERSITY.

13 (iv) PROVIDES OTHER OPPORTUNITIES TO PUPILS THAT ALLOW THOSE  
14 PUPILS TO GRADUATE WITH A HIGH SCHOOL DIPLOMA AND ALSO COMPLETE  
15 COURSEWORK THAT A POSTSECONDARY INSTITUTION NORMALLY APPLIES TOWARD  
16 SATISFACTION OF DEGREE REQUIREMENTS.

17 (v) IF A DISTRICT DOES NOT OFFER ANY HIGH SCHOOL GRADES, THE  
18 DISTRICT INFORMS ALL PUPILS AND PARENTS OF THE OPPORTUNITIES THAT  
19 ARE AVAILABLE FOR POSTSECONDARY OPTIONS DURING HIGH SCHOOL.

20 (F) THE DISTRICT OFFERS ONLINE INSTRUCTIONAL PROGRAMS OR  
21 BLENDED LEARNING OPPORTUNITIES TO ALL ELIGIBLE PUPILS. IN ORDER TO  
22 SATISFY THIS REQUIREMENT, DISTRICTS MUST MAKE ALL ELIGIBLE PUPILS  
23 AND THEIR PARENTS OR GUARDIANS AWARE OF THESE OPPORTUNITIES. FOR  
24 THE PURPOSES OF THIS SUBDIVISION:

25 (i) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY  
26 MODEL WHERE PUPILS ARE PROVIDED FACE-TO-FACE INSTRUCTION, IN PART  
27 AT A SUPERVISED SCHOOL FACILITY AWAY FROM HOME AND PARTIALLY



1 THROUGH COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENTS  
2 WITH SOME DEGREE OF PUPIL CONTROL OVER TIME, LOCATION, AND PACE OF  
3 INSTRUCTION.

4 (ii) "ONLINE INSTRUCTIONAL PROGRAM" MEANS A COURSE OF STUDY  
5 THAT GENERATES A CREDIT OR A GRADE, PROVIDED IN AN INTERACTIVE  
6 COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENT, IN  
7 WHICH PUPILS ARE SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION,  
8 OR BOTH, AND IN WHICH A MICHIGAN CERTIFICATED TEACHER IS  
9 RESPONSIBLE FOR PROVIDING DIRECT INSTRUCTION, DIAGNOSING LEARNING  
10 NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION  
11 STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF  
12 INSTRUCTION AND SUPPORT STRATEGIES.

13 (G) ~~(e)~~—The district provides to parents and community members  
14 a dashboard or report card demonstrating the district's efforts to  
15 manage its finances responsibly. The dashboard or report card shall  
16 include at least all of the following for the 3 most recent school  
17 years for which the data are available:

18 (i) Graduation and dropout rates.

19 (ii) Average class size in grades kindergarten to 3.

20 (iii) College readiness as measured by Michigan merit  
21 examination test scores.

22 (iv) Elementary and middle school MEAP scores.

23 (v) Teacher, principal, and superintendent salary information  
24 including at least minimum, average, and maximum pay levels.

25 (vi) General fund balance.

26 (vii) The total number of days of instruction provided.

27 (H) THE DISTRICT PROVIDES PHYSICAL EDUCATION CONSISTENT WITH

1 THE STATE BOARD'S POLICY ON QUALITY PHYSICAL EDUCATION ADOPTED  
2 SEPTEMBER 25, 2003, OR PROVIDES HEALTH EDUCATION CONSISTENT WITH  
3 THE STATE BOARD'S POLICY ON COMPREHENSIVE SCHOOL HEALTH EDUCATION  
4 ADOPTED JUNE 8, 2004.

5 ~~—— (2) The department shall maintain the guidelines for the~~  
6 ~~service consolidation plans that were developed for former section~~  
7 ~~11d as it was in effect for 2010-2011. The guidelines may identify,~~  
8 ~~but are not limited to, allowable cost sharing arrangements for the~~  
9 ~~provision of noninstructional and instructional services and the~~  
10 ~~creation of joint operating agreements between and among districts,~~  
11 ~~intermediate districts, and other units of local government. The~~  
12 ~~department shall create benchmarks to measure success in~~  
13 ~~implementing service consolidation plans, including, but not~~  
14 ~~limited to, demonstrated cost reductions and efficiency. In~~  
15 ~~determining eligibility for incentive payments, the department~~  
16 ~~shall recognize service consolidation and cooperation and cost~~  
17 ~~reductions already in effect as well as continued progress.~~

18 ~~—— (3) For the purposes of this section, the state maximum~~  
19 ~~allowable employer contribution on behalf of any employee is an~~  
20 ~~amount equal to 90% of the combined total costs for the employee~~  
21 ~~for the school fiscal year for medical, pharmacy, dental, vision,~~  
22 ~~disability, long term care, or any other type of benefit that would~~  
23 ~~constitute a health care services benefit for each of the following~~  
24 ~~coverage options:~~

- 25 ~~—— (a) Employee only coverage.~~  
26 ~~—— (b) Employee and spouse coverage.~~  
27 ~~—— (c) Employee and children coverage.~~

1 ~~—— (d) Full family coverage.~~

2 ~~—— (4) A district that accepts funds allocated under this section~~  
 3 ~~acknowledges that the incentive payment under this section is for~~  
 4 ~~2011-2012 only and that funds will not be appropriated for the~~  
 5 ~~purposes of this section for subsequent fiscal years.~~

6 (3) ~~(5)~~—If the department determines that a district has  
 7 intentionally submitted false information in order to qualify for  
 8 an incentive payment under this section, the district forfeits an  
 9 amount equal to the amount it received under this section from its  
 10 total state school aid for ~~2012-2013-2013-2014~~.

11 (4) IF THE DEPARTMENT DETERMINES THAT FUNDS ALLOCATED UNDER  
 12 THIS SECTION WILL REMAIN UNEXPENDED AFTER THE INITIAL ALLOCATION OF  
 13 \$52.00 PER PUPIL TO ELIGIBLE DISTRICTS UNDER SUBSECTION (2), THE  
 14 REMAINING UNEXPENDED AMOUNT IS ALLOCATED ON AN EQUAL PER PUPIL  
 15 BASIS TO DISTRICTS THAT MEET THE REQUIREMENTS OF SUBSECTION (2) AND  
 16 THAT HAVE A FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20,  
 17 IN AN AMOUNT THAT IS LESS THAN THE BASIC FOUNDATION ALLOWANCE UNDER  
 18 THAT SECTION.

19 SEC. 22G. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE  
 20 IS ALLOCATED FOR 2012-2013 ONLY AN AMOUNT NOT TO EXCEED  
 21 \$10,000,000.00 FOR COMPETITIVE ASSISTANCE GRANTS TO DISTRICTS AND  
 22 INTERMEDIATE DISTRICTS. MONEY ALLOCATED IN THIS SECTION REPRESENTS  
 23 A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2011-  
 24 2012.

25 (2) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR  
 26 REIMBURSEMENT OF TRANSITION COSTS ASSOCIATED WITH THE CONSOLIDATION  
 27 OF OPERATIONS OR SERVICES BETWEEN 2 OR MORE DISTRICTS, INTERMEDIATE

1 DISTRICTS, OR OTHER LOCAL UNITS OF GOVERNMENT OR THE CONSOLIDATION  
2 OF DISTRICTS OR INTERMEDIATE DISTRICTS. GRANT FUNDING SHALL BE  
3 AVAILABLE FOR CONSOLIDATIONS THAT OCCUR ON OR AFTER JUNE 1, 2012.  
4 THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS AND METHOD OF  
5 GRANT DISTRIBUTION. HOWEVER, A DISTRICT OR INTERMEDIATE DISTRICT IS  
6 NOT ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION IF THE DISTRICT  
7 OR INTERMEDIATE DISTRICT RECEIVES A GRANT FROM THE COMPETITIVE  
8 GRANT ASSISTANCE PROGRAM IN THE DEPARTMENT OF TREASURY  
9 APPROPRIATIONS FOR 2012-2013 UNDER SECTION 951 OF ARTICLE VIII OF  
10 ENROLLED HOUSE BILL NO. 5365 OF THE 96TH LEGISLATURE.

11 SEC. 22I. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE  
12 IS ALLOCATED FOR 2012-2013 AN AMOUNT NOT TO EXCEED \$50,000,000.00  
13 FOR TECHNOLOGY INFRASTRUCTURE GRANTS TO DISTRICTS OR TO  
14 INTERMEDIATE DISTRICTS ON BEHALF OF THEIR CONSTITUENT DISTRICTS.  
15 FUNDS RECEIVED UNDER THIS SECTION SHALL BE USED FOR ACCESS TO A  
16 COMPUTER-ADAPTIVE TEST OR FOR THE DEVELOPMENT OR IMPROVEMENT OF A  
17 DISTRICT'S TECHNOLOGY INFRASTRUCTURE, INCLUDING, BUT NOT LIMITED  
18 TO, HARDWARE AND SOFTWARE, IN PREPARATION FOR THE PLANNED  
19 IMPLEMENTATION IN 2014-2015 OF ONLINE GROWTH ASSESSMENTS.

20 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION  
21 PROCESS AND METHOD OF GRANT DISTRIBUTION. THE DEPARTMENT MAY  
22 CONSULT WITH THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET  
23 DURING THE GRANT PROCESS AND GRANT DISTRIBUTION. GRANTS TO  
24 DISTRICTS SHALL NOT EXCEED \$2,000,000.00 PER DISTRICT. A GRANT TO  
25 AN INTERMEDIATE DISTRICT ON BEHALF OF ITS CONSTITUENT DISTRICTS  
26 SHALL NOT EXCEED \$2,000,000.00 PER CONSTITUENT DISTRICT. TO RECEIVE  
27 A GRANT UNDER THIS SECTION, AN INTERMEDIATE DISTRICT SHALL

1 DEMONSTRATE THAT A GRANT AWARDED TO THE INTERMEDIATE DISTRICT ON  
2 BEHALF OF ITS CONSTITUENT DISTRICTS WOULD PROVIDE SAVINGS COMPARED  
3 TO PROVIDING GRANTS TO INDIVIDUAL DISTRICTS.

4 SEC. 22J. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
5 ALLOCATED FOR 2012-2013 AN AMOUNT NOT TO EXCEED \$30,000,000.00 TO  
6 PROVIDE SEPARATE INCENTIVE PAYMENTS TO DISTRICTS THAT MEET STUDENT  
7 ACADEMIC PERFORMANCE FUNDING GOALS UNDER SUBSECTIONS (2) TO (5).  
8 PAYMENTS RECEIVED UNDER THIS SECTION MAY BE USED FOR ANY PURPOSE  
9 FOR WHICH PAYMENTS UNDER SECTIONS 22A AND 22B MAY BE USED.

10 (2) THE MAXIMUM AMOUNT OF THE INCENTIVE PAYMENT FOR STUDENT  
11 ACADEMIC PERFORMANCE IS AN AMOUNT EQUAL TO \$100.00 PER PUPIL.  
12 PAYMENTS CALCULATED AND AWARDED TO QUALIFYING DISTRICTS UNDER  
13 SUBSECTIONS (3) TO (5) SHALL BE CALCULATED AND AWARDED SEPARATELY,  
14 AND A DISTRICT MAY RECEIVE A PAYMENT UNDER ANY OR ALL OF  
15 SUBSECTIONS (3) TO (5).

16 (3) AN AMOUNT NOT TO EXCEED 30% OF THE MAXIMUM PER PUPIL  
17 AMOUNT ALLOCATED UNDER SUBSECTION (2) SHALL BE USED TO MAKE  
18 PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING DISTRICTS UNDER THIS  
19 SUBSECTION BASED ON PUPIL PERFORMANCE ON STATE ASSESSMENTS IN  
20 MATHEMATICS IN GRADES 3 TO 8. THE AMOUNT OF A PAYMENT UNDER THIS  
21 SUBSECTION IS AN AMOUNT EQUAL TO \$30.00 PER PUPIL FOR ALL PUPILS IN  
22 MEMBERSHIP IN A QUALIFYING DISTRICT. THE DEPARTMENT SHALL DETERMINE  
23 THE QUALIFYING DISTRICTS UNDER THIS SUBSECTION AS FOLLOWS:

24 (A) USING A MODEL DETERMINED BY THE DEPARTMENT THAT  
25 INCORPORATES THE MOST RECENT CUT SCORES ADOPTED FOR THE MICHIGAN  
26 EDUCATIONAL ASSESSMENT PROGRAM FOR EACH PUPIL IN GRADES 3 TO 8 IN  
27 THE 2010-2011 SCHOOL YEAR, THE DEPARTMENT SHALL CALCULATE A POINT

1 SCORE USING A METRIC THAT ASSIGNS POINTS TO EACH OF THOSE PUPILS AS  
2 FOLLOWS:

3 (i) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING  
4 PROFICIENTLY IN MATHEMATICS AND WHO DECLINES IN PROFICIENCY, AS  
5 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 0 POINTS.

6 (ii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING  
7 PROFICIENTLY IN MATHEMATICS AND DECLINES IN PROFICIENCY, AS  
8 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 0 POINTS.

9 (iii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING  
10 PROFICIENTLY IN MATHEMATICS AND WHO MAINTAINS HIS OR HER LEVEL OF  
11 PROFICIENCY, AS DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR,  
12 1 POINT.

13 (iv) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING  
14 PROFICIENTLY IN MATHEMATICS AND WHO MAINTAINS HIS OR HER LEVEL OF  
15 PROFICIENCY, AS DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR,  
16 2 POINTS.

17 (v) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING  
18 PROFICIENTLY IN MATHEMATICS AND WHO IMPROVES IN PROFICIENCY, AS  
19 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 3 POINTS.

20 (vi) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING  
21 PROFICIENTLY IN MATHEMATICS AND WHO IMPROVES IN PROFICIENCY, AS  
22 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 2 POINTS.

23 (B) THE DEPARTMENT SHALL THEN CALCULATE A DISTRICT AVERAGE FOR  
24 THIS METRIC FOR THE 2010-2011 SCHOOL YEAR BY TOTALING THE NUMBER OF  
25 POINTS FOR ALL PUPILS IN GRADES 3 TO 8 UNDER SUBDIVISION (A) AND  
26 DIVIDING THAT TOTAL BY THE NUMBER OF THOSE PUPILS.

27 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER

1 THIS SUBSECTION IF THE DISTRICT AVERAGE FOR THE 2010-2011 SCHOOL  
2 YEAR UNDER SUBDIVISION (B) IS AT LEAST EQUAL TO A FACTOR OF 1.5,  
3 AND THE DISTRICT TESTED AT LEAST 95% OF ITS PUPILS IN MATHEMATICS,  
4 AND THE DISTRICT HAD AT LEAST 30 FULL ACADEMIC YEAR PUPILS IN  
5 GRADES 3 TO 8 WITH A PERFORMANCE LEVEL CHANGE DESIGNATION IN  
6 MATHEMATICS.

7 (4) AN AMOUNT NOT TO EXCEED 30% OF THE MAXIMUM PER PUPIL  
8 AMOUNT ALLOCATED UNDER SUBSECTION (2) SHALL BE USED TO MAKE  
9 PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING DISTRICTS UNDER THIS  
10 SUBSECTION BASED ON PUPIL PERFORMANCE ON STATE ASSESSMENTS IN  
11 READING IN GRADES 3 TO 8. THE AMOUNT OF A PAYMENT UNDER THIS  
12 SUBSECTION IS AN AMOUNT EQUAL TO \$30.00 PER PUPIL FOR ALL PUPILS IN  
13 MEMBERSHIP IN THE DISTRICT. THE DEPARTMENT SHALL DETERMINE THE  
14 QUALIFYING DISTRICTS UNDER THIS SUBSECTION AS FOLLOWS:

15 (A) USING A MODEL DETERMINED BY THE DEPARTMENT THAT  
16 INCORPORATES THE MOST RECENT CUT SCORES ADOPTED FOR THE MICHIGAN  
17 EDUCATIONAL ASSESSMENT PROGRAM FOR EACH PUPIL IN GRADES 3 TO 8 IN  
18 THE 2010-2011 SCHOOL YEAR, THE DEPARTMENT SHALL CALCULATE A POINT  
19 SCORE USING A METRIC THAT ASSIGNS POINTS TO EACH OF THOSE PUPILS AS  
20 FOLLOWS:

21 (i) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING  
22 PROFICIENTLY IN READING AND WHO DECLINES IN PROFICIENCY, AS  
23 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 0 POINTS.

24 (ii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING  
25 PROFICIENTLY IN READING AND DECLINES IN PROFICIENCY, AS DETERMINED  
26 BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 0 POINTS.

27 (iii) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING

1 PROFICIENTLY IN READING AND WHO MAINTAINS PROFICIENCY, AS  
2 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 1 POINT.

3 (iv) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING  
4 PROFICIENTLY IN READING AND WHO MAINTAINS PROFICIENCY, AS  
5 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 2 POINTS.

6 (v) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING  
7 PROFICIENTLY IN READING AND WHO IMPROVES IN PROFICIENCY, AS  
8 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 3 POINTS.

9 (vi) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING  
10 PROFICIENTLY IN READING AND WHO IMPROVES IN PROFICIENCY, AS  
11 DETERMINED BY THE DEPARTMENT, OVER THE SCHOOL YEAR, 2 POINTS.

12 (B) THE DEPARTMENT SHALL THEN CALCULATE A DISTRICT AVERAGE FOR  
13 THIS METRIC FOR THE 2010-2011 SCHOOL YEAR BY TOTALING THE NUMBER OF  
14 POINTS FOR ALL PUPILS IN GRADES 3 TO 8 UNDER SUBDIVISION (A) AND  
15 DIVIDING THAT TOTAL BY THE NUMBER OF THOSE PUPILS.

16 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER  
17 THIS SUBSECTION IF THE DISTRICT AVERAGE FOR THE 2010-2011 SCHOOL  
18 YEAR UNDER SUBDIVISION (B) IS AT LEAST EQUAL TO A FACTOR OF 1.5,  
19 AND THE DISTRICT TESTED AT LEAST 95% OF ITS PUPILS IN READING, AND  
20 THE DISTRICT HAD AT LEAST 30 FULL ACADEMIC YEAR PUPILS IN GRADES 3  
21 TO 8 READING WITH A PERFORMANCE LEVEL CHANGE DESIGNATION IN  
22 READING.

23 (5) AN AMOUNT NOT TO EXCEED 40% OF THE MAXIMUM PER PUPIL  
24 AMOUNT ALLOCATED UNDER SUBSECTION (2) SHALL BE USED TO MAKE  
25 PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING DISTRICTS UNDER THIS  
26 SUBSECTION FOR HIGH SCHOOL IMPROVEMENT USING A METRIC BASED ON THE  
27 POSITIVE TREND OVER A 4-YEAR PERIOD IN THE PERCENTAGE OF HIGH



1 SCHOOL PUPILS IN THE DISTRICT TESTING AS PROFICIENT IN ALL TESTED  
2 SUBJECT AREAS ON THE STATE ASSESSMENTS OF HIGH SCHOOL PUPILS. THE  
3 AMOUNT OF A PAYMENT UNDER THIS SUBSECTION IS AN AMOUNT EQUAL TO  
4 \$40.00 PER PUPIL FOR ALL PUPILS IN MEMBERSHIP IN THE DISTRICT. THE  
5 DEPARTMENT SHALL DETERMINE THE QUALIFYING DISTRICTS UNDER THIS  
6 SUBSECTION AS FOLLOWS:

7 (A) CALCULATE A LINEAR REGRESSION OF THE PERCENTAGE OF HIGH  
8 SCHOOL PUPILS IN THE DISTRICT TESTING AS PROFICIENT IN ALL TESTED  
9 SUBJECT AREAS ON STATE ASSESSMENTS OF HIGH SCHOOL PUPILS ON SCHOOL  
10 YEAR OVER THE 4-YEAR PERIOD ENDING WITH THE 2010-2011 SCHOOL YEAR  
11 AS ADJUSTED FOR CHANGES IN CUT SCORES MOST RECENTLY ADOPTED FOR THE  
12 MICHIGAN MERIT EXAMINATION.

13 (B) CALCULATE A STATEWIDE AVERAGE FOR ALL DISTRICTS OPERATING  
14 A HIGH SCHOOL OF THE LINEAR REGRESSION OF THE PERCENTAGE OF HIGH  
15 SCHOOL PUPILS TESTING AS PROFICIENT IN ALL TESTED SUBJECT AREAS ON  
16 STATE ASSESSMENTS OF HIGH SCHOOL PUPILS ON SCHOOL YEAR OVER THE 4-  
17 YEAR PERIOD ENDING WITH THE 2010-2011 SCHOOL YEAR, AS ADJUSTED FOR  
18 CHANGES IN CUT SCORES MOST RECENTLY ADOPTED FOR THE MICHIGAN MERIT  
19 EXAMINATION AS THE BASE YEAR FOR ALL COMPARISONS.

20 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER  
21 THIS SUBSECTION IF THE DISTRICT'S LINEAR REGRESSION OVER THE 4-YEAR  
22 PERIOD ENDING WITH THE 2010-2011 SCHOOL YEAR UNDER SUBDIVISION (A)  
23 IS AT LEAST EQUAL TO THE STATEWIDE AVERAGE LINEAR REGRESSION OVER  
24 THE 4-YEAR PERIOD ENDING WITH THE BASE YEAR UNDER SUBDIVISION (B) ,  
25 AND THE DISTRICT'S LINEAR REGRESSION OVER THE 4-YEAR PERIOD ENDING  
26 WITH THE 2011-2012 SCHOOL YEAR UNDER SUBDIVISION (A) IS POSITIVE,  
27 AND THE DISTRICT TESTED 95% OF HIGH SCHOOL PUPILS IN EACH TESTED

1 SUBJECT ON THE MICHIGAN MERIT EXAMINATION, AND THE DISTRICT HAD AT  
2 LEAST 20 FULL ACADEMIC YEAR PUPILS TAKE ALL TESTED SUBJECTS ON THE  
3 MICHIGAN MERIT EXAMINATION OVER EACH OF THE MOST RECENT 4 YEARS.

4 (6) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO  
5 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE  
6 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL  
7 PERCENTAGE BASIS.

8 Sec. 24. (1) From the appropriation in section 11, there is  
9 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed  
10 \$8,000,000.00 for payments to the educating district or  
11 intermediate district for educating pupils assigned by a court or  
12 the department of human services to reside in or to attend a  
13 juvenile detention facility or child caring institution licensed by  
14 the department of human services and approved by the department to  
15 provide an on-grounds education program. The amount of the payment  
16 under this section to a district or intermediate district shall be  
17 calculated as prescribed under subsection (2).

18 (2) The total amount allocated under this section shall be  
19 allocated by paying to the educating district or intermediate  
20 district an amount equal to the lesser of the district's or  
21 intermediate district's added cost or the department's approved per  
22 pupil allocation for the district or intermediate district. For the  
23 purposes of this subsection:

24 (a) "Added cost" means 100% of the added cost each fiscal year  
25 for educating all pupils assigned by a court or the department of  
26 human services to reside in or to attend a juvenile detention  
27 facility or child caring institution licensed by the department of

1 human services or the department of licensing and regulatory  
2 affairs and approved by the department to provide an on-grounds  
3 education program. Added cost shall be computed by deducting all  
4 other revenue received under this act for pupils described in this  
5 section from total costs, as approved by the department, in whole  
6 or in part, for educating those pupils in the on-grounds education  
7 program or in a program approved by the department that is located  
8 on property adjacent to a juvenile detention facility or child  
9 caring institution. Costs reimbursed by federal funds are not  
10 included.

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

17 (3) A district or intermediate district educating pupils  
18 described in this section at a residential child caring institution  
19 may operate, and receive funding under this section for, a  
20 department-approved on-grounds educational program for those pupils  
21 that is longer than 181 days, but not longer than 233 days, if the  
22 child caring institution was licensed as a child caring institution  
23 and offered in 1991-92 an on-grounds educational program that was  
24 longer than 181 days but not longer than 233 days and that was  
25 operated by a district or intermediate district.

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

1           Sec. 24a. From the appropriation in section 11, there is  
2 allocated an amount not to exceed ~~\$2,114,800.00 for 2011-2012~~  
3 **\$2,135,800.00 FOR 2012-2013** for payments to intermediate districts  
4 for pupils who are placed in juvenile justice service facilities  
5 operated by the department of human services. Each intermediate  
6 district shall receive an amount equal to the state share of those  
7 costs that are clearly and directly attributable to the educational  
8 programs for pupils placed in facilities described in this section  
9 that are located within the intermediate district's boundaries. The  
10 intermediate districts receiving payments under this section shall  
11 cooperate with the department of human services to ensure that all  
12 funding allocated under this section is utilized by the  
13 intermediate district and department of human services for  
14 educational programs for pupils described in this section. Pupils  
15 described in this section are not eligible to be funded under  
16 section 24. However, a program responsibility or other fiscal  
17 responsibility associated with these pupils shall not be  
18 transferred from the department of human services to a district or  
19 intermediate district unless the district or intermediate district  
20 consents to the transfer.

21           Sec. 24c. From the appropriation in section 11, there is  
22 allocated an amount not to exceed ~~\$765,600.00~~ **\$1,500,000.00** for  
23 ~~2011-2012-2012-2013~~ for payments to districts for pupils who are  
24 enrolled in a nationally administered community-based education and  
25 youth mentoring program, known as the youth challenge program, that  
26 is located within the district and is administered by the  
27 department of military and veterans affairs. Both of the following

1 apply to a district receiving payments under this section:

2 (a) The district shall contract with the department of  
3 military and veterans affairs to ensure that all funding allocated  
4 under this section is utilized by the district and the department  
5 of military and veterans affairs for the youth challenge program.

6 (b) The district may retain for its administrative expenses an  
7 amount not to exceed 3% of the amount of the payment the district  
8 receives under this section.

9 Sec. 25. ~~(1) If a pupil is enrolled in an alternative  
10 education program operated by an intermediate district or district  
11 for the purpose of educating pupils who have been expelled from  
12 school or referred from the court, and if the pupil is counted in  
13 membership in another intermediate district or district, the  
14 intermediate district or district operating the alternative  
15 education program shall report the enrollment information to the  
16 department and to the district in which the pupil is counted in  
17 membership, and the intermediate district or district in which the  
18 pupil is counted in membership shall pay to the intermediate  
19 district or district operating the alternative education program an  
20 amount equal to the amount of the foundation allowance or per pupil  
21 payment as calculated under section 20 for the intermediate  
22 district or district in which the pupil is counted in membership,  
23 prorated according to the number of days of the school year ending  
24 in the fiscal year the pupil is educated in the alternative  
25 education program compared to the number of days of the school year  
26 ending in the fiscal year the pupil was actually enrolled in the  
27 intermediate district or district in which the pupil is counted in~~

1 membership. The foundation allowance or per pupil payment shall be  
2 adjusted by the pupil's full-time equated status as affected by the  
3 membership definition under section 6(4). If an intermediate  
4 district or district does not make the payment required under this  
5 section within 30 days after receipt of the report, the department  
6 shall calculate the amount owed, shall deduct that amount from the  
7 remaining state school aid payments to the intermediate district or  
8 district for that fiscal year under this act, and shall pay that  
9 amount to the intermediate district or district operating the  
10 alternative education program. The intermediate district or  
11 district in which the pupil is counted in membership and the  
12 intermediate district or district operating the alternative  
13 education program shall provide to the department all information  
14 the department requires to enforce this section.

15 (1) ~~(2)~~ If a pupil is enrolled in a strict discipline academy  
16 for pupils who have been expelled or suspended from school or  
17 otherwise placed in a strict discipline academy as described in  
18 section 1311g of the revised school code, MCL 380.1311g, and if the  
19 pupil is counted in membership in another district or intermediate  
20 district, the strict discipline academy **IF A PUPIL ENROLLS IN A**  
21 **DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL MEMBERSHIP COUNT**  
22 **DAY AND, DUE TO THE PUPIL'S ENROLLMENT AND ATTENDANCE STATUS AS OF**  
23 **THE PUPIL MEMBERSHIP COUNT DAY, THE PUPIL WAS NOT COUNTED IN**  
24 **MEMBERSHIP IN THE EDUCATING DISTRICT OR INTERMEDIATE DISTRICT, THE**  
25 **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT** shall report the  
26 enrollment **AND ATTENDANCE** information to the department. ~~and to the~~  
27 ~~district or intermediate district in which the pupil is counted in~~

1 ~~membership.~~ **IF THE PUPIL TRANSFERS FROM ANOTHER DISTRICT OR**  
 2 **INTERMEDIATE DISTRICT, THE EDUCATING DISTRICT OR INTERMEDIATE**  
 3 **DISTRICT ALSO SHALL REPORT THE ENROLLMENT AND ATTENDANCE**  
 4 **INFORMATION TO THAT OTHER DISTRICT OR INTERMEDIATE DISTRICT.** Upon  
 5 receipt of enrollment information under this subsection indicating  
 6 that a pupil has enrolled ~~in a strict discipline academy~~ **AND IS IN**  
 7 **ATTENDANCE IN AN EDUCATING DISTRICT OR INTERMEDIATE DISTRICT** as  
 8 described in this subsection, the department shall do both of the  
 9 following:

10 (a) Adjust the membership calculation for ~~the~~ **EACH** district or  
 11 intermediate district in which the pupil was **PREVIOUSLY** counted in  
 12 membership **OR THAT PREVIOUSLY RECEIVED AN ADJUSTMENT IN ITS**  
 13 **MEMBERSHIP CALCULATION UNDER THIS SECTION DUE TO THE PUPIL'S**  
 14 **ENROLLMENT AND ATTENDANCE, IF ANY,** so that the district's or  
 15 intermediate district's membership is prorated to allow the  
 16 district or intermediate district to receive for each school day in  
 17 which the pupil was enrolled **AND IN ATTENDANCE** in the district an  
 18 amount equal to 1/180 of the foundation allowance or per pupil  
 19 payment as calculated under section 20 for the district or  
 20 intermediate district. The foundation allowance or per pupil  
 21 payment shall be adjusted by the pupil's full-time equated status  
 22 as affected by the membership definition under section 6(4).

23 (b) Include in the **MEMBERSHIP** calculation ~~of state school aid~~  
 24 for the ~~strict discipline academy~~ **EDUCATING DISTRICT OR**  
 25 **INTERMEDIATE DISTRICT** for each school day in which the pupil is  
 26 enrolled **AND IS IN ATTENDANCE** in the ~~strict discipline academy,~~  
 27 **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT,** not to exceed a number

1 of school days equal to the difference between 180 and the number  
 2 of school days in which the pupil was reported under this section  
 3 as previously enrolled in 1 or more other districts or intermediate  
 4 districts, an amount equal to 1/180 of the **FOUNDATION ALLOWANCE OR**  
 5 per pupil payment as calculated under section 20 for the ~~strict~~  
 6 ~~discipline academy.~~ **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT.**  
 7 The **FOUNDATION ALLOWANCE OR** per pupil payment shall be adjusted by  
 8 the pupil's full-time equated status as affected by the membership  
 9 definition under section 6(4).

10 (2) ~~(3)~~—The changes in calculation of state school aid  
 11 required under subsection ~~(2)~~ **(1)** shall take effect as of the date  
 12 that the pupil ~~enrolls in the strict discipline academy,~~ **BECOMES**  
 13 **ENROLLED AND IN ATTENDANCE IN THE EDUCATING DISTRICT OR**  
 14 **INTERMEDIATE DISTRICT,** and the department shall base all subsequent  
 15 payments under this act for the fiscal year to the affected  
 16 districts or intermediate districts ~~and for the strict discipline~~  
 17 ~~academy, as applicable,~~ on this recalculation of state school aid.

18 (3) ~~(4)~~—If a pupil enrolls in a ~~strict discipline academy~~ **AN**  
 19 **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT** as described in  
 20 subsection ~~(2),~~ **(1),** if adjustments are made in calculations  
 21 pursuant to subsection ~~(2)~~ **(1)** due to that enrollment, and if the  
 22 pupil subsequently ceases to be enrolled **AND IN ATTENDANCE** in the  
 23 ~~strict discipline academy, the strict discipline academy~~ **EDUCATING**  
 24 **DISTRICT OR INTERMEDIATE DISTRICT, THE EDUCATING DISTRICT OR**  
 25 **INTERMEDIATE DISTRICT THAT RECEIVED AN ADJUSTMENT IN ITS MEMBERSHIP**  
 26 **CALCULATION UNDER SUBSECTION (1)** shall notify the department of the  
 27 last date of the pupil's enrollment **AND ATTENDANCE** in the ~~strict~~



1 ~~discipline academy~~ **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT** and  
 2 the number of days the pupil was enrolled in the ~~strict-discipline~~  
 3 ~~academy~~. **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT.**

4 (4) ~~(5)~~ If a pupil enrolls in a ~~strict-discipline academy~~ **AN**  
 5 **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT** as described in  
 6 subsection ~~(2)~~, **(1)**, the district or intermediate district in which  
 7 the pupil is counted in membership **OR ANOTHER EDUCATING DISTRICT OR**  
 8 **INTERMEDIATE DISTRICT THAT RECEIVED AN ADJUSTMENT IN ITS MEMBERSHIP**  
 9 **CALCULATION UNDER SUBSECTION (1), IF ANY,** and the ~~strict-discipline~~  
 10 ~~academy~~ **EDUCATING DISTRICT OR INTERMEDIATE DISTRICT** shall provide  
 11 to the department all information the department requires to comply  
 12 with this section.

13 ~~— (6) The changes in the requirements under this section that~~  
 14 ~~are contained in subsections (2) to (5) apply beginning with~~  
 15 ~~payments made for the 2011-2012 fiscal year.~~

16 (5) **AS USED IN THIS SECTION, "EDUCATING DISTRICT OR**  
 17 **INTERMEDIATE DISTRICT" MEANS THE DISTRICT OR INTERMEDIATE DISTRICT**  
 18 **IN WHICH A PUPIL ENROLLS AFTER THE PUPIL MEMBERSHIP COUNT DAY OR**  
 19 **AFTER AN ADJUSTMENT WAS MADE IN ANOTHER DISTRICT'S OR INTERMEDIATE**  
 20 **DISTRICT'S MEMBERSHIP CALCULATION UNDER THIS SECTION DUE TO THE**  
 21 **PUPIL'S ENROLLMENT AND ATTENDANCE.**

22 Sec. 26a. (1) From the state school aid fund appropriation in  
 23 section 11, there is allocated an amount not to exceed  
 24 ~~\$22,932,000.00 for 2010-2011~~ **\$25,137,500.00 FOR 2011-2012** and an  
 25 amount not to exceed \$26,300,000.00 for ~~2011-2012~~ **2012-2013** to  
 26 reimburse districts and intermediate districts pursuant to section  
 27 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,

1 for taxes levied in ~~2011~~2012. The allocations shall be made not  
2 later than 60 days after the department of treasury certifies to  
3 the department and to the state budget director that the department  
4 of treasury has received all necessary information to properly  
5 determine the amounts due to each eligible recipient.

6 (2) IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM  
7 THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS  
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2012-2013 TO  
9 REIMBURSE PUBLIC LIBRARIES PURSUANT TO SECTION 12 OF THE MICHIGAN  
10 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2692, FOR TAXES LEVIED  
11 IN 2012. THE ALLOCATIONS SHALL BE MADE NOT LATER THAN 60 DAYS AFTER  
12 THE DEPARTMENT OF TREASURY CERTIFIES TO THE DEPARTMENT AND TO THE  
13 STATE BUDGET DIRECTOR THAT THE DEPARTMENT OF TREASURY HAS RECEIVED  
14 ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE AMOUNTS DUE TO  
15 EACH ELIGIBLE RECIPIENT.

16 Sec. 26b. (1) From the appropriation in section 11, there is  
17 allocated for 2011-2012 an amount not to exceed ~~\$1,838,000.00~~  
18 \$3,000,500.00, AND THERE IS ALLOCATED FOR 2012-2013 AN AMOUNT NOT  
19 TO EXCEED \$3,169,500.00, for payments to districts, intermediate  
20 districts, and community college districts for the portion of the  
21 payment in lieu of taxes obligation that is attributable to  
22 districts, intermediate districts, and community college districts  
23 pursuant to section 2154 of the natural resources and environmental  
24 protection act, 1994 PA 451, MCL 324.2154.

25 (2) If the amount appropriated under this section is not  
26 sufficient to fully pay obligations under this section, payments  
27 shall be prorated on an equal basis among all eligible districts,

1 intermediate districts, and community college districts.

2 SEC. 26C. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
3 ALLOCATED AN AMOUNT NOT TO EXCEED \$276,800.00 FOR 2011-2012 AND AN  
4 AMOUNT NOT TO EXCEED \$347,800.00 FOR 2012-2013 TO THE PROMISE ZONE  
5 FUND CREATED IN SUBSECTION (3).

6 (2) FUNDS ALLOCATED TO THE PROMISE ZONE FUND UNDER THIS  
7 SECTION SHALL BE USED SOLELY FOR PAYMENTS TO ELIGIBLE DISTRICTS AND  
8 INTERMEDIATE DISTRICTS THAT HAVE A PROMISE ZONE DEVELOPMENT PLAN  
9 APPROVED BY THE DEPARTMENT OF TREASURY UNDER SECTION 7 OF THE  
10 MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL 390.1667.

11 (3) THE PROMISE ZONE FUND IS CREATED AS A SEPARATE ACCOUNT  
12 WITHIN THE STATE SCHOOL AID FUND TO BE USED SOLELY FOR THE PURPOSES  
13 OF THE MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL  
14 390.1661 TO 390.1679. ALL OF THE FOLLOWING APPLY TO THE PROMISE  
15 ZONE FUND:

16 (A) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE  
17 PROMISE ZONE FUND. THE STATE TREASURER SHALL CREDIT TO THE PROMISE  
18 ZONE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

19 (B) MONEY IN THE PROMISE ZONE FUND AT THE CLOSE OF A FISCAL  
20 YEAR SHALL REMAIN IN THE PROMISE ZONE FUND AND SHALL NOT LAPSE TO  
21 THE GENERAL FUND.

22 (4) SUBJECT TO SUBSECTION (2), THE STATE TREASURER MAY MAKE  
23 PAYMENTS FROM THE PROMISE ZONE FUND TO ELIGIBLE DISTRICTS AND  
24 INTERMEDIATE DISTRICTS PURSUANT TO THE MICHIGAN PROMISE ZONE  
25 AUTHORITY ACT, 2008 PA 549, MCL 390.1661 TO 390.1679, TO BE USED  
26 FOR THE PURPOSES OF A PROMISE ZONE AUTHORITY CREATED UNDER THAT  
27 ACT.

1           Sec. 31a. (1) From the state school aid fund money  
2 appropriated in section 11, there is allocated for ~~2011-2012-2012-~~  
3 **2013** an amount not to exceed \$317,695,500.00 for payments to  
4 eligible districts, ~~and~~ eligible public school academies, **AND THE**  
5 **EDUCATION ACHIEVEMENT SYSTEM** under this section. Subject to  
6 subsection (14), the amount of the additional allowance under this  
7 section, other than funding under subsection (6) or (7), shall be  
8 based on the number of actual pupils in membership in the district  
9 or public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** who  
10 met the income eligibility criteria for free breakfast, lunch, or  
11 milk in the immediately preceding state fiscal year, as determined  
12 under the Richard B. Russell national school lunch act, 42 USC 1751  
13 to 1769i, and reported to the department ~~by October 31~~ **NOT LATER**  
14 **THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY** of  
15 the immediately preceding fiscal year and adjusted not later than  
16 December 31 of the immediately preceding fiscal year in the form  
17 and manner prescribed by the center. However, for a public school  
18 academy that began operations as a public school academy, **OR FOR AN**  
19 **ACHIEVEMENT SCHOOL THAT BEGAN OPERATIONS AS AN ACHIEVEMENT SCHOOL,**  
20 after the pupil membership count day of the immediately preceding  
21 school year, the basis for the additional allowance under this  
22 section shall be the number of actual pupils in membership in the  
23 public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** who met  
24 the income eligibility criteria for free breakfast, lunch, or milk  
25 in the current state fiscal year, as determined under the Richard  
26 B. Russell national school lunch act **AND REPORTED TO THE DEPARTMENT**  
27 **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT**

1 **DAY.**

2 (2) To be eligible to receive funding under this section,  
3 other than funding under subsection (6) or (7), a district or  
4 public school academy that has not been previously determined to be  
5 eligible **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall apply to the  
6 department, in a form and manner prescribed by the department, and  
7 a district or public school academy **OR THE EDUCATION ACHIEVEMENT**  
8 **SYSTEM** must meet all of the following:

9 (a) The sum of the district's or public school academy's **OR**  
10 **THE EDUCATION ACHIEVEMENT SYSTEM'S** combined state and local revenue  
11 per membership pupil in the current state fiscal year, as  
12 calculated under section 20, is less than or equal to the basic  
13 foundation allowance under section 20 for the current state fiscal  
14 year.

15 (b) The district or public school academy **OR THE EDUCATION**  
16 **ACHIEVEMENT SYSTEM** agrees to use the funding only for purposes  
17 allowed under this section and to comply with the program and  
18 accountability requirements under this section.

19 (3) Except as otherwise provided in this subsection, an  
20 eligible district or eligible public school academy **OR THE**  
21 **EDUCATION ACHIEVEMENT SYSTEM** shall receive under this section for  
22 each membership pupil in the district or public school academy **OR**  
23 **THE EDUCATION ACHIEVEMENT SYSTEM** who met the income eligibility  
24 criteria for free breakfast, lunch, or milk, as determined under  
25 the Richard B. Russell national school lunch act and as reported to  
26 the department ~~by October 31~~ **NOT LATER THAN THE FIFTH WEDNESDAY**  
27 **AFTER THE PUPIL MEMBERSHIP COUNT DAY** of the immediately preceding

1 fiscal year and adjusted not later than December 31 of the  
2 immediately preceding fiscal year, an amount per pupil equal to  
3 11.5% of the sum of the district's foundation allowance or **THE**  
4 public school academy's **OR THE EDUCATION ACHIEVEMENT SYSTEM'S** per  
5 pupil amount calculated under section 20, not to exceed the basic  
6 foundation allowance under section 20 for the current state fiscal  
7 year, or of the public school academy's **OR THE EDUCATION**  
8 **ACHIEVEMENT SYSTEM'S** per membership pupil amount calculated under  
9 section 20 for the current state fiscal year. A public school  
10 academy that began operations as a public school academy, **OR AN**  
11 **ACHIEVEMENT SCHOOL THAT BEGAN OPERATIONS AS AN ACHIEVEMENT SCHOOL,**  
12 after the pupil membership count day of the immediately preceding  
13 school year shall receive under this section for each membership  
14 pupil in the public school academy **OR IN THE EDUCATION ACHIEVEMENT**  
15 **SYSTEM** who met the income eligibility criteria for free breakfast,  
16 lunch, or milk, as determined under the Richard B. Russell national  
17 school lunch act and as reported to the department ~~by October 31~~  
18 **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT**  
19 **DAY** of the current fiscal year and adjusted not later than December  
20 31 of the current fiscal year, an amount per pupil equal to 11.5%  
21 of the public school academy's **OR THE EDUCATION ACHIEVEMENT**  
22 **SYSTEM'S** per membership pupil amount calculated under section 20  
23 for the current state fiscal year.

24 (4) Except as otherwise provided in this section, a district  
25 or public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM,**  
26 receiving funding under this section shall use that money only to  
27 provide instructional programs and direct noninstructional

1 services, including, but not limited to, medical or counseling  
2 services, for at-risk pupils; for school health clinics; and for  
3 the purposes of subsection (5), (6), or (7). In addition, a  
4 district that is a school district of the first class or a district  
5 or public school academy in which at least 50% of the pupils in  
6 membership met the income eligibility criteria for free breakfast,  
7 lunch, or milk in the immediately preceding state fiscal year, as  
8 determined and reported as described in subsection (1), **OR THE**  
9 **EDUCATION ACHIEVEMENT SYSTEM IF IT MEETS THIS REQUIREMENT**, may use  
10 not more than 20% of the funds it receives under this section for  
11 school security. A district, ~~or~~**THE** public school academy, **OR THE**  
12 **EDUCATION ACHIEVEMENT SYSTEM** shall not use any of that money for  
13 administrative costs or to supplant another program or other funds,  
14 except for funds allocated to the district or public school academy  
15 **OR THE EDUCATION ACHIEVEMENT SYSTEM** under this section in the  
16 immediately preceding year and already being used by the district  
17 or public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** for  
18 at-risk pupils. The instruction or direct noninstructional services  
19 provided under this section may be conducted before or after  
20 regular school hours or by adding extra school days to the school  
21 year and may include, but are not limited to, tutorial services,  
22 early childhood programs to serve children age 0 to 5, and reading  
23 programs as described in former section 32f as in effect for 2001-  
24 2002. A tutorial method may be conducted with paraprofessionals  
25 working under the supervision of a certificated teacher. The ratio  
26 of pupils to paraprofessionals shall be between 10:1 and 15:1. Only  
27 1 certificated teacher is required to supervise instruction using a

1 tutorial method. As used in this subsection, "to supplant another  
2 program" means to take the place of a previously existing  
3 instructional program or direct noninstructional services funded  
4 from a funding source other than funding under this section.

5 (5) Except as otherwise provided in subsection (12), a  
6 district or public school academy that receives funds under this  
7 section and that operates a school breakfast program under section  
8 1272a of the revised school code, MCL 380.1272a, **OR THE EDUCATION**  
9 **ACHIEVEMENT SYSTEM IF IT OPERATES A SCHOOL BREAKFAST PROGRAM**, shall  
10 use from the funds received under this section an amount, not to  
11 exceed \$10.00 per pupil for whom the district or public school  
12 academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** receives funds under  
13 this section, necessary to pay for costs associated with the  
14 operation of the school breakfast program.

15 (6) From the funds allocated under subsection (1), there is  
16 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed  
17 \$3,557,300.00 to support child and adolescent health centers. These  
18 grants shall be awarded for 5 consecutive years beginning with  
19 2003-2004 in a form and manner approved jointly by the department  
20 and the department of community health. Each grant recipient shall  
21 remain in compliance with the terms of the grant award or shall  
22 forfeit the grant award for the duration of the 5-year period after  
23 the noncompliance. To continue to receive funding for a child and  
24 adolescent health center under this section a grant recipient shall  
25 ensure that the child and adolescent health center has an advisory  
26 committee and that at least one-third of the members of the  
27 advisory committee are parents or legal guardians of school-aged



1 children. A child and adolescent health center program shall  
2 recognize the role of a child's parents or legal guardian in the  
3 physical and emotional well-being of the child. Funding under this  
4 subsection shall be used to support child and adolescent health  
5 center services provided to children up to age 21. If any funds  
6 allocated under this subsection are not used for the purposes of  
7 this subsection for the fiscal year in which they are allocated,  
8 those unused funds shall be used that fiscal year to avoid or  
9 minimize any proration that would otherwise be required under  
10 subsection (14) for that fiscal year.

11 (7) From the funds allocated under subsection (1), there is  
12 allocated for ~~2011-2012-2012-2013~~ an amount not to exceed  
13 \$5,150,000.00 for the state portion of the hearing and vision  
14 screenings as described in section 9301 of the public health code,  
15 1978 PA 368, MCL 333.9301. A local public health department shall  
16 pay at least 50% of the total cost of the screenings. The frequency  
17 of the screenings shall be as required under R 325.13091 to R  
18 325.13096 and R 325.3271 to R 325.3276 of the Michigan  
19 administrative code. Funds shall be awarded in a form and manner  
20 approved jointly by the department and the department of community  
21 health. Notwithstanding section 17b, payments to eligible entities  
22 under this subsection shall be paid on a schedule determined by the  
23 department.

24 (8) Each district or public school academy receiving funds  
25 under this section **AND THE EDUCATION ACHIEVEMENT SYSTEM** shall  
26 submit to the department by July 15 of each fiscal year a report,  
27 not to exceed 10 pages, on the usage by the district or public

1 school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** of funds under  
2 this section, which report shall include at least a brief  
3 description of each program conducted by the district or public  
4 school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** using funds  
5 under this section, the amount of funds under this section  
6 allocated to each of those programs, the number of at-risk pupils  
7 eligible for free or reduced price school lunch who were served by  
8 each of those programs, and the total number of at-risk pupils  
9 served by each of those programs. If a district or public school  
10 academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** does not comply with  
11 this subsection, the department shall withhold an amount equal to  
12 the August payment due under this section until the district or  
13 public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** complies  
14 with this subsection. If the district or public school academy **OR**  
15 **THE EDUCATION ACHIEVEMENT SYSTEM** does not comply with this  
16 subsection by the end of the state fiscal year, the withheld funds  
17 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 **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall  
20 allow access for the department or the department's designee to  
21 audit all records related to the program for which it receives  
22 those funds. The district or public school academy **OR THE EDUCATION**  
23 **ACHIEVEMENT SYSTEM** shall reimburse the state for all disallowances  
24 found in the audit.

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

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

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

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

1 ~~submit to the department an application for flexibility in using~~  
2 ~~the funds received under this section that are attributable to the~~  
3 ~~pupils in the school or schools. The application shall identify the~~  
4 ~~affected school or schools and the affected funds and shall contain~~  
5 ~~a plan for using the funds~~ **USE NOT MORE THAN 20% OF THE FUNDS IT**  
6 **RECEIVES UNDER THIS SECTION** for specific **ALTERNATIVE** purposes  
7 identified by the district **OR PUBLIC SCHOOL ACADEMY OR THE**  
8 **EDUCATION ACHIEVEMENT SYSTEM** that are designed to benefit at-risk  
9 pupils in the school, but that may be different from the purposes  
10 otherwise allowable under this section. ~~The department shall~~  
11 ~~approve the application if the department determines that the~~  
12 ~~purposes identified in the plan are reasonably designed to benefit~~  
13 ~~at risk pupils in the school. If the department does not act to~~  
14 ~~approve or disapprove an application within 30 days after it is~~  
15 ~~submitted to the department, the application is considered to be~~  
16 ~~approved. If an application for flexibility in using the funds is~~  
17 ~~approved, the district may use the funds identified in the~~  
18 ~~application for any purpose identified in the plan.~~ **IF A DISTRICT**  
19 **OR PUBLIC SCHOOL ACADEMY OR THE EDUCATION ACHIEVEMENT SYSTEM USES**  
20 **FUNDS FOR ALTERNATIVE PURPOSES ALLOWED UNDER THE FLEXIBILITY**  
21 **PROVISIONS UNDER THIS SUBSECTION, THE DISTRICT OR PUBLIC SCHOOL**  
22 **ACADEMY OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL MAINTAIN**  
23 **DOCUMENTATION OF THE AMOUNTS USED FOR THOSE ALTERNATIVE PURPOSES**  
24 **AND SHALL MAKE THAT INFORMATION AVAILABLE TO THE DEPARTMENT UPON**  
25 **REQUEST.**

26 (13) A district or public school academy that receives funds  
27 under this section **OR THE EDUCATION ACHIEVEMENT SYSTEM** may use

1 funds it receives under this section to implement and operate an  
2 early intervening program for pupils in grades K to 3 that meets  
3 either or both of the following:

4 (a) Monitors individual pupil learning and provides specific  
5 support or learning strategies to pupils as early as possible in  
6 order to reduce the need for special education placement. The  
7 program shall include literacy and numeracy supports, sensory motor  
8 skill development, behavior supports, instructional consultation  
9 for teachers, and the development of a parent/school learning plan.  
10 Specific support or learning strategies may include support in or  
11 out of the general classroom in areas including reading, writing,  
12 math, visual memory, motor skill development, behavior, or language  
13 development. These would be provided based on an understanding of  
14 the individual child's learning needs.

15 (b) Provides early intervening strategies using school-wide  
16 systems of academic and behavioral supports and is scientifically  
17 research-based. The strategies to be provided shall include at  
18 least pupil performance indicators based upon response to  
19 intervention, instructional consultation for teachers, and ongoing  
20 progress monitoring. A school-wide system of academic and  
21 behavioral support should be based on a support team available to  
22 the classroom teachers. The members of this team could include the  
23 principal, special education staff, reading teachers, and other  
24 appropriate personnel who would be available to systematically  
25 study the needs of the individual child and work with the teacher  
26 to match instruction to the needs of the individual child.

27 (14) If necessary, and before any proration required under

1 section 11, the department shall prorate payments under this  
2 section by reducing the amount of the per pupil payment under this  
3 section by a dollar amount calculated by determining the amount by  
4 which the amount necessary to fully fund the requirements of this  
5 section exceeds the maximum amount allocated under this section and  
6 then dividing that amount by the total statewide number of pupils  
7 who met the income eligibility criteria for free breakfast, lunch,  
8 or milk in the immediately preceding fiscal year, as described in  
9 subsection (1).

10 (15) If a district is formed by consolidation after June 1,  
11 1995, and if 1 or more of the original districts was not eligible  
12 before the consolidation for an additional allowance under this  
13 section, the amount of the additional allowance under this section  
14 for the consolidated district shall be based on the number of  
15 pupils described in subsection (1) enrolled in the consolidated  
16 district who reside in the territory of an original district that  
17 was eligible before the consolidation for an additional allowance  
18 under this section.

19 (16) As used in this section, "at-risk pupil" means a pupil  
20 for whom the district has documentation that the pupil meets at  
21 least 2 of the following criteria: is a victim of child abuse or  
22 neglect; is below grade level in English language and communication  
23 skills or mathematics; is a pregnant teenager or teenage parent; is  
24 eligible for a federal free or reduced-price lunch subsidy; has  
25 atypical behavior or attendance patterns; or has a family history  
26 of school failure, incarceration, or substance abuse. For pupils  
27 for whom the results of at least the applicable Michigan education

1 assessment program (MEAP) test have been received, at-risk pupil  
2 also includes a pupil who does not meet the other criteria under  
3 this subsection but who did not achieve at least a score of level 2  
4 on the most recent MEAP English language arts, mathematics, ~~or~~  
5 science test, **OR SOCIAL STUDIES** for which results for the pupil  
6 have been received. For pupils for whom the results of the Michigan  
7 merit examination have been received, at-risk pupil also includes a  
8 pupil who does not meet the other criteria under this subsection  
9 but who did not achieve proficiency on the reading component of the  
10 most recent Michigan merit examination for which results for the  
11 pupil have been received, did not achieve proficiency on the  
12 mathematics component of the most recent Michigan merit examination  
13 for which results for the pupil have been received, or did not  
14 achieve basic competency on the science component of the most  
15 recent Michigan merit examination for which results for the pupil  
16 have been received. For pupils in grades K-3, at-risk pupil also  
17 includes a pupil who is at risk of not meeting the district's core  
18 academic curricular objectives in English language arts or  
19 mathematics.

20 (17) A district or public school academy that receives funds  
21 under this section **OR THE EDUCATION ACHIEVEMENT SYSTEM** may use  
22 funds received under this section to provide an anti-bullying or  
23 crisis intervention program.

24 Sec. 31d. (1) From the appropriations in section 11, there is  
25 allocated an amount not to exceed ~~\$21,627,100.00 for 2010-2011 and~~  
26 ~~an amount not to exceed \$22,495,100.00 for 2011-2012~~ **2012-2013** for  
27 the purpose of making payments to districts and other eligible

1 entities under this section.

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

11 (3) The payments made under this section include all state  
12 payments made to districts so that each district receives at least  
13 6.0127% of the necessary costs of operating the state mandated  
14 portion of the school lunch program in a fiscal year.

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

21 (5) From the federal funds appropriated in section 11, there  
22 is allocated for ~~2011-2012-2012-2013~~ all available federal funding,  
23 estimated at \$400,000,000.00, for the national school lunch program  
24 and all available federal funding, estimated at \$2,506,000.00, for  
25 the emergency food assistance program.

26 (6) Notwithstanding section 17b, payments to eligible entities  
27 other than districts under this section shall be paid on a schedule



1 determined by the department.

2 (7) In purchasing food for a school lunch program funded under  
3 this section, preference shall be given to food that is grown or  
4 produced by Michigan businesses if it is competitively priced and  
5 of comparable quality.

6 Sec. 31f. (1) From the appropriations in section 11, there is  
7 allocated an amount not to exceed ~~\$3,800,000.00 for 2010-2011 and~~  
8 ~~an amount not to exceed \$9,625,000.00 for 2011-2012~~ **2012-2013** for  
9 the purpose of making payments to districts to reimburse for the  
10 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, as determined  
22 and approved by the department, less federal reimbursement,  
23 participant payments, and other state reimbursement. The statewide  
24 average cost shall be determined by the department using costs as  
25 reported in a manner approved by the department for the preceding  
26 school year.

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

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

2 (5) In purchasing food for a school breakfast program funded  
3 under this section, preference shall be given to food that is grown  
4 or produced by Michigan businesses if it is competitively priced  
5 and of comparable quality.

6 Sec. 32d. (1) ~~For 2011-2012,~~ **FROM THE FUNDS APPROPRIATED IN**  
7 **SECTION 11**, there is allocated to eligible intermediate districts  
8 and consortia of intermediate districts for great start readiness  
9 programs an amount not to exceed ~~\$104,275,000.00 from the state~~  
10 ~~school aid fund money appropriated in section 11.~~ **\$109,275,000.00**  
11 **FOR 2012-2013**. Funds allocated under this section shall be used to  
12 provide part-day, ~~or full-day~~ **SCHOOL-DAY, OR GSRP/HEAD START**  
13 **BLENDED** comprehensive free compensatory **CLASSROOM** programs designed  
14 to do 1 or both of the following:

15 (a) Improve the readiness and subsequent achievement of  
16 educationally disadvantaged children as defined by the department  
17 who will be at least 4, but less than 5 years of age, as of  
18 December 1 of the school year in which the programs are offered,  
19 and who meet the participant eligibility and prioritization  
20 guidelines as defined by the state board.

21 (b) Provide preschool and parenting education programs similar  
22 to those under former section 32b as in effect for 2001-2002.  
23 Beginning in 2007-2008, funds spent ~~by a district~~ for programs  
24 described in this subdivision shall not exceed ~~the lesser of the~~  
25 ~~amount spent by the district under this subdivision for 2006-2007~~  
26 ~~or the amount spent under this subdivision in any subsequent~~ **FOR**  
27 **THE IMMEDIATELY PRECEDING** fiscal year. **FUNDS SPENT FOR PROGRAMS**

1 DESCRIBED IN THIS SUBDIVISION SHALL BE USED FOR SERVICES TO  
2 FAMILIES WITH INCOME BELOW 300% OF THE FEDERAL POVERTY LEVEL.

3 (2) Funds allocated under this section shall be allocated to  
4 intermediate districts or consortia of intermediate districts. An  
5 intermediate district or consortium of intermediate districts  
6 receiving funding under this section shall act as the fiduciary for  
7 the great start readiness programs. For ~~2011-2012~~, **2012-2013**, the  
8 fiduciary intermediate districts and consortia of intermediate  
9 districts shall allocate the funding under this section as follows:

10 (a) An amount not to exceed ~~\$95,400,000.00~~ **\$100,400,000.00**  
11 allocated to **INTERMEDIATE** districts and consortia of **INTERMEDIATE**  
12 districts as directed by the department based on the formula in  
13 section 39. In order to be eligible to receive funds allocated  
14 under this subdivision from an intermediate district or consortium  
15 of intermediate districts, a district or consortium of districts  
16 shall comply with this section and section 39.

17 (b) An amount not to exceed \$8,875,000.00 allocated in grants  
18 to competitive great start readiness programs as directed by the  
19 department based on the grant award process in section 32/. In order  
20 to be eligible to receive funds allocated under this section from  
21 an intermediate district or consortium of intermediate districts, a  
22 competitive great start readiness program shall comply with this  
23 section and section 32/.

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 \$300,000.00 for ~~2011-2012~~ **2012-**  
27 **2013** for a competitive grant to continue a longitudinal evaluation

1 of children who have participated in great start readiness  
2 programs.

3 (4) To be eligible for funding under this section, a program  
4 shall prepare children for success in school through comprehensive  
5 part-day, ~~or~~ school-day, **OR GSRP/HEAD START BLENDED** programs that  
6 contain all of the following program components, as determined by  
7 the department:

8 (a) Participation in a collaborative recruitment and  
9 enrollment process. At a minimum, the process shall include all  
10 other funded preschool programs that may serve children in the same  
11 geographic area, to assure that each child is enrolled in the  
12 program most appropriate to his or her needs and to maximize the  
13 use of federal, state, and local funds.

14 (b) An age-appropriate educational curriculum that is in  
15 compliance with the early childhood standards of quality for  
16 prekindergarten children adopted by the state board.

17 (c) Nutritional services for all program participants.

18 (d) Health and developmental screening services for all  
19 program participants.

20 (e) Referral services for families of program participants to  
21 community social service agencies, as appropriate.

22 (f) Active and continuous involvement of the parents or  
23 guardians of the program participants.

24 (g) A plan to conduct and report annual great start readiness  
25 program evaluations and continuous improvement plans using criteria  
26 approved by the department.

27 (h) Participation in a multidistrict, multiagency, school

1 readiness advisory committee that provides for the involvement of  
2 classroom teachers, parents or guardians of program participants,  
3 and community, volunteer, and social service agencies and  
4 organizations, as appropriate. The advisory committee **ANNUALLY**  
5 shall review the program components listed in this subsection and  
6 make recommendations for changes to the great start readiness  
7 program for which it is an advisory committee.

8 (i) The ongoing articulation of the kindergarten and first  
9 grade programs offered by the program provider.

10 (5) An application for funding under this section shall  
11 provide for the following, in a form and manner determined by the  
12 department:

13 (a) Ensure compliance with all program components described in  
14 subsection (4).

15 (b) Ensure that more than 75% of the children participating in  
16 an eligible great start readiness program are children who live  
17 with families with a household income that is equal to or less than  
18 300% of the federal poverty level.

19 (c) Ensure that the applicant only ~~employs~~ **USES** qualified  
20 personnel for this program, as follows:

21 (i) Teachers possessing proper training. For programs managed  
22 directly by ~~an~~ **A DISTRICT OR** intermediate district, a valid  
23 teaching certificate and an early childhood (ZA or ZS) endorsement  
24 are required. This provision does not apply to ~~an~~ **A DISTRICT,**  
25 intermediate district, or competitive program that subcontracts  
26 with an eligible child development program. In that situation, a  
27 teacher must have a valid Michigan teaching certificate with an

1 early childhood (ZA or ZS) endorsement, a valid Michigan elementary  
2 teaching certificate with a child development associate credential,  
3 or a bachelor's degree in child development with specialization in  
4 preschool teaching. However, if an ~~intermediate district~~ **APPLICANT**  
5 demonstrates to the department that it is unable to fully comply  
6 with this subparagraph after making reasonable efforts to comply,  
7 teachers who have significant but incomplete training in early  
8 childhood education or child development may be ~~employed by the~~  
9 ~~intermediate district~~ **USED** if the ~~intermediate district~~ **APPLICANT**  
10 provides to the department, and the department approves, a plan for  
11 each teacher to come into compliance with the standards in this  
12 subparagraph. A teacher's compliance plan must be completed within  
13 2 years of the date of employment. Progress toward completion of  
14 the compliance plan shall consist of at least 2 courses per  
15 calendar year.

16 (ii) Paraprofessionals possessing proper training in early  
17 childhood development, including an associate's degree in early  
18 childhood education or child development or the equivalent, or a  
19 child development associate (CDA) credential. However, if an  
20 ~~intermediate district~~ **APPLICANT** demonstrates to the department that  
21 it is unable to fully comply with this subparagraph after making  
22 reasonable efforts to comply, the ~~intermediate district~~ **APPLICANT**  
23 may ~~employ~~ **USE** paraprofessionals who have completed at least 1  
24 course that earns college credit in early childhood education or  
25 child development if the ~~intermediate district~~ **APPLICANT** provides  
26 to the department, and the department approves, a plan for each  
27 paraprofessional to come into compliance with the standards in this

1 subparagraph. A paraprofessional's compliance plan must be  
2 completed within 2 years of the date of employment. Progress toward  
3 completion of the compliance plan shall consist of at least 2  
4 courses or 60 clock hours of training per calendar year.

5 (d) Include a program budget that contains only those costs  
6 that are not reimbursed or reimbursable by federal funding, that  
7 are clearly and directly attributable to the great start readiness  
8 program, and that would not be incurred if the program were not  
9 being offered. The program budget shall indicate the extent to  
10 which these funds will supplement other federal, state, local, or  
11 private funds. Funds received under this section shall not be used  
12 to supplant any federal funds by the applicant to serve children  
13 eligible for a federally funded existing preschool program that has  
14 the capacity to serve those children.

15 (6) For a grant recipient that enrolls pupils in a school-day  
16 program funded under this section, each child enrolled in the  
17 school-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 school-day program.

22 (7) An intermediate district or consortium of intermediate  
23 districts receiving a grant under this section may contract with  
24 for-profit or nonprofit preschool center providers that meet all  
25 requirements of subsection (4) and retain for administrative  
26 services an amount equal to not more than 5% of the grant amount.  
27 An intermediate district, consortium of intermediate districts, or

1 competitive grant program may expend not more than 10% of the total  
2 grant amount for administration of the program.

3 (8) Any public or private for-profit or nonprofit legal entity  
4 or agency may apply for a competitive grant under this section.  
5 However, a district or intermediate district may not apply for a  
6 competitive grant under this section unless the district,  
7 intermediate district, or consortium of districts or intermediate  
8 districts is acting as a local grantee for the federal head start  
9 program operating under the head start act, 42 USC 9831 to 9852.

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

23 (10) As used in this section:

24 (A) **"GSRP/HEAD START BLENDED PROGRAM" MEANS A PART-DAY PROGRAM**  
25 **FUNDED UNDER THIS SECTION AND A HEAD START PROGRAM, WHICH ARE**  
26 **COMBINED FOR A SCHOOL-DAY PROGRAM.**

27 (B) ~~(a)~~—"Part-day program" means a program that operates at



1 least 4 days per week, 30 weeks per year, for at least 3 hours of  
2 teacher-child contact time per day but for fewer hours of teacher-  
3 child contact time per day than a school-day program.

4 (C) ~~(b)~~-"School-day program" means a program that operates for  
5 at least the same length of day as a district's first grade program  
6 for a minimum of 4 days per week, 30 weeks per year. A classroom  
7 that offers a school-day program must enroll all children for the  
8 school day to be considered a school-day program.

9 (11) A grant recipient receiving funds under this section is  
10 encouraged to establish a sliding scale of tuition rates based upon  
11 a child's family income for the purpose of expanding eligible  
12 programs under this section. A grant recipient may charge tuition  
13 for programs provided under this section according to that sliding  
14 scale of tuition rates on a uniform basis for any child who does  
15 not meet the program eligibility requirements under this section.

16 (12) ~~Beginning with 2012-2013, it is the intent of the~~  
17 ~~legislature~~ **THE DEPARTMENT SHALL DEVELOP A PLAN FOR A MULTIYEAR**  
18 **PHASED-IN APPROACH** to transfer funding for great start readiness  
19 programs under this section into an early childhood block grant  
20 program, along with funding for great start collaboratives under  
21 section 32b and funding for great parents, great start programs  
22 under section 32j. The early childhood block grant program will  
23 allocate funds to intermediate districts and consortia of  
24 intermediate districts to act as fiduciaries and provide  
25 administration of regional early childhood programs in conjunction  
26 with their regional great start collaborative to improve program  
27 quality, evaluation, and efficiency for early childhood programs.

1 The department shall work with intermediate districts, districts,  
2 great start collaboratives, and the early childhood investment  
3 corporation to establish a revised funding formula, application  
4 process, program criteria, and data reporting requirements. ~~for~~  
5 ~~2012-2013. Not later than January 1, 2012, the department shall~~  
6 ~~report to the legislature its recommendations for the revisions~~  
7 ~~required under this subsection.~~

8           SEC. 32P. (1) FROM THE SCHOOL AID FUND APPROPRIATION IN  
9 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
10 \$10,900,000.00 FOR 2012-2013 FOR THE PURPOSE OF PROVIDING EARLY  
11 CHILDHOOD FUNDING TO INTERMEDIATE SCHOOL DISTRICTS IN BLOCK GRANTS.  
12 THE FUNDING PROVIDED TO EACH INTERMEDIATE DISTRICT UNDER THIS  
13 SECTION SHALL BE EQUAL TO THE SUM OF ALL FUNDING ALLOCATED UNDER  
14 FORMER SECTIONS 32B AND 32J, AS THOSE SECTIONS WERE IN EFFECT FOR  
15 2011-2012. IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, EACH  
16 INTERMEDIATE DISTRICT SHALL PROVIDE AN APPLICATION TO THE OFFICE OF  
17 GREAT START NOT LATER THAN AUGUST 15, 2012, INDICATING THE  
18 ACTIVITIES PLANNED TO BE PROVIDED AND CHILDREN SERVED UNDER THE  
19 BLOCK GRANT.

20           (2) EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE  
21 DISTRICTS THAT RECEIVES FUNDING UNDER THIS SECTION SHALL CONVENE A  
22 LOCAL GREAT START COLLABORATIVE AND A PARENT COALITION TO ADDRESS  
23 THE AVAILABILITY OF THE FOLLOWING 6 COMPONENTS OF A GREAT START  
24 SYSTEM IN ITS COMMUNITIES: PHYSICAL HEALTH, SOCIAL-EMOTIONAL  
25 HEALTH, FAMILY SUPPORTS, BASIC NEEDS, ECONOMIC STABILITY AND  
26 SAFETY, AND PARENTING EDUCATION AND EARLY EDUCATION AND CARE. THE  
27 GOAL OF A LOCAL GREAT START COLLABORATIVE IS TO ENSURE THAT EVERY

1 CHILD IN THE COMMUNITY IS READY FOR KINDERGARTEN. EACH LOCAL GREAT  
2 START COLLABORATIVE SHALL ENSURE THE COORDINATION AND EXPANSION OF  
3 INFRASTRUCTURE OR PROGRAMMING TO SUPPORT HIGH-QUALITY EARLY  
4 CHILDHOOD AND CHILDCARE PROGRAMS. AN INTERMEDIATE DISTRICT OR  
5 CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RECONSTITUTE ITS LOCAL  
6 GREAT START COLLABORATIVE IF THAT COLLABORATIVE IS FOUND TO BE  
7 INEFFECTIVE.

8 (3) NOT LATER THAN DECEMBER 1, 2013, EACH INTERMEDIATE  
9 DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT DETAILING THE  
10 ACTIVITIES ACTUALLY PROVIDED DURING 2012-2013 AND THE CHILDREN  
11 ACTUALLY SERVED. THE DEPARTMENT SHALL COMPILE AND SUMMARIZE THESE  
12 REPORTS AND SUBMIT ITS SUMMARY TO THE HOUSE AND SENATE  
13 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE HOUSE AND  
14 SENATE FISCAL AGENCIES. THE BLOCK GRANTS ALLOCATED UNDER THIS  
15 SECTION IMPLEMENT LEGISLATIVE INTENT LANGUAGE FOR THIS PURPOSE  
16 ENACTED IN 2011 PA 62.

17 (4) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE  
18 DISTRICTS THAT RECEIVES FUNDING UNDER THIS SECTION MAY CARRY OVER  
19 ANY UNEXPENDED FUNDS RECEIVED UNDER THIS SECTION FOR A FISCAL YEAR  
20 INTO THE NEXT FISCAL YEAR AND MAY EXPEND THOSE UNUSED FUNDS IN THE  
21 NEXT FISCAL YEAR. A RECIPIENT OF A GRANT SHALL RETURN ANY  
22 UNEXPENDED GRANT FUNDS TO THE DEPARTMENT IN THE MANNER PRESCRIBED  
23 BY THE DEPARTMENT NOT LATER THAN SEPTEMBER 30 OF THE NEXT FISCAL  
24 YEAR AFTER THE FISCAL YEAR IN WHICH THE FUNDS ARE RECEIVED.

25 Sec. 39. (1) ~~A district~~ AN ELIGIBLE APPLICANT receiving funds  
26 ~~from an intermediate district or consortium of intermediate~~  
27 ~~districts~~ under section 32d shall submit a preapplication, in a

1 form and manner prescribed by the department, by a date specified  
2 by the department in the immediately preceding state fiscal year.  
3 The preapplication shall include a comprehensive needs assessment  
4 **USING AGGREGATED DATA FROM THE APPLICANT'S ENTIRE SERVICE AREA** and  
5 **A** community collaboration plan ~~, which~~ **THAT** is endorsed by the  
6 local great start collaborative and is part of the community's  
7 great start strategic plan that includes, but is not limited to,  
8 great start readiness program and head start providers, and shall  
9 identify all of the following:

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

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

17 (c) The number of children the ~~district~~ **APPLICANT** will be able  
18 to serve who meet the criteria of section 32d including a  
19 verification of physical facility and staff resources capacity.

20 (d) The estimated number of children who meet the criteria of  
21 section 32d who will remain unserved after the ~~district~~ **APPLICANT**  
22 and community early childhood programs have met their funded  
23 enrollments. The ~~school district~~ **APPLICANT** shall maintain a waiting  
24 list of identified unserved eligible children who would be served  
25 when openings are available.

26 (2) ~~A district~~ **AN APPLICANT** receiving funds ~~from an~~  
27 ~~intermediate district or consortium of intermediate districts~~ under

1 section 32d shall also submit a final application for approval, in  
2 a form and manner prescribed by the department, by a date specified  
3 by the department, that details how the ~~district~~**APPLICANT** complies  
4 with the program components established by the department pursuant  
5 to section 32d.

6 (3) The number of prekindergarten children construed to be in  
7 need of special readiness assistance under section 32d shall be  
8 calculated for each ~~district~~**APPLICANT** in the following manner: 1/2  
9 of the percentage of the ~~district's~~**APPLICANT'S** pupils in grades 1  
10 to 5 **IN ALL DISTRICTS SERVED BY THE APPLICANT** who are eligible for  
11 free lunch, as determined using the district's pupil membership  
12 count as of the pupil membership count day in the school year prior  
13 to the fiscal year for which the calculation is made, under the  
14 Richard B. Russell national school lunch act, 42 USC 1751 to 1769i,  
15 shall be multiplied by the average kindergarten enrollment of the  
16 ~~district~~**DISTRICTS SERVED BY THE APPLICANT** on the pupil membership  
17 count day of the 2 immediately preceding fiscal years.

18 (4) The initial allocation for each fiscal year to each  
19 eligible ~~district~~**APPLICANT** under section 32d shall be determined  
20 by multiplying the number of children determined by the formula  
21 under subsection (3) or the number of children the ~~district~~  
22 **APPLICANT** indicates it will be able to serve under subsection  
23 (1)(c), whichever is less, by \$3,400.00 and shall be distributed  
24 among ~~districts~~**APPLICANT** in decreasing order of concentration of  
25 eligible children as determined by the formula under subsection  
26 (3). If the number of children a ~~district~~**AN APPLICANT** indicates it  
27 will be able to serve under subsection (1)(c) includes children

1 able to be served in a school-day program, then the number able to  
2 be served in a school-day program shall be doubled for the purposes  
3 of making this calculation of the lesser of the number of children  
4 determined by the formula under subsection (3) and the number of  
5 children the ~~district~~-**APPLICANT** indicates it will be able to serve  
6 under subsection (1)(c) and determining the amount of the initial  
7 allocation to the ~~district~~-**APPLICANT** under section 32d. A district  
8 may contract with a head start agency to serve children enrolled in  
9 head start with a school-day program by blending head start funds  
10 with a part-day great start readiness program allocation. All head  
11 start and great start readiness program policies and regulations  
12 apply to the blended program.

13 (5) If funds allocated for eligible ~~districts~~-**APPLICANTS** in  
14 section 32d remain after the initial allocation under subsection  
15 (4), the allocation under this subsection shall be distributed to  
16 each eligible ~~district~~-**APPLICANT** under section 32d in decreasing  
17 order of concentration of eligible children as determined by the  
18 formula under subsection (3). The allocation shall be determined by  
19 multiplying the number of children each ~~eligible~~-**district** **WITHIN**  
20 **THE APPLICANT'S SERVICE AREA** served in the immediately preceding  
21 fiscal year or the number of children the ~~district~~-**APPLICANT**  
22 indicates it will be able to serve under subsection (1)(c),  
23 whichever is less, minus the number of children for which the  
24 ~~district~~-**APPLICANT** received funding in subsection (4) by \$3,400.00.

25 (6) If funds allocated for eligible ~~districts~~-**APPLICANTS** in  
26 section 32d remain after the allocations under subsections (4) and  
27 (5), remaining funds shall be distributed to each eligible ~~district~~

1 **APPLICANT** under section 32d in decreasing order of concentration of  
2 eligible children as determined by the formula under subsection  
3 (3). If the number of children the ~~district~~**APPLICANT** indicates it  
4 will be able to serve under subsection (1)(c) exceeds the number of  
5 children for which funds have been received under subsections (4)  
6 and (5), the allocation under this subsection shall be determined  
7 by multiplying the number of children the ~~district~~**APPLICANT**  
8 indicates it will be able to serve under subsection (1)(c) less the  
9 number of children for which funds have been received under  
10 subsections (4) and (5) by \$3,400.00 until the funds allocated for  
11 eligible ~~districts~~**APPLICANTS** in section 32d are distributed.

12 ~~—— (7) If a district is participating in a program under section~~  
13 ~~32d for the first year, the maximum allocation under this section~~  
14 ~~is 32 multiplied by \$3,400.00.~~

15 (7) ~~(8) A district~~**AN APPLICANT** that offers supplementary  
16 child care funded by funds other than those received under ~~this~~  
17 section **32D** and therefore offers full-day programs as part of its  
18 early childhood development program shall receive priority in the  
19 allocation of funds under section 32d over other eligible  
20 ~~districts~~**APPLICANTS**. As used in this subsection, "full-day  
21 program" means a program that provides supplementary child care  
22 that totals at least 10 hours of programming per day.

23 ~~—— (9) For any district with 315 or more eligible pupils, the~~  
24 ~~number of eligible pupils shall be 65% of the number calculated~~  
25 ~~using the formula under subsection (3). However, none of these~~  
26 ~~districts may have less than 315 pupils for purposes of calculating~~  
27 ~~the tentative allocation for eligible districts under section 32d.~~

1           (8) ~~(10)~~ If, taking into account the total amount to be  
2 allocated to the ~~district~~ **APPLICANT** as calculated under this  
3 section, a ~~district~~ **AN APPLICANT** determines that it is able to  
4 include additional eligible children in the great start readiness  
5 program without additional funds under section 32d, the ~~district~~  
6 **APPLICANT** may include additional eligible children but shall not  
7 receive additional funding under section 32d for those children.

8           ~~(11) A consortium of 2 or more districts shall be eligible for  
9 an allocation under section 32d if the districts designate a  
10 district or intermediate district to serve as the fiscal agent for  
11 the consortium's allocation. A consortium shall submit a single  
12 application for the total number of children to be served. The  
13 consortium may decide, with approval of all consortium members, to  
14 serve numbers of children based on the allocation to each district  
15 or based on the allocation to the entire consortium, allowing  
16 children residing in any district in the consortium to be served by  
17 the consortium at any location.~~

18           Sec. 39a. (1) From the federal funds appropriated in section  
19 11, there is allocated for ~~2011-2012~~ **2012-2013** to districts,  
20 intermediate districts, and other eligible entities all available  
21 federal funding, estimated at ~~\$761,973,600.00,~~ **\$812,328,500.00**, for  
22 the federal programs under the no child left behind act of 2001,  
23 Public Law 107-110. These funds are allocated as follows:

24           (a) An amount estimated at \$10,808,600.00 to provide students  
25 with drug- and violence-prevention programs and to implement  
26 strategies to improve school safety, funded from DED-OESE, drug-  
27 free schools and communities funds.



1 (b) An amount estimated at ~~\$7,461,800.00~~ **\$250,000.00** for the  
2 purpose of improving teaching and learning through a more effective  
3 use of technology, funded from DED-OESE, educational technology  
4 state grant funds.

5 (c) An amount estimated at ~~\$109,411,900.00~~ **\$111,111,900.00** for  
6 the purpose of preparing, training, and recruiting high-quality  
7 teachers and class size reduction, funded from DED-OESE, improving  
8 teacher quality funds.

9 (d) An amount estimated at ~~\$10,322,300.00~~ **\$12,200,000.00** for  
10 programs to teach English to limited English proficient (LEP)  
11 children, funded from DED-OESE, language acquisition state grant  
12 funds.

13 (e) An amount estimated at ~~\$8,550,000.00~~ **\$10,286,500.00** for  
14 the Michigan charter school subgrant program, funded from DED-OESE,  
15 charter school funds.

16 (f) An amount estimated at ~~\$1,760,000.00~~ **\$2,393,500.00** for  
17 rural and low income schools, funded from DED-OESE, rural and low  
18 income school funds.

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

22 (G) ~~(h)~~ An amount estimated at ~~\$517,479,800.00~~ **\$591,500,000.00**  
23 to provide supplemental programs to enable educationally  
24 disadvantaged children to meet challenging academic standards,  
25 funded from DED-OESE, title I, disadvantaged children funds.

26 (H) ~~(i)~~ An amount estimated at ~~\$2,152,700.00~~ **\$250,000.00** for  
27 the purpose of providing unified family literacy programs, funded

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

2 (I) ~~(j)~~—An amount estimated at ~~\$8,807,200.00~~ **\$8,878,000.00** for  
3 the purpose of identifying and serving migrant children, funded  
4 from 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 (J) ~~(m)~~—An amount estimated at \$40,050,000.00 for the purpose  
13 of providing high-quality extended learning opportunities, after  
14 school and during the summer, for children in low-performing  
15 schools, funded from DED-OESE, twenty-first century community  
16 learning center funds.

17 (K) ~~(n)~~—An amount estimated at ~~\$17,586,100.00~~ **\$24,600,000.00**  
18 to help support local school improvement efforts, funded from DED-  
19 OESE, title I, local school improvement grants.

20 (2) From the federal funds appropriated in section 11, there  
21 is allocated for ~~2011-2012-2012-2013~~ to districts, intermediate  
22 districts, and other eligible entities all available federal  
23 funding, estimated at ~~\$32,359,700.00,~~ **\$33,514,100.00** for the  
24 following programs that are funded by federal grants:

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

1 (b) An amount estimated at \$1,814,100.00 to provide services  
2 to homeless children and youth, funded from DED-OVAE, homeless  
3 children and youth funds.

4 (c) An amount estimated at ~~\$1,445,600.00~~ **\$2,600,000.00** for  
5 serve America grants, funded from the corporation for national and  
6 community service funds.

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

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

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

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

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

27 (d) A structured mentoring-tutorial reading program for pupils

1 in preschool to grade 4 that is a research-based, validated program  
2 that develops individualized educational plans based on each  
3 pupil's age, assessed needs, reading level, interests, and learning  
4 style.

5 (4) All federal funds allocated under this section shall be  
6 distributed in accordance with federal law and with flexibility  
7 provisions outlined in Public Law 107-116, and in the education  
8 flexibility partnership act of 1999, Public Law 106-25.  
9 Notwithstanding section 17b, payments of federal funds to  
10 districts, intermediate districts, and other eligible entities  
11 under this section shall be paid on a schedule determined by the  
12 department.

13 (5) For the purposes of applying for federal grants  
14 appropriated under this article, the department shall allow an  
15 intermediate district to submit a consortium application on behalf  
16 of 2 or more districts with the agreement of those districts as  
17 appropriate according to federal rules and guidelines.

18 (6) As used in this section:

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

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

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

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

26 (e) "HHS-ACF" means the HHS administration for children and  
27 families.

1           Sec. 51a. (1) From the appropriation in section 11, there is  
2 allocated for 2011-2012 an amount not to exceed ~~\$954,769,100.00~~  
3 **\$956,769,100.00 AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
4 **\$996,269,100.00 FOR 2012-2013** from state sources and all available  
5 federal funding under sections 611 to 619 of part B of the  
6 individuals with disabilities education act, 20 USC 1411 to 1419,  
7 estimated at \$363,400,000.00 for 2011-2012 **AND ESTIMATED AT**  
8 **\$365,000,000.00 FOR 2012-2013**, plus any carryover federal funds  
9 from previous year appropriations. The allocations under this  
10 subsection are for the purpose of reimbursing districts and  
11 intermediate districts for special education programs, services,  
12 and special education personnel as prescribed in article 3 of the  
13 revised school code, MCL 380.1701 to 380.1766; net tuition payments  
14 made by intermediate districts to the Michigan schools for the deaf  
15 and blind; and special education programs and services for pupils  
16 who are eligible for special education programs and services  
17 according to statute or rule. For meeting the costs of special  
18 education programs and services not reimbursed under this article,  
19 a district or intermediate district may use money in general funds  
20 or special education funds, not otherwise restricted, or  
21 contributions from districts to intermediate districts, tuition  
22 payments, gifts and contributions from individuals **OR OTHER**  
23 **ENTITIES**, or federal funds that may be available for this purpose,  
24 as determined by the intermediate district plan prepared pursuant  
25 to article 3 of the revised school code, MCL 380.1701 to 380.1766.  
26 All federal funds allocated under this section in excess of those  
27 allocated under this section for 2002-2003 may be distributed in

1 accordance with the flexible funding provisions of the individuals  
2 with disabilities education act, Public Law 108-446, including, but  
3 not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section  
4 17b, payments of federal funds to districts, intermediate  
5 districts, and other eligible entities under this section shall be  
6 paid on a schedule determined by the department.

7 (2) From the funds allocated under subsection (1), there is  
8 allocated the amount necessary, estimated at ~~\$247,000,000.00~~  
9 **\$247,500,000.00** for 2011-2012 **AND ESTIMATED AT \$257,400,000.00 FOR**  
10 **2012-2013**, for payments toward reimbursing districts and  
11 intermediate districts for 28.6138% of total approved costs of  
12 special education, excluding costs reimbursed under section 53a,  
13 and 70.4165% of total approved costs of special education  
14 transportation. Allocations under this subsection shall be made as  
15 follows:

16 (a) The initial amount allocated to a district under this  
17 subsection toward fulfilling the specified percentages shall be  
18 calculated by multiplying the district's special education pupil  
19 membership, excluding pupils described in subsection (11), times  
20 the foundation allowance under section 20 of the pupil's district  
21 of residence, not to exceed the basic foundation allowance under  
22 section 20 for the current fiscal year, or, for a special education  
23 pupil in membership in a district that is a public school academy,  
24 ~~or university school,~~ times an amount equal to the amount per  
25 membership pupil calculated under section 20(6) **OR, FOR A PUPIL**  
26 **DESCRIBED IN THIS SUBSECTION WHO IS COUNTED IN MEMBERSHIP IN THE**  
27 **EDUCATION ACHIEVEMENT SYSTEM, TIMES AN AMOUNT EQUAL TO THE AMOUNT**

1 **PER MEMBERSHIP PUPIL UNDER SECTION 20(7)**. For an intermediate  
2 district, the amount allocated under this subdivision toward  
3 fulfilling the specified percentages shall be an amount per special  
4 education membership pupil, excluding pupils described in  
5 subsection (11), and shall be calculated in the same manner as for  
6 a district, using the foundation allowance under section 20 of the  
7 pupil's district of residence, not to exceed the basic foundation  
8 allowance under section 20 for the current fiscal year.

9 (b) After the allocations under subdivision (a), districts and  
10 intermediate districts for which the payments calculated under  
11 subdivision (a) do not fulfill the specified percentages shall be  
12 paid the amount necessary to achieve the specified percentages for  
13 the district or intermediate district.

14 (3) From the funds allocated under subsection (1), there is  
15 allocated **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** an  
16 amount not to exceed \$1,000,000.00 to make payments to districts  
17 and intermediate districts under this subsection. If the amount  
18 allocated to a district or intermediate district for a fiscal year  
19 under subsection (2)(b) is less than the sum of the amounts  
20 allocated to the district or intermediate district for 1996-97  
21 under sections 52 and 58, there is allocated to the district or  
22 intermediate district for the fiscal year an amount equal to that  
23 difference, adjusted by applying the same proration factor that was  
24 used in the distribution of funds under section 52 in 1996-97 as  
25 adjusted to the district's or intermediate district's necessary  
26 costs of special education used in calculations for the fiscal  
27 year. This adjustment is to reflect reductions in special education

1 program operations or services between 1996-97 and subsequent  
2 fiscal years. Adjustments for reductions in special education  
3 program operations or services shall be made in a manner determined  
4 by the department and shall include adjustments for program or  
5 service shifts.

6 (4) If the department determines that the sum of the amounts  
7 allocated for a fiscal year to a district or intermediate district  
8 under subsection (2)(a) and (b) is not sufficient to fulfill the  
9 specified percentages in subsection (2), then the shortfall shall  
10 be paid to the district or intermediate district during the fiscal  
11 year beginning on the October 1 following the determination and  
12 payments under subsection (3) shall be adjusted as necessary. If  
13 the department determines that the sum of the amounts allocated for  
14 a fiscal year to a district or intermediate district under  
15 subsection (2)(a) and (b) exceeds the sum of the amount necessary  
16 to fulfill the specified percentages in subsection (2), then the  
17 department shall deduct the amount of the excess from the  
18 district's or intermediate district's payments under this ~~act~~  
19 **ARTICLE** for the fiscal year beginning on the October 1 following  
20 the determination and payments under subsection (3) shall be  
21 adjusted as necessary. However, if the amount allocated under  
22 subsection (2)(a) in itself exceeds the amount necessary to fulfill  
23 the specified percentages in subsection (2), there shall be no  
24 deduction under this subsection.

25 (5) State funds shall be allocated on a total approved cost  
26 basis. Federal funds shall be allocated under applicable federal  
27 requirements, except that an amount not to exceed \$3,500,000.00 may



1 be allocated by the department **EACH FISCAL YEAR** for 2011-2012 **AND**  
2 **FOR 2012-2013** to districts, intermediate districts, or other  
3 eligible entities on a competitive grant basis for programs,  
4 equipment, and services that the department determines to be  
5 designed to benefit or improve special education on a statewide  
6 scale.

7 (6) From the amount allocated in subsection (1), there is  
8 allocated an amount not to exceed \$2,200,000.00 **EACH FISCAL YEAR**  
9 for 2011-2012 **AND FOR 2012-2013** to reimburse 100% of the net  
10 increase in necessary costs incurred by a district or intermediate  
11 district in implementing the revisions in the administrative rules  
12 for special education that became effective on July 1, 1987. As  
13 used in this subsection, "net increase in necessary costs" means  
14 the necessary additional costs incurred solely because of new or  
15 revised requirements in the administrative rules minus cost savings  
16 permitted in implementing the revised rules. Net increase in  
17 necessary costs shall be determined in a manner specified by the  
18 department.

19 (7) For purposes of sections 51a to 58, all of the following  
20 apply:

21 (a) "Total approved costs of special education" shall be  
22 determined in a manner specified by the department and may include  
23 indirect costs, but shall not exceed 115% of approved direct costs  
24 for section 52 and section 53a programs. The total approved costs  
25 include salary and other compensation for all approved special  
26 education personnel for the program, including payments for social  
27 security and medicare and public school employee retirement system

1 contributions. The total approved costs do not include salaries or  
2 other compensation paid to administrative personnel who are not  
3 special education personnel as defined in section 6 of the revised  
4 school code, MCL 380.6. Costs reimbursed by federal funds, other  
5 than those federal funds included in the allocation made under this  
6 article, are not included. Special education approved personnel not  
7 utilized full time in the evaluation of students or in the delivery  
8 of special education programs, ancillary, and other related  
9 services shall be reimbursed under this section only for that  
10 portion of time actually spent providing these programs and  
11 services, with the exception of special education programs and  
12 services provided to youth placed in child caring institutions or  
13 juvenile detention programs approved by the department to provide  
14 an on-grounds education program.

15 (b) Beginning with the 2004-2005 fiscal year, a district or  
16 intermediate district that employed special education support  
17 services staff to provide special education support services in  
18 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
19 after 2003-2004 receives the same type of support services from  
20 another district or intermediate district shall report the cost of  
21 those support services for special education reimbursement purposes  
22 under this article. This subdivision does not prohibit the transfer  
23 of special education classroom teachers and special education  
24 classroom aides if the pupils counted in membership associated with  
25 those special education classroom teachers and special education  
26 classroom aides are transferred and counted in membership in the  
27 other district or intermediate district in conjunction with the

1 transfer of those teachers and aides.

2 (c) If the department determines before bookclosing for a  
3 fiscal year that the amounts allocated for that fiscal year under  
4 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
5 will exceed expenditures for that fiscal year under subsections  
6 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
7 district or intermediate district whose reimbursement for that  
8 fiscal year would otherwise be affected by subdivision (b),  
9 subdivision (b) does not apply to the calculation of the  
10 reimbursement for that district or intermediate district and  
11 reimbursement for that district or intermediate district shall be  
12 calculated in the same manner as it was for 2003-2004. If the  
13 amount of the excess allocations under subsections (2), (3), (6),  
14 and (11) and sections 53a, 54, and 56 is not sufficient to fully  
15 fund the calculation of reimbursement to those districts and  
16 intermediate districts under this subdivision, then the  
17 calculations and resulting reimbursement under this subdivision  
18 shall be prorated on an equal percentage basis. **THIS REIMBURSEMENT**  
19 **SHALL NOT BE MADE AFTER 2014-2015.**

20 (d) Reimbursement for ancillary and other related services, as  
21 defined by R 340.1701c of the Michigan administrative code, shall  
22 not be provided when those services are covered by and available  
23 through private group health insurance carriers or federal  
24 reimbursed program sources unless the department and district or  
25 intermediate district agree otherwise and that agreement is  
26 approved by the state budget director. Expenses, other than the  
27 incidental expense of filing, shall not be borne by the parent. In

1 addition, the filing of claims shall not delay the education of a  
2 pupil. A district or intermediate district shall be responsible for  
3 payment of a deductible amount and for an advance payment required  
4 until the time a claim is paid.

5 (e) Beginning with calculations for 2004-2005, if an  
6 intermediate district purchases a special education pupil  
7 transportation service from a constituent district that was  
8 previously purchased from a private entity; if the purchase from  
9 the constituent district is at a lower cost, adjusted for changes  
10 in fuel costs; and if the cost shift from the intermediate district  
11 to the constituent does not result in any net change in the revenue  
12 the constituent district receives from payments under sections 22b  
13 and 51c, then upon application by the intermediate district, the  
14 department shall direct the intermediate district to continue to  
15 report the cost associated with the specific identified special  
16 education pupil transportation service and shall adjust the costs  
17 reported by the constituent district to remove the cost associated  
18 with that specific service.

19 (8) A pupil who is enrolled in a full-time special education  
20 program conducted or administered by an intermediate district or a  
21 pupil who is enrolled in the Michigan schools for the deaf and  
22 blind shall not be included in the membership count of a district,  
23 but shall be counted in membership in the intermediate district of  
24 residence.

25 (9) Special education personnel transferred from 1 district to  
26 another to implement the revised school code shall be entitled to  
27 the rights, benefits, and tenure to which the person would

1 otherwise be entitled had that person been employed by the  
2 receiving district originally.

3 (10) If a district or intermediate district uses money  
4 received under this section for a purpose other than the purpose or  
5 purposes for which the money is allocated, the department may  
6 require the district or intermediate district to refund the amount  
7 of money received. Money that is refunded shall be deposited in the  
8 state treasury to the credit of the state school aid fund.

9 (11) From the funds allocated in subsection (1), there is  
10 allocated the amount necessary, estimated at ~~\$5,000,000.00~~  
11 **\$5,300,000.00** for 2011-2012 **AND ESTIMATED AT \$5,600,000.00 FOR**  
12 **2012-2013**, to pay the foundation allowances for pupils described in  
13 this subsection. The allocation to a district under this subsection  
14 shall be calculated by multiplying the number of pupils described  
15 in this subsection who are counted in membership in the district  
16 times the foundation allowance under section 20 of the pupil's  
17 district of residence, not to exceed the basic foundation allowance  
18 under section 20 for the current fiscal year, or, for a pupil  
19 described in this subsection who is counted in membership in a  
20 district that is a public school academy, ~~or university school,~~  
21 times an amount equal to the amount per membership pupil under  
22 section 20(6) **OR, FOR A PUPIL DESCRIBED IN THIS SUBSECTION WHO IS**  
23 **COUNTED IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT SYSTEM, TIMES AN**  
24 **AMOUNT EQUAL TO THE AMOUNT PER MEMBERSHIP PUPIL UNDER SECTION**  
25 **20(7)**. The allocation to an intermediate district under this  
26 subsection shall be calculated in the same manner as for a  
27 district, using the foundation allowance under section 20 of the

1 pupil's district of residence, not to exceed the basic foundation  
2 allowance under section 20 for the current fiscal year. This  
3 subsection applies to all of the following pupils:

4 (a) Pupils described in section 53a.

5 (b) Pupils counted in membership in an intermediate district  
6 who are not special education pupils and are served by the  
7 intermediate district in a juvenile detention or child caring  
8 facility.

9 (c) Pupils with an emotional impairment counted in membership  
10 by an intermediate district and provided educational services by  
11 the department of community health.

12 (12) If it is determined that funds allocated under subsection  
13 (2) or (11) or under section 51c will not be expended, funds up to  
14 the amount necessary and available may be used to supplement the  
15 allocations under subsection (2) or (11) or under section 51c in  
16 order to fully fund those allocations. After payments under  
17 subsections (2) and (11) and section 51c, the remaining  
18 expenditures from the allocation in subsection (1) shall be made in  
19 the following order:

20 (a) 100% of the reimbursement required under section 53a.

21 (b) 100% of the reimbursement required under subsection (6).

22 (c) 100% of the payment required under section 54.

23 (d) 100% of the payment required under subsection (3).

24 (e) 100% of the payments under section 56.

25 (13) The allocations under subsections (2), (3), and (11)  
26 shall be allocations to intermediate districts only and shall not  
27 be allocations to districts, but instead shall be calculations used

1 only to determine the state payments under section 22b.

2 (14) If a public school academy enrolls pursuant to this  
3 section a pupil who resides outside of the intermediate district in  
4 which the public school academy is located and who is eligible for  
5 special education programs and services according to statute or  
6 rule, or who is a child with disabilities, as defined under the  
7 individuals with disabilities education act, Public Law 108-446,  
8 the provision of special education programs and services and the  
9 payment of the added costs of special education programs and  
10 services for the pupil are the responsibility of the district and  
11 intermediate district in which the pupil resides unless the  
12 enrolling district or intermediate district has a written agreement  
13 with the district or intermediate district in which the pupil  
14 resides or the public school academy for the purpose of providing  
15 the pupil with a free appropriate public education and the written  
16 agreement includes at least an agreement on the responsibility for  
17 the payment of the added costs of special education programs and  
18 services for the pupil.

19 Sec. 51c. As required by the court in the consolidated cases  
20 known as Durant v State of Michigan, Michigan supreme court docket  
21 no. 104458-104492, from the allocation under section 51a(1), there  
22 is allocated **EACH FISCAL YEAR** for 2011-2012 **AND FOR 2012-2013** the  
23 amount necessary, estimated at ~~\$647,500,000.00~~ **\$648,700,000.00** for  
24 2011-2012 **AND ESTIMATED AT \$678,000,000.00 FOR 2012-2013**, for  
25 payments to reimburse districts for 28.6138% of total approved  
26 costs of special education excluding costs reimbursed under section  
27 53a, and 70.4165% of total approved costs of special education

1 transportation. Funds allocated under this section that are not  
2 expended in the state fiscal year for which they were allocated, as  
3 determined by the department, may be used to supplement the  
4 allocations under sections 22a and 22b in order to fully fund those  
5 calculated allocations for the same fiscal year.

6       Sec. 51d. (1) From the federal funds appropriated in section  
7 11, there is allocated for **EACH FISCAL YEAR 2011-2012 AND FOR 2012-**  
8 **2013** all available federal funding, estimated at \$74,000,000.00  
9 **EACH FISCAL YEAR**, for special education programs that are funded by  
10 federal grants. All federal funds allocated under this section  
11 shall be distributed in accordance with federal law.  
12 Notwithstanding section 17b, payments of federal funds to  
13 districts, intermediate districts, and other eligible entities  
14 under this section shall be paid on a schedule determined by the  
15 department.

16       (2) From the federal funds allocated under subsection (1), the  
17 following amounts are allocated **EACH FISCAL YEAR** for 2011-2012 **AND**  
18 **FOR 2012-2013**:

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

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

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



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

4 Sec. 53a. (1) For districts, reimbursement for pupils  
5 described in subsection (2) shall be 100% of the total approved  
6 costs of operating special education programs and services approved  
7 by the department and included in the intermediate district plan  
8 adopted pursuant to article 3 of the revised school code, MCL  
9 380.1701 to 380.1766, minus the district's foundation allowance  
10 calculated under section 20. For intermediate districts,  
11 reimbursement for pupils described in subsection (2) shall be  
12 calculated in the same manner as for a district, using the  
13 foundation allowance under section 20 of the pupil's district of  
14 residence, not to exceed the basic foundation allowance under  
15 section 20 for the current fiscal year.

16 (2) Reimbursement under subsection (1) is for the following  
17 special education pupils:

18 (a) Pupils assigned to a district or intermediate district  
19 through the community placement program of the courts or a state  
20 agency, if the pupil was a resident of another intermediate  
21 district at the time the pupil came under the jurisdiction of the  
22 court or a state agency.

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

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

1 (d) Pupils enrolled in a department-approved on-grounds  
2 educational program longer than 180 days, but not longer than 233  
3 days, at a residential child care institution, if the child care  
4 institution offered in 1991-92 an on-grounds educational program  
5 longer than 180 days but not longer than 233 days.

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

9 (3) Only those costs that are clearly and directly  
10 attributable to educational programs for pupils described in  
11 subsection (2), and that would not have been incurred if the pupils  
12 were not being educated in a district or intermediate district, are  
13 reimbursable under this section.

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

16 (5) Not more than ~~\$12,300,000.00 of the allocation for 2010-~~  
17 ~~2011 and not more than \$13,500,000.00 of the allocation for 2011-~~  
18 **2012 AND FOR 2012-2013** in section 51a(1) shall be allocated **FOR**  
19 **EACH FISCAL YEAR** under this section.

20 Sec. 54. Each intermediate district shall receive an amount  
21 per pupil for each pupil in attendance at the Michigan schools for  
22 the deaf and blind. The amount shall be proportionate to the total  
23 instructional cost at each school. Not more than \$1,688,000.00 of  
24 the allocation for ~~2011-2012-2012-2013~~ in section 51a(1) shall be  
25 allocated under this section.

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

27 (a) "Membership" means for a particular fiscal year the total

1 membership for the immediately preceding fiscal year of the  
2 intermediate district and the districts constituent to the  
3 intermediate district.

4 (b) "Millage levied" means the millage levied for special  
5 education pursuant to part 30 of the revised school code, MCL  
6 380.1711 to 380.1743, including a levy for debt service  
7 obligations.

8 (c) "Taxable value" means the total taxable value of the  
9 districts constituent to an intermediate district, except that if a  
10 district has elected not to come under part 30 of the revised  
11 school code, MCL 380.1711 to 380.1743, membership and taxable value  
12 of the district shall not be included in the membership and taxable  
13 value of the intermediate district.

14 (2) From the allocation under section 51a(1), there is  
15 allocated an amount not to exceed \$36,881,100.00 for ~~2011-2012~~  
16 **2012-2013** to reimburse intermediate districts levying millages for  
17 special education pursuant to part 30 of the revised school code,  
18 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the  
19 reimbursement shall be limited as if the funds were generated by  
20 these millages and governed by the intermediate district plan  
21 adopted pursuant to article 3 of the revised school code, MCL  
22 380.1701 to 380.1766. As a condition of receiving funds under this  
23 section, an intermediate district distributing any portion of  
24 special education millage funds to its constituent districts shall  
25 submit for departmental approval and implement a distribution plan.

26 (3) Reimbursement for those millages levied in 2010-2011 shall  
27 be made in 2011-2012 at an amount per 2010-2011 membership pupil

1 computed by subtracting from \$174,700.00 the 2010-2011 taxable  
2 value behind each membership pupil and multiplying the resulting  
3 difference by the 2010-2011 millage levied.

4 **(4) FOR 2012-2013 ONLY, REIMBURSEMENT TO EACH INTERMEDIATE**  
5 **DISTRICT SHALL BE EQUAL TO ITS REIMBURSEMENT UNDER THIS SECTION FOR**  
6 **2011-2012.**

7 Sec. 61a. (1) From the appropriation in section 11, there is  
8 allocated an amount not to exceed ~~\$26,611,300.00 for 2011-2012~~  
9 **\$26,611,300.00 FOR 2012-2013** to reimburse on an added cost basis  
10 districts, except for a district that served as the fiscal agent  
11 for a vocational education consortium in the 1993-94 school year,  
12 and secondary area vocational-technical education centers for  
13 secondary-level career and technical education programs according  
14 to rules approved by the superintendent. Applications for  
15 participation in the programs shall be submitted in the form  
16 prescribed by the department. The department shall determine the  
17 added cost for each career and technical education program area.  
18 The allocation of added cost funds shall be based on the type of  
19 career and technical education programs provided, the number of  
20 pupils enrolled, and the length of the training period provided,  
21 and shall not exceed 75% of the added cost of any program. With the  
22 approval of the department, the board of a district maintaining a  
23 secondary career and technical education program may offer the  
24 program for the period from the close of the school year until  
25 September 1. The program shall use existing facilities and shall be  
26 operated as prescribed by rules promulgated by the superintendent.

27 (2) Except for a district that served as the fiscal agent for

1 a vocational education consortium in the 1993-94 school year,  
2 districts and intermediate districts shall be reimbursed for local  
3 career and technical education administration, shared time career  
4 and technical education administration, and career education  
5 planning district career and technical education administration.  
6 The definition of what constitutes administration and reimbursement  
7 shall be pursuant to guidelines adopted by the superintendent. Not  
8 more than \$800,000.00 of the allocation in subsection (1) shall be  
9 distributed under this subsection.

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

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

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

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

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

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

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

15 (2) From the appropriation in section 11, there is allocated  
16 an amount not to exceed ~~\$8,693,000.00 for 2010-2011 and an amount~~  
17 ~~not to exceed \$9,000,000.00 for 2011-2012-2012-2013~~ to reimburse  
18 intermediate districts and area vocational-technical education  
19 programs established under section 690(3) of the revised school  
20 code, MCL 380.690, levying millages for area vocational-technical  
21 education pursuant to sections 681 to 690 of the revised school  
22 code, MCL 380.681 to 380.690. The purpose, use, and expenditure of  
23 the reimbursement shall be limited as if the funds were generated  
24 by those millages.

25 (3) Reimbursement for the millages levied in 2010-2011 shall  
26 be made in 2011-2012 at an amount per 2010-2011 membership pupil  
27 computed by subtracting from \$190,400.00 the 2010-2011 taxable

1 value behind each membership pupil and multiplying the resulting  
2 difference by the 2010-2011 millage levied.

3 **(4) FOR 2012-2013 ONLY, REIMBURSEMENTS TO EACH INTERMEDIATE**  
4 **DISTRICT SHALL BE EQUAL TO ITS REIMBURSEMENT UNDER THIS SECTION FOR**  
5 **2011-2012.**

6 Sec. 74. (1) From the amount appropriated in section 11, there  
7 is allocated an amount not to exceed ~~\$3,233,900.00 for 2011-2012~~  
8 **\$3,259,900.00 FOR 2012-2013** for the purposes of this section.

9 (2) From the allocation in subsection (1), there is allocated  
10 for each fiscal year the amount necessary for payments to state  
11 supported colleges or universities and intermediate districts  
12 providing school bus driver safety instruction pursuant to section  
13 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The  
14 payments shall be in an amount determined by the department not to  
15 exceed 75% of the actual cost of instruction and driver  
16 compensation for each public or nonpublic school bus driver  
17 attending a course of instruction. For the purpose of computing  
18 compensation, the hourly rate allowed each school bus driver shall  
19 not exceed the hourly rate received for driving a school bus.  
20 Reimbursement compensating the driver during the course of  
21 instruction shall be made by the department to the college or  
22 university or intermediate district providing the course of  
23 instruction.

24 (3) From the allocation in subsection (1), there is allocated  
25 each fiscal year the amount necessary to pay the reasonable costs  
26 of nonspecial education auxiliary services transportation provided  
27 pursuant to section 1323 of the revised school code, MCL 380.1323.

1 Districts funded under this subsection shall not receive funding  
2 under any other section of this article for nonspecial education  
3 auxiliary services transportation.

4 (4) From the funds allocated in subsection (1), there is  
5 allocated an amount not to exceed ~~\$1,608,900.00 for 2011-2012~~  
6 **\$1,634,900.00 FOR 2012-2013** for reimbursement to districts and  
7 intermediate districts for costs associated with the inspection of  
8 school buses and pupil transportation vehicles by the department of  
9 state police as required under section 715a of the Michigan vehicle  
10 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
11 transportation act, 1990 PA 187, MCL 257.1839. The department of  
12 state police shall prepare a statement of costs attributable to  
13 each district for which bus inspections are provided and submit it  
14 to the department and to ~~each affected~~ **AN INTERMEDIATE** district  
15 **SERVING AS FIDUCIARY** in a time and manner determined jointly by the  
16 department and the department of state police. ~~The~~ **UPON REVIEW AND**  
17 **APPROVAL OF THE STATEMENT OF COST, THE** department shall ~~reimburse~~  
18 **FORWARD TO THE DESIGNATED INTERMEDIATE DISTRICT SERVING AS**  
19 **FIDUCIARY THE AMOUNT OF THE REIMBURSEMENT ON BEHALF OF** each  
20 district and intermediate district for costs detailed on the  
21 statement within ~~30~~ **45** days after receipt of the statement.  
22 ~~Districts for which services are provided~~ **THE DESIGNATED**  
23 **INTERMEDIATE DISTRICT** shall make payment in the amount specified on  
24 the statement to the department of state police within 45 days  
25 after receipt of the statement. The total reimbursement of costs  
26 under this subsection shall not exceed the amount allocated under  
27 this subsection. Notwithstanding section 17b, payments to eligible



1 entities under this subsection shall be paid on a schedule  
2 prescribed by the department.

3       Sec. 81. (1) Except as otherwise provided in this section,  
4 from the appropriation in section 11, there is allocated for ~~2011-~~  
5 ~~2012-2012-2013~~ to the intermediate districts the sum necessary, but  
6 not to exceed ~~\$62,108,000.00,~~ **\$64,108,000.00**, to provide state aid  
7 to intermediate districts under this section. ~~Except as otherwise~~  
8 ~~provided in this section, there shall be allocated~~

9       **(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**  
10 **AN AMOUNT NOT TO EXCEED \$62,108,000.00 FOR ALLOCATIONS** to each  
11 intermediate district for ~~2011-2012-2012-2013~~ **IN** an amount equal to  
12 ~~95%-100%~~ of the amount allocated **TO THE INTERMEDIATE DISTRICT** under  
13 this subsection for ~~2010-2011.~~ **2011-2012**. Funding provided under  
14 this section shall be used to comply with requirements of this  
15 article and the revised school code that are applicable to  
16 intermediate districts, and for which funding is not provided  
17 elsewhere in this article, and to provide technical assistance to  
18 districts as authorized by the intermediate school board.

19       **(3)** ~~(2)~~ Intermediate districts receiving funds under ~~this~~  
20 ~~section~~ **SUBSECTION (2)** shall collaborate with the department to  
21 develop expanded professional development opportunities for  
22 teachers to update and expand their knowledge and skills needed to  
23 support the Michigan merit curriculum.

24       **(4)** ~~(3)~~ From the allocation in subsection (1), there is  
25 allocated to an intermediate district, formed by the consolidation  
26 or annexation of 2 or more intermediate districts or the attachment  
27 of a total intermediate district to another intermediate school

1 district or the annexation of all of the constituent K-12 districts  
2 of a previously existing intermediate school district which has  
3 disorganized, an additional allotment of \$3,500.00 each fiscal year  
4 for each intermediate district included in the new intermediate  
5 district for 3 years following consolidation, annexation, or  
6 attachment.

7 (5) ~~(4)~~ During a fiscal year, the department shall not  
8 increase an intermediate district's allocation under subsection (1)  
9 because of an adjustment made by the department during the fiscal  
10 year in the intermediate district's taxable value for a prior year.  
11 Instead, the department shall report the adjustment and the  
12 estimated amount of the increase to the house and senate fiscal  
13 agencies and the state budget director not later than June 1 of the  
14 fiscal year, and the legislature shall appropriate money for the  
15 adjustment in the next succeeding fiscal year.

16 (6) ~~(5)~~ In order to receive funding under ~~this section,~~  
17 **SUBSECTION (2)**, an intermediate district shall do all of the  
18 following:

19 (a) Demonstrate to the satisfaction of the department that the  
20 intermediate district employs at least 1 person who is trained in  
21 pupil ~~counting~~ **ACCOUNTING AND AUDITING** procedures, rules, and  
22 regulations.

23 (b) Demonstrate to the satisfaction of the department that the  
24 intermediate district employs at least 1 person who is trained in  
25 rules, regulations, and district reporting procedures for the  
26 individual-level student data that serves as the basis for the  
27 calculation of the district and high school graduation and dropout

1 rates.

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

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

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

9 (f) Comply with section 761 of the revised school code, MCL  
10 380.761.

11 (7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED  
12 AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR 2012-2013 FOR AN  
13 INCENTIVE PAYMENT TO EACH INTERMEDIATE DISTRICT THAT MEETS BEST  
14 PRACTICES AS DETERMINED BY THE DEPARTMENT UNDER THIS SUBSECTION.  
15 THE AMOUNT OF THE INCENTIVE PAYMENT IS AN AMOUNT EQUAL TO 3.2% OF  
16 THE AMOUNT ALLOCATED TO THE INTERMEDIATE DISTRICT UNDER SUBSECTION  
17 (2). AN INTERMEDIATE DISTRICT IS ELIGIBLE FOR AN INCENTIVE PAYMENT  
18 UNDER THIS SUBSECTION IF THE INTERMEDIATE DISTRICT SATISFIES AT  
19 LEAST 4 OF THE FOLLOWING REQUIREMENTS NOT LATER THAN JUNE 1, 2013:

20 (A) THE INTERMEDIATE DISTRICT ENTERS INTO AN AGREEMENT WITH  
21 THE DEPARTMENT TO DO ALL OF THE FOLLOWING:

22 (i) DEVELOP A SERVICE CONSOLIDATION PLAN IN 2012-2013 TO REDUCE  
23 OPERATING COSTS THAT IS IN COMPLIANCE WITH GUIDELINES THAT WERE  
24 DEVELOPED BY THE DEPARTMENT FOR FORMER SECTION 11D AS THAT SECTION  
25 WAS IN EFFECT FOR 2010-2011.

26 (ii) IMPLEMENT THE SERVICE CONSOLIDATION PLAN IN 2013-2014 AND  
27 REPORT TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1, 2014 ON THE

1 INTERMEDIATE DISTRICT'S PROGRESS IN IMPLEMENTING THE SERVICE  
2 CONSOLIDATION PLAN.

3 (B) THE INTERMEDIATE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON  
4 THE PROVISION OF 1 OR MORE NONINSTRUCTIONAL SERVICES FOR THE  
5 INTERMEDIATE DISTRICT OR ITS CONSTITUENT DISTRICTS WITH A VALUE OF  
6 AT LEAST \$50,000.00.

7 (C) THE INTERMEDIATE DISTRICT DEVELOPS A TECHNOLOGY PLAN IN  
8 ACCORDANCE WITH DEPARTMENT POLICY ON BEHALF OF ALL CONSTITUENT  
9 DISTRICTS WITHIN THE INTERMEDIATE DISTRICT THAT INTEGRATES  
10 TECHNOLOGY INTO THE CLASSROOM AND PREPARES TEACHERS TO USE DIGITAL  
11 TECHNOLOGIES AS PART OF THE INSTRUCTIONAL PROGRAM OF EACH OF ITS  
12 CONSTITUENT DISTRICTS.

13 (D) THE INTERMEDIATE DISTRICT PROVIDES TO PARENTS AND  
14 COMMUNITY MEMBERS A DASHBOARD OR REPORT CARD DEMONSTRATING THE  
15 INTERMEDIATE DISTRICT'S EFFORTS TO MANAGE ITS FINANCES RESPONSIBLY.  
16 THE DASHBOARD OR REPORT CARD SHALL INCLUDE AT LEAST ALL OF THE  
17 FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR WHICH THE DATA ARE  
18 AVAILABLE:

19 (i) A LIST OF SERVICES OFFERED BY THE INTERMEDIATE DISTRICT  
20 THAT ARE SHARED BY OTHER LOCAL OR INTERMEDIATE DISTRICTS AND A LIST  
21 OF THE DISTRICTS OR INTERMEDIATE DISTRICTS THAT PARTICIPATE.

22 (ii) THE TOTAL COST SAVINGS TO LOCAL OR OTHER INTERMEDIATE  
23 DISTRICTS THAT SHARE SERVICES WITH THE INTERMEDIATE DISTRICT.

24 (iii) THE NUMBER AND PERCENTAGE OF TEACHERS IN THE INTERMEDIATE  
25 DISTRICT SERVICE AREA THAT ARE TRAINED TO INTEGRATE TECHNOLOGY INTO  
26 THE CLASSROOM.

27 (iv) THE TOTAL FUNDS RECEIVED FROM LEVYING SPECIAL EDUCATION

1 AND VOCATIONAL EDUCATION MILLAGES, AND THE NUMBER OF SPECIAL  
2 EDUCATION AND VOCATIONAL EDUCATION PUPILS SERVED WITH THOSE  
3 DOLLARS.

4 (v) THE NUMBER AND PERCENTAGE OF INDIVIDUALIZED EDUCATION  
5 PROGRAMS DEVELOPED FOR SPECIAL EDUCATION PUPILS THAT CONTAIN  
6 ACADEMIC GOALS.

7 (E) THE INTERMEDIATE DISTRICT WORKS IN A CONSORTIUM WITH 1 OR  
8 MORE OTHER INTERMEDIATE DISTRICTS TO DEVELOP INFORMATION MANAGEMENT  
9 SYSTEM REQUIREMENTS AND BID SPECIFICATIONS THAT CAN BE USED AS  
10 STATEWIDE MODELS. AT A MINIMUM, THESE SPECIFICATIONS SHALL ADDRESS  
11 PUPIL MANAGEMENT SYSTEMS FOR BOTH GENERAL AND SPECIAL EDUCATION,  
12 LEARNING MANAGEMENT TOOLS, AND BUSINESS SERVICES.

13 Sec. 93. From the general fund money appropriated in section  
14 11, there is allocated for ~~2011-2012-2012-2013~~ an amount not to  
15 exceed \$1,304,300.00 to the library of Michigan for state aid to  
16 libraries payments to help support the provision of the Michigan  
17 electronic library in public schools and public libraries. The  
18 library of Michigan shall distribute the payments to libraries  
19 under this section pursuant to the state aid to public libraries  
20 act, 1977 PA 89, MCL 397.551 to 397.576.

21 Sec. 94a. (1) There is created within the state budget office  
22 in the department of technology, management, and budget the center  
23 for educational performance and information. The center shall do  
24 all of the following:

25 (a) Coordinate the collection of all data required by state  
26 and federal law from districts, intermediate districts, and  
27 postsecondary institutions.

1           (b) Create, maintain, and enhance this state's ~~statewide~~ **P-20**  
2 longitudinal data system and ensure that it meets the requirements  
3 of subsection (4).

4           (c) Collect data in the most efficient manner possible in  
5 order to reduce the administrative burden on reporting entities,  
6 including, but not limited to, electronic transcript services.

7           (d) Create, maintain, and enhance this state's web-based  
8 educational portal to provide information to school leaders,  
9 teachers, researchers, and the public in compliance with all  
10 federal and state privacy laws. Data shall include, but are not  
11 limited to, all of the following:

12           (i) Data sets that link teachers to student information,  
13 allowing districts to assess individual teacher impact on student  
14 performance and consider student growth factors in teacher and  
15 principal evaluation systems.

16           (ii) Data access or, if practical, data sets, provided for  
17 regional data warehouses that, in combination with local data, can  
18 improve teaching and learning in the classroom.

19           (iii) Research-ready data sets for researchers to perform  
20 research that advances this state's educational performance.

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

23           (f) Provide public reports to the citizens of this state to  
24 allow them to assess allocation of resources and the return on  
25 their investment in the education system of this state.

26           (g) Other functions as assigned by the state budget director.

27           (2) Each state department, officer, or agency that collects

1 information from districts, intermediate districts, or  
2 postsecondary institutions as required under state or federal law  
3 shall make arrangements with the center to ensure that the state  
4 department, officer, or agency is in compliance with subsection  
5 (1). This subsection does not apply to information collected by the  
6 department of treasury under the uniform budgeting and accounting  
7 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal  
8 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
9 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to  
10 388.1939; or section 1351a of the revised school code, MCL  
11 380.1351a.

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

14 (4) The center shall ensure that the ~~statewide~~**P-20**  
15 longitudinal data system required under subsection (1)(b) meets all  
16 of the following:

17 (a) Includes data at the individual student level from  
18 preschool through postsecondary education and into the workforce.

19 (b) Supports interoperability by using standard data  
20 structures, data formats, and data definitions to ensure linkage  
21 and connectivity in a manner that facilitates the exchange of data  
22 among agencies and institutions within the state and between  
23 states.

24 (c) Enables the matching of individual teacher and student  
25 records so that an individual student may be matched with those  
26 teachers providing instruction to that student.

27 (d) Enables the matching of individual teachers with

1 information about their certification and the institutions that  
2 prepared and recommended those teachers for state certification.

3 (e) Enables data to be easily generated for continuous  
4 improvement and decision-making, including timely reporting to  
5 parents, teachers, and school leaders on student achievement.

6 (f) Ensures the reasonable quality, validity, and reliability  
7 of data contained in the system.

8 (g) Provides this state with the ability to meet federal and  
9 state reporting requirements.

10 (h) For data elements related to preschool through grade 12  
11 and postsecondary, meets all of the following:

12 (i) Contains a unique statewide student identifier that does  
13 not permit a student to be individually identified by users of the  
14 system, except as allowed by federal and state law.

15 (ii) Contains student-level enrollment, demographic, and  
16 program participation information.

17 (iii) Contains student-level information about the points at  
18 which students exit, transfer in, transfer out, drop out, or  
19 complete education programs.

20 (iv) Has the capacity to communicate with higher education data  
21 systems.

22 (i) For data elements related to preschool through grade 12  
23 only, meets all of the following:

24 (i) Contains yearly test records of individual students for  
25 assessments approved by DED-OESE for accountability purposes under  
26 section 1111(b) of the elementary and secondary education act of  
27 1965, 20 USC 6311, including information on individual students not



1 tested, by grade and subject.

2 (ii) Contains student-level transcript information, including  
3 information on courses completed and grades earned.

4 (iii) Contains student-level college readiness test scores.

5 (j) For data elements related to postsecondary education only:

6 (i) Contains data that provide information regarding the extent  
7 to which individual students transition successfully from secondary  
8 school to postsecondary education, including, but not limited to,  
9 all of the following:

10 (A) Enrollment in remedial coursework.

11 (B) Completion of 1 year's worth of college credit applicable  
12 to a degree within 2 years of enrollment.

13 (ii) Contains data that provide other information determined  
14 necessary to address alignment and adequate preparation for success  
15 in postsecondary education.

16 (5) From the general fund appropriation in section 11, there  
17 is allocated an amount not to exceed ~~\$5,768,700.00 for 2011-2012~~  
18 **\$9,218,400.00 FOR 2012-2013** to the department of technology,  
19 management, and budget to support the operations of the center. In  
20 addition, from the federal funds appropriated in section 11 there  
21 is allocated for ~~2011-2012-2012-2013~~ the amount necessary,  
22 estimated at ~~\$2,893,200.00, \$193,500.00 FOR 2012-2013~~, to support  
23 the operations of the center and to establish a **P-20** longitudinal  
24 data system as provided under this section in compliance with the  
25 assurance provided to the United States department of education in  
26 order to receive state fiscal stabilization funds. The center shall  
27 cooperate with the ~~state education agency~~ **DEPARTMENT** to ensure that

1 this state is in compliance with federal law and is maximizing  
2 opportunities for increased federal funding to improve education in  
3 this state.

4 (6) From the ~~federal~~ funds allocated in subsection (5), there  
5 is allocated for ~~2011-2012-2012-2013~~ an amount not to exceed  
6 \$850,000.00 ~~funded from the competitive grants of DED OESE, title~~  
7 ~~II, educational technology funds for the purposes of this~~  
8 ~~subsection. Not later than November 30 of each fiscal year, the~~  
9 ~~department shall award a single grant to an eligible partnership~~  
10 ~~that includes an intermediate district with at least 1 high need~~  
11 ~~local school district and the center.~~ **FOR COMPETITIVE GRANTS TO**  
12 **SUPPORT COLLABORATIVE EFFORTS ON THE P-20 LONGITUDINAL DATA SYSTEM.**  
13 **ALL OF THE FOLLOWING APPLY TO GRANTS AWARDED UNDER THIS SUBSECTION:**

14 (A) THE CENTER SHALL AWARD COMPETITIVE GRANTS TO ELIGIBLE  
15 INTERMEDIATE DISTRICTS OR A CONSORTIUM OF INTERMEDIATE DISTRICTS  
16 BASED ON CRITERIA ESTABLISHED BY THE CENTER.

17 (B) ACTIVITIES FUNDED UNDER THE GRANT SHALL SUPPORT THE P-20  
18 LONGITUDINAL DATA SYSTEM PORTAL AND MAY INCLUDE PORTAL HOSTING,  
19 HARDWARE AND SOFTWARE ACQUISITION, MAINTENANCE, ENHANCEMENTS, USER  
20 SUPPORT AND RELATED MATERIALS, AND PROFESSIONAL LEARNING TOOLS AND  
21 ACTIVITIES AIMED AT IMPROVING THE UTILITY OF THE P-20 LONGITUDINAL  
22 DATA SYSTEM.

23 (C) AN APPLICANT THAT RECEIVED A GRANT UNDER THIS SUBSECTION  
24 FOR THE IMMEDIATELY PRECEDING FISCAL YEAR SHALL RECEIVE PRIORITY  
25 FOR FUNDING UNDER THIS SECTION. HOWEVER, AFTER 3 FISCAL YEARS OF  
26 CONTINUOUS FUNDING, AN APPLICANT IS REQUIRED TO COMPETE OPENLY WITH  
27 NEW APPLICANTS.

1 ~~—— (7) From the federal funds allocated in subsection (5), there~~  
2 ~~is allocated for 2011-2012 an amount not to exceed \$242,000.00 to~~  
3 ~~support the efforts of postsecondary institutions to comply with~~  
4 ~~the requirements of this state's statewide longitudinal data~~  
5 ~~system. The funds shall be distributed to postsecondary~~  
6 ~~institutions in an amount and manner determined by the center.~~

7 ~~—— (8) The center and the department shall work cooperatively to~~  
8 ~~develop a cost allocation plan that pays for center expenses from~~  
9 ~~the appropriate federal fund and state restricted fund revenues.~~

10 (7) ~~(9)~~ Funds allocated under this section that are not  
11 expended in the fiscal year in which they were allocated may be  
12 carried forward to a subsequent fiscal year and are appropriated  
13 for the purposes for which the funds were originally allocated.

14 (8) ~~(10)~~ The center may bill departments as necessary in order  
15 to fulfill reporting requirements of state and federal law. The  
16 center may also enter into agreements to supply custom data,  
17 analysis, and reporting to other principal executive departments,  
18 state agencies, local units of government, and other individuals  
19 and organizations. The center may receive and expend funds in  
20 addition to those authorized in subsection (5) to cover the costs  
21 associated with salaries, benefits, supplies, materials, and  
22 equipment necessary to provide such data, analysis, and reporting  
23 services.

24 (9) ~~(11)~~ As used in this section:

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

27 ~~—— (b) "High-need local school district" means a local~~

1 ~~educational agency as defined in the enhancing education through~~  
2 ~~technology part of the no child left behind act of 2001, Public Law~~  
3 ~~107-110.~~

4 (B) ~~(e)~~ "State education agency" means the department.

5 SEC. 95. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE  
6 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,750,000.00 FOR 2012-2013  
7 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR  
8 PRINCIPALS AND ASSISTANT PRINCIPALS IN A DEPARTMENT-APPROVED  
9 TRAINING PROGRAM FOR IMPLEMENTING EDUCATOR EVALUATIONS AS REQUIRED  
10 UNDER SECTION 1249 OF THE REVISED SCHOOL CODE, MCL 380.1249.

11 (2) FOR 2012-2013, ALL DISTRICTS MAY APPLY FOR FUNDING UNDER  
12 THIS SECTION BY A DATE DETERMINED BY THE DEPARTMENT. BEGINNING IN  
13 2013-2014, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT,  
14 PRIORITY WILL BE GIVEN TO DISTRICTS THAT HAVE NEW BUILDING  
15 ADMINISTRATORS WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING IN  
16 PROGRAMS FUNDED UNDER THIS SECTION.

17 (3) THE DEPARTMENT SHALL APPROVE TRAINING PROGRAMS FOR THE  
18 PURPOSE OF THIS SECTION. THE DEPARTMENT SHALL APPROVE ALL TRAINING  
19 PROGRAMS RECOMMENDED BY THE GOVERNOR'S COUNCIL ON EDUCATOR  
20 EFFECTIVENESS AND MAY APPROVE OTHER TRAINING PROGRAMS THAT MEET  
21 DEPARTMENT CRITERIA. AT A MINIMUM, THESE OTHER PROGRAMS SHALL MEET  
22 ALL OF THE FOLLOWING CRITERIA:

23 (A) CONTAIN INSTRUCTIONAL CONTENT ON METHODS OF EVALUATING  
24 TEACHERS CONSISTENTLY ACROSS MULTIPLE GRADES AND SUBJECTS.

25 (B) INCLUDE TRAINING ON EVALUATION OBSERVATION THAT IS FOCUSED  
26 ON RELIABILITY AND BIAS AWARENESS AND THAT INSTILLS SKILLS NEEDED  
27 FOR CONSISTENT, EVIDENCE-BASED OBSERVATIONS.

1 (C) INCORPORATE THE USE OF VIDEOS OF ACTUAL LESSONS FOR  
2 APPLYING RUBRICS AND CONSISTENT SCORING.

3 (D) ALIGN WITH RECOMMENDATIONS OF THE GOVERNOR'S COUNCIL ON  
4 EDUCATOR EFFECTIVENESS.

5 (E) PROVIDE ONGOING SUPPORT TO MAINTAIN INTER-RATER  
6 RELIABILITY. AS USED IN THIS SUBDIVISION, "INTER-RATER RELIABILITY"  
7 MEANS A CONSISTENCY OF MEASUREMENT FROM DIFFERENT EVALUATORS  
8 INDEPENDENTLY APPLYING THE SAME EVALUATION CRITERIA TO THE SAME  
9 CLASSROOM OBSERVATION.

10 (4) THE DEPARTMENT SHALL AWARD GRANTS TO ELIGIBLE DISTRICTS IN  
11 AN AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$350.00  
12 PER PARTICIPANT.

13 (5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE  
14 THE FUNDS ONLY FOR DEPARTMENT-APPROVED TRAINING PROGRAMS UNDER THIS  
15 SECTION.

16 Sec. 98. (1) From the general fund money appropriated in  
17 section 11, there is allocated an amount not to exceed  
18 ~~\$1,687,500.00~~ ~~\$4,387,500.00~~ for 2011-2012 to provide a grant to the  
19 Michigan virtual university for the development, implementation,  
20 and operation of the Michigan virtual high school; to provide  
21 professional development opportunities for educators; and to fund  
22 ~~ether 2012-2013~~ **FOR THE** purposes described in this section. In  
23 addition, ~~from the federal funds appropriated in section 11, there~~  
24 ~~is allocated for 2011-2012 an amount estimated at \$2,700,000.00.~~

25 ~~— (2) The Michigan virtual high school shall have the following~~  
26 ~~goals:~~

27 ~~— (a) Significantly expand curricular offerings for high schools~~

1 ~~across this state through agreements with districts or licenses~~  
2 ~~from other recognized providers.~~

3 ~~—— (b) Create statewide instructional models using interactive~~  
4 ~~multimedia tools delivered by electronic means, including, but not~~  
5 ~~limited to, the internet, digital broadcast, or satellite network,~~  
6 ~~for distributed learning at the high school level.~~

7 ~~—— (c) Provide pupils with opportunities to develop skills and~~  
8 ~~competencies through online learning.~~

9 ~~—— (d) Grant high school diplomas through a dual enrollment~~  
10 ~~method with districts.~~

11 ~~—— (e) Act as a broker for college level equivalent courses, as~~  
12 ~~defined in section 1471 of the revised school code, MCL 380.1471,~~  
13 ~~and dual enrollment courses from postsecondary education~~  
14 ~~institutions.~~

15 ~~—— (f) Maintain the accreditation status of the Michigan virtual~~  
16 ~~high school from recognized national and international accrediting~~  
17 ~~entities.~~

18 **(2) THE MICHIGAN VIRTUAL UNIVERSITY SHALL ESTABLISH THE CENTER**  
19 **FOR ONLINE LEARNING RESEARCH AND INNOVATION. THE CENTER FOR ONLINE**  
20 **LEARNING RESEARCH AND INNOVATION SHALL DO ALL OF THE FOLLOWING:**

21 **(A) SUPPORT AND ACCELERATE INNOVATION IN EDUCATION THROUGH THE**  
22 **FOLLOWING ACTIVITIES:**

23 **(i) TEST, EVALUATE, AND RECOMMEND AS APPROPRIATE NEW**  
24 **TECHNOLOGY-BASED INSTRUCTIONAL TOOLS AND RESOURCES.**

25 **(ii) RESEARCH, DESIGN, AND RECOMMEND ONLINE AND BLENDED**  
26 **EDUCATION DELIVERY MODELS FOR USE BY PUPILS AND TEACHERS THAT**  
27 **INCLUDE AGE-APPROPRIATE MULTIMEDIA INSTRUCTIONAL CONTENT.**

1           (iii) RESEARCH, DESIGN, AND RECOMMEND COMPETENCY-BASED ONLINE  
2 ASSESSMENTS.

3           (iv) RESEARCH, DEVELOP, AND RECOMMEND ANNUALLY TO THE  
4 DEPARTMENT CRITERIA BY WHICH CYBER SCHOOLS AND ONLINE COURSE  
5 PROVIDERS SHOULD BE MONITORED AND EVALUATED TO ENSURE A QUALITY  
6 EDUCATION FOR THEIR PUPILS.

7           (v) BASED ON PUPIL COMPLETION AND PERFORMANCE DATA REPORTED TO  
8 THE DEPARTMENT OR THE CENTER FOR EDUCATIONAL PERFORMANCE AND  
9 INFORMATION FROM CYBER SCHOOLS AND OTHER ONLINE COURSE PROVIDERS  
10 OPERATING IN THIS STATE, ANALYZE THE EFFECTIVENESS OF ONLINE  
11 LEARNING DELIVERY MODELS IN PREPARING PUPILS TO BE COLLEGE- AND  
12 CAREER-READY AND PUBLISH A REPORT THAT HIGHLIGHTS ENROLLMENT  
13 TOTALS, COMPLETION RATES, AND THE OVERALL IMPACT ON PUPILS. THE  
14 REPORT SHALL BE SUBMITTED TO THE HOUSE AND SENATE APPROPRIATIONS  
15 SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, THE  
16 HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT NOT LATER THAN  
17 DECEMBER 31, 2013.

18           (vi) DESIGN PROFESSIONAL DEVELOPMENT SERVICES FOR TEACHERS,  
19 SCHOOL ADMINISTRATORS, AND SCHOOL BOARD MEMBERS TO LEARN HOW TO  
20 EFFECTIVELY INTEGRATE NEW TECHNOLOGIES AND ONLINE LEARNING INTO  
21 CURRICULA AND INSTRUCTION.

22           (vii) IDENTIFY AND SHARE BEST PRACTICES FOR IMPLEMENTING ONLINE  
23 AND BLENDED EDUCATION DELIVERY MODELS WITH INTERMEDIATE DISTRICTS,  
24 DISTRICTS, AND PUBLIC SCHOOL ACADEMIES TO ACCELERATE THE ADOPTION  
25 OF INNOVATIVE EDUCATION DELIVERY MODELS STATEWIDE.

26           (B) PROVIDE LEADERSHIP FOR THIS STATE'S SYSTEM OF ONLINE AND  
27 BLENDED LEARNING EDUCATION BY DOING THE FOLLOWING ACTIVITIES:

1           (i) DEVELOP AND REPORT POLICY RECOMMENDATIONS TO THE GOVERNOR  
2 AND THE LEGISLATURE THAT ACCELERATE THE EXPANSION OF EFFECTIVE  
3 ONLINE LEARNING IN THIS STATE'S SCHOOLS.

4           (ii) PROVIDE A CLEARINGHOUSE FOR RESEARCH REPORTS, ACADEMIC  
5 STUDIES, EVALUATIONS, AND OTHER INFORMATION RELATED TO ONLINE  
6 LEARNING.

7           (iii) PROMOTE AND DISTRIBUTE THE MOST CURRENT INSTRUCTIONAL  
8 DESIGN STANDARDS AND GUIDELINES FOR ONLINE TEACHING.

9           (iv) IN COLLABORATION WITH THE DEPARTMENT AND INTERESTED  
10 COLLEGES AND UNIVERSITIES IN THIS STATE, RECOMMEND TO THE  
11 SUPERINTENDENT GUIDELINES AND STANDARDS FOR A NEW TEACHER  
12 ENDORSEMENT CREDENTIAL RELATED TO EFFECTIVE ONLINE AND BLENDED  
13 INSTRUCTION.

14           (v) PURSUE PUBLIC/PRIVATE PARTNERSHIPS THAT INCLUDE DISTRICTS  
15 TO STUDY AND IMPLEMENT COMPETENCY-BASED TECHNOLOGY-RICH ONLINE  
16 LEARNING MODELS.

17           (vi) CONVENE FOCUS GROUPS AND CONDUCT ANNUAL SURVEYS OF  
18 TEACHERS, ADMINISTRATORS, PUPILS, PARENTS, AND OTHERS TO IDENTIFY  
19 BARRIERS AND OPPORTUNITIES RELATED TO ONLINE LEARNING.

20           (vii) PRODUCE AN ANNUAL CONSUMER AWARENESS REPORT FOR SCHOOLS  
21 AND PARENTS ABOUT EFFECTIVE ONLINE EDUCATION PROVIDERS AND  
22 EDUCATION DELIVERY MODELS, PERFORMANCE DATA, COST STRUCTURES, AND  
23 RESEARCH TRENDS.

24           (3) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, FROM THE  
25 FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT  
26 TO EXCEED \$500,000.00 FOR 2012-2013 TO THE MICHIGAN VIRTUAL SCHOOL  
27 OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY TO CONDUCT AND REPORT



1 ON A YEAR-LONG PILOT STUDY OF A NEW PERFORMANCE-BASED FUNDING MODEL  
2 FOR THE MICHIGAN VIRTUAL SCHOOL. THE PURPOSE OF THE PILOT STUDY IS  
3 TO DETERMINE THE MERITS OF A PAYMENT SYSTEM FOR ONLINE  
4 INSTRUCTIONAL PROGRAMS BASED ON PUPIL PERFORMANCE RATHER THAN  
5 SOLELY ON ENROLLMENT AND ATTENDANCE FACTORS. ALL OF THE FOLLOWING  
6 APPLY TO THE PILOT STUDY AND THE FUNDING UNDER THIS SUBSECTION:

7 (A) THE MICHIGAN VIRTUAL SCHOOL SHALL RANDOMLY SELECT A  
8 MINIMUM OF 1,000 OF ITS QUALIFYING ONLINE COURSE ENROLLMENTS FOR  
9 INCLUSION IN THE PILOT STUDY. THE MICHIGAN VIRTUAL SCHOOL SHALL  
10 ISSUE A REFUND OR CREDIT TO DISTRICTS FOR ALL ONLINE COURSE  
11 ENROLLMENTS INCLUDED IN THE PILOT STUDY.

12 (B) THE MICHIGAN VIRTUAL SCHOOL SHALL REPORT TO THE DEPARTMENT  
13 THE NUMBER OF ONLINE COURSE ENROLLMENTS IN THE PILOT STUDY THAT  
14 MEET THE FOLLOWING CONDITIONS:

15 (i) THE PUPIL SUCCESSFULLY COMPLETED THE ONLINE COURSE AS  
16 MEASURED BY ASSESSMENTS ALIGNED TO THE COURSE CONTENT AND EARNED A  
17 GRADE OR CREDIT FROM THE DISTRICT OR PUBLIC SCHOOL ACADEMY IN WHICH  
18 THE PUPIL IS ENROLLED.

19 (ii) THE ONLINE COURSE IS TAUGHT BY A MICHIGAN CERTIFICATED  
20 TEACHER CERTIFIED IN THE SUBJECT AREA IN WHICH THE COURSE IS BEING  
21 OFFERED.

22 (iii) WHERE APPLICABLE, THE ONLINE COURSE IS ALIGNED WITH  
23 MICHIGAN CURRICULUM STANDARDS.

24 (iv) THE ONLINE COURSE CURRICULUM CONTAINS PERIODIC ONLINE  
25 PUPIL ASSESSMENTS.

26 (v) PUPILS HAVE ACCESS TO THE APPROPRIATE TECHNOLOGY HARDWARE  
27 AND SOFTWARE NECESSARY TO TAKE THE ONLINE COURSE.

1           (vi) PARENTS OR GUARDIANS AND PUPILS HAVE SECURE ONLINE ACCESS  
2 TO REVIEW PERIODIC PUPIL PROGRESS AND PERFORMANCE DATA.

3           (vii) THE ONLINE INSTRUCTOR IS AVAILABLE TO INTERACT WITH  
4 PARENTS OR GUARDIANS AND PUPILS USING ELECTRONIC COMMUNICATIONS.

5           (C) THE DEPARTMENT SHALL PAY TO MICHIGAN VIRTUAL SCHOOL FROM  
6 THE FUNDING UNDER THIS SUBSECTION AN AMOUNT NOT TO EXCEED THE  
7 EQUIVALENT OF 1/12 OF THE STATE'S MINIMUM PER PUPIL FOUNDATION  
8 ALLOWANCE FOR EACH ONLINE COURSE ENROLLMENT INCLUDED IN THE PILOT  
9 STUDY THAT MEETS THE CONDITIONS OF SUBDIVISION (B) IN THE NEXT  
10 SCHOOL AID PAYMENT AFTER THE REPORT IS RECEIVED BY THE DEPARTMENT.

11           (4) IN ORDER FOR THE MICHIGAN VIRTUAL UNIVERSITY TO RECEIVE  
12 ANY FUNDS ALLOCATED UNDER THIS SECTION, THE MICHIGAN VIRTUAL SCHOOL  
13 MUST MAINTAIN ITS ACCREDITATION STATUS FROM RECOGNIZED NATIONAL AND  
14 INTERNATIONAL ACCREDITING ENTITIES.

15           (5) ~~(3)~~—The Michigan virtual ~~high~~—school MAY OFFER ONLINE  
16 course offerings ~~shall include, but are~~ IN ADDITION TO THOSE  
17 OFFERED IN THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING,  
18 BUT not limited to, all of the following:

19           (a) Information technology courses.

20           (b) College level equivalent courses, as defined in section  
21 1471 of the revised school code, MCL 380.1471.

22           (c) Courses and dual enrollment opportunities.

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

24           (e) General education development test preparation courses for  
25 adjudicated youth.

26           (f) Special interest courses.

27           (g) Professional development programs ~~that teach Michigan~~

1 ~~educators how to develop and deliver online instructional~~  
2 ~~services.~~ **FOR TEACHERS, SCHOOL ADMINISTRATORS, OTHER SCHOOL**  
3 **EMPLOYEES, AND SCHOOL BOARD MEMBERS.**

4 ~~—— (4) From the federal funds allocated in subsection (1), there~~  
5 ~~is allocated for 2011-2012 an amount estimated at \$1,700,000.00~~  
6 ~~from DED-OESE, title II, improving teacher quality funds for a~~  
7 ~~grant to the Michigan virtual university for the purpose of this~~  
8 ~~subsection. With the approval of the department, the Michigan~~  
9 ~~virtual university shall coordinate the following activities~~  
10 ~~related to DED-OESE, title II, improving teacher quality funds in~~  
11 ~~accordance with federal law:~~

12 ~~—— (a) Develop, and assist districts in the development and use~~  
13 ~~of, proven, innovative strategies to deliver intensive professional~~  
14 ~~development programs that are both cost-effective and easily~~  
15 ~~accessible, such as strategies that involve delivery through the~~  
16 ~~use of technology, peer networks, and distance learning.~~

17 ~~—— (b) Encourage and support the training of teachers and~~  
18 ~~administrators to effectively integrate technology into curricula~~  
19 ~~and instruction.~~

20 ~~—— (c) Coordinate the activities of eligible partnerships that~~  
21 ~~include higher education institutions for the purposes of providing~~  
22 ~~professional development activities for teachers,~~  
23 ~~paraprofessionals, and principals as defined in federal law.~~

24 ~~—— (d) Offer teachers opportunities to learn new skills and~~  
25 ~~strategies for developing and delivering instructional services.~~

26 ~~—— (e) Provide online professional development opportunities for~~  
27 ~~educators to update and expand knowledge and skills needed to~~

1 ~~support the Michigan merit curriculum core content standards and~~  
2 ~~credit requirements.~~

3 ~~—— (5) The Michigan virtual university shall offer at least 200~~  
4 ~~hours of online professional development for classroom teachers~~  
5 ~~under this section each fiscal year beginning in 2006-2007 without~~  
6 ~~charge to the teachers or to districts or intermediate districts.~~

7 ~~—— (6) From the federal funds appropriated in subsection (1),~~  
8 ~~there is allocated for 2011-2012 an amount estimated at~~  
9 ~~\$1,000,000.00 from the DED OESE, title II, educational technology~~  
10 ~~grant funds to support e-learning and virtual school initiatives~~  
11 ~~consistent with the goals contained in the United States national~~  
12 ~~educational technology plan issued in January 2005. These funds~~  
13 ~~shall be used to support activities designed to build the capacity~~  
14 ~~of the Michigan virtual university and shall not be used to~~  
15 ~~supplant other funding. Not later than November 30, 2010, from the~~  
16 ~~funds allocated in this subsection, the department shall award a~~  
17 ~~single grant of \$1,000,000.00 to a consortium or partnership~~  
18 ~~established by the Michigan virtual university that meets the~~  
19 ~~requirements of this subsection. To be eligible for this funding, a~~  
20 ~~consortium or partnership established by the Michigan virtual~~  
21 ~~university shall include at least 1 intermediate district and at~~  
22 ~~least 1 high need local district. All of the following apply to~~  
23 ~~this funding:~~

24 ~~—— (a) An eligible consortium or partnership must demonstrate the~~  
25 ~~following:~~

26 ~~—— (i) Prior success in delivering online courses and~~  
27 ~~instructional services to K-12 pupils throughout this state.~~

- 1 ~~—— (ii) Expertise in designing, developing, and evaluating online~~  
2 ~~K-12 course content.~~
- 3 ~~—— (iii) Experience in maintaining a statewide help desk service~~  
4 ~~for pupils, online teachers, and other school personnel.~~
- 5 ~~—— (iv) Knowledge and experience in providing technical assistance~~  
6 ~~and support to K-12 schools in the area of online education.~~
- 7 ~~—— (v) Experience in training and supporting K-12 educators in~~  
8 ~~this state to teach online courses.~~
- 9 ~~—— (vi) Demonstrated technical expertise and capacity in managing~~  
10 ~~complex technology systems.~~
- 11 ~~—— (vii) Experience promoting twenty-first century learning skills~~  
12 ~~through the use of online technologies.~~
- 13 ~~—— (b) The Michigan virtual university, which operates the~~  
14 ~~Michigan virtual high school, shall perform the following tasks~~  
15 ~~related to this funding:~~
- 16 ~~—— (i) Strengthen its capacity by pursuing activities, policies,~~  
17 ~~and practices that increase the overall number of Michigan virtual~~  
18 ~~high school course enrollments and course completions by at risk~~  
19 ~~students.~~
- 20 ~~—— (ii) Examine the curricular and specific course content needs~~  
21 ~~of middle and high school students in the areas of mathematics and~~  
22 ~~science.~~
- 23 ~~—— (iii) Design, develop, and acquire online courses and related~~  
24 ~~supplemental resources aligned to state standards to create a~~  
25 ~~comprehensive and rigorous statewide catalog of online courses and~~  
26 ~~instructional services.~~
- 27 ~~—— (iv) Continue to evaluate and conduct pilot programs for new~~

1 ~~and innovative online tools, resources, and courses.~~

2 ~~—— (v) Evaluate existing online teaching and learning practices~~  
3 ~~and develop continuous improvement strategies to enhance student~~  
4 ~~achievement.~~

5 ~~—— (vi) Develop, support, and maintain the technology~~  
6 ~~infrastructure and related software required to deliver online~~  
7 ~~courses and instructional services to students statewide.~~

8 (6) ~~(7)~~—If a home-schooled or nonpublic school student is a  
9 resident of a district that subscribes to services provided by the  
10 Michigan virtual ~~high~~-school, the student may use the services  
11 provided by the Michigan virtual ~~high~~-school to the district  
12 without charge to the student beyond what is charged to a district  
13 pupil using the same services.

14 (7) ~~(8)~~—Not later than December 1 of each fiscal year, the  
15 Michigan virtual university shall provide a report to the house and  
16 senate appropriations subcommittees on state school aid, the state  
17 budget director, the house and senate fiscal agencies, and the  
18 department that includes at least all of the following information  
19 related to the Michigan virtual ~~high~~-school for the preceding state  
20 fiscal year:

21 (a) A list of the ~~Michigan schools~~-**DISTRICTS** served by the  
22 Michigan virtual ~~high~~-school.

23 (b) A list of online course titles available to ~~Michigan~~  
24 ~~schools~~-**DISTRICTS**.

25 (c) The total number of online course enrollments and  
26 information on registrations and completions by course.

27 (d) The overall course completion rate percentage.

1 ~~—— (e) A summary of DED OESE, title IIA, teacher quality grant~~  
2 ~~and DED OESE, title IID, education technology grant expenditures.~~

3 ~~—— (f) Identification of unmet educational needs that could be~~  
4 ~~addressed by the Michigan virtual high school.~~

5 (E) AN ANALYSIS OF THE RESULTS OF THE PILOT STUDY DESCRIBED IN  
6 SUBSECTION (3), INCLUDING, BUT NOT LIMITED TO:

7 (i) A LIST OF THE DISTRICTS THAT WERE SELECTED TO BE PART OF  
8 THE PILOT STUDY.

9 (ii) THE NUMBER OF SUCCESSFUL ONLINE COURSE COMPLETIONS.

10 (iii) A LIST OF THE COURSES OFFERED IN THE PILOT STUDY AND THE  
11 COMPLETION RATES FOR EACH COURSE.

12 (iv) IDENTIFICATION OF OPPORTUNITIES AND BARRIERS THAT MUST BE  
13 ADDRESSED IN ORDER TO APPLY ONLINE LEARNING PERFORMANCE FUNDING  
14 BASED ON SUCCESSFUL COMPLETIONS RATHER THAN ENROLLMENT AND  
15 ATTENDANCE FOR ONLINE LEARNING OFFERINGS STATEWIDE.

16 (8) THE GOVERNOR MAY APPOINT AN ADVISORY GROUP FOR THE CENTER  
17 FOR ONLINE LEARNING RESEARCH AND INNOVATION ESTABLISHED UNDER  
18 SUBSECTION (2). THE MEMBERS OF THE ADVISORY GROUP SHALL SERVE AT  
19 THE PLEASURE OF THE GOVERNOR AND SHALL SERVE WITHOUT COMPENSATION.  
20 THE PURPOSE OF THE ADVISORY GROUP IS TO MAKE RECOMMENDATIONS TO THE  
21 GOVERNOR, THE LEGISLATURE, AND THE PRESIDENT AND BOARD OF THE  
22 MICHIGAN VIRTUAL UNIVERSITY THAT WILL ACCELERATE INNOVATION IN THIS  
23 STATE'S EDUCATION SYSTEM IN A MANNER THAT WILL PREPARE ELEMENTARY  
24 AND SECONDARY STUDENTS TO BE CAREER AND COLLEGE READY AND THAT WILL  
25 PROMOTE THE GOAL OF INCREASING THE PERCENTAGE OF CITIZENS OF THIS  
26 STATE WITH HIGH-QUALITY DEGREES AND CREDENTIALS TO AT LEAST 60% BY  
27 2025.

1 (9) As used in this section:

2 ~~—— (a) "DED OESE" means the United States department of education~~  
 3 ~~office of elementary and secondary education.~~

4 ~~—— (b) "High need local district" means a local educational~~  
 5 ~~agency as defined in the enhancing education through technology~~  
 6 ~~part of the no child left behind act of 2001, Public Law 107 110.~~

7 ~~—— (c) "State education agency" means the department.~~

8 (A) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY  
 9 MODEL WHERE PUPILS ARE PROVIDED FACE-TO-FACE INSTRUCTION, IN PART  
 10 AT A SUPERVISED SCHOOL FACILITY AWAY FROM HOME AND IN PART THROUGH  
 11 COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENTS WITH  
 12 SOME DEGREE OF PUPIL CONTROL OVER TIME, LOCATION, AND PACE OF  
 13 INSTRUCTION.

14 (B) "CYBER SCHOOL" MEANS A FULL-TIME ONLINE INSTRUCTIONAL  
 15 PROGRAM FOR PUPILS THAT MAY OR MAY NOT REQUIRE ATTENDANCE AT A  
 16 PHYSICAL SCHOOL LOCATION.

17 (C) "ONLINE INSTRUCTIONAL PROGRAM" MEANS A COURSE OF STUDY  
 18 THAT GENERATES A CREDIT OR A GRADE, PROVIDED IN AN INTERACTIVE  
 19 COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENT, IN  
 20 WHICH PUPILS ARE SEPARATED FROM THEIR TEACHERS BY TIME OR LOCATION,  
 21 OR BOTH, AND IN WHICH A MICHIGAN CERTIFICATED TEACHER IS  
 22 RESPONSIBLE FOR PROVIDING DIRECT INSTRUCTION, DIAGNOSING LEARNING  
 23 NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION  
 24 STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF  
 25 INSTRUCTION AND SUPPORT STRATEGIES.

26 Sec. 99. (1) From the ~~state school aid fund money~~ FUNDS  
 27 appropriated in section 11, there is allocated an amount not to



1 exceed ~~\$2,515,000.00 for 2011-2012 and from the general fund~~  
2 ~~appropriation in section 11, there is allocated an amount not to~~  
3 ~~exceed \$110,000.00 for 2011-2012~~ **\$2,725,000.00 FOR 2012-2013** to  
4 support the activities and programs of mathematics and science  
5 centers and for other purposes as described in this section. In  
6 addition, from the federal funds appropriated in section 11, there  
7 is allocated for ~~2011-2012~~ **2012-2013** an amount estimated at  
8 \$5,249,300.00 from DED-OESE, title II, mathematics and science  
9 partnership grants.

10 (2) Within a service area designated locally, approved by the  
11 department, and consistent with the comprehensive master plan for  
12 mathematics and science centers developed by the department and  
13 approved by the state board, an established mathematics and science  
14 center shall provide 2 or more of the following 6 basic services,  
15 as described in the master plan, to constituent districts and  
16 communities: leadership, pupil services, curriculum support,  
17 community involvement, professional development, and resource  
18 clearinghouse 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 the immediately preceding fiscal year shall receive state  
8 funding in an amount equal to 100% of the amount it was allocated  
9 under this subsection for the immediately preceding fiscal year. If  
10 a center declines state funding or a center closes, the remaining  
11 money available under this section shall be distributed to the  
12 remaining centers, as determined by the department.

13 (6) From the funds allocated in subsection (1), there is  
14 allocated for ~~2011-2012~~ **2012-2013** an amount not to exceed  
15 \$750,000.00 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 2012-2013 AN AMOUNT NOT TO EXCEED \$100,000.00 IN A**  
23 **FORM AND MANNER DETERMINED BY THE DEPARTMENT TO A SINGLE**  
24 **MATHEMATICS AND SCIENCE CENTER THAT IS A PARTICIPANT IN THE**  
25 **MICHIGAN STEM PARTNERSHIP. FUNDING UNDER THIS SUBSECTION IS IN**  
26 **ADDITION TO FUNDING ALLOCATED UNDER SUBSECTION (5) AND SHALL BE**  
27 **USED FOR CONNECTING MATHEMATICS AND SCIENCE CENTERS FOR SCIENCE,**

1 **TECHNOLOGY, ENGINEERING, AND MATHEMATICS PURPOSES.**

2 (8) ~~(7)~~—In order to receive state or federal funds under this  
3 section, a grant recipient shall allow access for the department or  
4 the department's designee to audit all records related to the  
5 program for which it receives such funds. The grant recipient shall  
6 reimburse the state for all disallowances found in the audit.

7 (9) ~~(8)~~—Not later than September 30, 2013, the department  
8 shall reevaluate and update the comprehensive master plan described  
9 in subsection (1).

10 (10) ~~(9)~~—The department shall give preference in awarding the  
11 federal grants allocated in subsection (1) to eligible existing  
12 mathematics and science centers.

13 (11) ~~(10)~~—In order to receive state funds under this section,  
14 a grant recipient shall provide at least a 10% local match from  
15 local public or private resources for the funds received under this  
16 section.

17 (12) ~~(11)~~—Not later than July 1 of each year, a mathematics  
18 and science center that receives funds under this section shall  
19 report to the department in a form and manner prescribed by the  
20 department on the following performance measures:

21 (a) Statistical change in pre- and post-assessment scores for  
22 students who enrolled in mathematics and science activities  
23 provided to districts by the mathematics and science center.

24 (b) Statistical change in pre- and post-assessment scores for  
25 teachers who enrolled in professional development activities  
26 provided by the mathematics and science center.

27 (13) ~~(12)~~—As used in this section:

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

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

4 Sec. 101. (1) To be eligible to receive state aid under this  
5 act, not later than the fifth Wednesday after the pupil membership  
6 count day and not later than the fifth Wednesday after the  
7 supplemental count day, each district superintendent shall submit  
8 to the center and the intermediate superintendent, in the form and  
9 manner prescribed by the center, the number of pupils enrolled and  
10 in regular daily attendance in the district as of the pupil  
11 membership count day and as of the supplemental count day, as  
12 applicable, for the current school year. In addition, a district  
13 maintaining school during the entire year, as provided under  
14 section 1561 of the revised school code, MCL 380.1561, shall submit  
15 to the center and the intermediate superintendent, in the form and  
16 manner prescribed by the center, the number of pupils enrolled and  
17 in regular daily attendance in the district for the current school  
18 year pursuant to rules promulgated by the superintendent. Not later  
19 than the seventh Wednesday after the pupil membership count day and  
20 not later than the ~~seventh~~**SIXTH** Wednesday after the supplemental  
21 count day, the district shall certify the data in a form and manner  
22 prescribed by the center and file the certified data with the  
23 intermediate superintendent. If a district fails to submit and  
24 certify the attendance data, as required under this subsection, the  
25 center shall notify the department and state aid due to be  
26 distributed under this ~~act~~**ARTICLE** shall be withheld from the  
27 defaulting district immediately, beginning with the next payment

1 after the failure and continuing with each payment until the  
2 district complies with this subsection. If a district does not  
3 comply with this subsection by the end of the fiscal year, the  
4 district forfeits the amount withheld. A person who willfully  
5 falsifies a figure or statement in the certified and sworn copy of  
6 enrollment shall be punished in the manner prescribed by section  
7 161.

8 (2) To be eligible to receive state aid under this ~~act,~~  
9 **ARTICLE**, not later than the twenty-fourth Wednesday after the pupil  
10 membership count day and not later than the twenty-fourth Wednesday  
11 after the supplemental count day, an intermediate district shall  
12 submit to the center, in a form and manner prescribed by the  
13 center, the audited enrollment and attendance data for the pupils  
14 of its constituent districts and of the intermediate district. If  
15 an intermediate district fails to submit the audited data as  
16 required under this subsection, state aid due to be distributed  
17 under this ~~act~~**ARTICLE** shall be withheld from the defaulting  
18 intermediate district immediately, beginning with the next payment  
19 after the failure and continuing with each payment until the  
20 intermediate district complies with this subsection. If an  
21 intermediate district does not comply with this subsection by the  
22 end of the fiscal year, the intermediate district forfeits the  
23 amount withheld.

24 (3) Except as otherwise provided in subsection (11), all of  
25 the following apply to the provision of pupil instruction:

26 (a) Except as otherwise provided in this section, each  
27 district shall provide at least 1,098 hours and, beginning in 2010-

1 2011, the required minimum number of days of pupil instruction. For  
2 2010-2011 and for 2011-2012, the required minimum number of days of  
3 pupil instruction is 165. Beginning in 2012-2013, the required  
4 minimum number of days of pupil instruction is 170. However,  
5 beginning in 2010-2011, a district shall not provide fewer days of  
6 pupil instruction than the district provided for 2009-2010. A  
7 district may apply for a waiver under subsection (9) from the  
8 requirements of this subdivision.

9 (b) Except as otherwise provided in this ~~act~~, **ARTICLE**, a  
10 district failing to comply with the required minimum hours and days  
11 of pupil instruction under this subsection shall forfeit from its  
12 total state aid allocation an amount determined by applying a ratio  
13 of the number of hours or days the district was in noncompliance in  
14 relation to the required minimum number of hours and days under  
15 this subsection. Not later than August 1, the board of each  
16 district shall certify to the department the number of hours and,  
17 beginning in 2010-2011, days of pupil instruction in the previous  
18 school year. If the district did not provide at least the required  
19 minimum number of hours and days of pupil instruction under this  
20 subsection, the deduction of state aid shall be made in the  
21 following fiscal year from the first payment of state school aid. A  
22 district is not subject to forfeiture of funds under this  
23 subsection for a fiscal year in which a forfeiture was already  
24 imposed under subsection (6).

25 (c) Hours or days lost because of strikes or teachers'  
26 conferences shall not be counted as hours or days of pupil  
27 instruction.

1           (d) If a collective bargaining agreement that provides a  
2 complete school calendar is in effect for employees of a district  
3 as of October 19, 2009, and if that school calendar is not in  
4 compliance with this subsection, then this subsection does not  
5 apply to that district until after the expiration of that  
6 collective bargaining agreement.

7           (e) Except as otherwise provided in subdivision (f), a  
8 district not having at least 75% of the district's membership in  
9 attendance on any day of pupil instruction shall receive state aid  
10 in that proportion of 1/180 that the actual percent of attendance  
11 bears to the specified percentage.

12           (f) At the request of a district that operates a department-  
13 approved alternative education program and that does not provide  
14 instruction for pupils in all of grades K to 12, the superintendent  
15 may grant a waiver from the requirements of subdivision (e) in  
16 order to conduct a pilot study. The waiver shall indicate that an  
17 eligible district is subject to the proration provisions of  
18 subdivision (e) only if the district does not have at least 50% of  
19 the district's membership in attendance on any day of pupil  
20 instruction. In order to be eligible for this waiver, a district  
21 must maintain records to substantiate its compliance with the  
22 following requirements during the pilot study:

23           (i) The district offers the minimum hours of pupil instruction  
24 as required under this section.

25           (ii) For each enrolled pupil, the district uses appropriate  
26 academic assessments to develop an individual education plan that  
27 leads to a high school diploma.

1           (iii) The district tests each pupil to determine academic  
2 progress at regular intervals and records the results of those  
3 tests in that pupil's individual education plan.

4           (g) The superintendent shall promulgate rules for the  
5 implementation of this subsection.

6           (4) Except as otherwise provided in this subsection, the first  
7 6 days or the equivalent number of hours for which pupil  
8 instruction is not provided because of conditions not within the  
9 control of school authorities, such as severe storms, fires,  
10 epidemics, utility power unavailability, water or sewer failure, or  
11 health conditions as defined by the city, county, or state health  
12 authorities, shall be counted as hours and days of pupil  
13 instruction. With the approval of the superintendent of public  
14 instruction, the department shall count as hours and days of pupil  
15 instruction for a fiscal year not more than 6 additional days or  
16 the equivalent number of additional hours for which pupil  
17 instruction is not provided in a district after April 1 of the  
18 applicable school year due to unusual and extenuating occurrences  
19 resulting from conditions not within the control of school  
20 authorities such as those conditions described in this subsection.  
21 Subsequent such hours or days shall not be counted as hours or days  
22 of pupil instruction.

23           (5) A district shall not forfeit part of its state aid  
24 appropriation because it adopts or has in existence an alternative  
25 scheduling program for pupils in kindergarten if the program  
26 provides at least the number of hours required under subsection (3)  
27 for a full-time equated membership for a pupil in kindergarten as



1 provided under section 6(4).

2       ~~(6) Not later than April 15 of each fiscal year, the board of~~  
3 ~~each district shall certify to the department the planned number of~~  
4 ~~hours and days of pupil instruction in the district for the school~~  
5 ~~year ending in the fiscal year.~~ In addition to any other penalty or  
6 forfeiture under this section, if at any time the department  
7 determines that 1 or more of the following has occurred in a  
8 district, the district shall forfeit in the current fiscal year  
9 beginning in the next payment to be calculated by the department a  
10 proportion of the funds due to the district under this ~~act~~ **ARTICLE**  
11 that is equal to the proportion below the required minimum number  
12 of hours and days of pupil instruction under subsection (3), as  
13 specified in the following:

14       (a) The district fails to operate its schools for at least the  
15 required minimum number of hours and days of pupil instruction  
16 under subsection (3) in a school year, including hours and days  
17 counted under subsection (4).

18       (b) The board of the district takes formal action not to  
19 operate its schools for at least the required minimum number of  
20 hours and days of pupil instruction under subsection (3) in a  
21 school year, including hours and days counted under subsection (4).

22       (7) In providing the minimum number of hours and days of pupil  
23 instruction required under subsection (3), a district shall use the  
24 following guidelines, and a district shall maintain records to  
25 substantiate its compliance with the following guidelines:

26       (a) Except as otherwise provided in this subsection, a pupil  
27 must be scheduled for at least the required minimum number of hours

1 of instruction, excluding study halls, or at least the sum of 90  
2 hours plus the required minimum number of hours of instruction,  
3 including up to 2 study halls.

4 (b) The time a pupil is assigned to any tutorial activity in a  
5 block schedule may be considered instructional time, unless that  
6 time is determined in an audit to be a study hall period.

7 (c) Except as otherwise provided in this subdivision, a pupil  
8 in grades 9 to 12 for whom a reduced schedule is determined to be  
9 in the individual pupil's best educational interest must be  
10 scheduled for a number of hours equal to at least 80% of the  
11 required minimum number of hours of pupil instruction to be  
12 considered a full-time equivalent pupil. A pupil in grades 9 to 12  
13 who is scheduled in a 4-block schedule may receive a reduced  
14 schedule under this subsection if the pupil is scheduled for a  
15 number of hours equal to at least 75% of the required minimum  
16 number of hours of pupil instruction to be considered a full-time  
17 equivalent pupil.

18 (d) If a pupil in grades 9 to 12 who is enrolled in a  
19 cooperative education program or a special education pupil cannot  
20 receive the required minimum number of hours of pupil instruction  
21 solely because of travel time between instructional sites during  
22 the school day, that travel time, up to a maximum of 3 hours per  
23 school week, shall be considered to be pupil instruction time for  
24 the purpose of determining whether the pupil is receiving the  
25 required minimum number of hours of pupil instruction. However, if  
26 a district demonstrates to the satisfaction of the department that  
27 the travel time limitation under this subdivision would create

1 undue costs or hardship to the district, the department may  
2 consider more travel time to be pupil instruction time for this  
3 purpose.

4 (e) In grades 7 through 12, instructional time that is part of  
5 a junior reserve officer training corps (JROTC) program shall be  
6 considered to be pupil instruction time regardless of whether the  
7 instructor is a certificated teacher if all of the following are  
8 met:

9 (i) The instructor has met all of the requirements established  
10 by the United States department of defense and the applicable  
11 branch of the armed services for serving as an instructor in the  
12 junior reserve officer training corps program.

13 (ii) The board of the district or intermediate district  
14 employing or assigning the instructor complies with the  
15 requirements of sections 1230 and 1230a of the revised school code,  
16 MCL 380.1230 and 380.1230a, with respect to the instructor to the  
17 same extent as if employing the instructor as a regular classroom  
18 teacher.

19 (8) Except as otherwise provided in subsection (11), the  
20 department shall apply the guidelines under subsection (7) in  
21 calculating the full-time equivalency of pupils.

22 (9) Upon application by the district for a particular fiscal  
23 year, the superintendent may waive for a district the minimum  
24 number of hours and days of pupil instruction requirement of  
25 subsection (3) for a department-approved alternative education  
26 program or another innovative program approved by the department,  
27 including a 4-day school week. If a district applies for and

1 receives a waiver under this subsection and complies with the terms  
2 of the waiver, for the fiscal year covered by the waiver the  
3 district is not subject to forfeiture under this section for the  
4 specific program covered by the waiver. If the district does not  
5 comply with the terms of the waiver, the amount of the forfeiture  
6 shall be calculated based upon a comparison of the number of hours  
7 and days of pupil instruction actually provided to the minimum  
8 number of hours and days of pupil instruction required under  
9 subsection (3). Pupils enrolled in a department-approved  
10 alternative education program under this subsection shall be  
11 reported to the center in a form and manner determined by the  
12 center.

13 (10) A district may count up to 38 hours of qualifying  
14 professional development for teachers as hours of pupil  
15 instruction. Professional development provided online is allowable  
16 and encouraged, as long as the instruction has been approved by the  
17 district. The department shall issue a list of approved online  
18 professional development providers, which shall include the  
19 Michigan virtual university. ~~However, if a collective bargaining~~  
20 ~~agreement that provides more than 38 but not more than 51 hours of~~  
21 ~~professional development for teachers is in effect for employees of~~  
22 ~~a district as of October 1, 2006, then until the fiscal year that~~  
23 ~~begins after the expiration of that collective bargaining agreement~~  
24 ~~a district may count up to 51 hours of qualifying professional~~  
25 ~~development for teachers as hours of pupil instruction. A district~~  
26 ~~that elects to use this exception shall notify the department of~~  
27 ~~its election.~~ SCHOOL. As used in this subsection, "qualifying

1 professional development" means professional development that is  
2 focused on 1 or more of the following:

3 (a) Achieving or improving adequate yearly progress as defined  
4 under the no child left behind act of 2001, Public Law 107-110.

5 (b) Achieving accreditation or improving a school's  
6 accreditation status under section 1280 of the revised school code,  
7 MCL 380.1280.

8 (c) Achieving highly qualified teacher status as defined under  
9 the no child left behind act of 2001, Public Law 107-110.

10 (d) Integrating technology into classroom instruction.

11 (e) Maintaining teacher certification.

12 (11) Subsections (3) and (8) do not apply to a school of  
13 excellence that is a cyber school, as defined in section 551 of the  
14 revised school code, MCL 380.551, and is in compliance with section  
15 553a of the revised school code, MCL 380.553a.

16 ~~—— (12) The department shall study the actual costs of providing~~  
17 ~~distance learning or other alternative instructional delivery that~~  
18 ~~is being used in this state and shall report on its findings to the~~  
19 ~~house and senate fiscal agencies and the office of the state budget~~  
20 ~~not later than September 10, 2012. Upon request by the department,~~  
21 ~~a school of excellence described in subsection (11), the Michigan~~  
22 ~~virtual university, or a school that receives a seat time waiver~~  
23 ~~from the department under this section shall submit to the~~  
24 ~~department any data requested by the department for the purposes of~~  
25 ~~this study.~~

26 **SEC. 101A. FOR 2012-2013, IF A DISTRICT WANTS TO ENROLL AN**  
27 **INDIVIDUAL AFTER THE INDIVIDUAL HAS DROPPED OUT OF ANOTHER DISTRICT**

1 AND THE INDIVIDUAL'S MOST RECENT EDUCATING DISTRICT HAS FAILED TO  
2 IMMEDIATELY UPDATE THE INDIVIDUAL'S STATUS IN THE MICHIGAN STUDENT  
3 DATA SYSTEM (MSDS) OPERATED BY THE CENTER, THE DISTRICT MAY SUBMIT  
4 EVIDENCE TO THE DEPARTMENT INDICATING THAT THE INDIVIDUAL IS A  
5 DROPOUT. THE DEPARTMENT SHALL REVIEW EVIDENCE SUBMITTED BY A  
6 DISTRICT UNDER THIS SECTION TO DETERMINE IF THE INDIVIDUAL IS A  
7 DROPOUT FROM ANOTHER DISTRICT. IF THE DEPARTMENT DETERMINES THAT  
8 THE INDIVIDUAL IS A DROPOUT, THE DEPARTMENT SHALL ALLOW THE  
9 INDIVIDUAL TO BE ENROLLED IN THE NEW DISTRICT AS A PUPIL WHO HAS  
10 DROPPED OUT OF ANOTHER DISTRICT.

11       Sec. 102. (1) A district or intermediate district receiving  
12 money under this act shall not adopt or operate under a deficit  
13 budget, and a district or intermediate district shall not incur an  
14 operating deficit in a fund during a school fiscal year. A district  
15 or intermediate district that has an existing deficit fund balance,  
16 that incurs a deficit fund balance in the most recently completed  
17 school fiscal year, or that adopts a current year budget that  
18 projects a deficit fund balance shall not be allotted or paid a  
19 further sum under this act until the district or intermediate  
20 district submits to the department for approval a budget for the  
21 current school fiscal year and a plan to eliminate the district's  
22 or intermediate district's deficit not later than the end of the  
23 second school fiscal year after the deficit was incurred or the  
24 budget projecting a deficit was adopted. Withheld state aid  
25 payments shall be released after the department approves the  
26 deficit reduction plan and ensures that the budget for the current  
27 school fiscal year is balanced. **AFTER THE DEPARTMENT APPROVES A**

1 DISTRICT'S OR INTERMEDIATE DISTRICT'S DEFICIT REDUCTION PLAN, THE  
2 DISTRICT OR INTERMEDIATE DISTRICT SHALL POST THE DEFICIT  
3 ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S  
4 WEBSITE.

5 (2) Not later than March 1 of each year, the department shall  
6 prepare a report of deficits incurred or projected by districts and  
7 intermediate districts in the immediately preceding fiscal year and  
8 the progress made in reducing those deficits and submit the report  
9 to the standing committees of the legislature responsible for K-12  
10 education legislation, the appropriations subcommittees of the  
11 legislature responsible for K-12 education appropriations, the  
12 house and senate fiscal agencies, the state treasurer, and the  
13 state budget director. ~~The department shall also submit interim~~  
14 ~~reports concerning district and intermediate district deficits as~~  
15 ~~necessary.~~ THE DEPARTMENT ALSO SHALL SUBMIT QUARTERLY INTERIM  
16 REPORTS CONCERNING THE PROGRESS MADE BY DISTRICTS AND INTERMEDIATE  
17 DISTRICTS IN REDUCING THOSE DEFICITS. ON A QUARTERLY BASIS, THE  
18 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL PUBLICLY PRESENT THOSE  
19 REPORTS TO THE APPROPRIATIONS SUBCOMMITTEES OF THE LEGISLATURE  
20 RESPONSIBLE FOR K-12 EDUCATION APPROPRIATIONS.

21 (3) The amount of the permissible deficit for each school  
22 fiscal year shall not exceed the amount of state aid reduced by an  
23 executive order during that school fiscal year.

24 (4) A district or intermediate district that has an existing  
25 deficit fund balance, that incurs a deficit fund balance in the  
26 most recently completed school fiscal year, or that adopts a  
27 current year budget that projects a deficit fund balance shall

1 submit to the department a monthly monitoring report on revenue and  
2 expenditures in a form and manner prescribed by the department **AND**  
3 **SHALL POST THESE REPORTS ON ITS WEBSITE.**

4 (5) If a district or intermediate district is not able to  
5 comply with the provisions of this section, the district or  
6 intermediate district shall submit to the department a plan to  
7 eliminate its deficit. Upon approval of the plan submitted, the  
8 superintendent of public instruction may continue allotment and  
9 payment of funds under this act, extend the period of time in which  
10 a district or intermediate district has to eliminate its deficit,  
11 and set special conditions that the district or intermediate  
12 district must meet during the period of the extension. **AFTER THE**  
13 **DEPARTMENT APPROVES A DISTRICT'S OR INTERMEDIATE DISTRICT'S DEFICIT**  
14 **REDUCTION PLAN UNDER THIS SUBSECTION, THE DISTRICT OR INTERMEDIATE**  
15 **DISTRICT SHALL POST THE DEFICIT ELIMINATION PLAN ON THE DISTRICT'S**  
16 **OR INTERMEDIATE DISTRICT'S WEBSITE.**

17 (6) For the purposes of this section, "deficit fund balance"  
18 means that term as defined in the Michigan public school accounting  
19 manual published by the department.

20 Sec. 104. (1) In order to receive state aid under this  
21 article, a district shall comply with sections 1249, 1278a, 1278b,  
22 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,  
23 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970  
24 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from  
25 the state school aid fund money appropriated in section 11, there  
26 is allocated for ~~2011-2012-2012-2013~~ an amount not to exceed  
27 ~~\$35,194,400.00~~ **\$26,694,400.00** for payments on behalf of districts



1 for costs associated with complying with those provisions of law.  
2 In addition, from the federal funds appropriated in section 11,  
3 there is allocated for ~~2011-2012~~ **2012-2013** an amount estimated at  
4 \$8,250,000.00, funded from DED-OESE, title VI, state assessment  
5 funds, **AND FROM** DED-OSERS, section 504 of part B of the individuals  
6 with disabilities education act, Public Law 94-142, plus any  
7 carryover federal funds from previous year appropriations, for the  
8 purposes of complying with the federal no child left behind act of  
9 2001, Public Law 107-110.

10 (2) The results of each test administered as part of the  
11 Michigan educational assessment program, including tests  
12 administered to high school students, shall include an item  
13 analysis that lists all items that are counted for individual pupil  
14 scores and the percentage of pupils choosing each possible  
15 response.

16 (3) All federal funds allocated under this section shall be  
17 distributed in accordance with federal law and with flexibility  
18 provisions outlined in Public Law 107-116, and in the education  
19 flexibility partnership act of 1999, Public Law 106-25.

20 (4) Notwithstanding section 17b, payments on behalf of  
21 districts, intermediate districts, and other eligible entities  
22 under this section shall be paid on a schedule determined by the  
23 department.

24 (5) As used in this section:

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

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

1 (c) "DED-OSERS" means the DED office of special education and  
2 rehabilitative services.

3 Sec. 107. (1) From the appropriation in section 11, there is  
4 allocated an amount not to exceed \$22,000,000.00 for ~~2011-2012~~  
5 **2012-2013** for adult education programs authorized under this  
6 section. Funds allocated under this section are restricted for  
7 adult education programs as authorized under this section only. A  
8 recipient of funds under this section shall not use those funds for  
9 any other purpose.

10 (2) To be eligible for funding under this section, a program  
11 shall employ certificated teachers and qualified administrative  
12 staff and shall offer continuing education opportunities for  
13 teachers to allow them to maintain certification.

14 (3) To be eligible to be a participant funded under this  
15 section, a person shall be enrolled in an adult basic education  
16 program, an adult English as a second language program, a general  
17 educational development (G.E.D.) test preparation program, a job or  
18 employment related program, or a high school completion program,  
19 that meets the requirements of this section, and shall meet either  
20 of the following, as applicable:

21 (a) If the individual has obtained a high school diploma or a  
22 general educational development (G.E.D.) certificate, the  
23 individual meets 1 of the following:

24 (i) Is less than 20 years of age on September 1 of the school  
25 year and is enrolled in the Michigan career and technical  
26 institute.

27 (ii) Is less than 20 years of age on September 1 of the school

1 year, is not attending an institution of higher education, and is  
2 enrolled in a job or employment-related program through a referral  
3 by an employer.

4 (iii) Is enrolled in an English as a second language program.

5 (iv) Is enrolled in a high school completion program.

6 (b) If the individual has not obtained a high school diploma  
7 or G.E.D. certificate, the individual meets 1 of the following:

8 (i) Is at least 20 years of age on September 1 of the school  
9 year.

10 (ii) Is at least 16 years of age on September 1 of the school  
11 year, has been permanently expelled from school under section  
12 1311(2) or 1311a of the revised school code, MCL 380.1311 and  
13 380.1311a, and has no appropriate alternative education program  
14 available through his or her district of residence.

15 (4) Except as otherwise provided in subsection (5), the money  
16 allocated under this section shall be distributed as follows:

17 (a) For districts and consortia that received payments for  
18 ~~2010-2011-2011-2012~~ under this section, the amount allocated to  
19 each for ~~2011-2012-2012-2013~~ shall be based on the number of  
20 participants served by the district or consortium for ~~2011-2012,~~  
21 ~~2012-2013~~, using the amount allocated per full-time equated  
22 participant under subsection (7), up to a maximum total allocation  
23 under this subsection in an amount equal to ~~100.9% of~~ the amount  
24 the district or consortium received for ~~2010-2011-2011-2012~~ under  
25 this section before any reallocations made for ~~2010-2011-2011-2012~~  
26 under subsection (5).

27 (b) A district or consortium that received funding in ~~2010-~~

1 ~~2011-2011-2012~~ under this section may operate independently of a  
2 consortium or join or form a consortium for ~~2011-2012-2012-2013~~.  
3 The allocation for ~~2011-2012-2012-2013~~ to the district or the newly  
4 formed consortium under this subsection shall be determined by the  
5 department and shall be based on the proportion of the amounts that  
6 are attributable to the district or consortium that received  
7 funding in ~~2010-2011-2011-2012~~. A district or consortium described  
8 in this subdivision shall notify the department of its intention  
9 with regard to ~~2011-2012-2012-2013~~ by October 1, ~~2011-2012~~.

10 ~~—— (c) If a district had a declaration of financial emergency in~~  
11 ~~place under the local government fiscal responsibility act, 1990 PA~~  
12 ~~72, MCL 141.1201 to 141.1291, and that declaration was revoked~~  
13 ~~during 2005, the district may operate a program under this section~~  
14 ~~independently of a consortium or may join or form a consortium to~~  
15 ~~operate a program under this section. The allocation for 2011-2012~~  
16 ~~to the district or the newly formed consortium under this~~  
17 ~~subsection shall be determined by the department and shall be based~~  
18 ~~on the proportion of the amounts that are attributable to the~~  
19 ~~district or consortium that received funding in 2010-2011 or, for a~~  
20 ~~district for which a declaration of financial emergency was revoked~~  
21 ~~during 2005, based on the amount the district received under this~~  
22 ~~section using a 3-year average of the 3 most recent fiscal years~~  
23 ~~the district received funding under this section. A district or~~  
24 ~~consortium described in this subdivision shall notify the~~  
25 ~~department of its intention with regard to 2011-2012 by October 1,~~  
26 ~~2011.~~

27 (5) A district that operated an adult education program in

1 ~~2010-2011-2011-2012~~ and does not intend to operate a program in  
2 ~~2011-2012-2012-2013~~ shall notify the department by October 1, ~~2011-~~  
3 ~~2012~~ of its intention. The money intended to be allocated under  
4 this section to a district that does not operate a program in ~~2011-~~  
5 ~~2012-2012-2013~~ and the unspent money originally allocated under  
6 this section to a district or consortium that subsequently operates  
7 a program at less than the level of funding allocated under  
8 subsection (4) and any other unallocated money under this section  
9 shall instead be proportionately reallocated to the other districts  
10 described in subsection (4) (a) that are operating an adult  
11 education program in ~~2011-2012-2012-2013~~ under this section.

12 (6) The amount allocated under this section per full-time  
13 equated participant is \$2,850.00 for a 450-hour program. The amount  
14 shall be proportionately reduced for a program offering less than  
15 450 hours of instruction.

16 (7) An adult basic education program or an adult English as a  
17 second language program operated on a year-round or school year  
18 basis may be funded under this section, subject to all of the  
19 following:

20 (a) The program enrolls adults who are determined by a  
21 department-approved assessment, in a form and manner prescribed by  
22 the department, to be below ninth grade level in reading or  
23 mathematics, or both, or to lack basic English proficiency.

24 (b) The program tests individuals for eligibility under  
25 subdivision (a) before enrollment and upon completion of the  
26 program in compliance with the state-approved assessment policy.

27 (c) A participant in an adult basic education program is

1 eligible for reimbursement until 1 of the following occurs:

2 (i) The participant's reading and mathematics proficiency are  
3 assessed at or above the ninth grade level.

4 (ii) The participant fails to show progress on 2 successive  
5 assessments after having completed at least 450 hours of  
6 instruction.

7 (d) A funding recipient enrolling a participant in an English  
8 as a second language program is eligible for funding according to  
9 subsection (11) until the participant meets 1 of the following:

10 (i) The participant is assessed as having attained basic  
11 English proficiency as determined by a department-approved  
12 assessment.

13 (ii) The participant fails to show progress on 2 successive  
14 department-approved assessments after having completed at least 450  
15 hours of instruction. The department shall provide information to a  
16 funding recipient regarding appropriate assessment instruments for  
17 this program.

18 (8) A general educational development (G.E.D.) test  
19 preparation program operated on a year-round or school year basis  
20 may be funded under this section, subject to all of the following:

21 (a) The program enrolls adults who do not have a high school  
22 diploma.

23 (b) The program shall administer a G.E.D. pre-test approved by  
24 the department before enrolling an individual to determine the  
25 individual's potential for success on the G.E.D. test, and shall  
26 administer a post-test upon completion of the program in compliance  
27 with the state-approved assessment policy.

1 (c) A funding recipient shall receive funding according to  
2 subsection (11) for a participant, and a participant may be  
3 enrolled in the program until 1 of the following occurs:

4 (i) The participant passes the G.E.D. test.

5 (ii) The participant fails to show progress on 2 successive  
6 department-approved assessments used to determine readiness to take  
7 the G.E.D. test after having completed at least 450 hours of  
8 instruction.

9 (9) A high school completion program operated on a year-round  
10 or school year basis may be funded under this section, subject to  
11 all of the following:

12 (a) The program enrolls adults who do not have a high school  
13 diploma.

14 (b) The program tests participants described in subdivision  
15 (a) before enrollment and upon completion of the program in  
16 compliance with the state-approved assessment policy.

17 (c) A funding recipient shall receive funding according to  
18 subsection (11) for a participant in a course offered under this  
19 subsection until 1 of the following occurs:

20 (i) The participant passes the course and earns a high school  
21 diploma.

22 (ii) The participant fails to earn credit in 2 successive  
23 semesters or terms in which the participant is enrolled after  
24 having completed at least 900 hours of instruction.

25 (10) A job or employment-related adult education program  
26 operated on a year-round or school year basis may be funded under  
27 this section, subject to all of the following:

1 (a) The program enrolls adults referred by their employer who  
 2 are less than 20 years of age, have a high school diploma, are  
 3 determined to be in need of remedial mathematics or communication  
 4 arts skills and are not attending an institution of higher  
 5 education.

6 (B) THE PROGRAM TESTS PARTICIPANTS DESCRIBED IN SUBDIVISION  
 7 (A) BEFORE ENROLLMENT AND UPON COMPLETION OF THE PROGRAM IN  
 8 COMPLIANCE WITH THE DEPARTMENT-APPROVED ASSESSMENT POLICY.

9 (C) ~~(b)~~ An individual may be enrolled in this program and the  
 10 grant recipient shall receive funding according to subsection (11)  
 11 until 1 of the following occurs:

12 (i) The individual achieves the requisite skills as determined  
 13 by department-approved assessment instruments. ~~administered at~~  
 14 ~~least after every 90 hours of attendance.~~

15 (ii) The individual fails to show progress on 2 successive  
 16 assessments after having completed at least 450 hours of  
 17 instruction. ~~The department shall provide information to a funding~~  
 18 ~~recipient regarding appropriate assessment instruments for this~~  
 19 ~~program.~~

20 (11) A funding recipient shall receive payments under this  
 21 section in accordance with the following:

22 (a) Ninety percent for enrollment of eligible participants.

23 (b) Ten percent for completion of the adult basic education  
 24 objectives by achieving an increase of at least 1 grade level of  
 25 proficiency in reading or mathematics; for achieving basic English  
 26 proficiency, as defined by the department in the adult education  
 27 guidebook; for obtaining a G.E.D. or passage of 1 or more



1 individual G.E.D. tests; for attainment of a high school diploma or  
2 passage of a course required for a participant to attain a high  
3 school diploma; or for completion of the course and demonstrated  
4 proficiency in the academic skills to be learned in the course, as  
5 applicable.

6 (12) As used in this section, "participant" means the sum of  
7 the number of full-time equated individuals enrolled in and  
8 attending a department-approved adult education program under this  
9 section, using quarterly participant count days on the schedule  
10 described in section 6(7)(b).

11 (13) A person who is not eligible to be a participant funded  
12 under this section may receive adult education services upon the  
13 payment of tuition. In addition, a person who is not eligible to be  
14 served in a program under this section due to the program  
15 limitations specified in subsection (7), (8), (9), or (10) may  
16 continue to receive adult education services in that program upon  
17 the payment of tuition. The tuition level shall be determined by  
18 the local or intermediate district conducting the program.

19 (14) An individual who is an inmate in a state correctional  
20 facility shall not be counted as a participant under this section.

21 (15) A district shall not commingle money received under this  
22 section or from another source for adult education purposes with  
23 any other funds of the district. A district receiving adult  
24 education funds shall establish a separate ledger account for those  
25 funds. This subsection does not prohibit a district from using  
26 general funds of the district to support an adult education or  
27 community education program.

1           (16) A district or intermediate district receiving funds under  
2 this section may establish a sliding scale of tuition rates based  
3 upon a participant's family income. A district or intermediate  
4 district may charge a participant tuition to receive adult  
5 education services under this section from that sliding scale of  
6 tuition rates on a uniform basis. The amount of tuition charged per  
7 participant shall not exceed the actual operating cost per  
8 participant minus any funds received under this section per  
9 participant. A district or intermediate district may not charge a  
10 participant tuition under this section if the participant's income  
11 is at or below 200% of the federal poverty guidelines published by  
12 the United States department of health and human services.

13           (17) In order to receive funds under this section, a district  
14 shall furnish to the department, in a form and manner determined by  
15 the department, all information needed to administer this program  
16 and meet federal reporting requirements; shall allow the department  
17 or the department's designee to review all records related to the  
18 program for which it receives funds; and shall reimburse the state  
19 for all disallowances found in the review, as determined by the  
20 department.

21           (18) All intermediate district participant audits of adult  
22 education programs shall be performed pursuant to the adult  
23 education participant auditing and accounting manuals published by  
24 the department.

25           (19) As used in this section, "department" means the ~~workforce~~  
26 ~~development agency.~~ **MICHIGAN STRATEGIC FUND.**

27           Sec. 147. The allocation for ~~2010-2011-2012-2013~~ for the

1 public school employees' retirement system pursuant to the public  
2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
3 to 38.1408, shall be made using the entry age normal cost actuarial  
4 method and risk assumptions adopted by the public school employees  
5 retirement board and the department of technology, management, and  
6 budget. For public school employees who first worked for a public  
7 school reporting unit before July 1, 2010, the annual level  
8 percentage of payroll contribution rate is estimated at ~~15.96%~~  
9 **18.62%** for pension and at ~~8.50%~~**8.75%** for retiree health care for  
10 the ~~2011-2012-2012-2013~~ fiscal year, **UNLESS A DIFFERENT**  
11 **CONTRIBUTION RATE IS CALCULATED AND APPLIED BY THE OFFICE OF**  
12 **RETIREMENT SERVICES PURSUANT TO PROVISIONS ENACTED UNDER SENATE**  
13 **BILL NO. 1040 OF THE 96TH LEGISLATURE.** For public school employees  
14 who first worked for a public school reporting unit on or after  
15 July 1, 2010, the annual level percentage of payroll contribution  
16 rate is estimated at ~~14.73%~~**17.39%** for pension and ~~8.50%~~**8.75%** for  
17 retiree health care for the ~~2011-2012-2012-2013~~ fiscal year, **UNLESS**  
18 **A DIFFERENT CONTRIBUTION RATE IS CALCULATED AND APPLIED BY THE**  
19 **OFFICE OF RETIREMENT SERVICES PURSUANT TO PROVISIONS ENACTED UNDER**  
20 **SENATE BILL NO. 1040 OF THE 96TH LEGISLATURE.** For public school  
21 employees who first worked for a public school reporting unit  
22 before July 1, 2010, the annual level percentage of payroll  
23 contribution rate is estimated at ~~18.62%~~**22.46%** for pension and  
24 **8.75%** for retiree health care for the ~~2012-2013-2013-2014~~ fiscal  
25 year, **UNLESS A DIFFERENT CONTRIBUTION RATE IS CALCULATED AND**  
26 **APPLIED BY THE OFFICE OF RETIREMENT SERVICES PURSUANT TO PROVISIONS**  
27 **ENACTED UNDER SENATE BILL NO. 1040 OF THE 96TH LEGISLATURE.** For

1 public school employees who first worked for a public school  
 2 reporting unit on or after July 1, 2010, the annual level  
 3 percentage of payroll contribution rate is estimated at ~~17.39%~~  
 4 **21.19%** for pension and 8.75% for retiree health care for the ~~2012-~~  
 5 ~~2013-~~**2013-2014** fiscal year, **UNLESS A DIFFERENT CONTRIBUTION RATE IS**  
 6 **CALCULATED AND APPLIED BY THE OFFICE OF RETIREMENT SERVICES**  
 7 **PURSUANT TO PROVISIONS ENACTED UNDER SENATE BILL NO. 1040 OF THE**  
 8 **96TH LEGISLATURE.** The portion of the contribution rate assigned to  
 9 districts and intermediate districts for each fiscal year is all of  
 10 the total percentage points. This contribution rate reflects an  
 11 amortization period of 26 years for ~~2011-2012-~~**2012-2013.** The  
 12 public school employees' retirement system board shall notify each  
 13 district and intermediate district by February 28 of each fiscal  
 14 year of the estimated contribution rate for the next fiscal year.

15       Sec. 147a. From the appropriation in section 11, there is  
 16 allocated for ~~2011-2012 only-~~**2012-2013** an amount not to exceed  
 17 \$155,000,000.00 for ~~1-time~~ payments to participating districts. The  
 18 ~~money allocated in this section represents a portion of the year-~~  
 19 ~~end state school aid fund balance for 2010-2011.~~ A district that  
 20 receives money under this section shall use that money solely for  
 21 the purpose of offsetting a portion of the retirement contributions  
 22 owed by the district for the fiscal year ending September 30, ~~2012~~  
 23 **2013.** The amount allocated to each participating district under  
 24 this section shall be based on each participating district's  
 25 percentage of the total statewide payroll for all participating  
 26 districts for the ~~state-~~**IMMEDIATELY PRECEDING** fiscal year. ~~ending~~  
 27 ~~September 30, 2011.~~ As used in this section, "participating

1 district" means a district that is a reporting unit of the Michigan  
2 public school employees' retirement system under the public school  
3 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
4 38.1408, and that reports employees to the Michigan public school  
5 employees' retirement system for ~~September 2011~~. **THE APPLICABLE**  
6 **FISCAL YEAR.**

7 Sec. 147b. (1) From the appropriation in section 11, there is  
8 allocated an amount not to exceed \$133,000,000.00 for 2011-2012  
9 ~~only~~ **AND AN AMOUNT NOT TO EXCEED \$41,000,000.00 FOR 2012-2013** for  
10 the purposes of this section. The money allocated in this section  
11 represents a portion of the year-end school aid fund balance. ~~for~~  
12 ~~2010-2011~~. Money allocated under this section shall be deposited in  
13 the MPSERS retirement obligation reform reserve fund.

14 (2) The MPSERS retirement obligation reform reserve fund is  
15 created as a separate account within the state school aid fund. The  
16 state treasurer may receive money or other assets from any source  
17 for deposit into the MPSERS retirement obligation reform reserve  
18 fund. The state treasurer shall direct the investment of the MPSERS  
19 retirement obligation reform reserve fund. The state treasurer  
20 shall credit to the MPSERS retirement obligation reform reserve  
21 fund interest and earnings from the MPSERS retirement obligation  
22 reform reserve fund. Money in the MPSERS retirement obligation  
23 reform reserve fund at the close of the fiscal year shall remain in  
24 the MPSERS retirement obligation reform reserve fund and shall not  
25 lapse to the state school aid fund or to the general fund. The  
26 department of treasury shall be the administrator of the MPSERS  
27 retirement obligation reform reserve fund for auditing purposes.

1           (3) It is the intent of the legislature that the speaker of  
2 the house of representatives or the senate majority leader, or  
3 both, shall convene a workgroup to examine retirement obligations  
4 and potential reforms to the Michigan public school employees'  
5 retirement system established under the public school employees  
6 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408. The  
7 chair of the senate appropriations committee and chair of the house  
8 appropriations committee, or his or her designee, each shall be a  
9 member of the workgroup, and the workgroup shall report to the  
10 speaker of the house of representatives or the senate majority  
11 leader, as applicable, by February 1, 2012, on reforms identified,  
12 timelines for implementing reforms, and estimated costs and savings  
13 of the identified reforms.

14           **SEC. 147C. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),**  
15 **FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2012-**  
16 **2013 AN AMOUNT NOT TO EXCEED \$130,000,000.00 TO THE MICHIGAN PUBLIC**  
17 **SCHOOL EMPLOYEES' RETIREMENT SYSTEM PURSUANT TO SECTION 41 OF THE**  
18 **PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL**  
19 **38.1341.**

20           **(2) IF SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT**  
21 **ACT OF 1979, 1980 PA 300, MCL 38.1341, IS NOT AMENDED BY SENATE**  
22 **BILL NO. 1040 OF THE 96TH LEGISLATURE, THEN THE ALLOCATION UNDER**  
23 **SUBSECTION (1) SHALL LAPSE TO THE STATE SCHOOL AID FUND UNLESS THE**  
24 **LEGISLATURE TAKES ACTION TO ALLOCATE THE FUNDING IN ANOTHER MANNER.**

25           Sec. 152a. (1) As required by the court in the consolidated  
26 cases known as Adair v State of Michigan, Michigan supreme court  
27 docket nos. 137424 and 137453, from the state school aid fund money

1 appropriated in section 11 there is allocated for ~~2011-2012-2012-~~  
 2 ~~2013~~ an amount not to exceed ~~\$34,064,500.00~~ **\$38,000,500.00** to be  
 3 used solely for the purpose of paying necessary costs related to  
 4 the state-mandated collection, maintenance, and reporting of data  
 5 to this state.

6 (2) From the allocation in subsection (1), the department  
 7 shall make payments to districts and intermediate districts in an  
 8 equal amount per pupil based on the total number of pupils in  
 9 membership in each district and intermediate district. The  
 10 department shall not make any adjustment to these payments after  
 11 the final installment payment under section 17b is made.

12 Sec. 201. (1) Subject to the conditions set forth in this  
 13 article, the amounts listed in ~~subsection~~ **SUBSECTIONS (2) AND (4)**  
 14 are appropriated for community colleges for the fiscal year ending  
 15 September 30, ~~2012,~~ **2013**, from the funds indicated in this section.  
 16 The following is a summary of the appropriations in ~~subsection~~  
 17 **SUBSECTIONS (2) AND (4)**:

18 (a) The gross appropriation is ~~\$283,880,500.00.~~  
 19 **\$294,130,500.00**. After deducting total interdepartmental grants and  
 20 intradepartmental transfers in the amount of \$0.00, the adjusted  
 21 gross appropriation is ~~\$283,880,500.00.~~ **\$294,130,500.00.**

22 (b) The sources of the adjusted gross appropriation described  
 23 in subdivision (a) are as follows:

24 (i) Total federal revenues, \$0.00.

25 (ii) Total local revenues, \$0.00.

26 (iii) Total private revenues, \$0.00.

27 (iv) Total other state restricted revenues,

1 ~~\$195,880,500.00~~-\$197,614,100.00.

2 (v) State general fund/general purpose money,

3 ~~\$88,000,000.00~~-\$96,516,400.00.

4 (2) Subject to subsection (3), the amount appropriated for  
5 community college operations is ~~\$283,880,500.00~~,\$292,396,900.00,  
6 allocated as follows:

7 (a) Alpena Community College, ~~\$4,984,300.00~~-\$5,111,200.00.

8 (b) Bay de Noc Community College, ~~\$5,040,200.00~~-\$5,161,300.00.

9 (c) Delta College, ~~\$13,336,200.00~~-\$13,712,700.00.

10 (d) Glen Oaks Community College, ~~\$2,320,900.00~~-\$2,383,000.00.

11 (e) Gogebic Community College, ~~\$4,140,500.00~~-\$4,233,100.00.

12 (f) Grand Rapids Community College,

13 ~~\$16,649,700.00~~-\$17,054,300.00.

14 (g) Henry Ford Community College,

15 ~~\$20,145,000.00~~-\$20,596,700.00.

16 (h) Jackson Community College, ~~\$11,219,700.00~~-\$11,491,500.00.

17 (i) Kalamazoo Valley Community College,

18 ~~\$11,522,700.00~~-\$11,828,300.00.

19 (j) Kellogg Community College, ~~\$9,047,900.00~~-\$9,289,300.00.

20 (k) Kirtland Community College, ~~\$2,872,900.00~~-\$2,968,300.00.

21 (l) Lake Michigan College, ~~\$4,937,700.00~~-\$5,059,300.00.

22 (m) Lansing Community College, ~~\$28,651,900.00~~-\$29,335,000.00.

23 (n) Macomb Community College, ~~\$30,490,300.00~~-\$31,206,500.00.

24 (o) Mid Michigan Community College,

25 ~~\$4,266,800.00~~-\$4,393,400.00.

26 (p) Monroe County Community College,

27 ~~\$4,094,000.00~~-\$4,223,500.00.



1 (q) Montcalm Community College, ~~\$2,946,800.00~~ **\$3,038,500.00.**

2 (r) C.S. Mott Community College,

3 ~~\$14,526,400.00~~ **\$14,890,400.00.**

4 (s) Muskegon Community College, ~~\$8,256,700.00~~ **\$8,456,100.00.**

5 (t) North Central Michigan College,

6 ~~\$2,886,500.00~~ **\$2,979,900.00.**

7 (u) Northwestern Michigan College,

8 ~~\$8,430,300.00~~ **\$8,624,100.00.**

9 (v) Oakland Community College, ~~\$19,455,900.00~~ **\$19,977,500.00.**

10 (w) St. Clair County Community College,

11 ~~\$6,534,100.00~~ **\$6,697,300.00.**

12 (x) Schoolcraft College, ~~\$11,477,300.00~~ **\$11,800,500.00.**

13 (y) Southwestern Michigan College,

14 ~~\$6,143,700.00~~ **\$6,269,000.00.**

15 (z) Washtenaw Community College,

16 ~~\$11,827,300.00~~ **\$12,242,000.00.**

17 (aa) Wayne County Community College,

18 ~~\$15,425,900.00~~ **\$15,798,500.00.**

19 (bb) West Shore Community College,

20 ~~\$2,248,900.00~~ **\$2,298,200.00.**

21 **(CC) LOCAL STRATEGIC VALUE, \$1,277,500.00.**

22 (3) The amount appropriated in subsection (2) for community  
23 college operations is appropriated from the following:

24 (a) ~~School~~ **STATE SCHOOL** aid fund, \$195,880,500.00.

25 (b) State general fund/general purpose money,

26 ~~\$88,000,000.00~~ **\$96,516,400.00.**

27 **(4) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE**

1 IS APPROPRIATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED  
2 \$1,733,600.00 FOR PAYMENTS TO COMMUNITY COLLEGES FROM THE STATE  
3 SCHOOL AID FUND. A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS  
4 SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF  
5 OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE  
6 COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE AMOUNT  
7 ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS SUBSECTION IS AS  
8 FOLLOWS:

- 9 (A) ALPENA COMMUNITY COLLEGE, \$30,400.00.
- 10 (B) BAY DE NOC COMMUNITY COLLEGE, \$30,800.00.
- 11 (C) DELTA COLLEGE, \$81,400.00.
- 12 (D) GLEN OAKS COMMUNITY COLLEGE, \$14,200.00.
- 13 (E) GOGEBIC COMMUNITY COLLEGE, \$25,300.00.
- 14 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$101,700.00.
- 15 (G) HENRY FORD COMMUNITY COLLEGE, \$123,000.00.
- 16 (H) JACKSON COMMUNITY COLLEGE, \$68,500.00.
- 17 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$70,400.00.
- 18 (J) KELLOGG COMMUNITY COLLEGE, \$55,300.00.
- 19 (K) KIRTLAND COMMUNITY COLLEGE, \$17,500.00.
- 20 (L) LAKE MICHIGAN COLLEGE, \$30,200.00.
- 21 (M) LANSING COMMUNITY COLLEGE, \$175,000.00.
- 22 (N) MACOMB COMMUNITY COLLEGE, \$186,200.00.
- 23 (O) MID MICHIGAN COMMUNITY COLLEGE, \$26,100.00
- 24 (P) MONROE COUNTY COMMUNITY COLLEGE, \$25,000.00.
- 25 (Q) MONTCALM COMMUNITY COLLEGE, \$18,000.00.
- 26 (R) C.S. MOTT COMMUNITY COLLEGE, \$88,700.00.
- 27 (S) MUSKEGON COMMUNITY COLLEGE, \$50,400.00.

- 1 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$17,600.00.  
 2 (U) NORTHWESTERN MICHIGAN COLLEGE, \$51,500.00.  
 3 (V) OAKLAND COMMUNITY COLLEGE, \$118,800.00.  
 4 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$39,900.00.  
 5 (X) SCHOOLCRAFT COLLEGE, \$70,100.00.  
 6 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$37,500.00.  
 7 (Z) WASHTENAW COMMUNITY COLLEGE, \$72,200.00.  
 8 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$94,200.00.  
 9 (BB) WEST SHORE COMMUNITY COLLEGE, \$13,700.00.

10 Sec. 201a. It is the intent of the legislature to provide  
 11 appropriations for the fiscal year ending on September 30, ~~2013~~  
 12 **2014** for the items listed in section 201. The fiscal year ~~2012-2013~~  
 13 **2013-2014** appropriations are anticipated to be the same as those  
 14 for fiscal year ~~2011-2012, 2012-2013~~, except that the amounts will  
 15 be adjusted for changes in caseload and related costs, federal fund  
 16 match rates, economic factors, and available revenue. These  
 17 adjustments will be determined after the January ~~2012-2013~~  
 18 consensus revenue estimating conference.

19 Sec. 202. ~~The ALL~~ appropriations authorized under this article  
 20 are subject to the management and budget act, 1984 PA 431, MCL  
 21 18.1101 to 18.1594.

22 **SEC. 202A. AS USED IN THIS ARTICLE, "WORKFORCE DEVELOPMENT**  
 23 **AGENCY" MEANS THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN**  
 24 **STRATEGIC FUND.**

25 Sec. 203. Unless otherwise specified, a community college  
 26 ~~receiving~~**THAT RECEIVES** appropriations in section 201 and the  
 27 workforce development agency shall use the ~~Internet~~**INTERNET** to

1 fulfill the reporting requirements of this article. This  
2 requirement may include transmission of reports via electronic mail  
3 to the recipients identified for each reporting requirement or it  
4 may include placement of reports on an ~~Internet~~**INTERNET** or  
5 ~~Intranet~~**INTRANET** site.

6       Sec. 204. Funds appropriated in section 201 shall not be used  
7 for the purchase of foreign goods or services, or both, if  
8 competitively priced and of comparable quality American goods or  
9 services, or both, are available. Preference should be given to  
10 goods or services, or both, manufactured or provided by Michigan  
11 businesses, if they are competitively priced and of comparable  
12 quality. In addition, preference should be given to goods or  
13 services, or both, that are manufactured or provided by Michigan  
14 businesses **THAT ARE** owned and operated by veterans, if they are  
15 competitively priced and of comparable quality.

16       Sec. 205. The principal executive officer of each community  
17 college ~~receiving~~**THAT RECEIVES** appropriations in section 201 shall  
18 take all reasonable steps to ensure businesses in deprived and  
19 depressed communities compete for and perform contracts to provide  
20 services or supplies, or both. Each principal executive officer  
21 shall strongly encourage ~~firms~~**BUSINESSES** with which the community  
22 college contracts to subcontract with certified businesses in  
23 depressed and deprived communities for services or supplies, or  
24 both.

25       Sec. 206. The funds appropriated in section 201 are  
26 appropriated for community colleges with fiscal years ending June  
27 30, ~~2012~~**2013** and shall be paid out of the state treasury and

1 distributed by the state treasurer to the respective community  
 2 colleges in 11 monthly installments on the sixteenth of each month,  
 3 or the next succeeding business day, beginning with October 16,  
 4 ~~2011-2012~~. Each community college shall accrue its July and August  
 5 ~~2012-2013~~ payments to its institutional fiscal year ending June 30,  
 6 ~~2012-2013~~. However, if **THE STATE BUDGET DIRECTOR DETERMINES THAT** a  
 7 community college ~~fails~~ **FAILED** to submit all verified Michigan  
 8 community colleges activities classification structure data for  
 9 school year ~~2010-2011-2011-2012~~ to the workforce development agency  
 10 by November 1, ~~2011-2012~~, **OR FAILED TO SUBMIT ITS LONGITUDINAL**  
 11 **DATA SYSTEM DATA SET FOR SCHOOL YEAR 2011-2012 TO THE CENTER FOR**  
 12 **EDUCATIONAL PERFORMANCE AND INFORMATION UNDER SECTION 219, THE**  
 13 **STATE TREASURER SHALL WITHHOLD** the monthly installments ~~shall be~~  
 14 ~~withheld~~ from that community college until those data are  
 15 submitted. **THE STATE BUDGET DIRECTOR SHALL NOTIFY THE CHAIRS OF THE**  
 16 **HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES**  
 17 **AT LEAST 10 DAYS BEFORE WITHHOLDING FUNDS FROM ANY COMMUNITY**  
 18 **COLLEGE.**

19       Sec. 207. (1) A community college shall pay the employer's  
 20 contributions to the Michigan public school employees' retirement  
 21 system created by the public school employees retirement act of  
 22 1979, 1980 PA 300, MCL 38.1301 to 38.1408. ~~as~~ **THIS PAYMENT IS** a  
 23 condition of receiving funds appropriated under this article.

24       (2) A community college shall not pay an employer's  
 25 contribution to more than 1 retirement fund providing benefits for  
 26 an employee.

27       Sec. 208. ~~Money~~ **A COMMUNITY COLLEGE SHALL NOT USE MONEY**

1 appropriated in section 201 shall not be used to pay for the  
2 construction or maintenance of a self-liquidating project. A  
3 community college shall comply with the current use and finance  
4 requirements of the joint capital outlay subcommittee (JCOS) for  
5 any construction, renovation, or other capital outlay projects  
6 pursuant to JCOS policy. The appropriation in section 201 for a  
7 community college that fails to comply with JCOS requirements shall  
8 be reduced by 1% for each violation.

9       Sec. 209. (1) ~~From the funds appropriated in section 201, each~~  
10 ~~community college shall develop, post, and maintain, on a user-~~  
11 ~~friendly and publicly accessible Internet site, a comprehensive~~  
12 ~~report categorizing all institutional general fund expenditures~~  
13 ~~made by the community college within a fiscal year. The report~~  
14 ~~shall include institutional general fund expenditure amounts~~  
15 ~~categorized both by each academic unit, administrative unit, or~~  
16 ~~external initiative within the community college and by major~~  
17 ~~expenditure category, including faculty and staff salaries and~~  
18 ~~fringe benefits, facility related costs, supplies and equipment,~~  
19 ~~contracts, and transfers to and from other community college funds.~~  
20 ~~The report shall also include a list of all employee positions~~  
21 ~~funded partially or wholly through institutional general fund~~  
22 ~~revenue that includes the position title, name, and annual salary~~  
23 ~~or wage amount for each position. The community college shall not~~  
24 ~~provide financial information on its website under this section if~~  
25 ~~doing so would violate a federal or state law, rule, regulation, or~~  
26 ~~guideline that establishes privacy or security standards applicable~~  
27 ~~to that financial information.~~ **WITHIN 30 DAYS AFTER THE BOARD OF A**

1 COMMUNITY COLLEGE ADOPTS ITS ANNUAL OPERATING BUDGET FOR THE  
2 FOLLOWING SCHOOL FISCAL YEAR, OR AFTER THE BOARD ADOPTS A  
3 SUBSEQUENT REVISION TO THAT BUDGET, THE COMMUNITY COLLEGE SHALL  
4 MAKE ALL OF THE FOLLOWING AVAILABLE THROUGH A LINK ON ITS WEBSITE  
5 HOMEPAGE:

6 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET  
7 REVISIONS.

8 (B) A LINK TO THE MOST RECENT "ACTIVITIES CLASSIFICATION  
9 STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES".

10 (C) LINKS TO ALL OF THE FOLLOWING FOR THE COMMUNITY COLLEGE:

11 (i) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH  
12 BARGAINING UNIT.

13 (ii) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED  
14 TO, MEDICAL, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY  
15 OTHER TYPE OF BENEFITS THAT WOULD CONSTITUTE HEALTH CARE SERVICES,  
16 OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE COMMUNITY  
17 COLLEGE.

18 (iii) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL  
19 YEAR FOR WHICH THEY ARE AVAILABLE.

20 (iv) A COPY OF THE BOARD OF TRUSTEES RESOLUTION REGARDING  
21 COMPLIANCE WITH BEST PRACTICES FOR THE LOCAL STRATEGIC VALUE  
22 COMPONENT DESCRIBED IN SECTION 230(3).

23 (2) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, COMMUNITY  
24 COLLEGES MUST USE THE ICON BADGE PROVIDED BY THE DEPARTMENT OF  
25 TECHNOLOGY, MANAGEMENT, AND BUDGET CONSISTENT WITH THE ICON BADGE  
26 DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12 SCHOOL DISTRICTS.  
27 IT MUST APPEAR ON THE FRONT OF EACH COMMUNITY COLLEGE'S HOMEPAGE.

1 THE SIZE OF THE ICON MAY BE REDUCED TO 150 X 150 PIXELS. TO BE IN  
2 COMPLIANCE WITH THIS SECTION, ALL DATA ELEMENTS DEFINED IN THIS  
3 SECTION MUST BE AVAILABLE ON THE COLLEGE'S HOMEPAGE BY DECEMBER 31,  
4 2012. EACH COMMUNITY COLLEGE SHALL NOTIFY THE STATE BUDGET OFFICE  
5 WHEN ALL DATA ELEMENTS DEFINED IN THIS SECTION ARE MADE AVAILABLE  
6 ON ITS WEBSITE.

7 (3) THE STATE BUDGET DIRECTOR SHALL DETERMINE WHETHER A  
8 COMMUNITY COLLEGE HAS COMPLIED WITH THIS SECTION. THE STATE BUDGET  
9 DIRECTOR MAY WITHHOLD A COMMUNITY COLLEGE'S MONTHLY INSTALLMENTS  
10 DESCRIBED IN SECTION 206 UNTIL THE COMMUNITY COLLEGE COMPLIES WITH  
11 THIS SECTION. THE STATE BUDGET DIRECTOR SHALL NOTIFY THE CHAIRS OF  
12 THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON COMMUNITY  
13 COLLEGES AT LEAST 10 DAYS BEFORE WITHHOLDING FUNDS FROM ANY  
14 COMMUNITY COLLEGE.

15 (4) ~~(2)~~—Each community college shall report the following  
16 information to the senate and house appropriations subcommittees on  
17 community colleges, the senate and house fiscal agencies, and the  
18 state budget office by November 15, ~~2011~~, ~~2012~~, and post that  
19 information on the Internet website required under subsection (1):

20 (a) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund  
21 revenue from tuition and fees.

22 (b) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund  
23 revenue from state appropriations.

24 (c) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund  
25 revenue from property taxes.

26 (d) Budgeted fiscal year ~~2011-2012-2012-2013~~ total general  
27 fund revenue.



1 (e) Budgeted fiscal year ~~2011-2012-2012-2013~~ total general  
2 fund expenditures.

3 Sec. 210. (1) Recognizing the critical importance of education  
4 in strengthening Michigan's workforce, the legislature encourages  
5 ~~the state's public community colleges~~ **EACH COMMUNITY COLLEGE** to  
6 explore ways of increasing collaboration and cooperation with 4-  
7 year universities, particularly in the areas related to training,  
8 instruction, and program articulation.

9 (2) Recognizing the central role of community colleges in  
10 responding to local employment needs and challenges, community  
11 colleges shall develop and continue efforts to collaborate with  
12 local employers and students to identify local employment needs and  
13 strategies to meet them.

14 (3) Community colleges are encouraged to collaborate with each  
15 other on innovations to identify and meet local employment needs.

16 Sec. 210a. (1) A committee shall be created to develop a  
17 process to improve the transferability of core college courses  
18 between community colleges and public universities on a statewide  
19 basis. Building off of the Michigan association of college  
20 registrars and academic officers agreement and existing  
21 articulation agreements in place between individual institutions,  
22 the committee shall work to develop equivalency standards of core  
23 college courses and identify equivalent courses offered by the  
24 institutions.

25 (2) The committee shall be composed of the following:

26 (a) ~~Ten~~ **FIVE** representatives from community colleges selected  
27 by the Michigan community college association.

1 (b) ~~Ten~~**FIVE** representatives from public universities selected  
2 by the presidents council, state universities of Michigan.

3 (c) One member of the house of representatives selected by the  
4 speaker of the house.

5 (d) One member of the house of representatives selected by the  
6 minority leader of the house of representatives.

7 (e) One member of the senate selected by the senate majority  
8 leader.

9 (f) One member of the senate selected by the senate minority  
10 leader.

11 (3) The committee shall submit ~~an~~ interim project status  
12 ~~report~~**REPORTS** to the senate and house appropriations subcommittees  
13 on community colleges and higher education, the senate and house  
14 fiscal agencies, and the state budget director by March 1,  
15 ~~2012-2013~~ **AND SEPTEMBER 1, 2013.**

16 Sec. 212. It is the intent of the legislature to encourage  
17 community college districts to evaluate and pursue efficiency and  
18 cost-containment measures that maximize state funding. Community  
19 colleges shall identify practices that increase efficiencies,  
20 including, but not limited to, establishing joint ventures,  
21 consolidating services, utilizing program collaborations,  
22 maximizing educational benefits through optimal class sizes and  
23 frequency of course offerings, increasing web-based instruction,  
24 eliminating low-enrollment and high-cost instructional programs,  
25 using self-insurance, practicing energy conservation, and utilizing  
26 group purchasing. ~~Efficiency efforts~~**COMMUNITY COLLEGES** shall also  
27 ~~include reviewing~~**REVIEW** proposed capital outlay projects to

1 increase coordination and utilization of new facilities, renovation  
2 projects, and technology improvements.

3       Sec. 213. It is the intent of the legislature that community  
4 colleges work with public universities in the state to implement  
5 statewide reverse transfer agreements to increase the number of  
6 students that are awarded credentials of value upon completion of  
7 the necessary credits. ~~In doing so, the institutions should work~~  
8 ~~collaboratively and cooperatively to remove administrative barriers~~  
9 ~~that result in understating the academic attainment of Michigan's~~  
10 ~~citizens. It is the intent of the legislature that by August 1,~~  
11 ~~2012, **THESE** statewide agreements be in place between community~~  
12 ~~colleges and public universities that **SHALL** enable students who~~  
13 have earned a significant number of credits at a community college  
14 and transfer to a baccalaureate-granting institution before  
15 completing a degree to ~~transfer~~ **TRANSFERRED** the credits earned at  
16 the baccalaureate institution back to the community college in  
17 order to be awarded a credential of value.

18       Sec. 216. (1) It is the intent of the legislature that the  
19 senate and house appropriations subcommittees on community  
20 colleges, together with the Michigan community college association  
21 and other interested stakeholders, review any statutory mandates  
22 imposed on community colleges, including those identified by the  
23 legislative commission on statutory mandates established under  
24 former chapter 7B of the legislative council act, 1986 PA 268, and  
25 determine ~~whether~~ **IF** those mandates are necessary for the health  
26 and safety of students; are essential to the academic integrity of  
27 the community colleges; exceed any applicable federal requirements;

1 are superfluous to the core academic programs of the community  
2 colleges; and materially impact local control and governance of the  
3 colleges.

4 (2) The senate and house appropriations subcommittees on  
5 community colleges shall review the estimated costs and benefits of  
6 each statutory mandate reviewed under subsection (1) and shall  
7 report their findings to the state budget director.

8 Sec. 217. Unless otherwise **SPECIFICALLY** stated, all data items  
9 used in determining state aid in this article are as defined in the  
10 "2001 Manual for Uniform Financial Reporting, Michigan Public  
11 Community Colleges", which shall be the basis for reporting data,  
12 and the "Activities Classification Structure Manual for Michigan  
13 Community Colleges", as amended, which shall be used to document  
14 financial needs of the community colleges.

15 Sec. 218. ~~A community college~~ **COMMUNITY COLLEGES** shall not  
16 include in the enrollment data reported for determining state aid  
17 under this article any student credit hours or student contact  
18 hours for a student incarcerated in a Michigan penal institution.  
19 Exclusion of these students is intended to avoid the payment of  
20 state aid under this article for the same individuals for whom  
21 reimbursement is provided by the state correctional system.

22 Sec. 219. ~~A community college receiving funds in section 201~~  
23 ~~shall cooperate with the state's efforts to establish a statewide~~  
24 ~~P-20 education longitudinal data system to comply with the state~~  
25 ~~fiscal stabilization fund provisions of the American recovery and~~  
26 ~~reinvestment act of 2009, Public Law 111-5.~~ **BY JUNE 30 OF EACH YEAR,**  
27 **EACH COMMUNITY COLLEGE SHALL PROVIDE ITS LONGITUDINAL DATA SYSTEM**

1 DATA SET FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER FOR  
2 EDUCATIONAL PERFORMANCE AND INFORMATION FOR INCLUSION IN THE  
3 STATEWIDE P-20 EDUCATION LONGITUDINAL DATA SYSTEM DESCRIBED IN  
4 SECTION 94A.

5 Sec. 220. (1) The auditor general or a certified public  
6 accountant appointed by the auditor general may conduct performance  
7 audits of community colleges as the auditor general considers  
8 necessary.

9 (2) ~~Not more than~~ **WITHIN** 60 days after an audit report is  
10 released by the office of the auditor general, the principal  
11 executive officer of the community college that was audited shall  
12 submit to the house and senate appropriations committees, the house  
13 and senate fiscal agencies, the workforce development agency, the  
14 auditor general, and the state budget director a plan to comply  
15 with audit recommendations. The plan shall contain projected dates  
16 and resources required, if any, to achieve compliance with the  
17 audit recommendations, or a documented explanation of the college's  
18 noncompliance with the audit recommendations concerning the matters  
19 on which the audited community college and office of the auditor  
20 general disagree.

21 Sec. 221. (1) A community college shall retain certified class  
22 summaries, class lists, registration documents, and student  
23 transcripts that are consistent with the taxonomy of courses. For  
24 each enrollment period during the fiscal year, these certified  
25 documents shall identify clearly by course the number of in-  
26 district and out-of-district student credit and contact hours. The  
27 class summaries and class lists shall be consistent with each other

1 and shall include the course prefix and numbers, course title,  
2 course credit and contact hours, credit and contact hours generated  
3 by each student, and activity classifications consistent with the  
4 taxonomy. An auditable process shall be used by the community  
5 college to determine the unduplicated head count for in-district  
6 students, out-of-district students, and prisoners for each  
7 enrollment period during the fiscal year.

8 (2) ~~Contracts~~ **A COMMUNITY COLLEGE SHALL RETAIN ALL CONTRACTS**  
9 between the community college and agencies that reimburse the  
10 community college for the costs of instruction ~~shall be retained~~  
11 for audit purposes.

12 Sec. 222. Each community college shall have an annual audit of  
13 all income and expenditures performed by an independent auditor and  
14 shall furnish the independent auditor's management letter and an  
15 annual audited accounting of all general and current funds income  
16 and expenditures including audits of college foundations to the  
17 members of the senate and house appropriations subcommittees on  
18 community colleges, the senate and house fiscal agencies, the  
19 auditor general, the workforce development agency, and the state  
20 budget director before November 15 ~~7, 2011.~~ **OF EACH YEAR.** If a  
21 community college fails to furnish the audit materials, the monthly  
22 state aid installments shall be withheld from that college until  
23 the information is submitted. All reporting shall conform to the  
24 requirements set forth in the "2001 Manual for Uniform Financial  
25 Reporting, Michigan Public Community Colleges". It is the intent of  
26 the legislature that a community college shall make the information  
27 the community college is required to provide under this section

1 available to the public on its ~~Internet~~**INTERNET** website.

2 Sec. 223. Each community college shall report the following to  
3 the workforce development agency no later than November 1 ~~, 2011~~**:OF**

4 **EACH YEAR:**

5 (a) The number of North American Indian students enrolled each  
6 term for the previous fiscal year, using guidelines and procedures  
7 developed by the workforce development agency and the ~~Michigan~~  
8 ~~commission on Indian affairs~~**DEPARTMENT OF CIVIL RIGHTS.**

9 (b) The number of North American Indian tuition waivers  
10 granted each term, and the monetary value of the waivers for the  
11 previous fiscal year.

12 Sec. 224. Upon request, a community college shall inform  
13 interested Michigan high schools of the aggregate academic status  
14 of its students for the ~~prior~~**PREVIOUS** academic year, in a manner  
15 prescribed by the Michigan community college association and in  
16 cooperation with the Michigan association of secondary school  
17 principals. **COMMUNITY COLLEGES SHALL COOPERATE WITH THE CENTER FOR**  
18 **EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A**  
19 **SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS WORK.**

20 Sec. 225. Each community college shall report to the house and  
21 senate fiscal agencies, the state budget director, and the  
22 workforce development agency by August 31, ~~2011~~**2012**, the tuition  
23 and mandatory fees paid by a full-time in-district student and a  
24 full-time out-of-district student as established by the college  
25 governing board for the ~~2010-2011~~**2011-2012** academic year. This  
26 report should also include the annual cost of attendance based on a  
27 full-time course load of 30 credits. Each community college shall

1 also report any revisions to the reported ~~2010-2011~~ **2011-2012**  
2 academic year tuition and mandatory fees adopted by the college  
3 governing board to the house and senate fiscal agencies, the state  
4 budget director, and the workforce development agency within 15  
5 days of being adopted.

6 Sec. 226. Each community college shall report to the workforce  
7 development agency the numbers and type of associate degrees and  
8 other certificates awarded during the previous fiscal year. The  
9 report shall be made not later than November 15 ~~, 2011.~~ **OF EACH**  
10 **YEAR.**

11 Sec. 227. ~~Funds~~ **A COMMUNITY COLLEGE SHALL NOT USE FUNDS**  
12 appropriated in section 201 ~~shall not be used~~ to enter into a lease  
13 for, or to purchase, a vehicle assembled or manufactured outside of  
14 the United States if competitively priced and comparable quality  
15 vehicles made in the state of Michigan or elsewhere in the United  
16 States of America are available.

17 Sec. 228. A community college shall not take disciplinary  
18 action against an employee for communicating with a member of the  
19 legislature or ~~his or her~~ **THE LEGISLATOR'S** staff.

20 Sec. 229. It is the intent of the legislature that each  
21 community college ~~receiving~~ **THAT RECEIVES** an appropriation in  
22 section 201 include in its admission application process a specific  
23 question as to whether an applicant for admission is a veteran, an  
24 active member of the military, a member of the national guard or  
25 military reserves, or the spouse or dependent of a veteran, active  
26 member of the military, or member of the national guard or military  
27 reserves, in order to more quickly identify potential educational



1 assistance available to that applicant. As used in this section,  
2 "veteran" means an honorably discharged veteran entitled to  
3 educational assistance under the provisions of section 5003 of the  
4 post-911 veterans educational assistance act of 2008, ~~title V of~~  
5 ~~Public Law 110-252,~~ 38 USC 3301 to 3324.

6           **SEC. 229A. INCLUDED IN THE FISCAL YEAR 2012-2013**  
7 **APPROPRIATIONS FOR THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND**  
8 **BUDGET ARE APPROPRIATIONS TO PROVIDE FUNDING FOR THE STATE SHARE OF**  
9 **COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL PROJECTS FOR COMMUNITY**  
10 **COLLEGES. THOSE APPROPRIATIONS FOR STATE BUILDING AUTHORITY RENT**  
11 **REPRESENT ADDITIONAL STATE GENERAL FUND SUPPORT FOR COMMUNITY**  
12 **COLLEGES, AND THE FOLLOWING IS AN ESTIMATE OF THE AMOUNT OF THAT**  
13 **SUPPORT TO EACH COMMUNITY COLLEGE:**

- 14           (A) ALPENA COMMUNITY COLLEGE, \$428,100.00.  
15           (B) BAY DE NOC COMMUNITY COLLEGE, \$618,000.00.  
16           (C) DELTA COLLEGE, \$2,610,000.00.  
17           (D) GLEN OAKS COMMUNITY COLLEGE, \$123,000.00.  
18           (E) GOGEBIC COMMUNITY COLLEGE, \$60,000.00.  
19           (F) GRAND RAPIDS COMMUNITY COLLEGE, \$1,675,000.00.  
20           (G) HENRY FORD COMMUNITY COLLEGE, \$1,110,000.00.  
21           (H) JACKSON COMMUNITY COLLEGE, \$1,563,000.00.  
22           (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,467,000.00.  
23           (J) KELLOGG COMMUNITY COLLEGE, \$520,000.00.  
24           (K) KIRTLAND COMMUNITY COLLEGE, \$363,300.00.  
25           (L) LAKE MICHIGAN COLLEGE, \$340,000.00.  
26           (M) LANSING COMMUNITY COLLEGE, \$384,000.00.  
27           (N) MACOMB COMMUNITY COLLEGE, \$1,313,100.00.

- 1 (O) MID MICHIGAN COMMUNITY COLLEGE, \$915,000.00.  
2 (P) MONROE COUNTY COMMUNITY COLLEGE, \$1,355,000.00.  
3 (Q) MONTCALM COMMUNITY COLLEGE, \$756,000.00.  
4 (R) C.S. MOTT COMMUNITY COLLEGE, \$1,803,000.00.  
5 (S) MUSKEGON COMMUNITY COLLEGE, \$198,000.00.  
6 (T) NORTHWESTERN MICHIGAN COLLEGE, \$1,305,000.00.  
7 (U) OAKLAND COMMUNITY COLLEGE, \$465,000.00.  
8 (V) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$356,100.00.  
9 (W) SCHOOLCRAFT COLLEGE, \$1,546,100.00.  
10 (X) SOUTHWESTERN MICHIGAN COLLEGE, \$530,600.00.  
11 (Y) WASHTENAW COMMUNITY COLLEGE, \$1,993,000.00.  
12 (Z) WAYNE COUNTY COMMUNITY COLLEGE, \$1,890,000.00.  
13 (AA) WEST SHORE COMMUNITY COLLEGE, \$577,000.00.

14 Sec. 230. (1) It is the intent of the legislature that the  
15 recommendations and performance measures developed by the  
16 performance indicators task force formed ~~pursuant to~~ **UNDER** section  
17 242 of 2005 PA 154 be reviewed and more fully implemented for  
18 distribution of state funding to community colleges in future  
19 years. ~~Specifically, it is the intent of the legislature that the~~  
20 ~~performance indicators task force review and implement 1 or more~~  
21 ~~measurable data items for the local strategic value indicator and~~  
22 ~~review and implement 1 or more measurable data items for an~~  
23 ~~administrative cost formula component.~~

24 (2) ANY ADDITIONAL FUNDING PROVIDED TO COMMUNITY COLLEGE  
25 OPERATIONS UNDER SECTION 201(2) IN FISCAL YEAR 2012-2013 THAT  
26 EXCEEDS THE AMOUNTS APPROPRIATED FOR OPERATIONS IN FISCAL YEAR  
27 2011-2012 IS ALLOCATED SOLELY FOR THE PURPOSE OF OFFSETTING A

1 PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE  
2 FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE ADDITIONAL FUNDING IS  
3 DISTRIBUTED BASED ON THE FOLLOWING FORMULA:

4 (A) ALLOCATED PROPORTIONATE TO FISCAL YEAR 2011-2012 BASE  
5 APPROPRIATIONS, 50%.

6 (B) BASED ON CONTACT HOUR EQUATED STUDENTS, 10%.

7 (C) BASED ON ADMINISTRATIVE COSTS, 7.5%.

8 (D) BASED ON A WEIGHTED DEGREE FORMULA AS PROVIDED FOR IN THE  
9 2006 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE,  
10 17.5%.

11 (E) BASED ON THE LOCAL STRATEGIC VALUE COMPONENT, AS DEVELOPED  
12 IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND  
13 DESCRIBED IN SUBSECTION (3), 15%.

14 (3) THE APPROPRIATION IN SECTION 201(2)(CC) FOR LOCAL  
15 STRATEGIC VALUE SHALL BE ALLOCATED TO EACH COMMUNITY COLLEGE THAT  
16 CERTIFIES TO THE STATE BUDGET DIRECTOR, THROUGH A BOARD OF TRUSTEES  
17 RESOLUTION ON OR BEFORE NOVEMBER 1, 2012, THAT THE COLLEGE HAS MET  
18 4 OUT OF 5 BEST PRACTICES LISTED IN EACH CATEGORY DESCRIBED IN  
19 SUBSECTION (4). THE RESOLUTION SHALL PROVIDE SPECIFICS AS TO HOW  
20 THE COMMUNITY COLLEGE MEETS EACH BEST PRACTICE MEASURE WITHIN EACH  
21 CATEGORY. ONE-THIRD OF FUNDING AVAILABLE UNDER THE STRATEGIC VALUE  
22 COMPONENT SHALL BE ALLOCATED TO EACH CATEGORY DESCRIBED IN  
23 SUBSECTION (4). AMOUNTS DISTRIBUTED UNDER LOCAL STRATEGIC VALUE  
24 SHALL BE ON A PROPORTIONATE BASIS TO EACH COLLEGE'S FISCAL YEAR  
25 2011-2012 OPERATIONS FUNDING. PAYMENTS TO COMMUNITY COLLEGES THAT  
26 QUALIFY FOR LOCAL STRATEGIC VALUE FUNDING SHALL BE DISTRIBUTED WITH  
27 THE NOVEMBER INSTALLMENT PAYMENT DESCRIBED IN SECTION 206.

1           (4) FOR PURPOSES OF SUBSECTION (3), THE FOLLOWING CATEGORIES  
2 OF BEST PRACTICES REFLECT FUNCTIONAL ACTIVITIES OF COMMUNITY  
3 COLLEGES THAT HAVE STRATEGIC VALUE TO THE LOCAL COMMUNITIES AND  
4 REGIONAL ECONOMIES:

5           (A) FOR CATEGORY A, ECONOMIC DEVELOPMENT AND BUSINESS OR  
6 INDUSTRY PARTNERSHIPS, THE FOLLOWING:

7           (i) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL  
8 EMPLOYERS INCLUDING HOSPITALS AND HEALTH CARE PROVIDERS.

9           (ii) THE COMMUNITY COLLEGE PROVIDES CUSTOMIZED ON-SITE TRAINING  
10 FOR AREA COMPANIES, EMPLOYEES, OR BOTH.

11           (iii) THE COMMUNITY COLLEGE SUPPORTS ENTREPRENEURSHIP THROUGH A  
12 SMALL BUSINESS ASSISTANCE CENTER OR OTHER TRAINING OR CONSULTING  
13 ACTIVITIES TARGETED TOWARD SMALL BUSINESSES.

14           (iv) THE COMMUNITY COLLEGE SUPPORTS TECHNOLOGICAL ADVANCEMENT  
15 THROUGH INDUSTRY PARTNERSHIPS, INCUBATION ACTIVITIES, OR OPERATION  
16 OF A MICHIGAN TECHNICAL EDUCATION CENTER OR OTHER ADVANCED  
17 TECHNOLOGY CENTER.

18           (v) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL  
19 OR REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT AGENCIES.

20           (B) FOR CATEGORY B, EDUCATIONAL PARTNERSHIPS, THE FOLLOWING:

21           (i) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH REGIONAL  
22 HIGH SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, AND CAREER-TECH  
23 CENTERS TO PROVIDE INSTRUCTION THROUGH DUAL ENROLLMENT, DIRECT  
24 CREDIT, MIDDLE COLLEGE, OR ACADEMY PROGRAMS.

25           (ii) THE COMMUNITY COLLEGE HOSTS, SPONSORS, OR PARTICIPATES IN  
26 ENRICHMENT PROGRAMS FOR AREA K-12 STUDENTS, SUCH AS COLLEGE DAYS,  
27 SUMMER OR AFTER-SCHOOL PROGRAMMING, OR SCIENCE OLYMPIAD.

1           (iii) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES  
2 IN PROGRAMMING TO PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR  
3 TRADITIONAL AGE STUDENTS, INCLUDING GRANT PROGRAMS SUCH AS TALENT  
4 SEARCH, UPWARD BOUND, OR OTHER ACTIVITIES TO PROMOTE COLLEGE  
5 READINESS IN AREA HIGH SCHOOLS AND COMMUNITY CENTERS.

6           (iv) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES  
7 IN PROGRAMMING TO PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR NEW  
8 OR REENTERING ADULT STUDENTS, SUCH AS ADULT BASIC EDUCATION, GED  
9 PREPARATION, GED TESTING, OR RECRUITING, ADVISING, OR ORIENTATION  
10 ACTIVITIES SPECIFIC TO ADULTS.

11           (v) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH  
12 REGIONAL 4-YEAR COLLEGES AND UNIVERSITIES TO PROMOTE SUCCESSFUL  
13 TRANSFER, SUCH AS ARTICULATION, 2+2, OR REVERSE TRANSFER AGREEMENTS  
14 OR OPERATION OF A UNIVERSITY CENTER.

15           (c) FOR CATEGORY C, COMMUNITY SERVICES, THE FOLLOWING:

16           (i) THE COMMUNITY COLLEGE PROVIDES CONTINUING EDUCATION  
17 PROGRAMMING FOR LEISURE, WELLNESS, PERSONAL ENRICHMENT, OR  
18 PROFESSIONAL DEVELOPMENT.

19           (ii) THE COMMUNITY COLLEGE OPERATES OR SPONSORS OPPORTUNITIES  
20 FOR COMMUNITY MEMBERS TO ENGAGE IN ACTIVITIES THAT PROMOTE LEISURE,  
21 WELLNESS, CULTURAL OR PERSONAL ENRICHMENT SUCH AS COMMUNITY SPORTS  
22 TEAMS, THEATER OR MUSICAL ENSEMBLES, OR ARTIST GUILDS.

23           (iii) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO  
24 PROMOTE CULTURAL, EDUCATIONAL, OR PERSONAL ENRICHMENT FOR COMMUNITY  
25 MEMBERS, SUCH AS LIBRARIES, COMPUTER LABS, PERFORMING ARTS CENTERS,  
26 MUSEUMS, ART GALLERIES, OR TELEVISION OR RADIO STATIONS.

27           (iv) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO

1 PROMOTE LEISURE OR WELLNESS ACTIVITIES FOR COMMUNITY MEMBERS,  
 2 INCLUDING GYMNASIUMS, ATHLETIC FIELDS, TENNIS COURTS, FITNESS  
 3 CENTERS, HIKING OR BIKING TRAILS, OR NATURAL AREAS.

4 (v) THE COMMUNITY COLLEGE PROMOTES, SPONSORS, OR HOSTS  
 5 COMMUNITY SERVICE ACTIVITIES FOR STUDENTS, STAFF, OR COMMUNITY  
 6 MEMBERS.

7 Sec. 236. (1) Subject to the conditions set forth in this  
 8 article, the amounts listed in subsections (2) to ~~(5)~~(7) are  
 9 appropriated for higher education for the fiscal year ending  
 10 September 30, ~~2012, 2013~~, from the funds indicated in this section.  
 11 The following is a summary of the appropriations in subsections (2)  
 12 to ~~(5)~~(7):

13 (a) The gross appropriation is ~~\$1,362,278,400.00-~~  
 14 **\$1,399,220,400.00**. After deducting total interdepartmental grants  
 15 and intradepartmental transfers in the amount of \$0.00, the  
 16 adjusted gross appropriation is  
 17 ~~\$1,362,278,400.00-~~**\$1,399,220,400.00**.

18 (b) The sources of the adjusted gross appropriation described  
 19 in subdivision (a) are as follows:

20 (i) Total federal revenues, ~~\$98,326,400.00-~~**\$97,026,400.00**.

21 (ii) Total local revenues, \$0.00.

22 (iii) Total private revenues, \$0.00.

23 (iv) Total other state restricted revenues,  
 24 ~~\$200,219,500.00-~~**\$200,565,700.00**.

25 (v) State general fund/general purpose money,  
 26 ~~\$1,063,732,500.00-~~**\$1,101,628,300.00**.

27 (2) Amounts appropriated for public universities are as

1 follows:

2 (a) The appropriation for Central Michigan University is  
3 ~~\$68,108,900.00, \$61,431,100.00~~ **\$69,575,300.00, \$68,108,900.00** for  
4 operations and ~~\$6,677,800.00~~ **\$1,466,400.00** for ~~tuition restraint~~  
5 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

6 (i) State school aid fund, \$11,284,600.00.

7 (ii) State general fund/general purpose money,  
8 ~~\$56,824,300.00~~ **\$58,290,700.00**.

9 (b) The appropriation for Eastern Michigan University is  
10 ~~\$64,619,100.00, \$61,319,900.00~~ **\$66,297,500.00, \$64,619,100.00** for  
11 operations and ~~\$3,299,200.00~~ **\$1,678,400.00** for ~~tuition restraint~~  
12 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

13 (i) State school aid fund, \$10,706,400.00.

14 (ii) State general fund/general purpose money,  
15 ~~\$53,912,700.00~~ **\$55,591,100.00**.

16 (c) The appropriation for Ferris State University is  
17 ~~\$41,324,300.00, \$37,971,600.00~~ **\$42,981,400.00, \$41,324,300.00** for  
18 operations and ~~\$3,352,700.00~~ **\$1,657,100.00** for ~~tuition restraint~~  
19 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

20 (i) State school aid fund, \$6,846,800.00.

21 (ii) State general fund/general purpose money,  
22 ~~\$34,477,500.00~~ **\$36,134,600.00**.

23 (d) The appropriation for Grand Valley State University is  
24 ~~\$52,677,400.00, \$48,431,500.00~~ **\$55,097,500.00, \$52,677,400.00** for  
25 operations and ~~\$4,245,900.00~~ **\$2,420,100.00** for ~~tuition restraint~~  
26 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

27 (i) State school aid fund, \$8,727,800.00.

1           (ii) State general fund/general purpose money,  
2     ~~\$43,949,600.00.~~ **\$46,369,700.00.**

3           (e) The appropriation for Lake Superior State University is  
4     ~~\$10,789,500.00, \$10,055,100.00~~ **\$11,030,700.00, \$10,789,500.00** for  
5     operations and ~~\$734,400.00~~ **\$241,200.00** for ~~tuition restraint~~  
6     ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

7           (i) State school aid fund, \$1,787,600.00.

8           (ii) State general fund/general purpose money,  
9     ~~\$9,001,900.00.~~ **\$9,243,100.00.**

10          (f) The appropriation for Michigan State University is  
11     ~~\$293,746,600.00, \$222,796,200.00~~ **\$298,733,800.00, \$241,120,800.00**  
12     for operations, ~~\$18,324,600.00~~ **\$3,408,400.00** for ~~tuition restraint~~  
13     ~~incentive,~~ **PERFORMANCE FUNDING**, and ~~\$52,625,800.00~~ **\$54,204,600.00**  
14     for ~~agricultural experiment and cooperative~~ **MSU AGBIORESEARCH AND**  
15     **MSU** extension activities, appropriated from the following:

16          (i) State school aid fund, \$39,949,900.00.

17          (ii) State general fund/general purpose money,  
18     ~~\$253,796,700.00.~~ **\$258,783,900.00.**

19          (g) The appropriation for Michigan Technological University is  
20     ~~\$40,733,600.00, \$37,409,700.00~~ **\$42,409,900.00, \$40,733,600.00** for  
21     operations and ~~\$3,323,900.00~~ **\$1,676,300.00** for ~~tuition restraint~~  
22     ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

23          (i) State school aid fund, \$6,748,900.00.

24          (ii) State general fund/general purpose money,  
25     ~~\$33,984,700.00.~~ **\$35,661,000.00.**

26          (h) The appropriation for Northern Michigan University is  
27     ~~\$38,367,400.00, \$36,225,200.00~~ **\$40,348,800.00, \$38,367,400.00** for



1 operations and ~~\$2,142,200.00~~ **\$1,981,400.00** for ~~tuition restraint~~  
 2 ~~incentive, PERFORMANCE FUNDING~~, appropriated from the following:

3 (i) State school aid fund, \$6,356,900.00.

4 (ii) State general fund/general purpose money,  
 5 ~~\$32,010,500.00~~ **\$33,991,900.00**.

6 (i) The appropriation for Oakland University is  
 7 ~~\$43,145,000.00, \$39,313,500.00~~ **\$44,033,300.00, \$43,145,000.00** for  
 8 operations and ~~\$3,831,500.00~~ **\$888,300.00** for ~~tuition restraint~~  
 9 ~~incentive, PERFORMANCE FUNDING~~, appropriated from the following:

10 (i) State school aid fund, \$7,148,400.00.

11 (ii) State general fund/general purpose money,  
 12 ~~\$35,996,600.00~~ **\$36,884,900.00**.

13 (j) The appropriation for Saginaw Valley State University is  
 14 ~~\$23,561,500.00, \$21,969,300.00~~ **\$25,487,500.00, \$23,561,500.00** for  
 15 operations and ~~\$1,592,200.00~~ **\$1,926,000.00** for ~~tuition restraint~~  
 16 ~~incentive, PERFORMANCE FUNDING~~, appropriated from the following:

17 (i) State school aid fund, \$3,903,800.00.

18 (ii) State general fund/general purpose money,  
 19 ~~\$19,657,700.00~~ **\$21,583,700.00**.

20 (k) The appropriation for University of Michigan - Ann Arbor  
 21 is ~~\$268,803,300.00, \$254,931,800.00~~ **\$273,056,700.00,**  
 22 **\$268,803,300.00** for operations and ~~\$13,871,500.00~~ **\$4,253,400.00** for  
 23 ~~tuition restraint incentive, PERFORMANCE FUNDING~~, appropriated from  
 24 the following:

25 (i) State school aid fund, \$44,536,300.00.

26 (ii) State general fund/general purpose money,  
 27 ~~\$224,267,000.00~~ **\$228,520,400.00**.

1           (l) The appropriation for University of Michigan - Dearborn is  
 2 ~~\$21,016,300.00, \$19,627,400.00~~ **\$21,898,800.00, \$21,016,300.00** for  
 3 operations and ~~\$1,388,900.00~~ **\$882,500.00** for ~~tuition restraint~~  
 4 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

5           (i) State school aid fund, \$3,482,100.00.

6           (ii) State general fund/general purpose money,  
 7 ~~\$17,534,200.00~~ **\$18,416,700.00**.

8           (m) The appropriation for University of Michigan - Flint is  
 9 ~~\$17,762,400.00, \$16,679,400.00~~ **\$19,103,500.00, \$17,762,400.00** for  
 10 operations and ~~\$1,083,000.00~~ **\$1,341,100.00** for ~~tuition restraint~~  
 11 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

12           (i) State school aid fund, \$2,942,900.00.

13           (ii) State general fund/general purpose money,  
 14 ~~\$14,819,500.00~~ **\$16,160,600.00**.

15           (n) The appropriation for Wayne State University is  
 16 ~~\$182,036,900.00, \$169,209,400.00~~ **\$183,229,100.00, \$182,036,900.00**  
 17 for operations and ~~\$12,827,500.00~~ **\$1,192,200.00** for ~~tuition~~  
 18 ~~restraint incentive,~~ **PERFORMANCE FUNDING**, appropriated from the  
 19 following:

20           (i) State school aid fund, \$30,160,600.00.

21           (ii) State general fund/general purpose money,  
 22 ~~\$151,876,300.00~~ **\$153,068,500.00**.

23           (o) The appropriation for Western Michigan University is  
 24 ~~\$93,168,300.00, \$86,866,700.00~~ **\$95,318,300.00, \$93,168,300.00** for  
 25 operations and ~~\$6,301,600.00~~ **\$2,150,000.00** for ~~tuition restraint~~  
 26 ~~incentive,~~ **PERFORMANCE FUNDING**, appropriated from the following:

27           (i) State school aid fund, \$15,436,500.00.

1           (ii) State general fund/general purpose money,  
2     ~~\$77,731,800.00~~-\$79,881,800.00.

3           (3) IN ADDITION TO THE AMOUNTS DESCRIBED IN SUBSECTION (2),  
4     \$9,054,200.00 IN TUITION RESTRAINT FUNDING IS APPROPRIATED FOR  
5     UNIVERSITY OPERATIONS FROM GENERAL FUND/GENERAL PURPOSE MONEY. THE  
6     AMOUNT ALLOCATED TO EACH PUBLIC UNIVERSITY IS DETERMINED IN THE  
7     MANNER PROVIDED IN SECTION 265.

8           (4) THE AMOUNT APPROPRIATED FOR MICHIGAN PUBLIC SCHOOL  
9     EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT IS \$446,200.00,  
10    APPROPRIATED FROM THE STATE SCHOOL AID FUND.

11          (5) ~~(3)~~—The amount appropriated for state and regional  
12    programs is \$200,000.00, appropriated from general fund/general  
13    purpose money and allocated as follows:

14          (a) Higher education database modernization and conversion,  
15    \$105,000.00.

16          (b) Midwestern higher education compact, \$95,000.00.

17          (6) ~~(4)~~—The amount appropriated for the Martin Luther King,  
18    Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,  
19    appropriated from general fund/general purpose money and allocated  
20    as follows:

21          (a) Select student support services, \$1,956,100.00.

22          (b) Michigan college/university partnership program,  
23    \$586,800.00.

24          (c) Morris Hood, Jr. educator development program,  
25    \$148,600.00.

26          (7) ~~(5)~~—Subject to subsection ~~(6)~~, ~~(8)~~, the amount  
27    appropriated for grants and financial aid is ~~\$99,526,400.00~~,

1 **\$98,226,400.00**, allocated as follows:

2 (a) State competitive scholarships,

3 ~~\$19,861,700.00~~ **\$18,361,700.00**.

4 (b) Tuition grants, \$31,664,700.00.

5 (c) Tuition incentive program, \$43,800,000.00.

6 ~~(d) Robert C. Byrd honors scholarship program, \$1,500,000.00.~~

7 **(D) (e)** Children of veterans and officer's survivor tuition  
8 grant programs, \$1,200,000.00.

9 **(E) (f)** Project GEAR-UP, ~~\$1,500,000.00~~ **\$3,200,000.00**.

10 **(8) (6)** The money appropriated in subsection ~~(5)~~ **(7)** for  
11 grants and financial aid is appropriated from the following:

12 ~~(a) Federal revenues under subpart 4 of part A of title IV of~~  
13 ~~the higher education act of 1965, Public Law 89-329, 79 Stat. 1232,~~  
14 ~~\$1,500,000.00.~~

15 ~~(b) Federal revenues under subpart 6 of part A of title IV of~~  
16 ~~the higher education act of 1965, Public Law 89-329, 79 Stat. 1232,~~  
17 ~~\$1,500,000.00.~~

18 **(A) (e)** Federal revenues under the United States department of  
19 education, office of elementary and secondary education, GEAR-UP  
20 program, ~~\$1,500,000.00~~ **\$3,200,000.00**.

21 **(B) (d)** Federal revenues under the social security act,  
22 temporary assistance for needy families, \$93,826,400.00.

23 **(C) (e)** Contributions to children of veterans tuition grant  
24 program, ~~\$200,000.00~~ **\$100,000.00**.

25 **(D) (f)** State general fund/general purpose money,  
26 ~~\$1,000,000.00~~ **\$1,100,000.00**.

27 Sec. 236a. It is the intent of the legislature to provide

1 appropriations for the fiscal year ending on September 30, ~~2013~~  
2 **2014** for the items listed in section 236. The fiscal year ~~2012-2013~~  
3 **2013-2014** appropriations are anticipated to be the same as those  
4 for fiscal year ~~2011-2012, 2012-2013~~, except that the amounts will  
5 be adjusted for changes in caseload and related costs, federal fund  
6 match rates, economic factors, and available revenue. These  
7 adjustments will be determined after the January ~~2012-2013~~  
8 consensus revenue estimating conference.

9       **SEC. 236B. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION**  
10 **236, THERE IS APPROPRIATED FOR GRANTS AND FINANCIAL AID IN FISCAL**  
11 **YEAR 2012-2013 AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR FEDERAL**  
12 **CONTINGENCY FUNDS. THESE FUNDS ARE NOT AVAILABLE FOR EXPENDITURE**  
13 **UNTIL THEY HAVE BEEN TRANSFERRED UNDER SECTION 393(2) OF THE**  
14 **MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1393, FOR ANOTHER**  
15 **PURPOSE UNDER THIS ARTICLE.**

16       Sec. 237. ~~The ALL OF THE~~ appropriations authorized under this  
17 article are subject to the management and budget act, 1984 PA 431,  
18 MCL 18.1101 to 18.1594.

19       **SEC. 237B. AS USED IN THIS ARTICLE, THE TERM "WORKFORCE**  
20 **DEVELOPMENT AGENCY" MEANS THE WORKFORCE DEVELOPMENT AGENCY OF THE**  
21 **MICHIGAN STRATEGIC FUND.**

22       Sec. 238. Unless otherwise specified, ~~A public universities~~  
23 **UNIVERSITY** receiving appropriations in section 236 shall use the  
24 Internet to fulfill the reporting requirements of this article.  
25 This requirement may include transmission of reports via electronic  
26 mail to the recipients identified for each reporting requirement,  
27 or it may include placement of reports on an Internet or Intranet

1 site.

2           Sec. 239. ~~Funds~~ **A PUBLIC UNIVERSITY SHALL NOT USE FUNDS**  
3 appropriated in section 236 ~~shall not be used~~ for the purchase of  
4 foreign goods or services, or both, if competitively priced and of  
5 comparable quality American goods and services, or both, are  
6 available. Preference shall be given to goods or services, or both,  
7 manufactured or provided by Michigan businesses if they are  
8 competitively priced and of comparable value. In addition,  
9 preference shall be given to goods or services, or both, that are  
10 manufactured or provided by Michigan businesses owned and operated  
11 by veterans if they are competitively priced and of comparable  
12 quality.

13           Sec. 239a. It is the intent of the legislature that ~~the~~ **PUBLIC**  
14 **UNIVERSITIES SHALL NOT USE** funds appropriated in section 236 ~~to~~  
15 ~~state institutions of higher education shall not be used to enter~~  
16 into a lease or to purchase a vehicle assembled or manufactured  
17 outside of the United States, and that preference be given to  
18 vehicles assembled or manufactured in Michigan.

19           Sec. 241. (1) ~~The~~ **SUBJECT TO SECTION 265A, THE** funds  
20 appropriated in section 236 to public universities shall be paid  
21 out of the state treasury and distributed by the state treasurer to  
22 the respective institutions in 11 equal monthly installments on the  
23 sixteenth of each month, or the next succeeding business day,  
24 beginning with October 16, ~~2011.~~ **2012.** Except for Wayne State  
25 University, each institution shall accrue its July and August ~~2012~~  
26 **2013** payments to its institutional fiscal year ending June 30,  
27 ~~2012.~~ **2013.**

1           (2) All public universities shall submit higher education  
2 institutional data inventory (HEIDI) data and associated financial  
3 and program information requested by and in a manner prescribed by  
4 the state budget director. For public universities with fiscal  
5 years ending June 30, ~~2011, 2012~~, these data shall be submitted to  
6 the state budget director by October 15, ~~2011, 2012~~. Public  
7 universities with a fiscal year ending September 30, ~~2011-2012~~  
8 shall submit preliminary HEIDI data by November 15, ~~2011-2012~~ and  
9 final data by December 15, ~~2011-2012~~. If a public university fails  
10 to submit HEIDI data and associated financial aid program  
11 information in accordance with this reporting schedule, the state  
12 treasurer shall withhold the monthly installments under subsection  
13 (1) to the public university until those data are submitted.

14           Sec. 242. Funds received by the state from the federal  
15 government or private sources for the use of a college or  
16 university are appropriated for the purposes for which they are  
17 provided. The acceptance and use of federal or private funds do not  
18 place an obligation ~~upon~~ **ON** the legislature to continue the  
19 purposes for which the funds are made available.

20           Sec. 243. ~~A~~ **EACH** public university that receives funds under  
21 this article shall furnish all program and financial information  
22 that is required by and in a manner prescribed by the state budget  
23 director or the house or senate appropriations committee.

24           Sec. 244. A public university receiving funds in section 236  
25 shall cooperate with all measures taken by the state to ~~establish a~~  
26 **DEVELOP, OPERATE, AND MAINTAIN THE** statewide P-20 education  
27 longitudinal data system ~~to comply with the state fiscal~~

1 ~~stabilization fund provisions of the American recovery and~~  
2 ~~reinvestment act of 2009, Public Law 111-5.~~ DESCRIBED IN SECTION  
3 94A. IF THE STATE BUDGET DIRECTOR FINDS THAT A UNIVERSITY HAS NOT  
4 COMPLIED WITH THIS SECTION, THE STATE BUDGET DIRECTOR IS AUTHORIZED  
5 TO WITHHOLD THE MONTHLY INSTALLMENTS PROVIDED TO THAT UNIVERSITY  
6 UNDER SECTION 236 UNTIL HE OR SHE FINDS THE UNIVERSITY HAS COMPLIED  
7 WITH THIS SECTION.

8       Sec. 245. ~~From the funds appropriated in section 236, each~~  
9 ~~public university shall develop, post, and maintain, on a user-~~  
10 ~~friendly and publicly accessible Internet site, a comprehensive~~  
11 ~~report categorizing all institutional general fund expenditures~~  
12 ~~made by the university within a fiscal year. The report shall~~  
13 ~~include institutional general fund expenditure amounts categorized~~  
14 ~~both by each academic unit, administrative unit, or external~~  
15 ~~initiative within the university and by major expenditure category,~~  
16 ~~including faculty and staff salaries and fringe benefits, facility-~~  
17 ~~related costs, supplies and equipment, contracts, and transfers to~~  
18 ~~and from other university funds. The report shall also include a~~  
19 ~~list of all employee positions funded partially or wholly through~~  
20 ~~institutional general fund revenue that includes the position~~  
21 ~~title, name, and annual salary or wage amount for each position.~~  
22 ~~The university shall not provide financial information on its~~  
23 ~~website under this section if doing so would violate a federal or~~  
24 ~~state law, rule, regulation, or guideline that establishes privacy~~  
25 ~~or security standards applicable to that financial information.~~

26       (1) WITHIN 30 DAYS AFTER THE BOARD OF A PUBLIC UNIVERSITY  
27 ADOPTS ITS ANNUAL OPERATING BUDGET FOR THE FOLLOWING SCHOOL FISCAL



1 YEAR, OR AFTER THE BOARD ADOPTS A SUBSEQUENT REVISION TO THAT  
2 BUDGET, THE PUBLIC UNIVERSITY SHALL MAKE ALL OF THE FOLLOWING  
3 AVAILABLE THROUGH A LINK ON ITS WEBSITE HOMEPAGE IN A FORM AND  
4 MANNER PRESCRIBED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND  
5 BUDGET:

6 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET  
7 REVISIONS.

8 (B) A SUMMARY OF CURRENT EXPENDITURES FOR THE MOST RECENT  
9 FISCAL YEAR FOR WHICH THEY ARE AVAILABLE, EXPRESSED AS PIE CHARTS  
10 IN THE FOLLOWING 2 CATEGORIES:

11 (i) A CHART OF PERSONNEL EXPENDITURES, BROKEN INTO THE  
12 FOLLOWING SUBCATEGORIES:

13 (A) EARNINGS AND WAGES.

14 (B) EMPLOYEE BENEFIT COSTS, INCLUDING, BUT NOT LIMITED TO,  
15 MEDICAL, DENTAL, VISION, LIFE, DISABILITY, AND LONG-TERM CARE  
16 BENEFITS.

17 (C) RETIREMENT BENEFIT COSTS.

18 (D) ALL OTHER PERSONNEL COSTS.

19 (ii) A CHART OF ALL CURRENT EXPENDITURES THE PUBLIC UNIVERSITY  
20 REPORTED AS PART OF ITS HIGHER EDUCATION INSTITUTIONAL DATA  
21 INVENTORY DATA UNDER SECTION 241(2), BROKEN INTO THE SAME  
22 SUBCATEGORIES IN WHICH IT REPORTED THOSE DATA.

23 (C) LINKS TO ALL OF THE FOLLOWING FOR THE PUBLIC UNIVERSITY:

24 (i) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH  
25 BARGAINING UNIT.

26 (ii) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED  
27 TO, MEDICAL, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY

1 OTHER TYPE OF BENEFITS THAT WOULD CONSTITUTE HEALTH CARE SERVICES,  
2 OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE PUBLIC  
3 UNIVERSITY.

4 (iii) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL  
5 YEAR FOR WHICH THEY ARE AVAILABLE.

6 (iv) CAMPUS SECURITY POLICIES AND CRIME STATISTICS PURSUANT TO  
7 THE STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-  
8 542, 104 STAT. 2381. INFORMATION SHALL INCLUDE ALL MATERIAL  
9 PREPARED PURSUANT TO THE PUBLIC INFORMATION REPORTING REQUIREMENTS  
10 UNDER THE CRIME AWARENESS AND CAMPUS SECURITY ACT OF 1990, TITLE II  
11 OF THE STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW  
12 101-542, 104 STAT. 2381.

13 (D) A LIST OF ALL POSITIONS FUNDED PARTIALLY OR WHOLLY THROUGH  
14 INSTITUTIONAL GENERAL FUND REVENUE THAT INCLUDES THE POSITION  
15 TITLE, NAME, AND ANNUAL SALARY OR WAGE AMOUNT FOR EACH POSITION.

16 (2) A PUBLIC UNIVERSITY SHALL PROVIDE A DASHBOARD OR REPORT  
17 CARD DEMONSTRATING THE UNIVERSITY'S PERFORMANCE IN SEVERAL "BEST  
18 PRACTICE" MEASURES. THE DASHBOARD OR REPORT CARD SHALL INCLUDE AT  
19 LEAST ALL OF THE FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR  
20 WHICH THE DATA ARE AVAILABLE:

21 (A) ENROLLMENT.

22 (B) STUDENT RETENTION RATE.

23 (C) SIX-YEAR GRADUATION RATES.

24 (D) NUMBER OF PELL GRANT RECIPIENTS.

25 (E) GEOGRAPHIC ORIGINATION OF STUDENTS, CATEGORIZED AS IN-  
26 STATE, OUT-OF-STATE, AND INTERNATIONAL.

27 (F) FACULTY TO STUDENT RATIOS AND TOTAL UNIVERSITY EMPLOYEE TO

1 STUDENT RATIOS.

2 (G) TEACHING LOAD BY FACULTY CLASSIFICATION.

3 (H) GRADUATION OUTCOME RATES, INCLUDING EMPLOYMENT AND  
4 CONTINUING EDUCATION.

5 (3) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, PUBLIC  
6 UNIVERSITIES MUST USE THE ICON BADGE PROVIDED BY THE DEPARTMENT OF  
7 TECHNOLOGY, MANAGEMENT, AND BUDGET CONSISTENT WITH THE ICON BADGE  
8 DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12 SCHOOL DISTRICTS.  
9 IT MUST APPEAR ON THE FRONT OF EACH PUBLIC UNIVERSITY'S HOMEPAGE.  
10 THE SIZE OF THE ICON MAY BE REDUCED TO 150 X 150 PIXELS. THE FONT  
11 SIZE AND STYLE FOR THIS REPORTING MUST BE CONSISTENT WITH OTHER  
12 DOCUMENTS ON EACH UNIVERSITY'S WEBSITE. TO BE IN COMPLIANCE WITH  
13 THIS SECTION, ALL DATA ELEMENTS DEFINED IN THIS SECTION MUST BE  
14 AVAILABLE ON THE UNIVERSITY'S HOMEPAGE, IN A FORM AND MANNER  
15 PRESCRIBED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET,  
16 BY DECEMBER 31, 2012.

17 (4) THE STATE BUDGET DIRECTOR SHALL DETERMINE WHETHER A PUBLIC  
18 UNIVERSITY HAS COMPLIED WITH THIS SECTION. THE STATE BUDGET  
19 DIRECTOR MAY WITHHOLD A PUBLIC UNIVERSITY'S MONTHLY INSTALLMENTS  
20 DESCRIBED IN SECTION 241 UNTIL THE PUBLIC UNIVERSITY COMPLIES WITH  
21 THIS SECTION.

22 SEC. 246. (1) THE FUNDS APPROPRIATED IN SECTION 236(4) FOR  
23 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT  
24 SHALL BE ALLOCATED TO EACH PARTICIPATING PUBLIC UNIVERSITY UNDER  
25 THIS SECTION BASED ON EACH PARTICIPATING PUBLIC UNIVERSITY'S TOTAL  
26 RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL  
27 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS IN PROPORTION TO THE TOTAL

1 RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL  
2 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC  
3 UNIVERSITIES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.  
4 PAYMENTS SHALL BE MADE IN A FORM AND MANNER DETERMINED BY THE  
5 OFFICE OF RETIREMENT SERVICES. A PUBLIC UNIVERSITY THAT RECEIVES  
6 MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE  
7 PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS  
8 OWED BY THE UNIVERSITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30,  
9 2013.

10 (2) AS USED IN THIS SECTION, "PARTICIPATING PUBLIC UNIVERSITY"  
11 MEANS A PUBLIC UNIVERSITY THAT IS A REPORTING UNIT OF THE MICHIGAN  
12 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL  
13 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO  
14 38.1408, AND THAT PAYS RETIREE HEALTH CARE PREMIUMS TO THE MICHIGAN  
15 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL  
16 YEAR.

17 Sec. 251. (1) Payments of the amounts included in section 236  
18 for the state competitive scholarship program shall be distributed  
19 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

20 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the  
21 department of treasury shall determine an actual maximum state  
22 competitive scholarship award per student, which shall be ~~no~~ NOT  
23 less than ~~\$600.00,~~ \$575.00, that ensures that the aggregate  
24 payments for the state competitive scholarship program do not  
25 exceed the appropriation contained in section 236 for the state  
26 competitive scholarship program. If the department determines that  
27 insufficient funds are available to establish a maximum award

1 amount equal to at least ~~\$600.00~~, **\$575.00**, the department shall  
2 immediately report to the house and senate appropriations  
3 subcommittees on higher education, the house and senate fiscal  
4 agencies, and the state budget director regarding the estimated  
5 amount of additional funds necessary to establish a ~~\$600.00~~ **\$575.00**  
6 maximum award amount.

7 (3) The department of treasury shall implement a proportional  
8 competitive scholarship maximum award level for recipients enrolled  
9 less than full-time in a given semester or term.

10 (4) If a student who receives an award under this section has  
11 his or her tuition and fees paid under the Michigan educational  
12 trust program, pursuant to the Michigan education trust act, 1986  
13 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the  
14 funds awarded under this section may be used for educational  
15 expenses other than tuition and fees.

16 (5) If the department of treasury increases the maximum award  
17 per eligible student from that provided in the previous fiscal  
18 year, it shall not have the effect of reducing the number of  
19 eligible students receiving awards in relation to the total number  
20 of eligible applicants. Any increase in the maximum grant shall be  
21 proportional for all eligible students receiving awards.

22 (6) Veterans administration benefits shall not be considered  
23 in determining eligibility for the award of scholarships under 1964  
24 PA 208, MCL 390.971 to 390.981.

25 Sec. 252. (1) The amounts appropriated in section 236 for the  
26 state tuition grant program shall be distributed pursuant to 1966  
27 PA 313, MCL 390.991 to 390.997a.

1           (2) Tuition grant awards shall be made to all eligible  
2 Michigan residents enrolled in undergraduate degree programs who  
3 apply before July 1, ~~2011~~—2012 and who are qualified.

4           (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and  
5 subject to subsection (7), the department of treasury shall  
6 determine an actual maximum tuition grant award per student, which  
7 shall be no less than \$1,512.00, that ensures that the aggregate  
8 payments for the tuition grant program do not exceed the  
9 appropriation contained in section 236 for the state tuition grant  
10 program. If the department determines that insufficient funds are  
11 available to establish a maximum award amount equal to at least  
12 \$1,512.00, the department shall immediately report to the house and  
13 senate appropriations subcommittees on higher education, the house  
14 and senate fiscal agencies, and the state budget director regarding  
15 the estimated amount of additional funds necessary to establish a  
16 \$1,512.00 maximum award amount. **IF THE DEPARTMENT DETERMINES THAT**  
17 **SUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT**  
18 **EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY**  
19 **REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**  
20 **HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE**  
21 **STATE BUDGET DIRECTOR REGARDING THE MAXIMUM AWARD AMOUNT**  
22 **ESTABLISHED AND THE PROJECTED AMOUNT OF ANY PROJECTED YEAR-END**  
23 **APPROPRIATION BALANCE BASED ON THAT MAXIMUM AWARD AMOUNT.** By  
24 December 15, ~~2011~~—2012, and again by February ~~1~~, ~~2012~~—18, 2013,  
25 the department shall analyze the status of award commitments, shall  
26 make any necessary adjustments, and shall confirm that those award  
27 commitments will not exceed the appropriation contained in section

1 236 for the tuition grant program. The determination and actions  
2 shall be reported to the state budget director and the house and  
3 senate fiscal agencies no later than **FINAL DAY OF** February 15,  
4 ~~2012.~~ **OF EACH YEAR.** If award adjustments are necessary, the  
5 students shall be notified of the adjustment by ~~the third Monday in~~  
6 ~~February.~~ **MARCH 4 OF EACH YEAR.**

7 (4) Any unexpended and unencumbered funds remaining on  
8 September 30, 2012 from the amounts appropriated in section 236 for  
9 the tuition grant program shall not lapse on September 30, 2012,  
10 but shall continue to be available for expenditure for tuition  
11 grants provided in the 2012-2013 fiscal year under a work project  
12 account. The use of these unexpended fiscal year 2011-2012 funds  
13 shall terminate at the end of the 2012-2013 fiscal year.

14 (5) The department of treasury shall continue a proportional  
15 tuition grant maximum award level for recipients enrolled less than  
16 full-time in a given semester or term.

17 (6) If the department of treasury increases the maximum award  
18 per eligible student from that provided in the previous fiscal  
19 year, it shall not have the effect of reducing the number of  
20 eligible students receiving awards in relation to the total number  
21 of eligible applicants. Any increase in the maximum grant shall be  
22 proportional for all eligible students receiving awards for fiscal  
23 year ~~2011-2012.~~ **2012-2013.**

24 (7) The department of treasury shall not award more than  
25 \$3,000,000.00 in tuition grants to eligible students enrolled in  
26 the same independent nonprofit college or university in this state.  
27 Any decrease in the maximum grant shall be proportional for all

1 eligible students enrolled in that college or university, as  
2 determined by the department.

3       Sec. 253. The auditor general may audit selected enrollments,  
4 degrees, and awards at selected independent colleges and  
5 universities receiving awards **THAT ARE** administered by the  
6 department of treasury. The audits shall be based upon definitions  
7 and requirements established by the department of treasury, the  
8 state budget director, and the senate and house fiscal agencies.  
9 The auditor general shall accept the Free Application for Federal  
10 Student Aid (FAFSA) form as the standard of residency  
11 documentation.

12       Sec. 254. The sums appropriated in section 236 for the state  
13 competitive scholarship, tuition incentive, **AND** tuition grant  ~~, and~~  
14 ~~Robert C. Byrd honors scholarship~~ programs shall be paid out of the  
15 state treasury and shall be distributed to the respective  
16 institutions under a quarterly payment system as follows: 50% shall  
17 be paid at the beginning of the state's first fiscal quarter, ~~and~~  
18 ~~50% at the beginning of the state's second fiscal quarter. 30%~~  
19 **DURING THE STATE'S SECOND FISCAL QUARTER, 10% DURING THE STATE'S**  
20 **THIRD FISCAL QUARTER, AND 10% DURING THE STATE'S FOURTH FISCAL**  
21 **QUARTER.**

22       Sec. 255. The department of treasury shall determine the needs  
23 analysis criteria for students to qualify for the state competitive  
24 scholarship program and tuition grant program. To be consistent  
25 with federal requirements, **THE DEPARTMENT OF TREASURY MAY TAKE**  
26 student wages ~~may be taken~~ into consideration when determining the  
27 amount of the award.



1           Sec. 256. (1) The funds appropriated in section 236 for the  
2 tuition incentive program shall be distributed as provided in this  
3 section and pursuant to the administrative procedures for the  
4 tuition incentive program of the department of treasury.

5           (2) As used in this section:

6           (a) "Phase I" means the first part of the tuition incentive  
7 assistance program defined as the academic period of 80 semester or  
8 120 term credits, or less, leading to an associate degree or  
9 certificate.

10           (b) "Phase II" means the second part of the tuition incentive  
11 assistance program which provides assistance in the third and  
12 fourth year of 4-year degree programs.

13           (c) "Department" means the department of treasury.

14           (3) ~~A person~~ **AN INDIVIDUAL** shall meet the following basic  
15 criteria and financial thresholds to be eligible for tuition  
16 incentive benefits:

17           (a) To be eligible for phase I, ~~a person~~ **AN INDIVIDUAL** shall  
18 meet all of the following criteria:

19           (i) Apply for certification to the department before graduating  
20 from high school or completing the general education development  
21 (GED) certificate.

22           (ii) Be less than 20 years of age at the time ~~of high school~~  
23 ~~graduation or~~ **HE OR SHE GRADUATES FROM HIGH SCHOOL WITH A DIPLOMA**  
24 **OR CERTIFICATE OF COMPLETION OR COMPLETES HIS OR HER GED.**  
25 ~~completion.~~

26           (iii) Be a United States citizen and a resident of Michigan  
27 according to institutional criteria.

1           (iv) Be at least a half-time student, earning less than 80  
2 semester or 120 term credits at a participating educational  
3 institution within 4 years of high school graduation or GED  
4 certificate completion.

5           (v) Request information on filing a FAFSA.

6           (b) To be eligible for phase II, ~~a person~~ **AN INDIVIDUAL** shall  
7 meet either of the following criteria in addition to the criteria  
8 in subdivision (a):

9           (i) Complete at least 56 transferable semester or 84  
10 transferable term credits.

11           (ii) Obtain an associate degree or certificate at a  
12 participating institution.

13           (c) To be eligible for phase I or phase II, ~~a person~~ **AN**  
14 **INDIVIDUAL** must not be incarcerated and must be financially  
15 eligible as determined by the department. ~~A person~~ **AN INDIVIDUAL** is  
16 financially eligible for the tuition incentive program if ~~that~~  
17 ~~person~~ **HE OR SHE** was Medicaid-eligible **FOR MEDICAID FROM THE STATE**  
18 **OF MICHIGAN** for 24 months within the 36 months before application.  
19 **THE DEPARTMENT SHALL ACCEPT CERTIFICATION OF MEDICAID ELIGIBILITY**  
20 **ONLY FROM THE DEPARTMENT OF HUMAN SERVICES FOR THE PURPOSES OF**  
21 **VERIFYING IF A PERSON IS MEDICAID ELIGIBLE FOR 24 MONTHS WITHIN THE**  
22 **36 MONTHS BEFORE APPLICATION.** Certification of eligibility may  
23 begin in the sixth grade. **AS USED IN THIS SUBDIVISION,**  
24 **"INCARCERATED" DOES NOT INCLUDE DETENTION OF A JUVENILE IN A STATE-**  
25 **OPERATED OR PRIVATELY OPERATED JUVENILE DETENTION FACILITY.**

26           (4) For phase I, the department shall provide payment on  
27 behalf of a person eligible under subsection (3). The department

1 shall reject billings that are excessive or outside the guidelines  
2 for the type of educational institution.

3 (5) For phase I, all of the following apply:

4 (a) Payments for associate degree or certificate programs  
5 shall not be made for more than 80 semester or 120 term credits for  
6 any individual student at any participating institution.

7 (b) For persons enrolled at a Michigan community college, the  
8 department shall pay the current in-district tuition and mandatory  
9 fees. For persons residing in an area that is not included in any  
10 community college district, the out-of-district tuition rate may be  
11 authorized.

12 (c) For persons enrolled at a Michigan public university, the  
13 department shall pay lower division resident tuition and mandatory  
14 fees for the current year.

15 (d) For persons enrolled at a Michigan independent, nonprofit  
16 degree-granting college or university, or a Michigan federal  
17 tribally controlled community college, or Focus: HOPE, the  
18 department shall pay mandatory fees for the current year and a per-  
19 credit payment that does not exceed the average community college  
20 in-district per-credit tuition rate as reported on August 1, for  
21 the immediately preceding academic year.

22 (6) A person participating in phase II may be eligible for  
23 additional funds not to exceed \$500.00 per semester or \$400.00 per  
24 term up to a maximum of \$2,000.00 subject to the following  
25 conditions:

26 (a) Credits are earned in a 4-year program at a Michigan  
27 degree-granting 4-year college or university.

1 (b) The tuition reimbursement is for coursework completed  
2 within 30 months of completion of the phase I requirements.

3 (7) The department shall work closely with participating  
4 institutions to develop an application and eligibility  
5 determination process that will provide the highest level of  
6 participation and ensure that all requirements of the program are  
7 met.

8 (8) Applications for the tuition incentive program may be  
9 approved at any time after the student begins the sixth grade. If a  
10 determination of financial eligibility is made, that determination  
11 is valid as long as the student meets all other program  
12 requirements and conditions.

13 (9) Each institution shall ensure that all known available  
14 restricted grants for tuition and fees are used prior to billing  
15 the tuition incentive program for any portion of a student's  
16 tuition and fees.

17 (10) The department shall ensure that the tuition incentive  
18 program is well publicized and that eligible Medicaid clients are  
19 provided information on the program. The department shall provide  
20 the necessary funding and staff to fully operate the program.

21 Sec. 257. To enable the legislature and the state budget  
22 director to evaluate the appropriation needs of higher education,  
23 each independent college and university shall make available to the  
24 legislature or state budget director, upon request, data regarding  
25 grants for the preceding, current, and ~~ensuing~~ **FUTURE** fiscal years.

26 Sec. 258. By February 15 of each year, the department of  
27 treasury shall submit a report to the state budget director, the

1 house and senate appropriations subcommittees on higher education,  
2 and the house and senate fiscal agencies for the preceding fiscal  
3 year on all student financial aid programs for which funds are  
4 appropriated in section 236. For each student financial aid  
5 program, the report shall include, but is not limited to, the total  
6 number of awards paid in the preceding fiscal year, the total  
7 dollar amount of those awards, and the number of students receiving  
8 awards and the total amount of those awards at each eligible  
9 postsecondary institution. To the extent information is available,  
10 the report shall also include information on ~~the average exam~~  
11 ~~performance,~~ household income ~~,~~ and other demographic  
12 characteristics of students receiving awards under each program and  
13 historical information on the number of awards and total award  
14 amounts for each program.

15 Sec. 261. The University of Michigan biological station at  
16 Douglas Lake in Cheboygan County is ~~regarded as~~ **CONSIDERED** a unique  
17 resource and is designated as a special research reserve. It is the  
18 intent of the legislature to protect and preserve the unique long-  
19 term research value and capabilities of the biological station area  
20 and Douglas Lake. The legislature further intends that no state  
21 programs or policies be developed that would have a deleterious  
22 impact on the research value of Douglas Lake.

23 Sec. 263. (1) Included in the appropriation in section 236 for  
24 ~~agricultural experiment and cooperative extension~~ **MSU AGBIORESEARCH**  
25 **AND MSU EXTENSION** activities is \$5,628,100.00 for project GREEN.  
26 Project GREEN is intended to address critical regulatory, food  
27 safety, economic, and environmental problems faced by this state's

1 plant-based agriculture, forestry, and processing industries.  
2 "GREEN" is an acronym for generating research and extension to  
3 meet environmental and economic needs.

4 (2) The department of agriculture and rural development and  
5 Michigan State University, in consultation with agricultural  
6 commodity groups and other interested parties, shall develop  
7 project GREEN and its program priorities.

8 ~~—— (3) By September 30, 2012, Michigan State University shall~~  
9 ~~submit a report to the house and senate appropriations~~  
10 ~~subcommittees on agriculture and on higher education, the house and~~  
11 ~~senate standing committees on agriculture, the house and senate~~  
12 ~~fiscal agencies, and the state budget director for the preceding~~  
13 ~~school fiscal year regarding expenditures and programmatic outcomes~~  
14 ~~of the agricultural experiment station and cooperative extension~~  
15 ~~service. The report shall include, but is not limited to:~~

16 ~~—— (a) Total funds expended by the agricultural experiment~~  
17 ~~station and cooperative extension service identified by state,~~  
18 ~~local, private, federal, and university fund sources.~~

19 ~~—— (b) The dollar amount of each project GREEN project and a~~  
20 ~~review of each project's performance and accomplishments.~~

21 ~~—— (c) The dollar amount of each bioeconomy research and~~  
22 ~~development project and a review of each project's performance and~~  
23 ~~accomplishments.~~

24 ~~—— (d) The dollar amount and description of all other individual~~  
25 ~~programs and services provided by the agricultural experiment~~  
26 ~~station and cooperative extension service and a review of each~~  
27 ~~project's performance and accomplishments.~~

1 ~~—— (c) The number of businesses created or that had increased~~  
2 ~~employment and the number of patents generated as a result of work~~  
3 ~~conducted by the agricultural experiment station and cooperative~~  
4 ~~extension service.~~

5       Sec. 263a. (1) ~~Annually, in partnership with stakeholders of~~  
6 ~~the agricultural experiment station and cooperative extension~~  
7 ~~service, Michigan State University shall develop a set of research~~  
8 ~~and extension priorities. As a part of this effort, Michigan State~~  
9 ~~University and the department of agriculture and rural development,~~  
10 ~~in partnership with the agriculture industry, shall convene a~~  
11 ~~summit to set priorities for research and extension regarding~~  
12 ~~production agriculture. BY JANUARY 1, 2013, THE MICHIGAN STATE~~  
13 ~~UNIVERSITY COLLEGE OF AGRICULTURE AND NATURAL RESOURCES, MSU~~  
14 ~~EXTENSION, AND MSU AGBIORESEARCH, IN PARTNERSHIP WITH THE~~  
15 ~~DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND OTHER~~  
16 ~~STAKEHOLDERS, SHALL ESTABLISH A STRATEGIC GROWTH INITIATIVE FOR THE~~  
17 ~~MICHIGAN FOOD AND AGRICULTURE INDUSTRY. THIS INITIATIVE SHALL~~  
18 ~~ADDRESS THE FOLLOWING GOALS AS ESTABLISHED AT THE 2011 GOVERNOR'S~~  
19 ~~SUMMIT FOR PRODUCTION AGRICULTURE:~~

20           (A) INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT FROM TODAY'S  
21 \$71,000,000,000.00 TO \$100,000,000,000.00.

22           (B) DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS FROM  
23 \$1,750,000,000.00 TO \$3,500,000,000.00.

24           (C) INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR BY 10%.

25           (D) IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTHY FOODS BY  
26 20%.

27           (2) THE INITIATIVE DESCRIBED IN SUBSECTION (1) SHALL BE

1 PATTERNED AFTER PROJECT GREEN, SHALL EMPHASIZE PRIORITIES AS SET  
2 BY THE MICHIGAN FOOD AND AGRICULTURAL INDUSTRY, AND SHALL INCLUDE A  
3 COMMITMENT TO CONTINUOUS COMMUNICATION, INPUT, AND INTERACTION  
4 AMONG STAKEHOLDERS IN GOVERNMENT AND INDUSTRY AND AT MICHIGAN STATE  
5 UNIVERSITY. SIMILAR TO PROJECT GREEN, THE INITIATIVE SHALL ALSO  
6 INCLUDE A COMMITMENT TO COMMUNICATING RESULTS AND IMPACTS TO  
7 STAKEHOLDERS AND THE LEGISLATURE BASED ON A MUTUALLY ESTABLISHED  
8 SET OF METRICS DESIGNED TO ASSURE MSU EXTENSION AND AGBIORESEARCH  
9 PROGRAMS ARE CONTRIBUTING TO THE GOALS DESCRIBED IN SUBSECTION  
10 (1) (A) TO (D).

11 (3) ~~(2)~~—Not later than September 30, ~~2012,~~ 2013, Michigan  
12 State University shall submit a report to the house and senate  
13 appropriations subcommittees on agriculture and on higher  
14 education, the house and senate standing committees on agriculture,  
15 the house and senate fiscal agencies, and the state budget director  
16 for the preceding school fiscal year detailing, but not limited to:

17 (a) Total funds expended by ~~the agricultural experiment~~  
18 ~~station~~ MSU AGBIORESEARCH and by ~~the cooperative~~ MSU extension  
19 service identified by state, local, private, federal, and  
20 university fund sources.

21 (B) THE METRIC GOALS THAT WERE USED TO EVALUATE THE IMPACTS OF  
22 PROGRAMS OPERATED BY MSU EXTENSION AND MSU AGBIORESEARCH. IT IS THE  
23 INTENT OF THE LEGISLATURE THAT THE FOLLOWING METRIC GOALS WILL BE  
24 USED TO EVALUATE THE IMPACTS OF THOSE PROGRAMS:

25 (i) INCREASING THE NUMBER OF AGRICULTURE AND FOOD-RELATED FIRMS  
26 COLLABORATING WITH AND USING SERVICES OF RESEARCH AND EXTENSION  
27 FACULTY AND STAFF BY 3% PER YEAR.



1           (ii) INCREASING THE NUMBER OF INDIVIDUALS UTILIZING MSU  
2 EXTENSION'S EDUCATIONAL SERVICES BY 5% PER YEAR.

3           (iii) INCREASING EXTERNAL FUNDS GENERATED IN SUPPORT OF RESEARCH  
4 AND EXTENSION, BEYOND STATE APPROPRIATIONS, BY 10% OVER THE AMOUNTS  
5 GENERATED IN THE PAST 3 STATE FISCAL YEARS.

6           (C) ~~(b)~~—A review of major programs within both the  
7 agricultural experiment station and the cooperative extension  
8 service with specific reference to accomplishments and impacts. MSU  
9 AGBIORESEARCH AND MSU EXTENSION WITH SPECIFIC REFERENCE TO  
10 ACCOMPLISHMENTS, IMPACTS, AND THE METRICS DESCRIBED IN SUBDIVISION  
11 (B), INCLUDING A SPECIFIC ACCOUNTING OF PROJECT GREEN EXPENDITURES  
12 AND THE IMPACT OF THOSE EXPENDITURES.

13           Sec. 264. Included in the appropriation in section 236 for  
14 Michigan State University is \$80,000.00 for the Michigan future  
15 farmers of America association. This \$80,000.00 ~~appropriation~~  
16 **ALLOCATION** shall not supplant any existing support that Michigan  
17 State University provides to the Michigan future farmers of America  
18 association.

19           Sec. 265. (1) ~~The amounts~~ **PAYMENTS FROM THE AMOUNT**  
20 appropriated in section ~~236~~ **236(3)** for public university tuition  
21 restraint incentives shall only be ~~paid~~ **MADE** to a public university  
22 that certifies to the state budget director by August 31, ~~2011~~ **2012**  
23 that its board did not adopt an increase in tuition and fee rates  
24 for resident undergraduate students after ~~February~~ **SEPTEMBER 1,**  
25 2011 for the ~~2010-2011~~ **2011-2012** academic year and that its board  
26 will not adopt an increase in tuition and fee rates for resident  
27 undergraduate students for the ~~2011-2012~~ **2012-2013** academic year

1 that is greater than ~~the calculated average of annual statewide~~  
2 ~~changes in tuition and fee rates for academic years 2006-2007~~  
3 ~~through 2010-2011, as determined by the state budget director.~~

4 **4.0%. As used in this subsection AND SUBSECTION (2):**

5 (a) ~~"Fee"~~**SUBJECT TO SUBDIVISION (C), "FEE"** means any board-  
6 authorized fee that will be paid by more than 1/2 of all resident  
7 undergraduate students at least once during their enrollment at a  
8 public university. A university increasing a fee that applies to a  
9 specific subset of students or courses shall provide sufficient  
10 information to prove that the increase applied to that subset will  
11 not cause the increase in the average amount of board-authorized  
12 total tuition and fees paid by resident undergraduate students in  
13 the ~~2011-2012-2012-2013~~ academic year to exceed the limit  
14 established in this subsection.

15 (b) "Tuition and fee rate" means the average of **FULL-TIME**  
16 rates for all undergraduate classes, based on ~~the highest board-~~  
17 ~~authorized rate for any semester during the academic year. AN~~  
18 **AVERAGE OF THE RATES AUTHORIZED BY THE UNIVERSITY BOARD AND**  
19 **ACTUALLY CHARGED TO STUDENTS, DEDUCTING ANY UNIFORMLY-REBATED OR**  
20 **REFUNDED AMOUNTS, FOR THE 2 SEMESTERS WITH THE HIGHEST LEVELS OF**  
21 **FULL-TIME EQUATED RESIDENT UNDERGRADUATE ENROLLMENT DURING THE**  
22 **ACADEMIC YEAR.**

23 (c) **FOR PURPOSES OF SUBDIVISION (A), FOR A PUBLIC UNIVERSITY**  
24 **THAT COMPELS RESIDENT UNDERGRADUATE STUDENTS TO BE COVERED BY**  
25 **HEALTH INSURANCE AS A CONDITION TO ENROLL AT THE UNIVERSITY, "FEE"**  
26 **INCLUDES THE ANNUAL AMOUNT A STUDENT IS CHARGED FOR COVERAGE BY THE**  
27 **UNIVERSITY-AFFILIATED GROUP HEALTH INSURANCE POLICY IF HE OR SHE**

1 DOES NOT PROVIDE PROOF THAT HE OR SHE IS OTHERWISE COVERED BY  
2 HEALTH INSURANCE. THIS SUBDIVISION DOES NOT APPLY TO LIMITED  
3 SUBSETS OF RESIDENT UNDERGRADUATE STUDENTS TO BE COVERED BY HEALTH  
4 INSURANCE FOR SPECIFIC REASONS OTHER THAN GENERAL ENROLLMENT AT THE  
5 UNIVERSITY.

6 (2) FOR PURPOSES OF SECTION 236(3), EACH PUBLIC UNIVERSITY'S  
7 ALLOCATION FOR TUITION RESTRAINT INCENTIVE SHALL BE DETERMINED AS  
8 FOLLOWS:

9 (A) CALCULATE AN ADJUSTMENT FOR EACH UNIVERSITY BY SUBTRACTING  
10 EACH UNIVERSITY'S REPORTED PERCENT CHANGE IN TUITION AND FEE RATES  
11 FOR ACADEMIC YEAR 2012-2013 FROM 4.1%. IF THE RESULT OF THE  
12 CALCULATION IN THIS SUBDIVISION IS LESS THAN 0.1%, THE UNIVERSITY  
13 IS NOT QUALIFIED TO RECEIVE AN ALLOCATION UNDER THIS SECTION. ALL  
14 CALCULATIONS UNDER THIS SUBDIVISION SHALL BE ROUNDED TO THE FIRST  
15 DECIMAL PLACE.

16 (B) FOR EACH QUALIFIED UNIVERSITY, DIVIDE THE UNIVERSITY'S  
17 ADJUSTMENT AS CALCULATED UNDER SUBDIVISION (A) BY THE SUM OF ALL  
18 ADJUSTMENTS FOR QUALIFYING UNIVERSITIES UNDER SUBDIVISION (A) AND  
19 THEN MULTIPLY THE RESULTING CALCULATION FOR EACH UNIVERSITY BY THE  
20 TOTAL AMOUNT AVAILABLE FOR TUITION RESTRAINT INCENTIVE FUNDING,  
21 ROUNDED TO THE NEAREST HUNDRED DOLLARS.

22 (3) ~~(2)~~—The state budget director shall implement uniform  
23 reporting requirements to ensure that a public university receiving  
24 an appropriation under section ~~236~~—236(3) has satisfied the tuition  
25 restraint requirements of this section. The state budget director  
26 shall have the sole authority to determine if a public university  
27 has met the requirements of this section. Information reported by a

1 public university to the state budget director under this  
2 subsection shall also be reported to the house and senate  
3 appropriations subcommittees on higher education and the house and  
4 senate fiscal agencies.

5 (4) ~~(3)~~ In conjunction with the uniform reporting requirements  
6 established under subsection ~~(2)~~, ~~(3)~~, each public university shall  
7 also report the following information to the house and senate  
8 appropriations subcommittees on higher education, the house and  
9 senate fiscal agencies, and the state budget director by August 31,  
10 ~~2011+2012~~:

11 (a) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and  
12 budgeted fiscal year ~~2011-2012-2012-2013~~ total general fund tuition  
13 and fee revenue.

14 (b) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and  
15 budgeted fiscal year ~~2011-2012-2012-2013~~ total general fund  
16 revenue.

17 (c) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and  
18 budgeted fiscal year ~~2011-2012-2012-2013~~ general fund expenditures  
19 for student financial aid.

20 (d) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and  
21 budgeted fiscal year ~~2011-2012-2012-2013~~ total general fund  
22 expenditures.

23 (e) Actual **OR ESTIMATED** fiscal year ~~2010-2011-2011-2012~~ and  
24 budgeted fiscal year ~~2011-2012-2012-2013~~ total fiscal year equated  
25 student enrollment.

26 **SEC. 265A. (1) APPROPRIATIONS TO PUBLIC UNIVERSITIES IN**  
27 **SECTION 236 FOR PERFORMANCE FUNDING SHALL BE PAID ONLY TO A PUBLIC**

1 UNIVERSITY THAT COMPLIES WITH ALL OF THE FOLLOWING REQUIREMENTS:

2 (A) THE UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR, THE  
3 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,  
4 AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2012, THAT,  
5 BY JANUARY 3, 2013, IT WILL BE PARTICIPATING IN REVERSE TRANSFER  
6 AGREEMENTS DESCRIBED IN SECTION 286 WITH AT LEAST 3 MICHIGAN  
7 COMMUNITY COLLEGES OR HAVE MADE A GOOD-FAITH EFFORT TO ENTER INTO  
8 REVERSE TRANSFER AGREEMENTS.

9 (B) THE UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR, THE  
10 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,  
11 AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2012, THAT,  
12 BY JANUARY 3, 2013, IT WILL NOT CONSIDER WHETHER DUAL ENROLLMENT  
13 CREDITS EARNED BY AN INCOMING STUDENT WERE UTILIZED TOWARDS HIS OR  
14 HER HIGH SCHOOL GRADUATION REQUIREMENTS WHEN MAKING A DETERMINATION  
15 AS TO WHETHER THOSE CREDITS MAY BE USED BY THE STUDENT TOWARD  
16 COMPLETION OF A UNIVERSITY DEGREE OR CERTIFICATE PROGRAM.

17 (C) THE UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR, THE  
18 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,  
19 AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2012 THAT  
20 THE UNIVERSITY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK  
21 CREATED AS PART OF THE MICHIGAN ASSOCIATION OF COLLEGIATE  
22 REGISTRARS AND ADMISSIONS OFFICERS TRANSFER AGREEMENT.

23 (2) ANY PERFORMANCE FUNDING AMOUNTS UNDER SECTION 236 THAT ARE  
24 NOT PAID TO A PUBLIC UNIVERSITY BECAUSE IT DID NOT COMPLY WITH 1 OR  
25 MORE REQUIREMENTS UNDER SUBSECTION (1) ARE UNAPPROPRIATED AND  
26 REAPPROPRIATED FOR TUITION RESTRAINT FUNDING DESCRIBED IN SECTION  
27 265.

1           (3) THE STATE BUDGET DIRECTOR SHALL REPORT TO THE HOUSE AND  
2 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION AND THE  
3 HOUSE AND SENATE FISCAL AGENCIES BY SEPTEMBER 17, 2012, REGARDING  
4 ANY PERFORMANCE FUNDING AMOUNTS NOT PAID TO A PUBLIC UNIVERSITY  
5 BECAUSE IT DID NOT COMPLY WITH 1 OR MORE REQUIREMENTS UNDER  
6 SUBSECTION (1) AND ANY REAPPROPRIATION OF FUNDS UNDER SUBSECTION  
7 (2).

8           (4) A UNIVERSITY THAT HAS NOT IMPLEMENTED THE POLICIES  
9 REQUIRED UNDER SUBSECTION (1) (A) AND (B) BY AUGUST 31, 2012, BUT  
10 CERTIFIES THAT IT WILL IMPLEMENT THOSE POLICIES BY JANUARY 3, 2013,  
11 SHALL RECERTIFY TO THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE  
12 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, AND THE HOUSE AND  
13 SENATE FISCAL AGENCIES BY JANUARY 3, 2013, THAT THE POLICIES HAVE  
14 BEEN FULLY IMPLEMENTED. FOR A UNIVERSITY THAT DOES NOT RECERTIFY  
15 THAT THE POLICIES HAVE BEEN FULLY IMPLEMENTED, THE PERFORMANCE  
16 FUNDING APPROPRIATED TO THAT UNIVERSITY IN SECTION 236 SHALL BE  
17 RETROACTIVELY WITHHELD AND UNAPPROPRIATED AND REAPPROPRIATED UNDER  
18 SUBSECTION (2).

19           Sec. 267. All public universities shall submit the amount of  
20 tuition and fees actually charged to a full-time resident  
21 undergraduate student for academic year ~~2011-2012-2012-2013~~ as part  
22 of their higher education institutional data inventory (HEIDI) data  
23 by August 31 ~~, 2011.~~ **OF EACH YEAR.** A public university shall report  
24 any revisions for any semester of the reported academic year ~~2011-~~  
25 ~~2012-2012-2013~~ tuition and fee charges to HEIDI within 15 days of  
26 being adopted.

27           Sec. 268. For the fiscal year ending September 30, ~~2012,~~ **2013,**

1 it is the intent of the legislature that funds be allocated for  
2 unfunded North American Indian tuition waiver costs incurred by  
3 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,  
4 from the general fund.

5       Sec. 269. ~~From~~**FOR FISCAL YEAR 2012-2013, FROM** the amount  
6 appropriated in section 236 to Central Michigan University for  
7 operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal  
8 College for the costs of waiving tuition for North American Indians  
9 under 1976 PA 174, MCL 390.1251 to 390.1253.

10       Sec. 270. ~~From~~**FOR FISCAL YEAR 2012-2013, FROM** the amount  
11 appropriated in section 236 to Lake Superior State University for  
12 operations, \$100,000.00 shall be paid to Bay Mills Community  
13 College for the costs of waiving tuition for North American Indians  
14 under 1976 PA 174, MCL 390.1251 to 390.1253.

15       Sec. 273. It is the intent of the legislature that each public  
16 university shall submit a report to the house and senate  
17 appropriations committees, the house and senate fiscal agencies,  
18 and the state budget director by October 15, ~~2011~~,**2012**, on the  
19 university's efforts to accommodate the sincerely held religious  
20 beliefs of students enrolled in accredited counseling degree  
21 programs at the university.

22       **SEC. 273A. (1) IT IS THE INTENT OF THE LEGISLATURE THAT A**  
23 **PUBLIC UNIVERSITY THAT RECEIVES FUNDS IN SECTION 236 SHALL NOT**  
24 **KNOWINGLY AND DIRECTLY USE ANY PORTION OF THOSE FUNDS TO BENEFIT A**  
25 **NONPROFIT WORKER TRAINING CENTER WHOSE DOCUMENTED ACTIVITIES**  
26 **INCLUDE COERCION THROUGH PROTEST, DEMONSTRATION, OR ORGANIZATION**  
27 **AGAINST A MICHIGAN BUSINESS.**

1           (2) THIS SECTION DOES NOT LIMIT THE RIGHT OF A NONPROFIT  
2 WORKER TRAINING CENTER AND THE STUDENTS OR FACULTY OF A PUBLIC  
3 UNIVERSITY TO COMMUNICATE OR TO PEACEABLY ASSEMBLE.

4           ~~Sec. 274. It is the intent of the legislature that each public~~  
5 ~~university that has received a donation of human embryos that is~~  
6 ~~subject to section 27 of article I of the state constitution of~~  
7 ~~1963, or that is conducting ongoing research using human embryonic~~  
8 ~~stem cells derived from donated human embryos pursuant to section~~  
9 ~~27 of article I of the state constitution of 1963, shall submit a~~  
10 ~~report to the director of the department of community health by~~  
11 ~~December 1, 2011 that includes all of the following:~~

12           ~~— (a) The number of human embryos and the number of human embryo~~  
13 ~~stem cell lines received by the university during fiscal year 2010-~~  
14 ~~2011.~~

15           ~~— (b) The number of human embryos utilized for research purposes~~  
16 ~~during fiscal year 2010-2011.~~

17           ~~— (c) The number of human embryo stem cell lines created from~~  
18 ~~the embryos received during fiscal year 2010-2011.~~

19           ~~— (d) The number of donated human embryos being held in storage~~  
20 ~~by the university as of September 30, 2011.~~

21           ~~— (e) The number of research projects using human embryonic stem~~  
22 ~~cells derived from donated embryos being conducted by the~~

23 ~~university.~~ IT IS THE INTENT OF THE LEGISLATURE THAT PUBLIC AND  
24 PRIVATE ORGANIZATIONS THAT CONDUCT HUMAN EMBRYONIC STEM CELL  
25 DERIVATION SUBJECT TO SECTION 27 OF ARTICLE I OF THE STATE  
26 CONSTITUTION OF 1963 WILL PROVIDE INFORMATION TO THE DIRECTOR OF  
27 THE DEPARTMENT OF COMMUNITY HEALTH BY DECEMBER 1, 2012 THAT



1 INCLUDES ALL OF THE FOLLOWING:

2 (A) DOCUMENTATION THAT THE ORGANIZATION CONDUCTING HUMAN  
3 EMBRYONIC STEM CELL DERIVATION IS CONDUCTING ITS ACTIVITIES IN  
4 COMPLIANCE WITH THE REQUIREMENTS OF SECTION 27 OF ARTICLE I OF THE  
5 STATE CONSTITUTION OF 1963 AND ALL RELEVANT NATIONAL INSTITUTES OF  
6 HEALTH GUIDELINES PERTAINING TO EMBRYONIC STEM CELL DERIVATION.

7 (B) A LIST OF ALL HUMAN EMBRYONIC STEM CELL LINES SUBMITTED BY  
8 THE ORGANIZATION TO THE NATIONAL INSTITUTES OF HEALTH FOR INCLUSION  
9 IN THE HUMAN EMBRYONIC STEM CELL REGISTRY BEFORE AND DURING FISCAL  
10 YEAR 2011-2012, AND THE STATUS OF EACH SUBMISSION AS APPROVED,  
11 PENDING APPROVAL, OR REVIEW COMPLETED BUT NOT YET ACCEPTED.

12 (C) NUMBER OF HUMAN EMBRYONIC STEM CELL LINES DERIVED AND NOT  
13 SUBMITTED FOR INCLUSION IN THE HUMAN EMBRYONIC STEM CELL REGISTRY,  
14 BEFORE AND DURING FISCAL YEAR 2011-2012.

15 Sec. 274a. (1) It is the intent of the legislature that a  
16 public university ~~receiving~~**THAT RECEIVES** funds in section 236 not  
17 provide health insurance or other fringe benefits for any adult  
18 coresident of an employee of the university who is not married to  
19 or a dependent of that employee or for any dependent of such an  
20 adult coresident.

21 (2) It is the intent of the legislature that each public  
22 university receiving funds in section 236 submit a report by  
23 December 1, ~~2011~~**2012** to the house and senate appropriations  
24 subcommittees on higher education, the house and senate fiscal  
25 agencies, and the state budget director containing the number of  
26 individuals described in subsection (1) who received health  
27 insurance or other fringe benefits provided by the university in

1 fiscal year ~~2010-2011~~**2011-2012** and the cost to the university of  
2 providing those benefits.

3 Sec. 275. (1) It is the intent of the legislature that each  
4 public university receiving an appropriation in section 236 do all  
5 of the following:

6 (a) Meet the provisions of section 5003 of the post-911  
7 veterans educational assistance act of 2008, ~~title V of Public Law~~  
8 ~~110-252,~~ 38 USC 3301 to 3324, including voluntary participation in  
9 the yellow ribbon GI education enhancement program established in  
10 that act in 38 USC 3317. By October 1 of each year, each public  
11 university shall report to the house and senate appropriations  
12 subcommittees on higher education, the house and senate fiscal  
13 agencies, and the presidents council, state universities of  
14 Michigan on whether or not it has chosen to participate in the  
15 yellow ribbon GI education enhancement program. If at any time  
16 during the fiscal year a university participating in the yellow  
17 ribbon program chooses to leave the yellow ribbon program, it shall  
18 notify the house and senate appropriations subcommittees on higher  
19 education, the house and senate fiscal agencies, and the presidents  
20 council, state universities of Michigan.

21 (b) Establish an on-campus veterans' liaison to provide  
22 information and assistance to all student veterans.

23 (c) Provide flexible enrollment application deadlines for all  
24 veterans.

25 (d) Include in its admission application process a specific  
26 question as to whether an applicant for admission is a veteran, an  
27 active member of the military, a member of the national guard or

1 military reserves, or the spouse or dependent of a veteran, active  
2 member of the military, or member of the national guard or military  
3 reserves, in order to more quickly identify potential educational  
4 assistance available to that applicant.

5 (2) As used in this section, "veteran" means an honorably  
6 discharged veteran entitled to educational assistance under the  
7 provisions of section 5003 of the post-911 veterans educational  
8 assistance act of 2008, ~~title V of Public Law 110-252,~~ 38 USC 3301  
9 to 3324.

10 Sec. 275a. Funds appropriated in section 236 shall not be used  
11 **BY A PUBLIC UNIVERSITY** to pay for the construction or maintenance  
12 of a self-liquidating project. A public university shall comply  
13 with the current use and finance requirements of the joint capital  
14 outlay subcommittee (JCOS) for any construction, renovation, or  
15 other capital outlay projects pursuant to JCOS policy. The  
16 appropriation in section 236 for a public university that fails to  
17 comply with JCOS reporting requirements shall be reduced by 1% for  
18 each violation.

19 Sec. 276. (1) Included in the appropriation **FOR FISCAL YEAR**  
20 **2012-2013** for each public university in section 236 is funding for  
21 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future  
22 faculty program that is intended to increase the pool of  
23 academically or economically disadvantaged candidates pursuing  
24 faculty teaching careers in postsecondary education. Preference may  
25 not be given to applicants on the basis of race, color, ethnicity,  
26 gender, or national origin. Institutions should encourage  
27 applications from applicants who would otherwise not adequately be

1 represented in the graduate student and faculty populations. Each  
2 public university shall apply the percentage change applicable to  
3 every public university in the calculation of appropriations in  
4 section 236 to the amount of funds allocated to the future faculty  
5 program.

6 (2) The program shall be administered by each public  
7 university in a manner prescribed by the workforce development  
8 agency. The workforce development agency shall use a good faith  
9 effort standard to evaluate whether a fellowship is in default.

10 Sec. 277. (1) Included in the appropriation **FOR FISCAL YEAR**  
11 **2012-2013** for each public university in section 236 is funding for  
12 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day  
13 program that is intended to introduce academically or economically  
14 disadvantaged schoolchildren to the potential of a college  
15 education. Preference may not be given to participants on the basis  
16 of race, color, ethnicity, gender, or national origin. Public  
17 universities should encourage participation from those who would  
18 otherwise not adequately be represented in the student population.

19 (2) Individual program plans of each public university shall  
20 include a budget of equal contributions from this program, the  
21 participating public university, the participating school district,  
22 and the participating independent degree-granting college. College  
23 day funds shall not be expended to cover indirect costs. Not more  
24 than 20% of the university match shall be attributable to indirect  
25 costs. Each public university shall apply the percentage change  
26 applicable to every public university in the calculation of  
27 appropriations in section 236 to the amount of funds allocated to

1 the college day program.

2 (3) The program described in this section shall be  
3 administered by each public university in a manner prescribed by  
4 the workforce development agency.

5 Sec. 278. (1) Included in section 236 **FOR FISCAL YEAR 2012-**  
6 **2013** is funding for the Martin Luther King, Jr. - Cesar Chavez -  
7 Rosa Parks select student support services program for developing  
8 academically or economically disadvantaged student retention  
9 programs for 4-year public and independent educational institutions  
10 in this state. Preference may not be given to participants on the  
11 basis of race, color, ethnicity, gender, or national origin.  
12 Institutions should encourage participation from those who would  
13 otherwise not adequately be represented in the student population.

14 (2) An award made under this program to any 1 institution  
15 shall not be greater than \$150,000.00, and the amount awarded shall  
16 be matched on a 70% state, 30% college or university basis.

17 (3) The program described in this section shall be  
18 administered by the workforce development agency.

19 Sec. 279. (1) Included in section 236 **FOR FISCAL YEAR 2012-**  
20 **2013** is funding for the Martin Luther King, Jr. - Cesar Chavez -  
21 Rosa Parks college/university partnership program between 4-year  
22 public and independent colleges and universities and public  
23 community colleges, which is intended to increase the number of  
24 academically or economically disadvantaged students who transfer  
25 from community colleges into baccalaureate programs. Preference may  
26 not be given to participants on the basis of race, color,  
27 ethnicity, gender, or national origin. Institutions should

1 encourage participation from those who would otherwise not  
2 adequately be represented in the transfer student population.

3 (2) The grants shall be made under the program described in  
4 this section to Michigan public and independent colleges and  
5 universities. An award to any 1 institution shall not be greater  
6 than \$150,000.00, and the amount awarded shall be matched on a 70%  
7 state, 30% college or university basis.

8 (3) The program described in this section shall be  
9 administered by the workforce development agency.

10 Sec. 280. (1) Included in the appropriation **FOR FISCAL YEAR**  
11 **2012-2013** for each public university in section 236 is funding for  
12 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting  
13 professors program which is intended to increase the number of  
14 instructors in the classroom to provide role models for  
15 academically or economically disadvantaged students. Preference may  
16 not be given to participants on the basis of race, color,  
17 ethnicity, gender, or national origin. Public universities should  
18 encourage participation from those who would otherwise not  
19 adequately be represented in the student population.

20 (2) The program described in this section shall be  
21 administered by the workforce development agency.

22 Sec. 281. (1) Included in the appropriation **FOR FISCAL YEAR**  
23 **2012-2013** in section 236 is funding under the Martin Luther King,  
24 Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr.  
25 educator development program which is intended to increase the  
26 number of academically or economically disadvantaged students who  
27 enroll in and complete K-12 teacher education programs at the

1 baccalaureate level. Preference may not be given to participants on  
2 the basis of race, color, ethnicity, gender, or national origin.  
3 Institutions should encourage participation from those who would  
4 otherwise not adequately be represented in the teacher education  
5 student population.

6 (2) The program described in this section shall be  
7 administered by each state-approved teacher education institution  
8 in a manner prescribed by the workforce development agency.

9 (3) Approved teacher education institutions may and are  
10 encouraged to use student support services funding in coordination  
11 with the Morris Hood, Jr. funding to achieve the goals of the  
12 program described in this section.

13 Sec. 282. Each institution receiving funds under section 278,  
14 279, or 281 shall notify the workforce development agency by April  
15 15, ~~2012~~—2013 as to whether it will expend by the end of its fiscal  
16 year the funds received under section 278, 279, or 281.

17 Notwithstanding the award limitations in sections 278 and 279, the  
18 amount of funding reported as not being expended will be  
19 reallocated to the institutions that intend to expend all funding  
20 received under section 278, 279, or 281.

21 Sec. 283. (1) From the amount appropriated in section 236, the  
22 public universities shall systematically inform Michigan high  
23 schools regarding the academic status of students from each high  
24 school in a manner prescribed by the presidents council, state  
25 universities of Michigan in cooperation with the Michigan  
26 association of secondary school principals. **PUBLIC UNIVERSITIES**  
27 **SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND**

1 **INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR**  
2 **ACCOMPLISHING THIS TASK.**

3 (2) The Michigan high schools shall systematically inform the  
4 public universities about the use of information received under  
5 this section in a manner prescribed by the Michigan association of  
6 secondary school principals in cooperation with the presidents  
7 council, state universities of Michigan.

8 Sec. 284. From the amount appropriated in section 236, the  
9 public universities shall inform Michigan community colleges  
10 regarding the academic status of community college transfer  
11 students in a manner prescribed by the presidents council, state  
12 universities of Michigan in cooperation with the Michigan community  
13 college association. **PUBLIC UNIVERSITIES SHALL ALSO WORK WITH THE**  
14 **CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND**  
15 **IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.**

16 Sec. 285. Public universities shall work with the state  
17 community colleges to encourage the transfer of students from the  
18 community colleges to the public universities and to facilitate the  
19 transfer of credits from the community colleges to ~~the~~**THOSE** public  
20 universities.

21 Sec. 286. It is the intent of the legislature that public  
22 universities work with community colleges in the state to implement  
23 statewide reverse transfer agreements to increase the number of  
24 students that are awarded credentials of value upon completion of  
25 the necessary credits. ~~In doing so, the institutions should work~~  
26 ~~collaboratively and cooperatively to remove administrative barriers~~  
27 ~~that result in understating the academic attainment of Michigan's~~



1 ~~citizens.~~ It is the intent of the legislature that ~~by August 1,~~  
2 ~~2012, THESE~~ statewide agreements are ~~in place between community~~  
3 ~~colleges and public universities that~~ **SHALL** enable students who  
4 have earned a significant number of credits at a community college  
5 and transfer to a baccalaureate granting institution before  
6 completing a degree to transfer the credits earned at the  
7 baccalaureate institution back to the community college in order to  
8 be awarded a credential of value.

9       Sec. 289. (1) The auditor general shall review higher  
10 education institutional data inventory (HEIDI) enrollment data  
11 submitted by all public universities **UNDER SECTION 241** and may  
12 perform audits of selected public universities if determined  
13 necessary. The review and audits shall be based upon the  
14 definitions, requirements, and uniform reporting categories  
15 established by the state budget director in consultation with the  
16 HEIDI advisory committee. The auditor general shall submit a report  
17 of findings to the house and senate appropriations committees and  
18 the state budget director no later than July 1 ~~, 2012.~~ **OF EACH YEAR.**

19       (2) Student credit hours reports shall not include the  
20 following:

21       (a) Student credit hours generated through instructional  
22 activity by faculty or staff in classrooms located outside  
23 Michigan, with the exception of instructional activity related to  
24 study-abroad programs or field programs.

25       (b) Student credit hours generated through distance learning  
26 instruction for students not eligible for the public university's  
27 in-state main campus resident tuition rate. However, in instances

1 where a student is enrolled in distance education and non-distance  
2 education credit hours in a given term and the student's non-  
3 distance education enrollment is at a campus or site located within  
4 Michigan, student credit hours per the student's eligibility for  
5 in-state or out-of-state tuition rates may be reported.

6 (c) Student credit hours generated through credit by  
7 examination.

8 (d) Student credit hours generated through inmate prison  
9 programs regardless of teaching location.

10 (e) Student credit hours generated in new degree programs  
11 after January 1, 1975, that have not been specifically authorized  
12 for funding by the legislature, except spin-off programs converted  
13 from existing core programs that do all of the following:

14 (i) Represent new options, fields, or concentrations within  
15 existing programs.

16 (ii) Are consistent with the current institutional role and  
17 mission.

18 (iii) Are accommodated within the continuing funding base of the  
19 public university.

20 (iv) Do not require a new degree level beyond that which the  
21 public university is currently authorized to grant within that  
22 discipline or field.

23 (v) Do not require funding from the state other than that  
24 provided by the student credit hours generated within the program,  
25 either before program initiation or within the first 3 years of  
26 program operation.

27 (3) The auditor general shall periodically audit higher

1 education institutional data inventory (HEIDI) data as submitted by  
 2 the public universities **UNDER SECTION 241** for compliance with the  
 3 definitions established by the state budget director in  
 4 consultation with the HEIDI advisory committee for the HEIDI  
 5 database.

6 (4) "Distance learning instruction" as used in subsection (2)  
 7 means instruction that occurs solely in other than a traditional  
 8 classroom setting where the student and instructor are in the same  
 9 physical location and for which a student receives course credits  
 10 and is charged tuition and fees. Examples of distance learning  
 11 instruction are instruction delivered solely through the Internet,  
 12 cable television, teleconference, or mail.

13 Sec. 290. (1) ~~Pursuant to~~ **FOR THE PURPOSES OF** section  
 14 289(2)(e), **THE LEGISLATURE AUTHORIZES THE** public universities ~~may~~  
 15 **TO** establish the following **NEW** degree programs:

16 (a) Bachelor's degree programs:

17 ~~— Central Michigan University, Athletic Training, B.S.A.T.~~

18 ~~— Grand Valley State University, Comprehensive Science and Arts  
 19 for Teaching (CSAT), B.A./B.S.~~

20 ~~— Northern Michigan University, Fisheries and Wildlife  
 21 Management, B.S.~~

22 ~~— Northern Michigan University, German Studies, Baccalaureate~~

23 ~~— Oakland University, Bachelor of Liberal Studies, B.A.~~

24 ~~— University of Michigan Dearborn, Bio Engineering, B.S.E.~~

25 ~~— University of Michigan Dearborn, Integrated Science, B.S.~~

26 ~~— University of Michigan Flint, Economics, B.S.~~

27 ~~— University of Michigan Flint, Energy and Sustainable Systems,~~

1 B.S.  
 2 ~~University of Michigan Flint, English with a Specialization in~~  
 3 ~~Linguistics, B.A.~~  
 4 ~~Wayne State University, Astronomy, B.A.~~  
 5 ~~Wayne State University, Biomedical Engineering, B.S.~~  
 6 CENTRAL MICHIGAN UNIVERSITY, COMPUTER ENGINEERING, B.S.  
 7 EASTERN MICHIGAN UNIVERSITY, INTERDISCIPLINARY ENVIRONMENTAL  
 8 SCIENCE AND SOCIETY PROGRAM, B.S.  
 9 FERRIS STATE UNIVERSITY, GRAPHIC MEDIA MANAGEMENT, B.S.  
 10 FERRIS STATE UNIVERSITY, HEALTH CARE MARKETING, B.S.  
 11 FERRIS STATE UNIVERSITY, INSURANCE AND RISK MANAGEMENT, B.S.  
 12 GRAND VALLEY STATE UNIVERSITY, RELIGIOUS STUDIES, B.A./B.S.  
 13 MICHIGAN TECHNOLOGICAL UNIVERSITY, ENGINEERING MANAGEMENT,  
 14 B.S.  
 15 OAKLAND UNIVERSITY, BIOMEDICAL SCIENCES, B.S.  
 16 OAKLAND UNIVERSITY, LIBERAL ARTS MAJOR IN CREATIVE WRITING,  
 17 B.A.  
 18 UNIVERSITY OF MICHIGAN - ANN ARBOR, ENVIRONMENTAL ENGINEERING,  
 19 B.S.E  
 20 UNIVERSITY OF MICHIGAN - DEARBORN, DIGITAL FORENSICS, B.S.  
 21 UNIVERSITY OF MICHIGAN - DEARBORN, READING - ELEMENTARY  
 22 CERTIFICATION, B.A.  
 23 WAYNE STATE UNIVERSITY, INSTRUCTIONAL TECHNOLOGY, B.A./B.S.  
 24 WESTERN MICHIGAN UNIVERSITY, JAPANESE, B.A.  
 25 WESTERN MICHIGAN UNIVERSITY, E-BUSINESS MARKETING, B.B.A.  
 26 WESTERN MICHIGAN UNIVERSITY, HEALTH INFORMATICS AND  
 27 INFORMATION MANAGEMENT, B.S./B.B.A.

1 (b) Master's degree programs:

2 ~~Eastern Michigan University, Teaching Secondary Mathematics,~~  
3 ~~M.A.~~

4 ~~Michigan State University, Education for the Health~~  
5 ~~Professions, M.A.~~

6 ~~Michigan State University, Marketing Research, M.S.~~

7 ~~Oakland University, Clinical Nurse Leadership, M.S.N.~~

8 ~~Oakland University, Master of Arts Communication, M.A.C.~~

9 ~~Oakland University, Mechatronics, M.S.~~

10 ~~University of Michigan Ann Arbor, Oral and Maxillofacial~~  
11 ~~Pathology Program, M.S.~~

12 ~~University of Michigan Flint, Master of Public Health, M.P.H.~~

13 ~~Wayne State University, Electric Drive Vehicle Engineering,~~  
14 ~~M.S.~~

15 ~~Western Michigan University, Engineering (Chemical), M.S.~~

16 **FERRIS STATE UNIVERSITY, INFORMATION SECURITY AND**  
17 **INTELLIGENCE, M.S.**

18 **MICHIGAN TECHNOLOGICAL UNIVERSITY, INTEGRATED GEOSPATIAL**  
19 **TECHNOLOGY, M.S.**

20 **MICHIGAN TECHNOLOGICAL UNIVERSITY, MEDICAL INFORMATICS, M.S.**

21 **OAKLAND UNIVERSITY, PSYCHOLOGY, M.S.**

22 **UNIVERSITY OF MICHIGAN - ANN ARBOR, ENTREPRENEURSHIP, MASTER'S**

23 **UNIVERSITY OF MICHIGAN - ANN ARBOR, JOINT MASTER'S DEGREE AND**

24 **GRADUATE CERTIFICATE PROGRAM IN HEALTH INFORMATICS, MASTER'S**

25 **UNIVERSITY OF MICHIGAN - ANN ARBOR, MASTER'S OF ENGINEERING IN**

26 **APPLIED CLIMATE, MASTER'S**

27 **UNIVERSITY OF MICHIGAN - ANN ARBOR, MASTER'S OF MEDICAL**

1 SCIENCE, M.M.S.

2 UNIVERSITY OF MICHIGAN - DEARBORN, BUSINESS ANALYTICS WITH A  
3 MAJOR IN BUSINESS ANALYTICS, M.S.

4 UNIVERSITY OF MICHIGAN - DEARBORN, SUPPLY CHAIN MANAGEMENT  
5 WITH MINOR IN SUPPLY CHAIN MANAGEMENT, M.S.

6 UNIVERSITY OF MICHIGAN - FLINT, ACCOUNTING, M.S.

7 UNIVERSITY OF MICHIGAN - FLINT, MASTER OF ARTS WITH  
8 CERTIFICATION PROGRAM, M.A.

9 UNIVERSITY OF MICHIGAN - FLINT, MATHEMATICS, M.A.

10 (c) Doctoral degree programs:

11 ~~Central Michigan University, Doctor of Medicine, M.D.~~

12 ~~Michigan Technological University, Environmental and Energy  
13 Policy, Ph.D.~~

14 ~~Michigan Technological University, Geophysics, Ph.D.~~

15 ~~Oakland University, Doctor of Medicine, M.D.~~

16 ~~University of Michigan Ann Arbor, Doctor of Nursing Practice,  
17 D.N.P.~~

18 ~~University of Michigan Ann Arbor, Doctoral Degree Granting  
19 Program in Cancer Biology, Doctoral~~

20 ~~University of Michigan Dearborn, Education Specialist, Ed.S.~~

21 ~~University of Michigan Flint, Doctor of Anesthesia Practice,  
22 Dr.A.P.~~

23 ~~University of Michigan Flint, Doctor of Occupational Therapy,  
24 Dr.O.T.~~

25 ~~Western Michigan University, Engineering and Applied Sciences,  
26 Ph.D.~~

27 MICHIGAN STATE UNIVERSITY, DOCTOR OF NURSING PRACTICE, D.N.P.

1 MICHIGAN STATE UNIVERSITY, EDUCATIONAL LEADERSHIP, ED.D.

2 MICHIGAN TECHNOLOGICAL UNIVERSITY, BIOCHEMISTRY AND MOLECULAR  
3 BIOLOGY, PH.D.

4 NORTHERN MICHIGAN UNIVERSITY, DOCTOR OF NURSING PRACTICE,  
5 D.N.P.

6 OAKLAND UNIVERSITY, EARLY EDUCATION AND INTERVENTION, ED.S.

7 OAKLAND UNIVERSITY, PSYCHOLOGY, PH.D.

8 SAGINAW VALLEY STATE UNIVERSITY, DOCTOR OF NURSING PRACTICE,  
9 D.N.P.

10 UNIVERSITY OF MICHIGAN - ANN ARBOR, NUTRITIONAL SCIENCES,  
11 PH.D.

12 (2) The listing of degree programs in subsection (1) does not  
13 constitute legislative intent to provide additional dollars for  
14 those programs.

15 (3) When submitting the listing of new degree programs for  
16 purposes of section 289(2)(e), the presidents council of state  
17 universities shall also provide a listing of degree programs that  
18 institutions of higher education will no longer offer in subsequent  
19 academic years.

20 Sec. 291. The auditor general may conduct performance audits  
21 of public universities receiving funds in section 236 ~~during the~~  
22 ~~fiscal year ending September 30, 2012~~ as the auditor general  
23 considers necessary.

24 Sec. 293. A public university ~~receiving~~ **THAT RECEIVES** funds  
25 under this article and also subject to the family educational  
26 rights and privacy act, ~~(FERPA)~~, 20 USC 1232g, 34 CFR part 99,  
27 shall, when requested, provide information from the records of a

1 student to any ~~person or persons~~ **INDIVIDUAL OR INDIVIDUALS** to whom  
2 the student has authorized disclosure on a written consent form  
3 pursuant to 34 CFR 99.30.

4       **SEC. 293A. IT IS THE INTENT OF THE LEGISLATURE THAT FISCAL**  
5 **YEAR 2012-2013 APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY,**  
6 **MANAGEMENT, AND BUDGET FOR STATE BUILDING AUTHORITY RENT BE**  
7 **PROVIDED FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY CONSTRUCTED**  
8 **CAPITAL PROJECTS FOR PUBLIC UNIVERSITIES. THESE APPROPRIATIONS FOR**  
9 **STATE BUILDING AUTHORITY RENT REPRESENT ADDITIONAL STATE GENERAL**  
10 **FUND SUPPORT PROVIDED TO PUBLIC UNIVERSITIES, AND THE FOLLOWING IS**  
11 **AN ESTIMATE OF THE AMOUNT OF THAT SUPPORT TO EACH UNIVERSITY:**

- 12       (A) CENTRAL MICHIGAN UNIVERSITY, \$9,100,100.00.  
13       (B) EASTERN MICHIGAN UNIVERSITY, \$5,203,100.00.  
14       (C) FERRIS STATE UNIVERSITY, \$6,322,100.00.  
15       (D) GRAND VALLEY STATE UNIVERSITY, \$4,251,000.00.  
16       (E) LAKE SUPERIOR STATE UNIVERSITY, \$910,000.00.  
17       (F) MICHIGAN STATE UNIVERSITY, \$16,096,000.00.  
18       (G) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,645,600.00.  
19       (H) NORTHERN MICHIGAN UNIVERSITY, \$7,450,000.00.  
20       (I) OAKLAND UNIVERSITY, \$10,726,000.00.  
21       (J) SAGINAW VALLEY STATE UNIVERSITY, \$9,774,000.00.  
22       (K) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,156,100.00.  
23       (L) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,294,000.00.  
24       (M) UNIVERSITY OF MICHIGAN - FLINT, \$2,854,100.00.  
25       (N) WAYNE STATE UNIVERSITY, \$13,000,100.00.  
26       (O) WESTERN MICHIGAN UNIVERSITY, \$15,264,000.00.

27 Enacting section 1. (1) In accordance with section 30 of



1 article I of the state constitution of 1963, under article I of the  
2 state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896,  
3 as amended by this amendatory act and by 2012 PA 29, 2011 PA 62,  
4 and 2011 PA 299, total state spending on school aid from state  
5 sources for fiscal year 2011-2012 is estimated at  
6 \$11,088,852,800.00 and state appropriations for school aid to be  
7 paid to local units of government for fiscal year 2011-2012 are  
8 estimated at \$10,839,921,300.00; and total state spending on school  
9 aid from state sources for fiscal year 2012-2013 is estimated at  
10 \$11,243,487,100.00 and state appropriations for school aid to be  
11 paid to local units of government for fiscal year 2012-2013 are  
12 estimated at \$10,934,991,200.00.

13 (2) In accordance with section 30 of article IX of the state  
14 constitution of 1963, total state spending from state sources for  
15 community colleges for fiscal year 2012-2013 under article II is  
16 estimated at \$294,130,500.00 and the amount of that state spending  
17 from state sources to be paid to local units of government for  
18 fiscal year 2012-2013 is estimated at \$294,130,500.00.

19 (3) In accordance with section 30 of article IX of the state  
20 constitution of 1963, total state spending from state sources for  
21 higher education for fiscal year 2012-2013 under article III of the  
22 state school aid act of 1979, 1979 PA 94, as amended by this  
23 amendatory act, is estimated at \$1,302,194,000.00 and the amount of  
24 that state spending from state sources to be paid to local units of  
25 government for fiscal year 2012-2013 is estimated at \$0.

26 Enacting section 2. Sections 22e, 23, 25a, 25b, 25c, 32b, 32j,  
27 40, 211, 214, 237a, 240, 262, 266, 270a, 271, 272, 292, and 294 of

1 the state school aid act of 1979, 1979 PA 94, MCL 388.1622e,  
2 388.1623, 388.1625a, 388.1625b, 388.1625c, 388.1632b, 388.1632j,  
3 388.1640, 388.1811, 388.1814, 388.1837a, 388.1840, 388.1862,  
4 388.1866, 388.1870a, 388.1871, 388.1872, 388.1892, and 388.1894,  
5 are repealed effective October 1, 2012.

6 Enacting section 3. (1) Except as otherwise provided in  
7 subsection (2), this amendatory act takes effect October 1, 2012.

8 (2) Sections 11, 11m, 18, 22a, 26a, 26b, 51a, 51c, 225, 252,  
9 265, 265a, and 267 of the state school aid act of 1979, 1979 PA 94,  
10 MCL 388.1611, 388.1611m, 388.1618, 388.1622a, 388.1626a, 388.1626b,  
11 388.1651a, 388.1651c, 388.1825, 388.1852, 388.1865, 388.1865a, and  
12 388.1867, as amended by this amendatory act, and section 26c as  
13 added by this amendatory act, take effect upon enactment of this  
14 amendatory act.