

**SUBSTITUTE FOR
SENATE BILL NO. 183**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20,
20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32b,
32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81,
93, 94a, 98, 99, 101, 104, 107, 109, 147, and 152a (MCL 388.1603,
388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k,
388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a,
388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c,
388.1626a, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d,
388.1632j, 388.1639, 388.1639a, 388.1640, 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, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 101, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, and by adding sections 12, 22f, and 166f; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

9 (4) "Cooperative education program" means a written voluntary
10 agreement between and among districts to provide certain
11 educational programs for pupils in certain groups of districts. The
12 written agreement shall be approved by all affected districts at
13 least annually and shall specify the educational programs to be
14 provided and the estimated number of pupils from each district who
15 will participate in the educational programs.

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

3 (6) "District" means a local school district established under
4 the revised school code or, except in sections 6(4), 6(6), 13, 20,
5 22a, 23, ~~29~~, 31a, 51a(15), 105, 105c, and 166b, a public school
6 academy. Except in sections 6(4), 6(6), 13, 20, 22a, ~~29~~, 51a(15),
7 105, 105c, and 166b, district also includes a university school.

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

20 (8) "District superintendent" means the superintendent of a
21 district, the chief administrator of a public school academy, or
22 the chief administrator of a university school.

23 Sec. 6. (1) "Center program" means a program operated by a
24 district or by an intermediate district for special education
25 pupils from several districts in programs for pupils with autism
26 spectrum disorder, pupils with severe cognitive impairment, pupils
27 with moderate cognitive impairment, pupils with severe multiple

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

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

18 (3) "District and high school graduation report" means a
19 report of the number of pupils, excluding adult participants, in
20 the district for the immediately preceding school year, adjusted
21 for those pupils who have transferred into or out of the district
22 or high school, who leave high school with a diploma or other
23 credential of equal status.

24 (4) "Membership", except as otherwise provided in this act,
25 means for a district, public school academy, university school, or
26 intermediate district the sum of the product of ~~.75~~.90 times the
27 number of full-time equated pupils in grades K to 12 actually

1 enrolled and in regular daily attendance on the pupil membership
2 count day for the current school year, plus the product of ~~.25~~.10
3 times the final audited count from the supplemental count day for
4 the immediately preceding school year. All pupil counts used in
5 this subsection are as determined by the department and calculated
6 by adding the number of pupils registered for attendance plus
7 pupils received by transfer and minus pupils lost as defined by
8 rules promulgated by the superintendent, and as corrected by a
9 subsequent department audit. For the purposes of this section and
10 section 6a, for a school of excellence that is a cyber school, as
11 defined in section 551 of the revised school code, MCL 380.551, and
12 is in compliance with section 553a of the revised school code, MCL
13 380.553a, a pupil's participation in the cyber school's educational
14 program is considered regular daily attendance. The amount of the
15 foundation allowance for a pupil in membership is determined under
16 section 20. In making the calculation of membership, all of the
17 following, as applicable, apply to determining the membership of a
18 district, public school academy, university school, or intermediate
19 district:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (A) Is enrolled in a public school academy or an alternative
23 education high school diploma program, that is primarily focused on
24 educating homeless pupils and that is located in a city with a
25 population of more than ~~<<750,000-500,000>>~~.

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

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

3 (m) An individual who has obtained a high school diploma shall
4 not be counted in membership. An individual who has obtained a
5 general educational development (G.E.D.) certificate shall not be
6 counted in membership **UNLESS THE INDIVIDUAL IS A STUDENT WITH A**
7 **DISABILITY AS DEFINED IN R 340.1702 OF THE MICHIGAN ADMINISTRATIVE**
8 **CODE**. An individual participating in a job training program funded
9 under former section 107a or a jobs program funded under former
10 section 107b, administered by the Michigan strategic fund or the
11 ~~<<department of energy, labor, and economic growth~~ **WORKFORCE**
DEVELOPMENT AGENCY>>, or participating
12 in any successor of either of those 2 programs, shall not be
13 counted in membership.

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

26 (i) If the public school academy provides instruction for at
27 least 1/2 of the class hours specified in subdivision (q), the

1 public school academy shall receive as its prorated share of the
2 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 provides divided by the number of hours specified in
5 subdivision (q) for full-time equivalency, and the remainder of the
6 full-time membership for each of those pupils shall be allocated to
7 the district or intermediate district providing the remainder of
8 the hours of instruction.

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

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

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

26 (q) The number of class hours used to calculate full-time
27 equated memberships shall be consistent with section 101(3). In

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

7 (r) ~~Except as otherwise provided in this subdivision, full-~~
8 ~~time-~~**FULL-TIME** equated memberships for pupils in kindergarten shall
9 be determined by dividing the number of class hours scheduled and
10 provided per year per kindergarten pupil by ~~a number equal to 1/2~~
11 the **SAME** number used for determining full-time equated memberships
12 for pupils in grades 1 to 12.

13 (s) For a district, university school, or public school
14 academy that has pupils enrolled in a grade level that was not
15 offered by the district, university school, or public school
16 academy in the immediately preceding school year, the number of
17 pupils enrolled in that grade level to be counted in membership is
18 the average of the number of those pupils enrolled and in regular
19 daily attendance on the pupil membership count day and the
20 supplemental count day of the current school year, as determined by
21 the department. Membership shall be calculated by adding the number
22 of pupils registered for attendance in that grade level on the
23 pupil membership count day plus pupils received by transfer and
24 minus pupils lost as defined by rules promulgated by the
25 superintendent, and as corrected by subsequent department audit,
26 plus the final audited count from the supplemental count day for
27 the current school year, and dividing that sum by 2.

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

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

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

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

27 (iii) Course content is comparable to that in the district's

1 alternative education program.

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

4 (v) A pupil enrolled in an alternative or disciplinary
5 education program described in section 25 shall be counted in
6 membership in the district or public school academy that is
7 educating the pupil.

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

15 (x) For a public school academy that has been in operation for
16 at least 2 years and that suspended operations for at least 1
17 semester and is resuming operations, membership is the sum of the
18 product of ~~.75~~.90 times the number of full-time equated pupils in
19 grades K to 12 actually enrolled and in regular daily attendance on
20 the first pupil membership count day or supplemental count day,
21 whichever is first, occurring after operations resume, plus the
22 product of ~~.25~~.10 times the final audited count from the most
23 recent pupil membership count day or supplemental count day that
24 occurred before suspending operations, as determined by the
25 superintendent.

26 (y) If a district's membership for a particular fiscal year,
27 as otherwise calculated under this subsection, would be less than

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

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

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

21 (z) If a public school academy that is not in its first or
22 second year of operation closes at the end of a school year and
23 does not reopen for the next school year, the department shall
24 adjust the membership count of the district in which a former pupil
25 of the public school academy enrolls and is in regular daily
26 attendance for the next school year to ensure that the district
27 receives the same amount of membership aid for the pupil as if the

1 pupil were counted in the district on the supplemental count day of
2 the preceding school year.

3 (aa) Full-time equated memberships for preprimary-aged special
4 education pupils who are not enrolled in kindergarten but are
5 enrolled in a classroom program under R 340.1754 of the Michigan
6 administrative code shall be determined by dividing the number of
7 class hours scheduled and provided per year by ~~450~~549. Full-time
8 equated memberships for preprimary-aged special education pupils
9 who are not enrolled in kindergarten but are receiving ~~nonclassroom~~
10 **EARLY CHILDHOOD SPECIAL EDUCATION** services under R 340.1755 of the
11 Michigan administrative code shall be determined by dividing the
12 number of hours of service scheduled and provided per year per
13 pupil by 180.

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

19 (cc) For the first year in which a pupil is counted in
20 membership on the pupil membership count day in a middle college
21 program, ~~described in section 64,~~ the membership is the average of
22 the full-time equated membership on the pupil membership count day
23 and on the supplemental count day for the current school year, as
24 determined by the department. If a pupil was counted by the
25 operating district on the immediately preceding supplemental count
26 day, the pupil shall be excluded from the district's immediately
27 preceding supplemental count for purposes of determining the

1 district's membership.

2 (dd) A district that educates a pupil who attends a United
3 States Olympic education center may count the pupil in membership
4 regardless of whether or not the pupil is a resident of this state.

5 (ee) A pupil enrolled in a district other than the pupil's
6 district of residence pursuant to section 1148(2) of the revised
7 school code, MCL 380.1148, shall be counted in the educating
8 district.

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

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

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

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

20 (c) A pupil enrolled in a public school academy or university
21 school.

22 (d) A pupil enrolled in a district other than the pupil's
23 district of residence under an intermediate district schools of
24 choice pilot program as described in section 91a or former section
25 91 if the intermediate district and its constituent districts have
26 been exempted from section 105.

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

1 district of residence if the pupil is enrolled in accordance with
2 section 105 or 105c.

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

17 (i) "At school" means in a classroom, elsewhere on school
18 premises, on a school bus or other school-related vehicle, or at a
19 school-sponsored activity or event whether or not it is held on
20 school premises.

21 (ii) "Serious assault" means an act that constitutes a felony
22 violation of chapter XI of the Michigan penal code, 1931 PA 328,
23 MCL 750.81 to 750.90g, or that constitutes an assault and
24 infliction of serious or aggravated injury under section 81a of the
25 Michigan penal code, 1931 PA 328, MCL 750.81a.

26 (g) A pupil whose district of residence changed after the
27 pupil membership count day and before the supplemental count day

1 and who continues to be enrolled on the supplemental count day as a
2 nonresident in the district in which he or she was enrolled as a
3 resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

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

18 (j) A pupil who is the child of a person who works at the
19 district or who is the child of a person who worked at the district
20 as of the time the pupil first enrolled in the district but who no
21 longer works at the district due to a workforce reduction. As used
22 in this subdivision, "child" includes an adopted child, stepchild,
23 or legal ward.

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

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

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

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

12 (o) A pupil who enrolls in a district other than the pupil's
13 district of residence as a result of the pupil's school not making
14 adequate yearly progress under the no child left behind act of
15 2001, Public Law 107-110.

16 (P) A VOCATIONAL JOB TRAINING PROGRAM OR ALTERNATIVE HIGH
17 SCHOOL DIPLOMA PROGRAM OPERATED BY A STATE LICENSED PROPRIETARY
18 SCHOOL OR A NONPROFIT CORPORATION.

19 (Q) A VOCATIONAL JOB TRAINING PROGRAM OR ALTERNATIVE HIGH
20 SCHOOL DIPLOMA PROGRAM OPERATED BY A STATE LICENSED PROPRIETARY
21 SCHOOL OR NONPROFIT CORPORATION IN CONJUNCTION WITH A DISTRICT.

22 (R) AN ALTERNATIVE EDUCATION PROGRAM OPERATED BY A DISTRICT IN
23 A CITY OR COUNTY JAIL.

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

1 district must have the approval of that other district to count
2 those pupils in membership.

3 (7) "Pupil membership count day" of a district or intermediate
4 district means:

5 (a) Except as provided in subdivision (b), the ~~fourth~~**FIRST**
6 Wednesday ~~after Labor day~~**IN OCTOBER** each school year or, for a
7 district or building in which school is not in session on that
8 Wednesday due to conditions not within the control of school
9 authorities, with the approval of the superintendent, the
10 immediately following day on which school is in session in the
11 district or building.

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

14 (i) Fourth Wednesday in July.

15 (ii) ~~Fourth~~**FIRST** Wednesday ~~after Labor day~~**IN OCTOBER**.

16 (iii) Second Wednesday in February.

17 (iv) Fourth Wednesday in April.

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

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

22 (9) "Rule" means a rule promulgated pursuant to the
23 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
24 24.328.

25 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
26 380.1852.

27 (11) "School district of the first class", "first class school

1 district", and "district of the first class" mean a district that
2 had at least 60,000 pupils in membership for the immediately
3 preceding fiscal year.

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

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

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

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

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

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

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

27 (19) "Textbook" means a book, **ELECTRONIC BOOK, OR OTHER**

Senate Bill No. 183 as amended April 27, 2011

1 **INSTRUCTIONAL PRINT OR ELECTRONIC RESOURCE** that is selected and
 2 approved by the governing board of a district and that contains a
 3 presentation of principles of a subject, or that is a literary work
 4 relevant to the study of a subject required for the use of
 5 classroom pupils, or another type of course material that forms the
 6 basis of classroom instruction.

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

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 ~~(5)~~, **(3)**, for the fiscal
 14 year ending September 30, ~~2011~~, **2012**, there is appropriated for the
 15 public schools of this state and certain other state purposes
 16 relating to education the sum of ~~\$10,937,260,500.00~~
 17 **<<\$10,528,263,800.00>>** from the state school aid fund and the sum of
 18 ~~\$18,642,400.00~~ **\$218,642,400.00** from the general fund. ~~For the~~
 19 ~~fiscal year ending September 30, 2011, there is also appropriated~~
 20 ~~the remaining balance of the federal funding awarded to this state~~
 21 ~~under title XIV of the American recovery and reinvestment act of~~
 22 ~~2009, Public Law 111-5, estimated at \$184,256,600.00, to be used~~
 23 ~~solely for the purpose of funding the primary funding formula~~
 24 ~~calculated under section 20, in accordance with federal law. In~~
 25 ~~addition, all other available federal funds, except those~~
 26 ~~otherwise appropriated under section 11p, are appropriated for the~~
 27 ~~fiscal year ending September 30, 2011.~~ **2012.**

1 (2) The appropriations under this section shall be allocated
2 as provided in this act. Money appropriated under this section from
3 the general fund shall be expended to fund the purposes of this act
4 before the expenditure of money appropriated under this section
5 from the state school aid fund. If the maximum amount appropriated
6 under this section from the state school aid fund for a fiscal year
7 exceeds the amount necessary to fully fund allocations under this
8 act from the state school aid fund, that excess amount shall not be
9 expended in that state fiscal year and shall not lapse to the
10 general fund, but instead shall be deposited into the school aid
11 stabilization fund created in section 11a. ~~For 2009-2010 only, if~~
12 ~~the department determines before bookclosing for the 2009-2010~~
13 ~~state fiscal year that the maximum amount appropriated under this~~
14 ~~section from the state school aid fund for 2009-2010 exceeds the~~
15 ~~amount necessary to fully fund allocations under this act from the~~
16 ~~state school aid fund for 2009-2010 and that state support for~~
17 ~~elementary and secondary education for 2009-2010 will fall below~~
18 ~~the level of support needed to comply with the maintenance of~~
19 ~~effort provisions under title XIV of the American recovery and~~
20 ~~reinvestment act of 2009, Public Law 111-5, then there is~~
21 ~~appropriated for 2009-2010 from the school aid stabilization fund~~
22 ~~an amount equal to \$30,000,000.00 or the amount that the department~~
23 ~~determines is necessary for the state support for elementary and~~
24 ~~secondary education to meet the level of support needed to comply~~
25 ~~with the maintenance of effort provisions under title XIV of the~~
26 ~~American recovery and reinvestment act of 2009, Public Law 111-5,~~
27 ~~whichever is greater. The department shall use any funds~~

1 ~~appropriated under this subsection as follows:~~

2 ~~—— (a) First, to allocate \$10,000,000.00 to provide funding to~~
 3 ~~each intermediate district in an amount equal to the product of~~
 4 ~~14.75% multiplied by the amount of funding allocated to that~~
 5 ~~intermediate district under section 81 for 2009-2010 under 2010 PA~~
 6 ~~110.~~

7 ~~—— (b) Second, to allocate the amount necessary, estimated at~~
 8 ~~\$10,000,000.00, to provide funding under this subdivision to~~
 9 ~~districts for which the amount of per pupil funding calculated and~~
 10 ~~allocated under section 11p(2) is less than \$154.00. The payment to~~
 11 ~~a district under this subdivision is an amount equal to the~~
 12 ~~difference between \$154.00 and the per pupil funding amount~~
 13 ~~calculated and allocated under section 11p(2) for the district,~~
 14 ~~multiplied by the district's 2010-2011 membership used for the~~
 15 ~~October 2010 payment.~~

16 ~~—— (c) Third, to allocate any remaining funds to reduce the~~
 17 ~~amount of the per pupil reduction under section 11d(1) for 2009-~~
 18 ~~2010.~~

19 (3) If the **COMBINED TOTAL OF THE** maximum amount appropriated
 20 under this section from the state school aid fund and the school
 21 aid stabilization fund **AND THE AMOUNT APPROPRIATED UNDER THE PUBLIC**
 22 **ACTS MAKING APPROPRIATIONS FOR COMMUNITY COLLEGES AND STATE**
 23 **UNIVERSITIES FROM THE STATE SCHOOL AID FUND** for a fiscal year
 24 exceeds the amount available for expenditure from the state school
 25 aid fund for that fiscal year, payments under sections 11f, 11g,
 26 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, and
 27 152a shall be made in full. In addition, for districts beginning

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

1 proration under this subsection. The legislature may prevent
2 proration from occurring by, within the 30 calendar day or 6
3 legislative session day period after that notification by the state
4 budget director, enacting legislation appropriating additional
5 funds from the general fund, countercyclical budget and economic
6 stabilization fund, state school aid fund balance, or another
7 source to fund the amount of the projected shortfall.

8 (4) If proration is necessary under subsection (3), the
9 department shall calculate the proration in district and
10 intermediate district payments that is required under subsection
11 (3), **AND THE DEPARTMENT OF TREASURY SHALL CALCULATE THE PRORATION**
12 **IN COMMUNITY COLLEGE AND STATE UNIVERSITY PAYMENTS THAT IS REQUIRED**
13 **UNDER SUBSECTION (3)**, as follows:

14 (a) The department **AND THE DEPARTMENT OF TREASURY** shall
15 calculate the percentage of total state school aid allocated under
16 this act **AND THE PUBLIC ACTS MAKING APPROPRIATIONS FOR COMMUNITY**
17 **COLLEGES AND STATE UNIVERSITIES** for the affected fiscal year for
18 each of the following:

19 (i) Districts.

20 (ii) Intermediate districts.

21 (iii) Entities **RECEIVING FUNDING UNDER THIS ACT** other than
22 districts or intermediate districts.

23 (iv) **COMMUNITY COLLEGES AND STATE UNIVERSITIES.**

24 (b) The department shall recover a percentage of the proration
25 amount required under subsection (3) that is equal to the
26 percentage calculated under subdivision (a) (i) for districts by
27 reducing payments to districts. This reduction shall be made by

1 calculating an equal dollar amount per pupil as necessary to
2 recover this percentage of the proration amount and reducing each
3 district's total state school aid from state sources, other than
4 payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f,
5 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.

6 (c) The department shall recover a percentage of the proration
7 amount required under subsection (3) that is equal to the
8 percentage calculated under subdivision (a) (ii) for intermediate
9 districts by reducing payments to intermediate districts. This
10 reduction shall be made by reducing the payments to each
11 intermediate district, other than payments under sections 11f, 11g,
12 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal
13 percentage basis.

14 (d) The department shall recover a percentage of the proration
15 amount required under subsection (3) that is equal to the
16 percentage calculated under subdivision (a) (iii) for entities
17 **RECEIVING FUNDING UNDER THIS ACT** other than districts and
18 intermediate districts by reducing payments to these entities. This
19 reduction shall be made by reducing the payments to each of these
20 entities, other than payments under sections 11j, 26a, and 26b, on
21 an equal percentage basis.

22 **(E) THE DEPARTMENT OF TREASURY SHALL RECOVER A PERCENTAGE OF**
23 **THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (3) THAT IS EQUAL TO**
24 **THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (iv) FOR COMMUNITY**
25 **COLLEGES AND STATE UNIVERSITIES THAT RECEIVE FUNDING FROM THE STATE**
26 **SCHOOL AID FUND BY REDUCING PAYMENTS TO THESE COMMUNITY COLLEGES**
27 **AND STATE UNIVERSITIES ON AN EQUAL PERCENTAGE BASIS.**

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

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

7 (2) The state treasurer may receive money or other assets from
8 any source for deposit into the school aid stabilization fund. The
9 state treasurer shall deposit into the school aid stabilization
10 fund all of the following:

11 (a) Unexpended and unencumbered state school aid fund revenue
12 for a fiscal year that remains in the state school aid fund as of
13 the bookclosing for that fiscal year.

14 (b) Money statutorily dedicated to the school aid
15 stabilization fund.

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

17 (3) Money available in the school aid stabilization fund may
18 not be expended without a specific appropriation from the school
19 aid stabilization fund. Money in the school aid stabilization fund
20 shall be expended only for purposes for which state school aid fund
21 money may be expended.

22 (4) The state treasurer shall direct the investment of the
23 school aid stabilization fund. The state treasurer shall credit to
24 the school aid stabilization fund interest and earnings from fund
25 investments.

26 (5) Money in the school aid stabilization fund at the close of
27 a fiscal year shall remain in the school aid stabilization fund and

1 shall not lapse to the unreserved school aid fund balance or the
2 general fund.

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

16 (7) For ~~2010-2011, 2011-2012~~, **IN ADDITION TO THE**
17 **APPROPRIATIONS IN SECTION 11**, there is appropriated from the school
18 aid stabilization fund to the state school aid fund the amount
19 necessary to fully fund the allocations under this act.

20 Sec. 11g. (1) From the appropriation in section 11, there is
21 allocated for this section an amount not to exceed \$39,000,000.00
22 for the fiscal year ending September 30, ~~2011-2012~~ and for each
23 succeeding fiscal year through the fiscal year ending September 30,
24 2015, after which these payments will cease. These allocations are
25 for paying the amounts described in subsection (3) to districts and
26 intermediate districts, other than those receiving a lump-sum
27 payment under section 11f(2), that were not plaintiffs in the

1 consolidated cases known as Durant v State of Michigan, Michigan
2 supreme court docket no. 104458-104492 and that, on or before March
3 2, 1998, submitted to the state treasurer a waiver resolution
4 described in section 11f. The amounts paid under this section
5 represent offers of settlement and compromise of any claim or
6 claims that were or could have been asserted by these districts and
7 intermediate districts, as described in this section.

8 (2) This section does not create any obligation or liability
9 of this state to any district or intermediate district that does
10 not submit a waiver resolution described in section 11f. This
11 section and any other provision of this act are not intended to
12 admit liability or waive any defense that is or would be available
13 to this state or its agencies, employees, or agents in any
14 litigation or future litigation with a district or intermediate
15 district regarding these claims or potential claims.

16 (3) The amount paid each fiscal year to each district or
17 intermediate district under this section shall be 1 of the
18 following:

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

23 (b) If the district or intermediate district borrows money and
24 issues bonds under section 11i, an amount in each fiscal year
25 calculated by the department of treasury that is equal to the debt
26 service amount in that fiscal year on the bonds issued by that
27 district or intermediate district under section 11i and that will

1 result in the total payments made to all districts and intermediate
2 districts in each fiscal year under this section being no more than
3 the amount appropriated under this section in each fiscal year.

4 (4) The entire amount of each payment under this section each
5 fiscal year shall be paid on May 15 of the applicable fiscal year
6 or on the next business day following that date. If a district or
7 intermediate district borrows money and issues bonds under section
8 11i, the district or intermediate district shall use funds received
9 under this section to pay debt service on bonds issued under
10 section 11i. If a district or intermediate district does not borrow
11 money and issue bonds under section 11i, the district or
12 intermediate district shall use funds received under this section
13 only for the following purposes, in the following order of
14 priority:

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

18 (b) Second, to pay debt service on other limited tax
19 obligations.

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

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

27 (6) A district or intermediate district may pledge or assign

1 payments under this section as security for bonds issued under
2 section 11i, but shall not otherwise pledge or assign payments
3 under this section.

4 Sec. 11j. From the appropriation in section 11, there is
5 allocated an amount not to exceed ~~\$5,167,800.00 for 2010-2011~~
6 **\$93,575,300.00 FOR 2011-2012** for payments to the school loan bond
7 redemption fund in the department of treasury on behalf of
8 districts and intermediate districts. Notwithstanding section 11 or
9 any other provision of this act, funds allocated under this section
10 are not subject to proration and shall be paid in full.

11 Sec. 11k. For ~~2010-2011,~~ **2011-2012**, there is appropriated from
12 the general fund to the school loan revolving fund an amount equal
13 to the amount of school bond loans assigned to the Michigan finance
14 authority, not to exceed the total amount of school bond loans held
15 in reserve as long-term assets. As used in this section, "school
16 loan revolving fund" means that fund created in section 16c of the
17 shared credit rating act, 1985 PA 227, MCL 141.1066c.

18 Sec. 11m. From the appropriations in section 11, there is
19 allocated for ~~2009-2010 an amount not to exceed \$12,000,000.00 and~~
20 ~~for 2010-2011 there is allocated~~ **2011-2012** an amount not to exceed
21 ~~\$45,000,000.00~~ **\$20,000,000.00** for fiscal year cash-flow borrowing
22 costs solely related to the state school aid fund established by
23 section 11 of article IX of the state constitution of 1963.

24 **SEC. 12. IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE**
25 **AND ALLOCATE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 THE SAME**
26 **AMOUNTS OF MONEY FROM THE SAME SOURCES FOR THE SAME PURPOSES AS ARE**
27 **APPROPRIATED AND ALLOCATED UNDER THIS ACT FOR THE FISCAL YEAR**

1 **ENDING SEPTEMBER 30, 2012, AS ADJUSTED FOR CHANGES IN PUPIL**
2 **MEMBERSHIP, TAXABLE VALUES, AND SPECIAL EDUCATION COSTS.**

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

19 (2) If the result of an audit conducted by or for the
20 department affects the current fiscal year membership, affected
21 payments shall be adjusted in the current fiscal year. A deduction
22 due to an adjustment made as a result of an audit conducted by or
23 for the department, or as a result of information obtained by the
24 department from the district, an intermediate district, the
25 department of treasury, or the office of auditor general, shall be
26 deducted from the district's apportionments when the adjustment is
27 finalized. At the request of the district and upon the district

1 presenting evidence satisfactory to the department of the hardship,
2 the department may grant up to an additional 4 years for the
3 adjustment if the district would otherwise experience a significant
4 hardship.

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

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

17 (5) In addition to funds appropriated in section 11 for all
18 programs and services, there is appropriated for ~~2010-2011-2011-~~
19 **2012** for obligations in excess of applicable appropriations an
20 amount equal to the collection of overpayments, but not to exceed
21 amounts available from overpayments.

22 Sec. 18. (1) Except as provided in another section of this
23 act, each district or other entity shall apply the money received
24 by the district or entity under this act to salaries and other
25 compensation of teachers and other employees, tuition,
26 transportation, lighting, heating, ventilation, water service, the
27 purchase of textbooks which are designated by the board to be used

1 in the schools under the board's charge, other supplies, and any
2 other school operating expenditures defined in section 7. However,
3 not more than 20% of the total amount received by a district under
4 article 2 or intermediate district under article 8 may be
5 transferred by the board to either the capital projects fund or to
6 the debt retirement fund for debt service. The money shall not be
7 applied or taken for a purpose other than as provided in this
8 section. The department shall determine the reasonableness of
9 expenditures and may withhold from a recipient of funds under this
10 act the apportionment otherwise due upon a violation by the
11 recipient.

12 (2) Within 30 days after a board adopts its annual operating
13 budget for the following school fiscal year, or after a board
14 adopts a subsequent revision to that budget, the district shall
15 make all of the following available through a link on its website
16 home page, or may make the information available through a link on
17 its intermediate district's website home page, in a form and manner
18 prescribed by the department:

19 (a) The annual operating budget and subsequent budget
20 revisions.

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

25 (i) A chart of personnel expenditures, broken into the
26 following subcategories:

27 (A) Salaries and wages.

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

4 (C) Retirement benefit costs.

5 (D) All other personnel costs.

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

8 (A) Instruction.

9 (B) Support services.

10 (C) Business and administration.

11 (D) Operations and maintenance.

12 (c) Links to all of the following:

13 (i) The current collective bargaining agreement for each
14 bargaining unit.

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

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

21 (iv) **THE BIDS REQUIRED UNDER SECTION 5 OF THE PUBLIC EMPLOYEE**
22 **HEALTH BENEFITS ACT, 2007 PA 106, MCL 124.75.**

23 (d) The total salary and a description and cost of each fringe
24 benefit included in the compensation package for the superintendent
25 of the district and for each employee of the district whose salary
26 exceeds \$100,000.00.

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

1 (f) The annual amount spent on lobbying or lobbying services.
2 As used in this subdivision, "lobbying" means that term as defined
3 in section 5 of 1978 PA 472, MCL 4.415.

4 (3) For the information required under subsection (2)(a),
5 (2)(b)(i), and (2)(c), an intermediate district shall provide the
6 same information in the same manner as required for a district
7 under subsection (2).

8 (4) For the purpose of determining the reasonableness of
9 expenditures and whether a violation of this act has occurred, all
10 of the following apply:

11 (a) The department shall require that each district and
12 intermediate district have an audit of the district's or
13 intermediate district's financial and pupil accounting records
14 conducted at least annually at the expense of the district or
15 intermediate district, as applicable, by a certified public
16 accountant or by the intermediate district superintendent, as may
17 be required by the department, or in the case of a district of the
18 first class by a certified public accountant, the intermediate
19 superintendent, or the auditor general of the city.

20 (b) If a district operates in a single building with fewer
21 than 700 full-time equated pupils, if the district has stable
22 membership, and if the error rate of the immediately preceding 2
23 pupil accounting field audits of the district is less than 2%, the
24 district may have a pupil accounting field audit conducted
25 biennially but must continue to have desk audits for each pupil
26 count. The auditor must document compliance with the audit cycle in
27 the pupil auditing manual. As used in this subdivision, "stable

1 membership" means that the district's membership for the current
2 fiscal year varies from the district's membership for the
3 immediately preceding fiscal year by less than 5%.

4 ~~—— (c) An intermediate district's annual financial audit shall be~~
5 ~~accompanied by the intermediate district's pupil accounting~~
6 ~~procedures report.~~

7 (C) ~~(d)~~ A district's or intermediate district's annual
8 financial audit shall include an analysis of the financial and
9 pupil accounting data used as the basis for distribution of state
10 school aid.

11 (D) ~~(e)~~ The pupil **AND FINANCIAL** accounting records and
12 reports, audits, and management letters are subject to requirements
13 established in the auditing and accounting manuals approved and
14 published by the department.

15 (E) ~~(f) Except as otherwise provided in this subsection, a ALL~~
16 **OF THE FOLLOWING SHALL BE DONE NOT LATER THAN NOVEMBER 15 EACH**
17 **YEAR:**

18 (i) A district shall file the annual financial audit reports
19 with the intermediate district ~~not later than 120 days after the~~
20 ~~end of each school fiscal year and the DEPARTMENT.~~

21 (ii) **THE INTERMEDIATE DISTRICT SHALL FILE THE ANNUAL FINANCIAL**
22 **AUDIT REPORTS FOR THE INTERMEDIATE DISTRICT WITH THE DEPARTMENT.**

23 (iii) **THE** intermediate district shall ~~forward the annual~~
24 ~~financial~~ **ENTER THE PUPIL MEMBERSHIP** audit reports for its
25 constituent districts and for the intermediate district, ~~and the~~
26 ~~pupil accounting procedures report~~ for the pupil membership count
27 day and supplemental count day, ~~to the department not later than~~

1 ~~November 15 of each year.~~ **IN THE MICHIGAN STUDENT DATA SYSTEM.**

2 (F) ~~(g)~~—The annual financial audit reports and pupil
3 accounting procedures reports shall be available to the public in
4 compliance with the freedom of information act, 1976 PA 442, MCL
5 15.231 to 15.246.

6 (G) ~~(h)~~—Not later than ~~December~~ **JANUARY** 31 of each year, the
7 department shall notify the state budget director and the
8 legislative appropriations subcommittees responsible for review of
9 the school aid budget of districts and intermediate districts that
10 have not filed an annual financial audit and pupil accounting
11 procedures report required under this section for the school year
12 ending in the immediately preceding fiscal year.

13 (5) By November 15 of each year, each district and
14 intermediate district shall submit to the center, in a manner
15 prescribed by the center, annual comprehensive financial data
16 consistent with accounting manuals and charts of accounts approved
17 and published by the department. For an intermediate district, the
18 report shall also contain the website address where the department
19 can access the report required under section 620 of the revised
20 school code, MCL 380.620. The department shall ensure that the
21 prescribed Michigan public school accounting manual chart of
22 accounts includes standard conventions to distinguish expenditures
23 by allowable fund function and object. The functions shall include
24 at minimum categories for instruction, pupil support, instructional
25 staff support, general administration, school administration,
26 business administration, transportation, facilities operation and
27 maintenance, facilities acquisition, and debt service; and shall

1 include object classifications of salary, benefits, including
2 categories for active employee health expenditures, purchased
3 services, supplies, capital outlay, and other. Districts shall
4 report the required level of detail consistent with the manual as
5 part of the comprehensive annual financial report. ~~The department~~
6 ~~shall make this information available online to districts and~~
7 ~~intermediate districts, and shall include per pupil amounts spent~~
8 ~~on instruction and instructional support service functions, and~~
9 ~~indicate how much of those costs were attributable to salaries.~~
10 ~~Districts and intermediate districts shall include a link on their~~
11 ~~websites to the website where the department posts this~~
12 ~~information.~~

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

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

21 (8) The department shall review its pupil accounting and pupil
22 auditing manuals at least annually and shall periodically update
23 those manuals to reflect changes in this act.

24 (9) If a district that is a public school academy purchases
25 property using money received under this act, the public school
26 academy shall retain ownership of the property unless the public
27 school academy sells the property at fair market value.

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

10 Sec. 20. (1) For ~~2009-2010 and for 2010-2011,~~ **2011-2012**, the
11 basic foundation allowance is ~~\$8,489.00~~ **\$8,149.00**.

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

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

19 (a) For a district that had a foundation allowance for the
20 immediately preceding state fiscal year that was at least equal to
21 the sum of \$7,108.00 plus the total dollar amount of all
22 adjustments made from 2006-2007 to the immediately preceding state
23 fiscal year in the lowest foundation allowance among all districts,
24 but less than the basic foundation allowance for the immediately
25 preceding state fiscal year, the district shall receive a
26 foundation allowance in an amount equal to the sum of the
27 district's foundation allowance for the immediately preceding state

1 fiscal year plus the difference between twice the dollar amount of
2 the adjustment from the immediately preceding state fiscal year to
3 the current state fiscal year made in the basic foundation
4 allowance and [(the dollar amount of the adjustment from the
5 immediately preceding state fiscal year to the current state fiscal
6 year made in the basic foundation allowance minus \$20.00) times
7 (the difference between the district's foundation allowance for the
8 immediately preceding state fiscal year and the sum of \$7,108.00
9 plus the total dollar amount of all adjustments made from 2006-2007
10 to the immediately preceding state fiscal year in the lowest
11 foundation allowance among all districts) divided by the difference
12 between the basic foundation allowance for the current state fiscal
13 year and the sum of \$7,108.00 plus the total dollar amount of all
14 adjustments made from 2006-2007 to the immediately preceding state
15 fiscal year in the lowest foundation allowance among all
16 districts]. For ~~2009-2010 and for 2010-2011, 2011-2012~~, for a
17 district that had a foundation allowance for the immediately
18 preceding state fiscal year that was at least equal to the sum of
19 \$7,108.00 plus the total dollar amount of all adjustments made from
20 2006-2007 to the immediately preceding state fiscal year in the
21 lowest foundation allowance among all districts, but less than the
22 basic foundation allowance for the immediately preceding state
23 fiscal year, the district shall receive a foundation allowance in
24 an amount equal to the district's foundation allowance for the
25 ~~immediately preceding state 2010-2011~~ fiscal year **MINUS \$340.00**.
26 However, the foundation allowance for a district that had less than
27 the basic foundation allowance for the immediately preceding state

1 fiscal year shall not exceed the basic foundation allowance for the
2 current state fiscal year.

3 (b) Except as otherwise provided in this subsection, for a
4 district that in the immediately preceding state fiscal year had a
5 foundation allowance in an amount at least equal to the amount of
6 the basic foundation allowance for the immediately preceding state
7 fiscal year, the district shall receive a foundation allowance in
8 an amount equal to the ~~sum of the district's foundation allowance~~
9 ~~for the immediately preceding state 2010-2011 fiscal year plus the~~
10 ~~dollar amount of the adjustment from the immediately preceding~~
11 ~~state fiscal year to the current state fiscal year in the basic~~
12 ~~foundation allowance MINUS \$340.00.~~

13 (c) Except as otherwise provided in **THIS SUBDIVISION AND**
14 subdivision (d), for a district that in the 1994-95 state fiscal
15 year had a foundation allowance greater than \$6,500.00, the
16 district's foundation allowance is an amount equal to the sum of
17 the district's foundation allowance for the immediately preceding
18 state fiscal year plus the lesser of the increase in the basic
19 foundation allowance for the current state fiscal year, as compared
20 to the immediately preceding state fiscal year, or the product of
21 the district's foundation allowance for the immediately preceding
22 state fiscal year times the percentage increase in the United
23 States consumer price index in the calendar year ending in the
24 immediately preceding fiscal year as reported by the May revenue
25 estimating conference conducted under section 367b of the
26 management and budget act, 1984 PA 431, MCL 18.1367b. **EXCEPT AS**
27 **OTHERWISE PROVIDED IN SUBDIVISION (D), FOR 2011-2012, FOR A**

1 DISTRICT THAT IN THE 1994-1995 STATE FISCAL YEAR HAD A FOUNDATION
2 ALLOWANCE GREATER THAN \$6,500.00, THE DISTRICT'S FOUNDATION
3 ALLOWANCE IS AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S
4 FOUNDATION ALLOWANCE FOR THE 2010-2011 FISCAL YEAR MINUS \$340.00.

5 (d) ~~If House Bill No. 6212 of the 95th Legislature is enacted~~
6 ~~into law, then beginning~~ BEGINNING in 2011-2012, for a district
7 that in the 1994-95 state fiscal year had a foundation allowance
8 greater than \$6,500.00 and that had a foundation allowance for the
9 2009-2010 state fiscal year, as otherwise calculated under this
10 section, that was less than the basic foundation allowance, the
11 district's foundation allowance for 2011-2012 and each succeeding
12 fiscal year shall be considered to be an amount equal to the basic
13 foundation allowance.

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

17 (f) For a district that received a payment under section 22c
18 as that section was in effect for 2001-2002, the district's 2001-
19 2002 foundation allowance shall be considered to have been an
20 amount equal to the sum of the district's actual 2001-2002
21 foundation allowance as otherwise calculated under this section
22 plus the per pupil amount of the district's equity payment for
23 2001-2002 under section 22c as that section was in effect for 2001-
24 2002.

25 (g) For a district that received a payment under section 22c
26 as that section was in effect for 2006-2007, the district's 2006-
27 2007 foundation allowance shall be considered to have been an

1 amount equal to the sum of the district's actual 2006-2007
2 foundation allowance as otherwise calculated under this section
3 plus the per pupil amount of the district's equity payment for
4 2006-2007 under section 22c as that section was in effect for 2006-
5 2007.

6 (4) Except as otherwise provided in this subsection, the state
7 portion of a district's foundation allowance is an amount equal to
8 the district's foundation allowance or the basic foundation
9 allowance for the current state fiscal year, whichever is less,
10 minus the difference between the sum of the product of the taxable
11 value per membership pupil of all property in the district that is
12 nonexempt property times the district's certified mills and, for a
13 district with certified mills exceeding 12, the product of the
14 taxable value per membership pupil of property in the district that
15 is commercial personal property times the certified mills minus 12
16 mills and the quotient of the ad valorem property tax revenue of
17 the district captured under tax increment financing acts divided by
18 the district's membership excluding special education pupils. For a
19 district described in subsection (3)(c), the state portion of the
20 district's foundation allowance is an amount equal to \$6,962.00
21 plus the difference between the district's foundation allowance for
22 the current state fiscal year and the district's foundation
23 allowance for 1998-99, minus the difference between the sum of the
24 product of the taxable value per membership pupil of all property
25 in the district that is nonexempt property times the district's
26 certified mills and, for a district with certified mills exceeding
27 12, the product of the taxable value per membership pupil of

1 property in the district that is commercial personal property times
2 the certified mills minus 12 mills and the quotient of the ad
3 valorem property tax revenue of the district captured under tax
4 increment financing acts divided by the district's membership
5 excluding special education pupils. For a district that has a
6 millage reduction required under section 31 of article IX of the
7 state constitution of 1963, the state portion of the district's
8 foundation allowance shall be calculated as if that reduction did
9 not occur. ~~For the purposes of state law, federal funding awarded~~
10 ~~to this state under title XIV of the American recovery and~~
11 ~~reinvestment act of 2009, Public Law 111-5, that is appropriated~~
12 ~~under section 11 and allocated under section 22b, is considered to~~
13 ~~be part of the state portion of a district's foundation allowance~~
14 ~~and is considered to be part of the total state school aid paid to~~
15 ~~a public school academy.~~

16 (5) The allocation calculated under this section for a pupil
17 shall be based on the foundation allowance of the pupil's district
18 of residence. However, for a pupil enrolled in a district other
19 than the pupil's district of residence, if the foundation allowance
20 of the pupil's district of residence has been adjusted pursuant to
21 subsection ~~(19)~~, ~~(17)~~, the allocation calculated under this section
22 shall not include the adjustment described in subsection ~~(19)~~-
23 ~~(17)~~. For a pupil enrolled pursuant to section 105 or 105c in a
24 district other than the pupil's district of residence, the
25 allocation calculated under this section shall be based on the
26 lesser of the foundation allowance of the pupil's district of
27 residence or the foundation allowance of the educating district.

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

9 (6) Subject to subsection (7) and except as otherwise provided
10 in this subsection, for pupils in membership, other than special
11 education pupils, in a public school academy or a university
12 school, the allocation calculated under this section is an amount
13 per membership pupil other than special education pupils in the
14 public school academy or university school equal to the foundation
15 allowance of the district in which the public school academy or
16 university school is located or the state maximum public school
17 academy allocation, whichever is less. However, a public school
18 academy or university school that had an allocation under this
19 subsection before 2009-2010 that was equal to the sum of the local
20 school operating revenue per membership pupil other than special
21 education pupils for the district in which the public school
22 academy or university school is located and the state portion of
23 that district's foundation allowance shall not have that allocation
24 reduced as a result of the 2010 amendment to this subsection.
25 Notwithstanding section 101, for a public school academy that
26 begins operations after the pupil membership count day, the amount
27 per membership pupil calculated under this subsection shall be

1 adjusted by multiplying that amount per membership pupil by the
2 number of hours of pupil instruction provided by the public school
3 academy after it begins operations, as determined by the
4 department, divided by the minimum number of hours of pupil
5 instruction required under section 101(3). The result of this
6 calculation shall not exceed the amount per membership pupil
7 otherwise calculated under this subsection.

8 (7) If more than 25% of the pupils residing within a district
9 are in membership in 1 or more public school academies located in
10 the district, then the amount per membership pupil calculated under
11 this section for a public school academy located in the district
12 shall be reduced by an amount equal to the difference between the
13 sum of the product of the taxable value per membership pupil of all
14 property in the district that is nonexempt property times the
15 district's certified mills and, for a district with certified mills
16 exceeding 12, the product of the taxable value per membership pupil
17 of property in the district that is commercial personal property
18 times the certified mills minus 12 mills and the quotient of the ad
19 valorem property tax revenue of the district captured under tax
20 increment financing acts divided by the district's membership
21 excluding special education pupils, in the school fiscal year
22 ending in the current state fiscal year, calculated as if the
23 resident pupils in membership in 1 or more public school academies
24 located in the district were in membership in the district. In
25 order to receive state school aid under this act, a district
26 described in this subsection shall pay to the authorizing body that
27 is the fiscal agent for a public school academy located in the

1 district for forwarding to the public school academy an amount
2 equal to that local school operating revenue per membership pupil
3 for each resident pupil in membership other than special education
4 pupils in the public school academy, as determined by the
5 department.

6 ~~—— (8) If a district does not receive an amount calculated under~~
7 ~~subsection (9); if the number of mills the district may levy on a~~
8 ~~principal residence, qualified agricultural property, qualified~~
9 ~~forest property, supportive housing property, industrial personal~~
10 ~~property, and commercial personal property under section 1211 of~~
11 ~~the revised school code, MCL 380.1211, is 0.5 mills or less; and if~~
12 ~~the district elects not to levy those mills, the district instead~~
13 ~~shall receive a separate supplemental amount calculated under this~~
14 ~~subsection in an amount equal to the amount the district would have~~
15 ~~received had it levied those mills, as determined by the department~~
16 ~~of treasury. A district shall not receive a separate supplemental~~
17 ~~amount calculated under this subsection for a fiscal year unless in~~
18 ~~the calendar year ending in the fiscal year the district levies the~~
19 ~~district's certified mills on property that is nonexempt property.~~

20 ~~—— (9) For a district that had combined state and local revenue~~
21 ~~per membership pupil in the 1993-94 state fiscal year of more than~~
22 ~~\$6,500.00 and that had fewer than 350 pupils in membership, if the~~
23 ~~district elects not to reduce the number of mills from which a~~
24 ~~principal residence, qualified agricultural property, qualified~~
25 ~~forest property, supportive housing property, industrial personal~~
26 ~~property, and commercial personal property are exempt and not to~~
27 ~~levy school operating taxes on a principal residence, qualified~~

1 ~~agricultural property, qualified forest property, supportive~~
2 ~~housing property, industrial personal property, and commercial~~
3 ~~personal property as provided in section 1211 of the revised school~~
4 ~~code, MCL 380.1211, and not to levy school operating taxes on all~~
5 ~~property as provided in section 1211(2) of the revised school code,~~
6 ~~MCL 380.1211, there is calculated under this subsection for 1994-95~~
7 ~~and each succeeding fiscal year a separate supplemental amount in~~
8 ~~an amount equal to the amount the district would have received per~~
9 ~~membership pupil had it levied school operating taxes on a~~
10 ~~principal residence, qualified agricultural property, qualified~~
11 ~~forest property, supportive housing property, industrial personal~~
12 ~~property, and commercial personal property at the rate authorized~~
13 ~~for the district under section 1211 of the revised school code, MCL~~
14 ~~380.1211, and levied school operating taxes on all property at the~~
15 ~~rate authorized for the district under section 1211(2) of the~~
16 ~~revised school code, MCL 380.1211, as determined by the department~~
17 ~~of treasury. If in the calendar year ending in the fiscal year a~~
18 ~~district does not levy the district's certified mills on property~~
19 ~~that is nonexempt property, the amount calculated under this~~
20 ~~subsection will be reduced by the same percentage as the millage~~
21 ~~actually levied compares to the district's certified mills.~~

22 (8) ~~(10)~~ Subject to subsection (4), for a district that is
23 formed or reconfigured after June 1, 2002 by consolidation of 2 or
24 more districts or by annexation, the resulting district's
25 foundation allowance under this section beginning after the
26 effective date of the consolidation or annexation shall be the
27 average of the foundation allowances of each of the original or

1 affected districts, calculated as provided in this section,
2 weighted as to the percentage of pupils in total membership in the
3 resulting district who reside in the geographic area of each of the
4 original or affected districts. ~~The calculation under this~~
5 ~~subsection shall take into account a district's per pupil~~
6 ~~allocation under section 20j(2).~~

7 (9) ~~(11)~~ Each fraction used in making calculations under this
8 section shall be rounded to the fourth decimal place and the dollar
9 amount of an increase in the basic foundation allowance shall be
10 rounded to the nearest whole dollar.

11 (10) ~~(12)~~ State payments related to payment of the foundation
12 allowance for a special education pupil are not calculated under
13 this section but are instead calculated under section 51a.

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

20 (a) The pupil membership factor shall be computed by dividing
21 the estimated membership in the school year ending in the current
22 state fiscal year, excluding intermediate district membership, by
23 the estimated membership for the school year ending in the
24 subsequent state fiscal year, excluding intermediate district
25 membership. If a consensus membership factor is not determined at
26 the revenue estimating conference, the principals of the revenue
27 estimating conference shall report their estimates to the house and

1 senate subcommittees responsible for school aid appropriations not
2 later than 7 days after the conclusion of the revenue conference.

3 (b) The revenue adjustment factor shall be computed by
4 dividing the sum of the estimated total state school aid fund
5 revenue for the subsequent state fiscal year plus the estimated
6 total state school aid fund revenue for the current state fiscal
7 year, adjusted for any change in the rate or base of a tax the
8 proceeds of which are deposited in that fund and excluding money
9 transferred into that fund from the countercyclical budget and
10 economic stabilization fund under the management and budget act,
11 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
12 total school aid fund revenue for the current state fiscal year
13 plus the estimated total state school aid fund revenue for the
14 immediately preceding state fiscal year, adjusted for any change in
15 the rate or base of a tax the proceeds of which are deposited in
16 that fund. If a consensus revenue factor is not determined at the
17 revenue estimating conference, the principals of the revenue
18 estimating conference shall report their estimates to the house and
19 senate subcommittees responsible for school aid appropriations not
20 later than 7 days after the conclusion of the revenue conference.

21 (c) The index shall be calculated by multiplying the pupil
22 membership factor by the revenue adjustment factor. However, for
23 ~~2009-2010 and for 2010-2011,~~ **2011-2012**, the index shall be ~~1.00~~
24 **0.95353**. If a consensus index is not determined at the revenue
25 estimating conference, the principals of the revenue estimating
26 conference shall report their estimates to the house and senate
27 subcommittees responsible for school aid appropriations not later

1 than 7 days after the conclusion of the revenue conference.

2 (12) ~~(14)~~—If the principals at the revenue estimating
3 conference reach a consensus on the index described in subsection
4 ~~(13)(e)~~ **(11)(C)**, the lowest foundation allowance among all
5 districts for the subsequent state fiscal year shall be at least
6 the amount of that consensus index multiplied by the lowest
7 foundation allowance among all districts for the immediately
8 preceding state fiscal year.

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

18 (14) ~~(16)~~ **For SUBJECT TO SUBSECTION (22), FOR** a district that
19 had combined state and local revenue per membership pupil in the
20 1993-94 state fiscal year of more than \$6,500.00, that had fewer
21 than 7 pupils in membership in the 1993-94 state fiscal year, that
22 has at least 1 child educated in the district in the current state
23 fiscal year, and that levies the number of mills of school
24 operating taxes authorized for the district under section 1211 of
25 the revised school code, MCL 380.1211, a minimum amount of combined
26 state and local revenue shall be calculated for the district as
27 provided under this subsection. The minimum amount of combined

1 state and local revenue for 1999-2000 shall be \$67,000.00 plus the
2 district's additional expenses to educate pupils in grades 9 to 12
3 educated in other districts as determined and allowed by the
4 department. The minimum amount of combined state and local revenue
5 under this subsection, before adding the additional expenses, shall
6 increase each fiscal year by the same percentage increase as the
7 percentage increase in the basic foundation allowance from the
8 immediately preceding fiscal year to the current fiscal year. The
9 state portion of the minimum amount of combined state and local
10 revenue under this subsection shall be calculated by subtracting
11 from the minimum amount of combined state and local revenue under
12 this subsection the sum of the district's local school operating
13 revenue and an amount equal to the product of the sum of the state
14 portion of the district's foundation allowance plus the amount
15 calculated under section 20j times the district's membership. As
16 used in this subsection, "additional expenses" means the district's
17 expenses for tuition or fees, not to exceed the basic foundation
18 allowance for the current state fiscal year, plus a room and board
19 stipend not to exceed \$10.00 per school day for each pupil in
20 grades 9 to 12 educated in another district, as approved by the
21 department.

22 (15) ~~(17) For~~ **SUBJECT TO SUBSECTION (22), FOR** a district in
23 which 7.75 mills levied in 1992 for school operating purposes in
24 the 1992-93 school year were not renewed in 1993 for school
25 operating purposes in the 1993-94 school year, the district's
26 combined state and local revenue per membership pupil shall be
27 recalculated as if that millage reduction did not occur and the

1 district's foundation allowance shall be calculated as if its 1994-
2 95 foundation allowance had been calculated using that recalculated
3 1993-94 combined state and local revenue per membership pupil as a
4 base. A district is not entitled to any retroactive payments for
5 fiscal years before 2000-2001 due to this subsection.

6 (16) ~~(18) For~~ **SUBJECT TO SUBSECTION (22), FOR** a district in
7 which an industrial facilities exemption certificate that abated
8 taxes on property with a state equalized valuation greater than the
9 total state equalized valuation of the district at the time the
10 certificate was issued or \$700,000,000.00, whichever is greater,
11 was issued under 1974 PA 198, MCL 207.551 to 207.572, before the
12 calculation of the district's 1994-95 foundation allowance, the
13 district's foundation allowance for 2002-2003 is an amount equal to
14 the sum of the district's foundation allowance for 2002-2003, as
15 otherwise calculated under this section, plus \$250.00.

16 (17) ~~(19) For~~ a district that received a grant under former
17 section 32e for 2001-2002, the district's foundation allowance for
18 2002-2003 and each succeeding fiscal year shall be adjusted to be
19 an amount equal to the sum of the district's foundation allowance,
20 as otherwise calculated under this section, plus the quotient of
21 100% of the amount of the grant award to the district for 2001-2002
22 under former section 32e divided by the number of pupils in the
23 district's membership for 2001-2002 who were residents of and
24 enrolled in the district. Except as otherwise provided in this
25 subsection, a district qualifying for a foundation allowance
26 adjustment under this subsection shall use the funds resulting from
27 this adjustment for at least 1 of grades K to 3 for purposes

1 allowable under former section 32e as in effect for 2001-2002. 7
2 ~~and may also use these funds for an early intervening program~~
3 ~~described in subsection (20).~~ For an individual school or schools
4 operated by a district qualifying for a foundation allowance under
5 this subsection that have been determined by the department to meet
6 the adequate yearly progress standards of the federal no child left
7 behind act of 2001, Public Law 107-110, in both mathematics and
8 English language arts at all applicable grade levels for all
9 applicable subgroups, the district may submit to the department an
10 application for flexibility in using the funds resulting from this
11 adjustment that are attributable to the pupils in the school or
12 schools. The application shall identify the affected school or
13 schools and the affected funds and shall contain a plan for using
14 the funds for specific purposes identified by the district that are
15 designed to reduce class size, but that may be different from the
16 purposes otherwise allowable under this subsection. The department
17 shall approve the application if the department determines that the
18 purposes identified in the plan are reasonably designed to reduce
19 class size. If the department does not act to approve or disapprove
20 an application within 30 days after it is submitted to the
21 department, the application is considered to be approved. If an
22 application for flexibility in using the funds is approved, the
23 district may use the funds identified in the application for any
24 purpose identified in the plan. **THE CUMULATIVE TOTAL PAYMENTS**
25 **RESULTING FROM THE ADJUSTMENT UNDER THIS SUBSECTION AND ALLOCATED**
26 **UNDER SECTION 22B SHALL NOT EXCEED \$100.00.**

27 ~~(20) An early intervening program that uses funds resulting~~

1 ~~from the adjustment under subsection (19) shall meet either or both~~
2 ~~of the following:~~

3 ~~—— (a) Shall monitor individual pupil learning for pupils in~~
4 ~~grades K to 3 and provide specific support or learning strategies~~
5 ~~to pupils in grades K to 3 as early as possible in order to reduce~~
6 ~~the need for special education placement. The program shall include~~
7 ~~literacy and numeracy supports, sensory motor skill development,~~
8 ~~behavior supports, instructional consultation for teachers, and the~~
9 ~~development of a parent/school learning plan. Specific support or~~
10 ~~learning strategies may include support in or out of the general~~
11 ~~classroom in areas including reading, writing, math, visual memory,~~
12 ~~motor skill development, behavior, or language development. These~~
13 ~~would be provided based on an understanding of the individual~~
14 ~~child's learning needs.~~

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

1 **(18)** ~~(21) For~~ **SUBJECT TO SUBSECTION (22), FOR** a district that
2 levied 1.9 mills in 1993 to finance an operating deficit, the
3 district's foundation allowance shall be calculated as if those
4 mills were included as operating mills in the calculation of the
5 district's 1994-1995 foundation allowance. A district is not
6 entitled to any retroactive payments for fiscal years before 2006-
7 2007 due to this subsection. A district receiving an adjustment
8 under this subsection shall not receive more than \$800,000.00 for a
9 fiscal year as a result of this adjustment.

10 **(19)** ~~(22) For~~ **SUBJECT TO SUBSECTION (22), FOR** a district that
11 levied 2.23 mills in 1993 to finance an operating deficit, the
12 district's foundation allowance shall be calculated as if those
13 mills were included as operating mills in the calculation of the
14 district's 1994-1995 foundation allowance. A district is not
15 entitled to any retroactive payments for fiscal years before 2006-
16 2007 due to this subsection. A district receiving an adjustment
17 under this subsection shall not receive more than \$500,000.00 for a
18 fiscal year as a result of this adjustment.

19 **(20)** ~~(23)~~ Payments to districts, university schools, or public
20 school academies shall not be made under this section. Rather, the
21 calculations under this section shall be used to determine the
22 amount of state payments under section 22b.

23 **(21)** ~~(24)~~ If an amendment to section 2 of article VIII of the
24 state constitution of 1963 allowing state aid to some or all
25 nonpublic schools is approved by the voters of this state, each
26 foundation allowance or per pupil payment calculation under this
27 section may be reduced.

1 (22) THE CUMULATIVE TOTAL PAYMENTS RESULTING FROM THE
2 ADJUSTMENTS UNDER SUBSECTIONS (14), (15), (16), (18), AND (19) AND
3 ALLOCATED UNDER SECTION 22B SHALL NOT EXCEED \$100.00.

4 (23) ~~(26)~~—As used in this section:

5 (a) "Certified mills" means the lesser of 18 mills or the
6 number of mills of school operating taxes levied by the district in
7 1993-94.

8 (b) "Combined state and local revenue" means the aggregate of
9 the district's state school aid received by or paid on behalf of
10 the district under this section and the district's local school
11 operating revenue.

12 (c) "Combined state and local revenue per membership pupil"
13 means the district's combined state and local revenue divided by
14 the district's membership excluding special education pupils.

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

17 (e) "Immediately preceding state fiscal year" means the state
18 fiscal year immediately preceding the current state fiscal year.

19 (f) "Local school operating revenue" means school operating
20 taxes levied under section 1211 of the revised school code, MCL
21 380.1211.

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

25 (h) "Maximum public school academy allocation", except as
26 otherwise provided in this subdivision, means the maximum per-pupil
27 allocation as calculated by adding the highest per-pupil allocation

1 among all public school academies for the immediately preceding
2 state fiscal year plus the difference between twice the dollar
3 amount of the adjustment from the immediately preceding state
4 fiscal year to the current state fiscal year made in the basic
5 foundation allowance and [(the dollar amount of the adjustment from
6 the immediately preceding state fiscal year to the current state
7 fiscal year made in the basic foundation allowance minus \$20.00)
8 times (the difference between the highest per-pupil allocation
9 among all public school academies for the immediately preceding
10 state fiscal year and the sum of \$7,108.00 plus the total dollar
11 amount of all adjustments made from 2006-2007 to the immediately
12 preceding state fiscal year in the lowest per-pupil allocation
13 among all public school academies) divided by the difference
14 between the basic foundation allowance for the current state fiscal
15 year and 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 per-pupil allocation among all public
18 school academies]. For ~~2009-2010 and 2010-2011, 2011-2012~~, maximum
19 public school academy allocation means ~~\$7,580.00~~ **\$7,240.00**.

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

23 (j) "Nonexempt property" means property that is not a
24 principal residence, qualified agricultural property, qualified
25 forest property, supportive housing property, industrial personal
26 property, or commercial personal property.

27 (k) "Principal residence", "qualified agricultural property",

1 "qualified forest property", "supportive housing property",
2 "industrial personal property", and "commercial personal property"
3 mean those terms as defined in section 1211 of the revised school
4 code, MCL 380.1211.

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

8 (m) "School operating taxes" means local ad valorem property
9 taxes levied under section 1211 of the revised school code, MCL
10 380.1211, and retained for school operating purposes.

11 (n) "Tax increment financing acts" means 1975 PA 197, MCL
12 125.1651 to 125.1681, the tax increment finance authority act, 1980
13 PA 450, MCL 125.1801 to 125.1830, the local development financing
14 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
15 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
16 or the corridor improvement authority act, 2005 PA 280, MCL
17 125.2871 to 125.2899.

18 (o) "Taxable value per membership pupil" means taxable value,
19 as certified by the department of treasury, for the calendar year
20 ending in the current state fiscal year divided by the district's
21 membership excluding special education pupils for the school year
22 ending in the current state fiscal year.

23 Sec. 20d. In making the final determination required under
24 former section 20a of a district's combined state and local revenue
25 per membership pupil in 1993-94 and in making calculations under
26 section 20 for ~~2010-2011~~, **2011-2012**, the department and the
27 department of treasury shall comply with all of the following:

1 (a) For a district that had combined state and local revenue
2 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
3 or more and served as a fiscal agent for a state board designated
4 area vocational education center in the 1993-94 school year, total
5 state school aid received by or paid on behalf of the district
6 pursuant to this act in 1993-94 shall exclude payments made under
7 former section 146 and under section 147 on behalf of the
8 district's employees who provided direct services to the area
9 vocational education center. Not later than June 30, 1996, the
10 department shall make an adjustment under this subdivision to the
11 district's combined state and local revenue per membership pupil in
12 the 1994-95 state fiscal year and the department of treasury shall
13 make a final certification of the number of mills that may be
14 levied by the district under section 1211 of the revised school
15 code, MCL 380.1211, as a result of the adjustment under this
16 subdivision.

17 (b) If a district had an adjustment made to its 1993-94 total
18 state school aid that excluded payments made under former section
19 146 and under section 147 on behalf of the district's employees who
20 provided direct services for intermediate district center programs
21 operated by the district under article 5, if nonresident pupils
22 attending the center programs were included in the district's
23 membership for purposes of calculating the combined state and local
24 revenue per membership pupil for 1993-94, and if there is a signed
25 agreement by all constituent districts of the intermediate district
26 that an adjustment under this subdivision shall be made, the
27 foundation allowances for 1995-96 and 1996-97 of all districts that

1 had pupils attending the intermediate district center program
2 operated by the district that had the adjustment shall be
3 calculated as if their combined state and local revenue per
4 membership pupil for 1993-94 included resident pupils attending the
5 center program and excluded nonresident pupils attending the center
6 program.

7 Sec. 22a. (1) From the appropriation in section 11, there is
8 allocated ~~an amount not to exceed \$5,796,241,000.00 for 2009-2010~~
9 ~~and an amount not to exceed \$5,764,000,000.00 for 2010-2011~~
10 **\$5,673,500,000.00 FOR 2011-2012** for payments to districts,
11 qualifying university schools, and qualifying public school
12 academies to guarantee each district, qualifying university school,
13 and qualifying public school academy an amount equal to its 1994-95
14 total state and local per pupil revenue for school operating
15 purposes under section 11 of article IX of the state constitution
16 of 1963. Pursuant to section 11 of article IX of the state
17 constitution of 1963, this guarantee does not apply to a district
18 in a year in which the district levies a millage rate for school
19 district operating purposes less than it levied in 1994. However,
20 subsection (2) applies to calculating the payments under this
21 section. Funds allocated under this section that are not expended
22 in the state fiscal year for which they were allocated, as
23 determined by the department, may be used to supplement the
24 allocations under sections 22b and 51c in order to fully fund those
25 calculated allocations for the same fiscal year.

26 (2) To ensure that a district receives an amount equal to the
27 district's 1994-95 total state and local per pupil revenue for

1 school operating purposes, there is allocated to each district a
2 state portion of the district's 1994-95 foundation allowance in an
3 amount calculated as follows:

4 (a) Except as otherwise provided in this subsection, the state
5 portion of a district's 1994-95 foundation allowance is an amount
6 equal to the district's 1994-95 foundation allowance or \$6,500.00,
7 whichever is less, minus the difference between the sum of the
8 product of the taxable value per membership pupil of all property
9 in the district that is nonexempt property times the district's
10 certified mills and, for a district with certified mills exceeding
11 12, the product of the taxable value per membership pupil of
12 property in the district that is commercial personal property times
13 the certified mills minus 12 mills and the quotient of the ad
14 valorem property tax revenue of the district captured under tax
15 increment financing acts divided by the district's membership. For
16 a district that has a millage reduction required under section 31
17 of article IX of the state constitution of 1963, the state portion
18 of the district's foundation allowance shall be calculated as if
19 that reduction did not occur.

20 (b) For a district that had a 1994-95 foundation allowance
21 greater than \$6,500.00, the state payment under this subsection
22 shall be the sum of the amount calculated under subdivision (a)
23 plus the amount calculated under this subdivision. The amount
24 calculated under this subdivision shall be equal to the difference
25 between the district's 1994-95 foundation allowance minus \$6,500.00
26 and the current year hold harmless school operating taxes per
27 pupil. If the result of the calculation under subdivision (a) is

1 negative, the negative amount shall be an offset against any state
2 payment calculated under this subdivision. If the result of a
3 calculation under this subdivision is negative, there shall not be
4 a state payment or a deduction under this subdivision. The taxable
5 values per membership pupil used in the calculations under this
6 subdivision are as adjusted by ad valorem property tax revenue
7 captured under tax increment financing acts divided by the
8 district's membership.

9 (3) Beginning in 2003-2004, for pupils in membership in a
10 qualifying public school academy or qualifying university school,
11 there is allocated under this section to the authorizing body that
12 is the fiscal agent for the qualifying public school academy for
13 forwarding to the qualifying public school academy, or to the board
14 of the public university operating the qualifying university
15 school, an amount equal to the 1994-95 per pupil payment to the
16 qualifying public school academy or qualifying university school
17 under section 20.

18 (4) A district, qualifying university school, or qualifying
19 public school academy may use funds allocated under this section in
20 conjunction with any federal funds for which the district,
21 qualifying university school, or qualifying public school academy
22 otherwise would be eligible.

23 (5) For a district that is formed or reconfigured after June
24 1, 2000 by consolidation of 2 or more districts or by annexation,
25 the resulting district's 1994-95 foundation allowance under this
26 section beginning after the effective date of the consolidation or
27 annexation shall be the average of the 1994-95 foundation

1 allowances of each of the original or affected districts,
2 calculated as provided in this section, weighted as to the
3 percentage of pupils in total membership in the resulting district
4 in the state fiscal year in which the consolidation takes place who
5 reside in the geographic area of each of the original districts. If
6 an affected district's 1994-95 foundation allowance is less than
7 the 1994-95 basic foundation allowance, the amount of that
8 district's 1994-95 foundation allowance shall be considered for the
9 purpose of calculations under this subsection to be equal to the
10 amount of the 1994-95 basic foundation allowance.

11 (6) As used in this section:

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

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

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

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

25 (e) "Hold harmless millage" means, for a district with a 1994-
26 95 foundation allowance greater than \$6,500.00, the number of mills
27 by which the exemption from the levy of school operating taxes on a

1 homestead, qualified agricultural property, qualified forest
2 property, supportive housing property, industrial personal
3 property, and commercial personal property could be reduced as
4 provided in section 1211 of the revised school code, MCL 380.1211,
5 and the number of mills of school operating taxes that could be
6 levied on all property as provided in section 1211(2) of the
7 revised school code, MCL 380.1211, as certified by the department
8 of treasury for the 1994 tax year.

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

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

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

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

24 (j) "Qualifying university school" means a university school
25 that was in operation in the 1994-95 school year and is in
26 operation in the current fiscal year.

27 (k) "School operating taxes" means local ad valorem property

1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211, and retained for school operating purposes.

3 (l) "Tax increment financing acts" means 1975 PA 197, MCL
4 125.1651 to 125.1681, the tax increment finance authority act, 1980
5 PA 450, MCL 125.1801 to 125.1830, the local development financing
6 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
7 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
8 or the corridor improvement authority act, 2005 PA 280, MCL
9 125.2871 to 125.2899.

10 (m) "Taxable value per membership pupil" means each of the
11 following divided by the district's membership:

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

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

27 Sec. 22b. (1) From the state funds appropriated in section 11,

1 ~~there is allocated for 2009-2010 an amount not to exceed~~
2 ~~\$3,289,000,000.00 and there is allocated for 2010-2011-2011-2012 an~~
3 ~~amount not to exceed \$3,573,500,000.00~~ **\$3,036,213,200.00** for
4 discretionary nonmandated payments to districts under this section.
5 Funds allocated under this section that are not expended in the
6 state fiscal year for which they were allocated, as determined by
7 the department, may be used to supplement the allocations under
8 sections 22a and 51c in order to fully fund those calculated
9 allocations for the same fiscal year.

10 ~~—— (2) In addition to the funds allocated in subsection (1),~~
11 ~~there is allocated an amount estimated at \$450,000,000.00 for 2009-~~
12 ~~2010 and there is allocated an amount estimated at \$184,256,600.00~~
13 ~~for 2010-2011 from the federal funds awarded to this state under~~
14 ~~title XIV of the American recovery and reinvestment act of 2009,~~
15 ~~Public Law 111-5. These funds shall be distributed in a form and~~
16 ~~manner determined by the department based on an equal dollar amount~~
17 ~~per the number of membership pupils used to calculate the final~~
18 ~~state aid payment of the immediately preceding fiscal year and~~
19 ~~shall be expended in a manner prescribed by federal law.~~

20 (2) ~~(3)~~ Subject to subsection ~~(4)~~ **(3)** and section 11, the
21 allocation to a district under this section shall be an amount
22 equal to the sum of the amounts calculated under sections 20, ~~20j,~~
23 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to
24 the district under sections 22a and 51c.

25 (3) ~~(4)~~ In order to receive an allocation under subsection
26 (1), each district shall do all of the following:

27 (a) Administer in each grade level that it operates in grades

1 1 to 5 a standardized assessment approved by the department of
2 grade-appropriate basic educational skills. A district may use the
3 Michigan literacy progress profile to satisfy this requirement for
4 grades 1 to 3. Also, if the revised school code is amended to
5 require annual assessments at additional grade levels, in order to
6 receive an allocation under this section each district shall comply
7 with that requirement.

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

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

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

15 (4) ~~(5)~~—Districts are encouraged to use funds allocated under
16 this section for the purchase and support of payroll, human
17 resources, and other business function software that is compatible
18 with that of the intermediate district in which the district is
19 located and with other districts located within that intermediate
20 district.

21 (5) ~~(6)~~—From the allocation in subsection (1), the department
22 shall pay up to \$1,000,000.00 in litigation costs incurred by this
23 state related to commercial or industrial property tax appeals,
24 including, but not limited to, appeals of classification, that
25 impact revenues dedicated to the state school aid fund.

26 (6) ~~(7)~~—From the allocation in subsection (1), the department
27 shall pay up to \$1,000,000.00 in litigation costs incurred by this

1 state associated with lawsuits filed by 1 or more districts or
2 intermediate districts against this state. If the allocation under
3 this section is insufficient to fully fund all payments required
4 under this section, the payments under this subsection shall be
5 made in full before any proration of remaining payments under this
6 section.

7 (7) ~~(8)~~—It is the intent of the legislature that all
8 constitutional obligations of this state have been fully funded
9 under sections 22a, 31d, 51a, ~~and 51e.~~ **51C, AND 152A.** If a claim is
10 made by an entity receiving funds under this act that challenges
11 the legislative determination of the adequacy of this funding or
12 alleges that there exists an unfunded constitutional requirement,
13 the state budget director may escrow or allocate from the
14 discretionary funds for nonmandated payments under this section the
15 amount as may be necessary to satisfy the claim before making any
16 payments to districts under subsection ~~(3).~~ **(2)**. If funds are
17 escrowed, the escrowed funds are a work project appropriation and
18 the funds are carried forward into the following fiscal year. The
19 purpose of the work project is to provide for any payments that may
20 be awarded to districts as a result of litigation. The work project
21 shall be completed upon resolution of the litigation.

22 (8) ~~(9)~~—If the local claims review board or a court of
23 competent jurisdiction makes a final determination that this state
24 is in violation of section 29 of article IX of the state
25 constitution of 1963 regarding state payments to districts, the
26 state budget director shall use work project funds under subsection
27 ~~(8).~~ **(7)** or allocate from the discretionary funds for nonmandated

1 payments under this section the amount as may be necessary to
2 satisfy the amount owed to districts before making any payments to
3 districts under subsection ~~(3)~~.(2).

4 (9) ~~(10)~~—If a claim is made in court that challenges the
5 legislative determination of the adequacy of funding for this
6 state's constitutional obligations or alleges that there exists an
7 unfunded constitutional requirement, any interested party may seek
8 an expedited review of the claim by the local claims review board.
9 If the claim exceeds \$10,000,000.00, this state may remove the
10 action to the court of appeals, and the court of appeals shall have
11 and shall exercise jurisdiction over the claim.

12 (10) ~~(11)~~—If payments resulting from a final determination by
13 the local claims review board or a court of competent jurisdiction
14 that there has been a violation of section 29 of article IX of the
15 state constitution of 1963 exceed the amount allocated for
16 discretionary nonmandated payments under this section, the
17 legislature shall provide for adequate funding for this state's
18 constitutional obligations at its next legislative session.

19 (11) ~~(12)~~—If a lawsuit challenging payments made to districts
20 related to costs reimbursed by federal title XIX medicaid funds is
21 filed against this state, then, for the purpose of addressing
22 potential liability under such a lawsuit, the state budget director
23 may place funds allocated under this section in escrow or allocate
24 money from the funds otherwise allocated under this section, up to
25 a maximum of 50% of the amount allocated in subsection (1). If
26 funds are placed in escrow under this subsection, those funds are a
27 work project appropriation and the funds are carried forward into

1 the following fiscal year. The purpose of the work project is to
 2 provide for any payments that may be awarded to districts as a
 3 result of the litigation. The work project shall be completed upon
 4 resolution of the litigation. In addition, this state reserves the
 5 right to terminate future federal title XIX medicaid reimbursement
 6 payments to districts if the amount or allocation of reimbursed
 7 funds is challenged in the lawsuit. As used in this subsection,
 8 "title XIX" means title XIX of the social security act, 42 USC 1396
 9 to 1396v.

10 Sec. 22d. (1) From the appropriation in section 11, an amount
 11 not to exceed ~~\$2,025,000.00~~ **\$4,050,000.00** is allocated for ~~2010-~~
 12 ~~2011-2011-2012~~ for ~~additional payments to small, geographically~~
 13 ~~isolated~~ **SUPPLEMENTAL PAYMENTS TO RURAL** districts under this
 14 section.

15 (2) From the allocation under subsection (1), there is
 16 allocated for ~~2010-2011-2011-2012~~ an amount not to exceed
 17 ~~\$750,000.00~~ **\$1,500,000.00** for payments under this subsection to
 18 districts that meet all of the following:

19 (a) Operates grades K to 12.

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

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

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

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

26 (3) The amount of the additional funding to each eligible
 27 district under subsection (2) shall be determined under a spending

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

16 (4) Subject to subsection (6), from the allocation in
17 subsection (1), there is allocated for ~~2010-2011-2011-2012~~ an
18 amount not to exceed ~~\$1,275,000.00~~ **\$2,550,000.00** for payments under
19 this subsection to districts that meet all of the following:

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

22 (b) The district has a total square mileage greater than 200.0
23 or is 1 of 2 districts that have consolidated transportation
24 services and have a combined total square mileage greater than
25 200.0.

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

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

3 Sec. 22e. (1) Beginning in 2008-2009, an amount will be
4 allocated each fiscal year from the appropriation in section 11 for
5 additional payments under this subsection to districts that meet
6 the eligibility requirements under subsection (2). For ~~2010-2011,~~
7 **2011-2012**, there is allocated for this purpose from the
8 appropriation in section 11 an amount not to exceed
9 ~~\$1,300,000.00.~~ **\$700,000.00.**

10 (2) To be eligible for a payment under subsection (1), a
11 district must be determined by the department and the department of
12 treasury to meet all of the following:

13 (a) The district levies 1 of the following operating millage
14 amounts:

15 (i) All of the operating millage it is authorized to levy under
16 section 1211 of the revised school code, MCL 380.1211.

17 (ii) The amount of operating millage it is authorized to levy
18 after a voluntary reduction of its operating millage rate adopted
19 by the board of the district.

20 (iii) The amount of operating millage it is authorized to levy
21 after a millage reduction required under the limitation of section
22 31 of article IX of the state constitution of 1963, if a ballot
23 question asking for approval to levy millage in excess of the
24 limitation has been rejected in the district.

25 (b) The district receives a reduced amount of local school
26 operating revenue under section 1211 of the revised school code,
27 MCL 380.1211, as a result of the exemptions of industrial personal

1 property and commercial personal property that were enacted in 2007
2 PA 37.

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

5 **(D) THE DISTRICT HAS 500 OR FEWER PUPILS IN MEMBERSHIP.**

6 (3) Subject to subsection (4), the amount of the additional
7 funding to each eligible district under subsection (1) is the sum
8 of the following and shall be paid to the eligible districts in the
9 same manner as payments under section 22b:

10 (a) The product of the taxable value of the district's
11 industrial personal property for the calendar year ending in the
12 fiscal year multiplied by the total number of mills the district
13 levies on nonexempt property under section 1211 of the revised
14 school code, MCL 380.1211, for that calendar year.

15 (b) The product of the taxable value of the district's
16 commercial personal property for the calendar year ending in the
17 fiscal year multiplied by the lesser of 12 mills or the total
18 number of mills the district levies on nonexempt property under
19 section 1211 of the revised school code, MCL 380.1211, for that
20 calendar year.

21 (4) The amount of the additional funding to an eligible
22 district under subsection (1) for a fiscal year shall not exceed
23 15% of the total amount allocated under subsection (1) for that
24 fiscal year.

25 (5) If the total amount of the payments calculated under
26 subsection (3) for a fiscal year exceeds the allocation under
27 subsection (1) for that fiscal year, the payment to each district

1 under subsection (1) shall be prorated on an equal percentage
2 basis.

3 ~~—— (6) In addition to the amount allocated under subsection (1),~~
4 ~~for 2010-2011 only there is also allocated from the appropriation~~
5 ~~in section 11 the amount of \$500,000.00 to a district that is~~
6 ~~eligible for a payment under subsection (1) and that levied 1.8~~
7 ~~mills in 1993 to finance an operating deficit.~~

8 **SEC. 22F. FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE IS**
9 **ALLOCATED AN AMOUNT NOT TO EXCEED \$200,000,000.00 FOR 2011-2012 FOR**
10 **GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR THE PURPOSES OF**
11 **IMPLEMENTING BEST PRACTICES, RETIREMENT REFORM, TENURE APPEALS,**
12 **STUDENT TESTING REFORMS, REMEDIAL EDUCATION AT COMMUNITY COLLEGES**
13 **OR STATE INSTITUTIONS OF HIGHER EDUCATION, OR OTHER PURPOSES THAT**
14 **WILL BE SPECIFIED IN LEGISLATION ENACTED BEFORE THE BEGINNING OF**
15 **THE 2011-2012 FISCAL YEAR. BEST PRACTICES MAY INCLUDE, BUT ARE NOT**
16 **LIMITED TO, REWARDING DISTRICTS AND INTERMEDIATE DISTRICTS FOR**
17 **SERVICE SHARING, CONSOLIDATION OF ADMINISTRATION, PERFORMANCE-BASED**
18 **COMPENSATION, HEALTH CARE COST CONTAINMENT AND PREMIUM SHARING, AND**
19 **FISCAL TRANSPARENCY.**

20 Sec. 24. (1) From the appropriation in section 11, there is
21 allocated for ~~2010-2011-2011-2012~~ an amount not to exceed
22 ~~\$8,000,000.00~~ **\$7,500,000.00** for payments to the educating district
23 or intermediate district for educating pupils assigned by a court
24 or the department of human services to reside in or to attend a
25 juvenile detention facility or child caring institution licensed by
26 the department of human services and approved by the department to
27 provide an on-grounds education program. The amount of the payment

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1 under this section to a district or intermediate district shall be
2 calculated as prescribed under subsection (2).

3 (2) The total amount allocated under this section shall be
4 allocated by paying to the educating district or intermediate
5 district an amount equal to the lesser of the district's or
6 intermediate district's added cost or the department's approved per
7 pupil allocation for the district or intermediate district. For the
8 purposes of this subsection:

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

23 (b) "Department's approved per pupil allocation" for a
24 district or intermediate district shall be determined by dividing
25 the total amount allocated under this section for a fiscal year by
26 the full-time equated membership total for all pupils approved by
27 the department to be funded under this section for that fiscal year

1 for the district or intermediate district.

2 (3) A district or intermediate district educating pupils
3 described in this section at a residential child caring institution
4 may operate, and receive funding under this section for, a
5 department-approved on-grounds educational program for those pupils
6 that is longer than 181 days, but not longer than 233 days, if the
7 child caring institution was licensed as a child caring institution
8 and offered in 1991-92 an on-grounds educational program that was
9 longer than 181 days but not longer than 233 days and that was
10 operated by a district or intermediate district.

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

13 Sec. 24a. From the appropriation in section 11, ~~there is~~
14 ~~allocated an amount not to exceed \$1,751,300.00 for 2009-2010 and~~
15 ~~there is allocated an amount not to exceed \$1,440,000.00~~
16 **\$1,197,500,00.** for ~~2010-2011-2011-2012~~ for payments to intermediate
17 districts for pupils who are placed in juvenile justice service
18 facilities operated by the department of human services. Each
19 intermediate district shall receive an amount equal to the state
20 share of those costs that are clearly and directly attributable to
21 the educational programs for pupils placed in facilities described
22 in this section that are located within the intermediate district's
23 boundaries. The intermediate districts receiving payments under
24 this section shall cooperate with the department of human services
25 to ensure that all funding allocated under this section is utilized
26 by the intermediate district and department of human services for
27 educational programs for pupils described in this section. Pupils

1 described in this section are not eligible to be funded under
2 section 24. However, a program responsibility or other fiscal
3 responsibility associated with these pupils shall not be
4 transferred from the department of human services to a district or
5 intermediate district unless the district or intermediate district
6 consents to the transfer.

7 Sec. 24c. From the appropriation in section 11, there is
8 allocated an amount not to exceed \$742,300.00 for ~~2010-2011-2011-~~
9 **2012** for payments to districts for pupils who are enrolled in a
10 nationally administered community-based education and youth
11 mentoring program, known as the youth challenge program, that is
12 located within the district and is administered by the department
13 of military and veterans affairs. Both of the following apply to a
14 district receiving payments under this section:

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

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

22 Sec. 26a. From the state school aid fund appropriation in
23 section 11, there is allocated an amount not to exceed
24 ~~\$26,300,000.00-\$13,150,000.00~~ for ~~2010-2011-2011-2012~~ to reimburse
25 districts and intermediate districts pursuant to section 12 of the
26 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for **AN**
27 **ESTIMATED 50% OF** taxes levied in ~~2010-2011~~. The allocations shall

1 be made not later than 60 days after the department of treasury
2 certifies to the department and to the state budget director that
3 the department of treasury has received all necessary information
4 to properly determine the amounts due to each eligible recipient.

5 Sec. 31a. (1) From the state school aid fund money
6 appropriated in section 11, there is allocated for ~~2010-2011-2011-~~
7 **2012** an amount not to exceed ~~\$317,695,500.00~~ **\$312,695,500.00** for
8 payments to eligible districts and eligible public school academies
9 under this section. Subject to subsection (14), the amount of the
10 additional allowance under this section, other than funding under
11 subsection (6) or (7), shall be based on the number of actual
12 pupils in membership in the district or public school academy who
13 met the income eligibility criteria for free breakfast, lunch, or
14 milk in the immediately preceding state fiscal year, as determined
15 under the Richard B. Russell national school lunch act, 42 USC 1751
16 to 1769i, and reported to the department ~~by October 31~~ **NOT LATER**
17 **THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY** of
18 the immediately preceding fiscal year and adjusted not later than
19 December 31 of the immediately preceding fiscal year **IN THE FORM**
20 **AND MANNER PRESCRIBED BY THE CENTER**. However, for a public school
21 academy that began operations as a public school academy after the
22 pupil membership count day of the immediately preceding school
23 year, the basis for the additional allowance under this section
24 shall be the number of actual pupils in membership in the public
25 school academy who met the income eligibility criteria for free
26 breakfast, lunch, or milk in the current state fiscal year, as
27 determined under the Richard B. Russell national school lunch act

1 **AND REPORTED TO THE DEPARTMENT NOT LATER THAN THE FIFTH WEDNESDAY**
2 **AFTER THE PUPIL MEMBERSHIP COUNT DAY.**

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

9 (a) The sum of the district's or public school academy's
10 combined state and local revenue per membership pupil in the
11 current state fiscal year, as calculated under section 20, ~~plus the~~
12 ~~amount of the district's per pupil allocation under section 20j(2),~~
13 is less than or equal to the basic foundation allowance under
14 section 20 for the current state fiscal year.

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

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

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

20 (4) Except as otherwise provided in this section, a district
21 or public school academy receiving funding under this section shall
22 use that money only to provide instructional programs and direct
23 noninstructional services, including, but not limited to, medical
24 or counseling services, for at-risk pupils; for school health
25 clinics; and for the purposes of subsection (5), (6), or (7). In
26 addition, a district that is a school district of the first class
27 or a district or public school academy in which at least 50% of the

1 pupils in membership met the income eligibility criteria for free
2 breakfast, lunch, or milk in the immediately preceding state fiscal
3 year, as determined and reported as described in subsection (1),
4 may use not more than 20% of the funds it receives under this
5 section for school security. A district or public school academy
6 shall not use any of that money for administrative costs or to
7 supplant another program or other funds, except for funds allocated
8 to the district or public school academy under this section in the
9 immediately preceding year and already being used by the district
10 or public school academy for at-risk pupils. The instruction or
11 direct noninstructional services provided under this section may be
12 conducted before or after regular school hours or by adding extra
13 school days to the school year and may include, but are not limited
14 to, tutorial services, early childhood programs to serve children
15 age 0 to 5, and reading programs as described in former section 32f
16 as in effect for 2001-2002. A tutorial method may be conducted with
17 paraprofessionals working under the supervision of a certificated
18 teacher. The ratio of pupils to paraprofessionals shall be between
19 10:1 and 15:1. Only 1 certificated teacher is required to supervise
20 instruction using a tutorial method. As used in this subsection,
21 "to supplant another program" means to take the place of a
22 previously existing instructional program or direct
23 noninstructional services funded from a funding source other than
24 funding under this section.

25 (5) Except as otherwise provided in subsection (12), a
26 district or public school academy that receives funds under this
27 section and that operates a school breakfast program under section

1 1272a of the revised school code, MCL 380.1272a, shall use from the
2 funds received under this section an amount, not to exceed \$10.00
3 per pupil for whom the district or public school academy receives
4 funds under this section, necessary to pay for costs associated
5 with the operation of the school breakfast program.

6 (6) From the funds allocated under subsection (1), there is
7 allocated for ~~2010-2011-2011-2012~~ an amount not to exceed
8 \$3,557,300.00 to support child and adolescent health centers. These
9 grants shall be awarded for 5 consecutive years beginning with
10 2003-2004 in a form and manner approved jointly by the department
11 and the department of community health. Each grant recipient shall
12 remain in compliance with the terms of the grant award or shall
13 forfeit the grant award for the duration of the 5-year period after
14 the noncompliance. To continue to receive funding for a child and
15 adolescent health center under this section a grant recipient shall
16 ensure that the child and adolescent health center has an advisory
17 committee and that at least ~~one-third~~ **1/3** of the members of the
18 advisory committee are parents or legal guardians of school-aged
19 children. A child and adolescent health center program shall
20 recognize the role of a child's parents or legal guardian in the
21 physical and emotional well-being of the child. Funding under this
22 subsection shall be used to support child and adolescent health
23 center services provided to children up to age 21. If any funds
24 allocated under this subsection are not used for the purposes of
25 this subsection for the fiscal year in which they are allocated,
26 those unused funds shall be used that fiscal year to avoid or
27 minimize any proration that would otherwise be required under

1 subsection (14) for that fiscal year.

2 (7) From the funds allocated under subsection (1), there is
3 allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed
4 \$5,150,000.00 for the state portion of the hearing and vision
5 screenings as described in section 9301 of the public health code,
6 1978 PA 368, MCL 333.9301. A local public health department shall
7 pay at least 50% of the total cost of the screenings. The frequency
8 of the screenings shall be as required under R 325.13091 to R
9 325.13096 and R 325.3271 to R 325.3276 of the Michigan
10 administrative code. Funds shall be awarded in a form and manner
11 approved jointly by the department and the department of community
12 health. Notwithstanding section 17b, payments to eligible entities
13 under this subsection shall be paid on a schedule determined by the
14 department.

15 (8) Each district or public school academy receiving funds
16 under this section shall submit to the department by July 15 of
17 each fiscal year a report, not to exceed 10 pages, on the usage by
18 the district or public school academy of funds under this section,
19 which report shall include at least a brief description of each
20 program conducted by the district or public school academy using
21 funds under this section, the amount of funds under this section
22 allocated to each of those programs, the number of at-risk pupils
23 eligible for free or reduced price school lunch who were served by
24 each of those programs, and the total number of at-risk pupils
25 served by each of those programs. If a district or public school
26 academy does not comply with this subsection, the department shall
27 withhold an amount equal to the August payment due under this

1 section until the district or public school academy complies with
2 this subsection. If the district or public school academy does not
3 comply with this subsection by the end of the state fiscal year,
4 the withheld funds shall be forfeited to the school aid fund.

5 (9) In order to receive funds under this section, a district
6 or public school academy shall allow access for the department or
7 the department's designee to audit all records related to the
8 program for which it receives those funds. The district or public
9 school academy shall reimburse the state for all disallowances
10 found in the audit.

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

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

6 (12) For an individual school or schools operated by a
7 district or public school academy receiving funds under this
8 section that have been determined by the department to meet the
9 adequate yearly progress standards of the no child left behind act
10 of 2001, Public Law 107-110, in both mathematics and English
11 language arts at all applicable grade levels for all applicable
12 subgroups, the district or public school academy may submit to the
13 department an application for flexibility in using the funds
14 received under this section that are attributable to the pupils in
15 the school or schools. The application shall identify the affected
16 school or schools and the affected funds and shall contain a plan
17 for using the funds for specific purposes identified by the
18 district that are designed to benefit at-risk pupils in the school,
19 but that may be different from the purposes otherwise allowable
20 under this section. The department shall approve the application if
21 the department determines that the purposes identified in the plan
22 are reasonably designed to benefit at-risk pupils in the school. If
23 the department does not act to approve or disapprove an application
24 within 30 days after it is submitted to the department, the
25 application is considered to be approved. If an application for
26 flexibility in using the funds is approved, the district may use
27 the funds identified in the application for any purpose identified

1 in the plan.

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

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

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

1 to match instruction to the needs of the individual child.

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

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

21 ~~———— (16) Except as otherwise provided in subsection (18), a~~
22 ~~district or public school academy that does not meet the~~
23 ~~eligibility requirement under subsection (2) (a) is eligible for~~
24 ~~funding under this section if at least 1/4 of the pupils in~~
25 ~~membership in the district or public school academy met the income~~
26 ~~eligibility criteria for free breakfast, lunch, or milk in the~~
27 ~~immediately preceding state fiscal year, as determined and reported~~

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

18 ~~—— (17) A district that does not meet the eligibility requirement~~
19 ~~under subsection (2) (a) is eligible for funding under this section~~
20 ~~if at least 75% of the pupils in membership in the district met the~~
21 ~~income eligibility criteria for free breakfast, lunch, or milk in~~
22 ~~the immediately preceding state fiscal year, as determined and~~
23 ~~reported as described in subsection (1), the district receives an~~
24 ~~adjustment under section 20(19), and the district does not receive~~
25 ~~any state portion of its foundation allowance as calculated under~~
26 ~~section 20. A district that is eligible for funding under this~~
27 ~~section because the district meets the requirements of this~~

1 ~~subsection shall receive under this section for each membership~~
2 ~~pupil in the district who met the income eligibility criteria for~~
3 ~~free breakfast, lunch, or milk in the immediately preceding fiscal~~
4 ~~year, as determined and reported as described in subsection (1), an~~
5 ~~amount per pupil equal to 11.5% of the sum of the district's~~
6 ~~foundation allowance under section 20, not to exceed the basic~~
7 ~~foundation allowance under section 20 for the current state fiscal~~
8 ~~year.~~

9 ~~—— (18) For a district described in subsection (16), the total~~
10 ~~allocation to the district otherwise due under this section, after~~
11 ~~any reduction under subsection (14), shall be further reduced by~~
12 ~~25%.~~

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

1 have been received, at-risk pupil also includes a pupil who does
2 not meet the other criteria under this subsection but who did not
3 achieve proficiency on the reading component of the most recent
4 Michigan merit examination for which results for the pupil have
5 been received, did not achieve proficiency on the mathematics
6 component of the most recent Michigan merit examination for which
7 results for the pupil have been received, or did not achieve basic
8 competency on the science component of the most recent Michigan
9 merit examination for which results for the pupil have been
10 received. For pupils in grades K-3, at-risk pupil also includes a
11 pupil who is at risk of not meeting the district's core academic
12 curricular objectives in English language arts or mathematics.

13 Sec. 31d. (1) From the appropriations in section 11, there is
14 allocated an amount not to exceed \$22,495,100.00 for ~~2010-2011~~
15 **2011-2012** for the purpose of making payments to districts and other
16 eligible entities under this section.

17 (2) The amounts allocated from state sources under this
18 section shall be used to pay the amount necessary to reimburse
19 districts for 6.0127% of the necessary costs of the state mandated
20 portion of the school lunch programs provided by those districts.
21 The amount due to each district under this section shall be
22 computed by the department using the methods of calculation adopted
23 by the Michigan supreme court in the consolidated cases known as
24 Durant v State of Michigan, Michigan supreme court docket no.
25 104458-104492.

26 (3) The payments made under this section include all state
27 payments made to districts so that each district receives at least

1 6.0127% of the necessary costs of operating the state mandated
2 portion of the school lunch program in a fiscal year.

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

9 (5) From the federal funds appropriated in section 11, there
10 is allocated for ~~2010-2011-2011-2012~~ all available federal funding,
11 estimated at \$400,000,000.00, for the national school lunch program
12 and all available federal funding, estimated at \$2,506,000.00, for
13 the emergency food assistance program.

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

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

21 Sec. 31f. (1) From the appropriations in section 11, there is
22 allocated an amount not to exceed \$9,625,000.00 for ~~2010-2011-2011-~~
23 **2012** for the purpose of making payments to districts to reimburse
24 for the cost of providing breakfast.

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

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

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

6 (3) The payment for a district under this section is at a per
7 meal rate equal to the lesser of the district's actual cost or 100%
8 of the statewide average cost of a breakfast served, as determined
9 and approved by the department, less federal reimbursement,
10 participant payments, and other state reimbursement. The statewide
11 average cost shall be determined by the department using costs as
12 reported in a manner approved by the department for the preceding
13 school year.

14 (4) Notwithstanding section 17b, payments under this section
15 may be made pursuant to an agreement with the department.

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

20 Sec. 32b. (1) From the funds appropriated under section 11,
21 there is allocated an amount not to exceed ~~\$6,000,000.00 for 2010-~~
22 ~~2011~~ **\$5,900,000.00 FOR 2011-2012** for competitive grants to
23 intermediate districts for the creation and continuance of great
24 start communities or other community purposes as identified by the
25 early childhood investment corporation. These dollars may not be
26 expended until both of the following conditions have been met:

27 (a) The early childhood investment corporation has identified

1 matching dollars of at least an amount equal to the amount of the
2 matching dollars for 2006-2007.

3 (b) The executive committee of the **EARLY CHILDHOOD INVESTMENT**
4 corporation includes, in addition to the members of the executive
5 committee provided for by the interlocal agreement creating the
6 **EARLY CHILDHOOD INVESTMENT** corporation under the urban cooperation
7 act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to 124.512, 4 members
8 appointed by the governor as provided in this subdivision. Not
9 later than 30 days after the convening of a regular legislative
10 session in an odd-numbered year, the speaker of the house of
11 representatives, the house minority leader, the senate majority
12 leader, and the senate minority leader shall each submit to the
13 governor a list of 3 or more individuals as nominees for
14 appointment as members of the executive committee of the **EARLY**
15 **CHILDHOOD INVESTMENT** corporation. The **EARLY CHILDHOOD INVESTMENT**
16 corporation shall notify each of the legislative leaders of this
17 requirement to submit a list of nominees not later than 30 days
18 before the date that the list is due. Within 60 days of the
19 submission to the governor of nominees by each of the 4 legislative
20 leaders, the governor shall appoint 1 member of the executive
21 committee from each list of nominees submitted by each of the 4
22 legislative leaders. A member appointed under this subdivision
23 shall serve a term as a member of the executive committee through
24 the next regular legislative session unless he or she resigns or is
25 otherwise unable to serve. When a vacancy occurs other than by
26 expiration of a term, the **EARLY CHILDHOOD INVESTMENT** corporation
27 shall notify the legislative leader who originally nominated the

1 member of the vacancy and that legislative leader shall submit to
2 the governor a list of 3 or more individuals as nominees for
3 appointment to fill the vacancy within 30 days after being notified
4 by the **EARLY CHILDHOOD INVESTMENT** corporation of the vacancy. The
5 governor shall make an appointment to fill that vacancy in the same
6 manner as the original appointment not later than 60 days after the
7 date the vacancy occurs.

8 (2) The early childhood investment corporation shall award
9 grants to eligible intermediate districts in an amount to be
10 determined by the corporation. **THE EARLY CHILDHOOD INVESTMENT**
11 **CORPORATION SHALL NOT RETAIN ANY MONEY ALLOCATED UNDER THIS SECTION**
12 **FOR ITS OWN ADMINISTRATION OF THE GRANT PROGRAM.**

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

21 (a) The completion of a community needs assessment and
22 strategic plan for the creation of a comprehensive system of early
23 childhood services and supports, accessible to all children from
24 birth to kindergarten and their families.

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

1 (c) Coordination and expansion of infrastructure to support
2 high-quality early childhood and childcare programs.

3 (d) Evaluation of local programs.

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

14 (5) An intermediate district receiving funds under this
15 section may carry over any unexpended funds received under this
16 section into the next fiscal year and may expend those unused funds
17 in the next fiscal year. A recipient of a grant shall return any
18 unexpended grant funds to the department in the manner prescribed
19 by the department not later than September 30 of the next fiscal
20 year after the fiscal year in which the funds are received.

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

23 Sec. 32d. (1) For ~~2010-2011~~, **2011-2012**, there is allocated to
24 eligible districts for great start readiness programs an amount not
25 to exceed ~~\$89,400,000.00~~ **\$95,400,000.00** from the state school aid
26 fund money appropriated in section 11. In addition, from the
27 general fund appropriation in section 11, there is allocated **FOR**

1 ~~2011-2012~~ an amount not to exceed \$8,875,000.00 for competitive
2 great start readiness program grants. Funds allocated under this
3 section shall be used to provide part-day or full-day comprehensive
4 free compensatory programs designed to ~~do 1 or both of the~~
5 ~~following:~~

6 ~~—— (a) Improve~~ **IMPROVE** the readiness and subsequent achievement
7 of educationally disadvantaged children as defined by the
8 department who will be at least 4, but less than 5 years of age, as
9 of December 1 of the school year in which the programs are offered,
10 and who ~~show evidence of 2 or more risk factors~~ **MEET THE**
11 **PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES** as defined by
12 the state board.

13 ~~—— (b) Provide preschool and parenting education programs similar~~
14 ~~to those under former section 32b as in effect for 2001-2002.~~
15 ~~Beginning in 2007-2008, funds spent by a district for programs~~
16 ~~described in this subdivision shall not exceed the lesser of the~~
17 ~~amount spent by the district under this subdivision for 2006-2007~~
18 ~~or the amount spent under this subdivision in any subsequent fiscal~~
19 ~~year.~~

20 (2) To be eligible to receive payments under this section, a
21 district shall comply with this section and section 39. To receive
22 competitive grant payments under this section, an eligible grant
23 recipient shall comply with this 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 ~~2010-2011-2011-~~
27 **2012** 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 ~~full-day~~ **SCHOOL-DAY** programs that contain all of the
6 following program components, as determined by the department:

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

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

16 (c) Nutritional services for all program participants.

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

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

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

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

26 (h) Participation in a multidistrict, multiagency, school
27 readiness advisory committee that provides for the involvement of

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

7 (i) ~~For great start readiness programs operated by a district~~
8 ~~or consortium of districts, provide for the~~ **THE** ongoing
9 articulation of the ~~early childhood, kindergarten,~~ and first grade
10 programs offered by the ~~district or districts.~~ **GRANT RECIPIENT.**

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

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

16 (b) Ensure that more than 75% of the children participating in
17 an eligible great start readiness program are children who live
18 with families with a household income that is equal to or less than
19 300% of the federal poverty level.

20 (c) Ensure that the applicant only employs qualified personnel
21 for this program, as follows:

22 (i) Teachers possessing proper training. For programs ~~the~~
23 ~~district manages itself,~~ **MANAGED DIRECTLY BY A DISTRICT**, a valid
24 teaching certificate and an early childhood ~~(ZA)~~ **(ZA OR ZS)**
25 endorsement are required. This provision does not apply to a
26 district **OR COMPETITIVE GRANT RECIPIENT** that subcontracts with an
27 eligible child development program. In that situation, a teacher

1 must have a valid Michigan teaching certificate with an early
2 childhood ~~(ZA)~~ **(ZA OR ZS)** endorsement, a valid Michigan **ELEMENTARY**
3 teaching certificate with a child development associate credential,
4 or a bachelor's degree in child development with specialization in
5 preschool teaching. However, ~~both of the following apply to this~~
6 ~~subparagraph:~~

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

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

22 (ii) Paraprofessionals possessing proper training in early
23 childhood development, including an associate's degree in early
24 childhood education or child development or the equivalent, or a
25 child development associate (CDA) credential. ~~, or the equivalent~~
26 ~~as approved by the state board.~~ However, if a district demonstrates
27 to the department that it is unable to fully comply with this

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

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

21 (6) For a grant recipient that enrolls pupils in a ~~full-day~~
22 **SCHOOL-DAY** program funded under this section, each child enrolled
23 in the ~~full-day~~ **SCHOOL-DAY** program shall be counted as 2 children
24 served by the program for purposes of determining the number of
25 children to be served and for determining the amount of the grant
26 award. A grant award shall not be increased solely on the basis of
27 providing a ~~full-day~~ **SCHOOL-DAY** program. ~~As used in this~~

1 subsection, "full day program" means a program that operates for at
 2 least the same length of day as a district's first grade program
 3 for a minimum of 4 days per week, 30 weeks per year. A classroom
 4 that offers a full day program must enroll all children for the
 5 full day to be considered a full day program.

6 (7) A district, ~~or~~ consortium of districts, **OR COMPETITIVE**
 7 **GRANT RECIPIENT** receiving a grant under this section may contract
 8 with for-profit or nonprofit preschool center providers that meet
 9 all requirements of subsection (4) and retain for administrative
 10 services an amount equal to not more than 5% of the grant amount. A
 11 district, ~~or~~ consortium of districts, **OR COMPETITIVE GRANT**
 12 **RECIPIENT** may expend not more than 10% of the total grant amount
 13 for administration of the program.

14 (8) Any public or private for-profit or nonprofit legal entity
 15 or agency may apply for a competitive grant under this section.
 16 However, a district or intermediate district may not apply for a
 17 competitive grant under this section unless the district,
 18 intermediate district, or consortium of districts or intermediate
 19 districts is acting as a local grantee for the federal head start
 20 program operating under the head start act, 42 USC 9831 to 9852.

21 (9) A recipient of funds under this section shall report to
 22 the department ~~on the midyear report~~ **IN A FORM AND MANNER**
 23 **PRESCRIBED BY THE DEPARTMENT** the number of children participating
 24 in the program who meet the income or other eligibility criteria
 25 prescribed by the department and the total number of children
 26 participating in the program. For children participating in the
 27 program who meet the income or other eligibility criteria specified

1 under subsection (5) (b), a recipient shall also report whether or
 2 not a parent is available to provide care based on employment
 3 status. For the purposes of this subsection, "employment status"
 4 shall be defined by the department of human services in a manner
 5 consistent with maximizing the amount of spending that may be
 6 claimed for temporary assistance for needy families maintenance of
 7 effort purposes.

8 (10) As used in this section: ~~,"part-day~~

9 (A) "PART-DAY program" means a program that operates at least
 10 4 days per week, 30 weeks per year, for at least 3 hours of
 11 teacher-child contact time per day but for fewer hours of teacher-
 12 child contact time per day than a ~~full-day-SCHOOL-DAY~~ program. ~~as~~
 13 ~~defined in subsection (6).~~

14 (B) "SCHOOL-DAY PROGRAM" MEANS A PROGRAM THAT OPERATES FOR AT
 15 LEAST THE SAME LENGTH OF DAY AS A DISTRICT'S FIRST GRADE PROGRAM
 16 FOR A MINIMUM OF 4 DAYS PER WEEK, 30 WEEKS PER YEAR. A CLASSROOM
 17 THAT OFFERS A SCHOOL-DAY PROGRAM MUST ENROLL ALL CHILDREN FOR THE
 18 SCHOOL DAY TO BE CONSIDERED A SCHOOL-DAY PROGRAM.

19 (11) A ~~district or intermediate district~~ GRANT RECIPIENT
 20 receiving funds under this section is encouraged to establish a
 21 sliding scale of tuition rates based upon a child's family income
 22 for the purpose of expanding eligible programs under this section.
 23 A ~~district or intermediate district~~ GRANT RECIPIENT may charge
 24 tuition for programs provided under this section according to that
 25 sliding scale of tuition rates on a uniform basis for any child who
 26 does not meet the program eligibility requirements under this
 27 section.

1 Sec. 32j. (1) From the appropriations in section 11, there is
2 allocated an amount not to exceed \$5,000,000.00 for ~~2010-2011-2011-~~
3 ~~2012~~ for great parents, great start grants to intermediate
4 districts to provide programs for parents with young children. The
5 purpose of these programs is to encourage early mathematics and
6 reading literacy, improve school readiness, reduce the need for
7 special education services, and foster the maintenance of stable
8 families by encouraging positive parenting skills.

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

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

15 (b) Providing parents with methods to enhance parent-child
16 interaction that promote social and emotional development and age-
17 appropriate language, mathematics, and early reading skills for
18 young children; including, but not limited to, encouraging parents
19 to read to their preschool children at least 1/2 hour per day.

20 (c) Providing parents with examples of learning opportunities
21 to promote intellectual, physical, and social growth of young
22 children, including the acquisition of age-appropriate language,
23 mathematics, and early reading skills.

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

26 (3) To receive a grant under this section, an intermediate
27 district shall submit a plan to the department not later than

1 October 15, ~~2010~~ 2011 in the form and manner prescribed by the
2 department. The plan shall do all of the following in a manner
3 prescribed by the department:

4 (a) Provide a plan for the delivery of the program components
5 described in subsection (2) that targets resources based on family
6 need and provides for educators trained in child development to
7 help parents understand their role in their child's developmental
8 process, thereby promoting school readiness and mitigating the need
9 for special education services.

10 (b) Demonstrate an adequate collaboration of local entities
11 involved in providing programs and services for preschool children
12 and their parents and, where there is a great start collaborative,
13 demonstrate that the planned services are part of the community's
14 great start strategic plan.

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

23 (4) Each intermediate district receiving a grant under this
24 section shall agree to include a data collection system approved by
25 the department. The data collection system shall provide a report
26 by October 15 of each year on the number of children in families
27 with income below 200% of the federal poverty level that received

1 services under this program and the total number of children who
2 received services under this program.

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

5 (a) The superintendent shall approve or disapprove the plans
6 and notify the intermediate district of that decision not later
7 than November 15, ~~2010.~~ **2011**. The amount allocated to each
8 intermediate district shall be at least an amount equal to 100% of
9 the intermediate district's ~~2009-2010~~ **2010-2011** payment under this
10 section.

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

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

19 (6) An intermediate district receiving funds under this
20 section shall use the funds only for the program funded under this
21 section. An intermediate district receiving funds under this
22 section may carry over any unexpended funds received under this
23 section into the next fiscal year and may expend those unused funds
24 in the next fiscal year. A recipient of a grant shall return any
25 unexpended grant funds to the department in the manner prescribed
26 by the department not later than September 30 of the next fiscal
27 year after the fiscal year in which the funds are received.

1 Sec. 39. (1) A district receiving funds under section 32d
2 shall submit a preapplication, in a form and manner prescribed by
3 the department, by a date specified by the department in the
4 immediately preceding state fiscal year. The preapplication shall
5 include a comprehensive needs assessment and community
6 collaboration plan, which is endorsed by the local great start
7 collaborative and is part of the community's great start strategic
8 plan that includes, but is not limited to, great start readiness
9 program and head start providers, and shall identify all of the
10 following:

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

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

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

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

27 (2) A district receiving funds under section 32d shall also

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

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

16 (4) ~~Beginning in 2008-2009, the~~ **THE** initial allocation for
17 each fiscal year to each eligible district under section 32d shall
18 be determined by multiplying the number of children determined by
19 the formula under subsection (3) or the number of children the
20 district indicates it will be able to serve under subsection
21 (1)(c), whichever is less, by \$3,400.00 and shall be distributed
22 among districts in decreasing order of concentration of eligible
23 children as determined by the formula under subsection (3). If the
24 number of children a district indicates it will be able to serve
25 under subsection (1)(c) includes children able to be served in a
26 ~~full-day-SCHOOL-DAY~~ program, then the number able to be served in a
27 ~~full-day-SCHOOL-DAY~~ program shall be doubled for the purposes of

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

11 (5) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in
12 section 32d remain after the initial allocation under subsection
13 (4), the allocation under this subsection shall be distributed to
14 each eligible district under section 32d in decreasing order of
15 concentration of eligible children as determined by the formula
16 under subsection (3). The allocation shall be determined by
17 multiplying the number of children each eligible district served in
18 the immediately preceding fiscal year ~~, including the number of~~
19 ~~children the district would have served if it had not satisfied all~~
20 ~~or part of the reduction under section 11d from funding under this~~
21 ~~section,~~ or the number of children the district indicates it will
22 be able to serve under subsection (1)(c), whichever is less, minus
23 the number of children for which the district received funding in
24 subsection (4) by \$3,400.00.

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

1 under section 32d in decreasing order of concentration of eligible
2 children as determined by the formula under subsection (3). If the
3 number of children the district indicates it will be able to serve
4 under subsection (1)(c) exceeds the number of children for which
5 funds have been received under subsections (4) and (5), the
6 allocation under this subsection shall be determined by multiplying
7 the number of children the district indicates it will be able to
8 serve under subsection (1)(c) less the number of children for which
9 funds have been received under subsections (4) and (5) by \$3,400.00
10 until the funds allocated for eligible districts in section 32d are
11 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 (8) A district that offers supplementary ~~day~~-CHILD care funded
16 by funds other than those received under this section and therefore
17 offers full-day programs as part of its early childhood development
18 program shall receive priority in the allocation of funds under
19 section 32d over other eligible districts. **AS USED IN THIS**
20 **SUBSECTION, "FULL-DAY PROGRAM" MEANS A PROGRAM THAT PROVIDES**
21 **SUPPLEMENTARY CHILD CARE THAT TOTALS AT LEAST 10 HOURS OF**
22 **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 (10) If, taking into account the total amount to be allocated
2 to the district as calculated under this section, a district
3 determines that it is able to include additional eligible children
4 in the great start readiness program without additional funds under
5 section 32d, the district may include additional eligible children
6 but shall not receive additional funding under section 32d for
7 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 ~~2010-2011~~**2011-2012** to districts,
20 intermediate districts, and other eligible entities all available
21 federal funding, estimated at \$761,973,600.00, for the federal
22 programs under the no child left behind act of 2001, Public Law
23 107-110. 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 for the purpose of
2 improving teaching and learning through a more effective use of
3 technology, funded from DED-OESE, educational technology state
4 grant funds.

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

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

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

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

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

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

25 (i) An amount estimated at \$2,152,700.00 for the purpose of
26 providing unified family literacy programs, funded from DED-OESE,
27 title I, even start funds.

1 (j) An amount estimated at \$8,807,200.00 for the purpose of
2 identifying and serving migrant children, funded from DED-OESE,
3 title I, migrant education funds.

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

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

11 (m) An amount estimated at \$40,050,000.00 for the purpose of
12 providing high-quality extended learning opportunities, after
13 school and during the summer, for children in low-performing
14 schools, funded from DED-OESE, twenty-first century community
15 learning center funds.

16 (n) An amount estimated at \$17,586,100.00 to help support
17 local school improvement efforts, funded from DED-OESE, title I,
18 local school improvement grants.

19 (2) From the federal funds appropriated in section 11, there
20 is allocated for 2010-2011 to districts, intermediate districts,
21 and other eligible entities all available federal funding,
22 estimated at \$32,359,700.00, for the following programs that are
23 funded by federal grants:

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

27 (b) An amount estimated at \$1,814,100.00 to provide services

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

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

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

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

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

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

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

26 (d) A structured mentoring-tutorial reading program for pupils
27 in preschool to grade 4 that is a research-based, validated program

1 that develops individualized educational plans based on each
2 pupil's age, assessed needs, reading level, interests, and learning
3 style.

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

12 (5) For the purposes of applying for federal grants
13 appropriated under this act, the department shall allow an
14 intermediate district to submit a ~~consolidated~~ **CONSORTIUM**
15 application on behalf of 2 or more districts with the agreement of
16 those districts **AS APPROPRIATE ACCORDING TO FEDERAL RULES AND**
17 **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. 40. The department biennially shall review alternative
2 methods to determine the number of children construed to be in need
3 of special readiness assistance. ~~and shall report not later than~~
4 ~~November 15 of each even numbered year its findings and~~
5 ~~recommendations to the senate and house appropriations~~
6 ~~subcommittees responsible for district funding and the senate and~~
7 ~~house committees responsible for education legislation and the~~
8 ~~state budget director.~~

9 Sec. 51a. (1) From the appropriation in section 11, ~~there is~~
10 ~~allocated for 2009-2010 an amount not to exceed \$1,016,342,000.00~~
11 ~~and there is allocated for 2010-2011-2011-2012 an amount not to~~
12 ~~exceed \$1,057,883,000.00~~ **\$991,783,000.00** from state sources and all
13 available federal funding under sections 611 to 619 of part B of
14 the individuals with disabilities education act, 20 USC 1411 to
15 1419, ~~estimated at \$350,700,000.00 for 2009-2010 and estimated at~~
16 ~~\$385,700,000.00 for 2010-2011,~~ **\$363,400,000.00**, plus any carryover
17 federal funds from previous year appropriations. The allocations
18 under this subsection are for the purpose of reimbursing districts
19 and intermediate districts for special education programs,
20 services, and special education personnel as prescribed in article
21 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition
22 payments made by intermediate districts to the Michigan schools for
23 the deaf and blind; and special education programs and services for
24 pupils who are eligible for special education programs and services
25 according to statute or rule. For meeting the costs of special
26 education programs and services not reimbursed under this article,
27 a district or intermediate district may use money in general funds

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

15 (2) From the funds allocated under subsection (1), there is
16 allocated each fiscal year the amount necessary, ~~estimated at~~
17 ~~\$234,780,000.00 for 2009-2010 and estimated at \$248,200,000.00 for~~
18 ~~2010-2011, \$245,700,000.00~~, for payments toward reimbursing
19 districts and intermediate districts for 28.6138% of total approved
20 costs of special education, excluding costs reimbursed under
21 section 53a, and 70.4165% of total approved costs of special
22 education transportation. Allocations under this subsection shall
23 be made as follows:

24 (a) The initial amount allocated to a district under this
25 subsection toward fulfilling the specified percentages shall be
26 calculated by multiplying the district's special education pupil
27 membership, excluding pupils described in subsection (12), times

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

17 (b) After the allocations under subdivision (a), districts and
18 intermediate districts for which the payments calculated under
19 subdivision (a) do not fulfill the specified percentages shall be
20 paid the amount necessary to achieve the specified percentages for
21 the district or intermediate district.

22 (3) From the funds allocated under subsection (1), there is
23 allocated ~~each fiscal year for 2009-2010 and for 2010-2011~~ **FOR**
24 **2011-2012** the amount necessary, ~~estimated at \$1,329,000.00 for~~
25 ~~2009-2010 and estimated at \$1,400,000.00, for 2010-2011,~~ to make
26 payments to districts and intermediate districts under this
27 subsection. If the amount allocated to a district or intermediate

1 district for a fiscal year under subsection (2)(b) is less than the
2 sum of the amounts allocated to the district or intermediate
3 district for 1996-97 under sections 52 and 58, there is allocated
4 to the district or intermediate district for the fiscal year an
5 amount equal to that difference, adjusted by applying the same
6 proration factor that was used in the distribution of funds under
7 section 52 in 1996-97 as adjusted to the district's or intermediate
8 district's necessary costs of special education used in
9 calculations for the fiscal year. This adjustment is to reflect
10 reductions in special education program operations or services
11 between 1996-97 and subsequent fiscal years. Adjustments for
12 reductions in special education program operations or services
13 shall be made in a manner determined by the department and shall
14 include adjustments for program or service shifts.

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

1 the fiscal year beginning on the October 1 following the
2 determination and payments under subsection (3) shall be adjusted
3 as necessary. However, if the amount allocated under subsection
4 (2)(a) in itself exceeds the amount necessary to fulfill the
5 specified percentages in subsection (2), there shall be no
6 deduction under this subsection.

7 (5) State funds shall be allocated on a total approved cost
8 basis. Federal funds shall be allocated under applicable federal
9 requirements, except that an amount not to exceed \$3,500,000.00 may
10 be allocated by the department ~~each fiscal year for 2009-2010 and~~
11 ~~for 2010-2011-2011-2012~~ to districts, intermediate districts, or
12 other eligible entities on a competitive grant basis for programs,
13 equipment, and services that the department determines to be
14 designed to benefit or improve special education on a statewide
15 scale.

16 (6) From the amount allocated in subsection (1), there is
17 allocated ~~an amount not to exceed \$1,750,000.00 for 2009-2010 and~~
18 an amount not to exceed \$2,200,000.00 for ~~2010-2011-2011-2012~~ to
19 reimburse 100% of the net increase in necessary costs incurred by a
20 district or intermediate district in implementing the revisions in
21 the administrative rules for special education that became
22 effective on July 1, 1987. As used in this subsection, "net
23 increase in necessary costs" means the necessary additional costs
24 incurred solely because of new or revised requirements in the
25 administrative rules minus cost savings permitted in implementing
26 the revised rules. Net increase in necessary costs shall be
27 determined in a manner specified by the department.

1 (7) For purposes of ~~this article,~~ **SECTIONS 51A TO 58**, all of
2 the following apply:

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

24 (b) Beginning with the 2004-2005 fiscal year, a district or
25 intermediate district that employed special education support
26 services staff to provide special education support services in
27 2003-2004 or in a subsequent fiscal year and that in a fiscal year

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

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

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

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

27 (8) From the allocation in subsection (1), there is allocated

1 ~~each fiscal year for 2009-2010 and for 2010-2011~~ **2011-2012** an
2 amount not to exceed \$15,313,900.00 to intermediate districts. The
3 payment under this subsection to each intermediate district shall
4 be equal to the amount of the 1996-97 allocation to the
5 intermediate district under subsection (6) of this section as in
6 effect for 1996-97.

7 (9) A pupil who is enrolled in a full-time special education
8 program conducted or administered by an intermediate district or a
9 pupil who is enrolled in the Michigan schools for the deaf and
10 blind shall not be included in the membership count of a district,
11 but shall be counted in membership in the intermediate district of
12 residence.

13 (10) Special education personnel transferred from 1 district
14 to another to implement the revised school code shall be entitled
15 to the rights, benefits, and tenure to which the person would
16 otherwise be entitled had that person been employed by the
17 receiving district originally.

18 (11) If a district or intermediate district uses money
19 received under this section for a purpose other than the purpose or
20 purposes for which the money is allocated, the department may
21 require the district or intermediate district to refund the amount
22 of money received. Money that is refunded shall be deposited in the
23 state treasury to the credit of the state school aid fund.

24 (12) From the funds allocated in subsection (1), there is
25 allocated ~~each fiscal year~~ the amount necessary, ~~estimated at~~
26 ~~\$6,200,000.00 for 2009-2010 and estimated at \$6,600,000.00 for~~
27 ~~2010-2011,~~ **\$6,800,000.00 FOR 2011-2012**, to pay the foundation

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

19 (a) Pupils described in section 53a.

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

24 (c) ~~Emotionally impaired pupils~~ **PUPILS WITH AN EMOTIONAL**
25 **IMPAIRMENT** counted in membership by an intermediate district and
26 provided educational services by the department of community
27 health.

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

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

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

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

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

13 (e) 100% of the payment required under subsection (8).

14 (f) 100% of the payments under section 56.

15 (14) The allocations under subsections (2), (3), and (12)
16 shall be allocations to intermediate districts only and shall not
17 be allocations to districts, but instead shall be calculations used
18 only to determine the state payments under section 22b.

19 (15) If a public school academy enrolls pursuant to this
20 section a pupil who resides outside of the intermediate district in
21 which the public school academy is located and who is eligible for
22 special education programs and services according to statute or
23 rule, or who is a child with disabilities, as defined under the
24 individuals with disabilities education act, Public Law 108-446,
25 the provision of special education programs and services and the
26 payment of the added costs of special education programs and
27 services for the pupil are the responsibility of the district and

1 intermediate district in which the pupil resides unless the
2 enrolling district or intermediate district has a written agreement
3 with the district or intermediate district in which the pupil
4 resides or the public school academy for the purpose of providing
5 the pupil with a free appropriate public education and the written
6 agreement includes at least an agreement on the responsibility for
7 the payment of the added costs of special education programs and
8 services for the pupil.

9 Sec. 51c. As required by the court in the consolidated cases
10 known as Durant v State of Michigan, Michigan supreme court docket
11 no. 104458-104492, from the allocation under section 51a(1), there
12 is allocated ~~each fiscal year for 2009-2010 and for 2010-2011-2011-~~
13 **2012** the amount necessary, ~~estimated at \$702,500,000.00 for 2009-~~
14 ~~2010 and estimated at \$732,100,000.00 for 2010-2011,~~
15 **\$668,300,000.00**, for payments to reimburse districts for 28.6138%
16 of total approved costs of special education excluding costs
17 reimbursed under section 53a, and 70.4165% of total approved costs
18 of special education transportation. Funds allocated under this
19 section that are not expended in the state fiscal year for which
20 they were allocated, as determined by the department, may be used
21 to supplement the allocations under sections 22a and 22b in order
22 to fully fund those calculated allocations for the same fiscal
23 year.

24 Sec. 51d. (1) From the federal funds appropriated in section
25 11, there is allocated for ~~2010-2011-2011-2012~~ all available
26 federal funding, estimated at \$74,000,000.00, for special education
27 programs that are funded by federal grants. All federal funds

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

6 (2) From the federal funds allocated under subsection (1), the
7 following amounts are allocated for ~~2010-2011~~**2011-2012**:

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

11 (b) An amount estimated at \$14,000,000.00 for ~~preschool grants~~
12 ~~(Public Law 94-142)~~, **SPECIAL EDUCATION-PRESCHOOL GRANTS (PUBLIC LAW**
13 **108-446)**, funded from DED-OSERS, ~~handicapped preschool incentive~~
14 **INDIVIDUALS WITH DISABILITIES EDUCATION ACT** funds.

15 (c) An amount estimated at \$45,000,000.00 for special
16 education programs funded by DED-OSERS, ~~handicapped program,~~
17 **SPECIAL EDUCATION-GRANTS TO STATES**, individuals with disabilities
18 act funds.

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

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

1 calculated under section 20. ~~and minus the amount calculated for~~
2 ~~the district under section 20j.~~ For intermediate districts,
3 reimbursement for pupils described in subsection (2) shall be
4 calculated in the same manner as for a district, using the
5 foundation allowance under section 20 of the pupil's district of
6 residence, not to exceed the basic foundation allowance under
7 section 20 for the current fiscal year. ~~and under section 20j.~~

8 (2) Reimbursement under subsection (1) is for the following
9 special education pupils:

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

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

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

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

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

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

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

8 (5) Not more than \$13,500,000.00 of the allocation for ~~2010-~~
9 ~~2011-2011-2012~~ in section 51a(1) shall be allocated under this
10 section.

11 Sec. 54. Each intermediate district shall receive an amount
12 per pupil for each pupil in attendance at the Michigan schools for
13 the deaf and blind. The amount shall be proportionate to the total
14 instructional cost at each school. Not more than \$1,688,000.00 of
15 the allocation for ~~2010-2011-2011-2012~~ in section 51a(1) shall be
16 allocated under this section.

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

18 (a) "Membership" means for a particular fiscal year the total
19 membership for the immediately preceding fiscal year of the
20 intermediate district and the districts constituent to the
21 intermediate district.

22 (b) "Millage levied" means the millage levied for special
23 education pursuant to part 30 of the revised school code, MCL
24 380.1711 to 380.1743, including a levy for debt service
25 obligations.

26 (c) "Taxable value" means the total taxable value of the
27 districts constituent to an intermediate district, except that if a

1 district has elected not to come under part 30 of the revised
2 school code, MCL 380.1711 to 380.1743, membership and taxable value
3 of the district shall not be included in the membership and taxable
4 value of the intermediate district.

5 (2) From the allocation under section 51a(1), there is
6 ~~allocated an amount not to exceed \$39,281,100.00 for 2009-2010 and~~
7 an amount not to exceed \$36,881,100.00 for ~~2010-2011~~ **2011-2012** to
8 reimburse intermediate districts levying millages for special
9 education pursuant to part 30 of the revised school code, MCL
10 380.1711 to 380.1743. The purpose, use, and expenditure of the
11 reimbursement shall be limited as if the funds were generated by
12 these millages and governed by the intermediate district plan
13 adopted pursuant to article 3 of the revised school code, MCL
14 380.1701 to 380.1766. As a condition of receiving funds under this
15 section, an intermediate district distributing any portion of
16 special education millage funds to its constituent districts shall
17 submit for departmental approval and implement a distribution plan.

18 (3) Reimbursement for those millages levied in ~~2008-2009-2010-~~
19 **2011** shall be made in ~~2009-2010~~ **2011-2012** at an amount per ~~2008-~~
20 ~~2009-2010-2011~~ membership pupil computed by subtracting from
21 ~~\$180,600.00~~ **\$174,700.00** the ~~2008-2009-2010-2011~~ taxable value
22 behind each membership pupil and multiplying the resulting
23 difference by the ~~2008-2009-2010-2011~~ millage levied. ~~Reimbursement~~
24 ~~for those millages levied in 2009-2010 shall be made in 2010-2011~~
25 ~~at an amount per 2009-2010 membership pupil computed by subtracting~~
26 ~~from \$181,700.00 the 2009-2010 taxable value behind each membership~~
27 ~~pupil and multiplying the resulting difference by the 2009-2010~~

1 millage levied.

2 Sec. 61a. (1) From the appropriation in section 11, there is
3 allocated an amount not to exceed \$26,611,300.00 for ~~2010-2011~~
4 **2011-2012** to reimburse on an added cost basis districts, except for
5 a district that served as the fiscal agent for a vocational
6 education consortium in the 1993-94 school year, and secondary area
7 vocational-technical education centers for secondary-level career
8 and technical education programs according to rules approved by the
9 superintendent. Applications for participation in the programs
10 shall be submitted in the form prescribed by the department. The
11 department shall determine the added cost for each career and
12 technical education program area. The allocation of added cost
13 funds shall be based on the type of career and technical education
14 programs provided, the number of pupils enrolled, and the length of
15 the training period provided, and shall not exceed 75% of the added
16 cost of any program. With the approval of the department, the board
17 of a district maintaining a secondary career and technical
18 education program may offer the program for the period from the
19 close of the school year until September 1. The program shall use
20 existing facilities and shall be operated as prescribed by rules
21 promulgated by the superintendent.

22 (2) Except for a district that served as the fiscal agent for
23 a vocational education consortium in the 1993-94 school year,
24 districts and intermediate districts shall be reimbursed for local
25 career and technical education administration, shared time career
26 and technical education administration, and career education
27 planning district career and technical education administration.

1 The definition of what constitutes administration and reimbursement
2 shall be pursuant to guidelines adopted by the superintendent. Not
3 more than \$800,000.00 of the allocation in subsection (1) shall be
4 distributed under this subsection.

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

6 (a) "Membership" means for a particular fiscal year the total
7 membership for the immediately preceding fiscal year of the
8 intermediate district and the districts constituent to the
9 intermediate district or the total membership for the immediately
10 preceding fiscal year of the area vocational-technical program.

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

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

1 following:

2 (i) The district operates the area vocational-technical
3 education program pursuant to a contract with the intermediate
4 district.

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

10 (2) From the appropriation in section 11, there is allocated
11 an amount not to exceed \$9,000,000.00 ~~each fiscal year for 2009-~~
12 ~~2010 and for 2010-2011-2011-2012~~ to reimburse intermediate
13 districts and area vocational-technical education programs
14 established under section 690(3) of the revised school code, MCL
15 380.690, levying millages for area vocational-technical education
16 pursuant to sections 681 to 690 of the revised school code, MCL
17 380.681 to 380.690. The purpose, use, and expenditure of the
18 reimbursement shall be limited as if the funds were generated by
19 those millages.

20 (3) Reimbursement for the millages levied in ~~2008-2009-2010-~~
21 ~~2011~~ shall be made in ~~2009-2010-2011-2012~~ at an amount per ~~2008-~~
22 ~~2009-2010-2011~~ membership pupil computed by subtracting from
23 ~~\$191,000.00~~ **\$190,400.00** the ~~2008-2009-2010-2011~~ taxable value
24 behind each membership pupil and multiplying the resulting
25 difference by the ~~2008-2009-2010-2011~~ millage levied. ~~Reimbursement~~
26 ~~for the millages levied in 2009-2010 shall be made in 2010-2011 at~~
27 ~~an amount per 2009-2010 membership pupil computed by subtracting~~

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1 ~~from \$194,700.00 the 2009-2010 taxable value behind each membership~~
2 ~~pupil and multiplying the resulting difference by the 2009-2010~~
3 ~~millage levied.~~

4 Sec. 74. (1) From the amount appropriated in section 11, ~~there~~
5 ~~is allocated an amount not to exceed \$3,028,500.00 for 2009-2010~~
6 ~~and there is allocated an amount not to exceed \$2,058,800.00~~
7 **<<\$3,154,600.00>>** for ~~2010-2011~~ **2011-2012** for the purposes of this
8 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.

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1 Districts funded under this subsection shall not receive funding
2 under any other section of this act 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 ~~\$1,403,500.00 for 2009-2010 and~~
6 ~~an amount not to exceed \$433,800.00 for 2010-2011~~ **\$1,529,600.00 FOR**
7 **2011-2012** for reimbursement
8 to districts and intermediate districts for costs associated with
9 the inspection of school buses and pupil transportation vehicles by
10 the department of state police as required under section 715a of
11 the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section
12 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The
13 department of state police shall prepare a statement of costs
14 attributable to each district for which bus inspections are
15 provided and submit it to the department and to each affected
16 district in a time and manner determined jointly by the department
17 and the department of state police. The department shall reimburse
18 each district and intermediate district for costs detailed on the
19 statement within 30 days after receipt of the statement. Districts
20 for which services are provided shall make payment in the amount
21 specified on the statement to the department of state police within
22 45 days after receipt of the statement. The total reimbursement of
23 costs under this subsection shall not exceed the amount allocated
24 under this subsection. Notwithstanding section 17b, payments to
25 eligible entities under this subsection shall be paid on a schedule
26 prescribed by the department.>>

26 Sec. 81. (1) Except as otherwise provided in this section,
27 from the appropriation in section 11, there is allocated for ~~2010-~~

1 ~~2011-2011-2012~~ to the intermediate districts the sum necessary, but
2 not to exceed ~~\$65,376,800.00~~ **\$62,108,000.00**, to provide state aid
3 to intermediate districts under this section. Except as otherwise
4 provided in this section, there shall be allocated to each
5 intermediate district for ~~2010-2011-2011-2012~~ an amount equal to
6 ~~80%~~ **95%** of the amount allocated under this subsection for ~~2008-~~
7 ~~2009-~~ **2010-2011**. Funding provided under this section shall be used
8 to comply with requirements of this act and the revised school code
9 that are applicable to intermediate districts, and for which
10 funding is not provided elsewhere in this act, and to provide
11 technical assistance to districts as authorized by the intermediate
12 school board.

13 (2) Intermediate districts receiving funds under this section
14 shall collaborate with the department to develop expanded
15 professional development opportunities for teachers to update and
16 expand their knowledge and skills needed to support the Michigan
17 merit curriculum.

18 (3) From the allocation in subsection (1), there is allocated
19 to an intermediate district, formed by the consolidation or
20 annexation of 2 or more intermediate districts or the attachment of
21 a total intermediate district to another intermediate school
22 district or the annexation of all of the constituent K-12 districts
23 of a previously existing intermediate school district which has
24 disorganized, an additional allotment of \$3,500.00 each fiscal year
25 for each intermediate district included in the new intermediate
26 district for 3 years following consolidation, annexation, or
27 attachment.

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

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

12 (a) Demonstrate to the satisfaction of the department that the
13 intermediate district employs at least 1 person who is trained in
14 pupil counting procedures, rules, and regulations.

15 (b) Demonstrate to the satisfaction of the department that the
16 intermediate district employs at least 1 person who is trained in
17 rules, regulations, and district reporting procedures for the
18 individual-level student data that serves as the basis for the
19 calculation of the district and high school graduation and dropout
20 rates.

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

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

26 (e) Comply with section 1230g of the revised school code, MCL
27 380.1230g.

1 (f) Comply with section 761 of the revised school code, MCL
2 380.761.

3 ~~(6) If the amount of the allocation to intermediate districts~~
4 ~~under subsection (1) is reduced in a fiscal year after 2010-2011~~
5 ~~from the amount of that allocation for 2010-2011, that reduced~~
6 ~~allocation shall not result in an intermediate district's~~
7 ~~allocation being less than the funding actually received by or paid~~
8 ~~on behalf of the intermediate district for the 1994-95 fiscal year~~
9 ~~under former section 146a(1) and section 147(1), as those sections~~
10 ~~were in effect for the 1994-95 fiscal year.~~

11 Sec. 93. From the general fund money appropriated in section
12 11, there is allocated for ~~2010-2011-2011-2012~~ an amount not to
13 exceed ~~\$1,500,000.00~~ **\$3,607,300.00** to the library of Michigan for
14 state aid to libraries payments to help support the provision of
15 the Michigan electronic library in public schools and public
16 libraries. The library of Michigan shall distribute the payments to
17 libraries under this section in an amount equal to 25.0% of the
18 allocation each library received under the state aid to libraries
19 appropriation enacted under 2009 PA 115.

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

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

27 (b) Create, maintain, and enhance this state's statewide

1 longitudinal data system and ensure that it meets the requirements
2 of subsection ~~(6)~~-(4).

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

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

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

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

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

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

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

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

26 (2) Each state department, officer, or agency that collects
27 information from districts, intermediate districts, or

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

11 ~~—— (3) The state budget director shall appoint a CEPI advisory~~
12 ~~committee to provide advice to the director. The CEPI advisory~~
13 ~~committee shall consist of the following members:~~

14 ~~—— (a) One representative from the house fiscal agency.~~

15 ~~—— (b) One representative from the senate fiscal agency.~~

16 ~~—— (c) One representative from the state budget office.~~

17 ~~—— (d) One representative from the state education agency.~~

18 ~~—— (e) One representative each from the department of energy,~~
19 ~~labor, and economic growth and the department of treasury.~~

20 ~~—— (f) Three representatives from intermediate school districts.~~

21 ~~—— (g) One representative from each of the following educational~~
22 ~~organizations:~~

23 ~~—— (i) Michigan association of school boards.~~

24 ~~—— (ii) Michigan association of school administrators.~~

25 ~~—— (iii) Michigan school business officials.~~

26 ~~—— (h) One representative representing private sector firms~~
27 ~~responsible for auditing school records.~~

1 ~~—— (i) Other representatives as the state budget director~~
2 ~~determines are necessary.~~

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

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

10 ~~—— (b) Defining the roles of all stakeholders in the data~~
11 ~~collection system.~~

12 ~~—— (c) Recommending timelines for the implementation and ongoing~~
13 ~~collection of data.~~

14 ~~—— (d) Establishing and maintaining data definitions, data~~
15 ~~transmission protocols, and system specifications and procedures~~
16 ~~for the efficient and accurate transmission and collection of data.~~

17 ~~—— (e) Establishing and maintaining a process for ensuring the~~
18 ~~reasonable accuracy of the data.~~

19 ~~—— (f) Establishing and maintaining state and model local~~
20 ~~policies related to data collection, including, but not limited to,~~
21 ~~privacy policies related to individual student data. These privacy~~
22 ~~policies shall ensure that a student's social security number is~~
23 ~~not released to the public for any purpose.~~

24 ~~—— (g) Working with stakeholders to develop a state research~~
25 ~~agenda.~~

26 ~~—— (h) Other matters as determined by the state budget director~~
27 ~~or the director of the center.~~

1 (3) ~~(5)~~—The center may enter into any interlocal agreements
2 necessary to fulfill its functions.

3 (4) ~~(6)~~—The center shall ensure that the statewide
4 longitudinal data system required under subsection (1)(b) meets all
5 of the following:

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

8 (b) Supports interoperability by using standard data
9 structures, data formats, and data definitions to ensure linkage
10 and connectivity in a manner that facilitates the exchange of data
11 among agencies and institutions within the state and between
12 states.

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

16 (d) Enables the matching of individual teachers with
17 information about their certification and the institutions that
18 prepared and recommended those teachers for state certification.

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

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

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

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

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

4 (ii) Contains student-level enrollment, demographic, and
5 program participation information.

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

9 (iv) Has the capacity to communicate with higher education data
10 systems.

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

13 (i) Contains yearly test records of individual students for
14 assessments approved by DED-OESE for accountability purposes under
15 section 1111(b) of the elementary and secondary education act of
16 1965, 20 USC 6311, including information on individual students not
17 tested, by grade and subject.

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

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

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

22 (i) Contains data that provide information regarding the extent
23 to which individual students transition successfully from secondary
24 school to postsecondary education, including, but not limited to,
25 all of the following:

26 (A) Enrollment in remedial coursework.

27 (B) Completion of 1 year's worth of college credit applicable

1 to a degree within 2 years of enrollment.

2 (ii) Contains data that provide other information determined
3 necessary to address alignment and adequate preparation for success
4 in postsecondary education.

5 (5) ~~(7)~~—From the general fund appropriation in section 11,
6 there is allocated an amount not to exceed ~~\$3,621,100.00 for 2010-~~
7 ~~2011-~~**\$3,701,700.00 FOR 2011-2012** to the department of technology,
8 management, and budget to support the operations of the center. In
9 addition, from the federal funds appropriated in section 11 there
10 is allocated for ~~2010-2011-~~**2011-2012** the amount necessary,
11 estimated at ~~\$10,067,800.00 for 2010-2011,~~**\$2,893,200.00**, to
12 support the operations of the center. The center shall cooperate
13 with the state education agency to ensure that this state is in
14 compliance with federal law and is maximizing opportunities for
15 increased federal funding to improve education in this state.

16 (6) ~~(8)~~—From the federal funds allocated in subsection ~~(7)~~,
17 (5), there is allocated for ~~2010-2011-~~**2011-2012** an amount not to
18 exceed \$850,000.00 funded from the competitive grants of DED-OESE,
19 title II, educational technology funds for the purposes of this
20 subsection. Not later than November 30 of each fiscal year, the
21 department shall award a single grant to an eligible partnership
22 that includes an intermediate district with at least 1 high-need
23 local school district and the center.

24 (7) ~~(9)~~—In addition to the amount allocated under subsection
25 ~~(7)~~—(5) there is also allocated from the general fund money
26 appropriated in section 11 for ~~2010-2011-~~**2011-2012** an additional
27 amount not to exceed \$1,800,000.00 for the purpose of establishing

1 a longitudinal data system as provided under this section in
2 compliance with the assurance provided to the federal department of
3 education in order to receive state fiscal stabilization funds. ~~In~~
4 ~~addition, there is allocated for 2010-2011 from the state school~~
5 ~~aid fund money appropriated under section 11 an amount not to~~
6 ~~exceed \$8,440,000.00 to support the efforts of districts to match~~
7 ~~individual teacher and student records. The funds shall be~~
8 ~~distributed to districts in an amount and manner determined by the~~
9 ~~center.~~

10 (8) ~~(10)~~ From the federal funds allocated in subsection ~~(7)~~,
11 (5), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to
12 exceed \$242,000.00 to support the efforts of postsecondary
13 institutions to comply with the requirements of this state's
14 statewide longitudinal data system. The funds shall be distributed
15 to postsecondary institutions in an amount and manner determined by
16 the center.

17 (9) ~~(11)~~ The center and the department shall work
18 cooperatively to develop a cost allocation plan that pays for
19 center expenses from the appropriate federal fund and state
20 restricted fund revenues.

21 (10) ~~(12)~~ Funds allocated under this section that are not
22 expended in the fiscal year in which they were allocated may be
23 carried forward to a subsequent fiscal year and are appropriated
24 for the purposes for which the funds were originally allocated.

25 (11) ~~(13)~~ The center may bill departments as necessary in
26 order to fulfill reporting requirements of state and federal law.
27 The center may also enter into agreements to supply custom data,

1 analysis, and reporting to other principal executive departments,
2 state agencies, local units of government, and other individuals
3 and organizations. The center may receive and expend funds in
4 addition to those authorized in subsection ~~(7)~~-(5) to cover the
5 costs associated with salaries, benefits, supplies, materials, and
6 equipment necessary to provide such data, analysis, and reporting
7 services.

8 (12) ~~(14)~~As used in this section:

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

11 (b) "High-need local school district" means a local
12 educational agency as defined in the enhancing education through
13 technology part of the no child left behind act of 2001, Public Law
14 107-110.

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

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 for 2010-2011~~ **\$1,437,500.00 FOR 2011-2012** to provide
19 a grant to the Michigan virtual university for the development,
20 implementation, and operation of the Michigan virtual high school;
21 to provide professional development opportunities for educators;
22 and to fund other purposes described in this section. In addition,
23 from the federal funds appropriated in section 11, there is
24 allocated for ~~2010-2011~~ **2011-2012** an amount estimated at
25 \$2,700,000.00.

26 (2) The Michigan virtual high school shall have the following
27 goals:

1 (a) Significantly expand curricular offerings for high schools
2 across this state through agreements with districts or licenses
3 from other recognized providers.

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

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

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

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

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

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

21 (a) Information technology courses.

22 (b) College level equivalent courses, as defined in section
23 1471 of the revised school code, MCL 380.1471.

24 (c) Courses and dual enrollment opportunities.

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

26 (e) General education development test preparation courses for
27 adjudicated youth.

1 (f) Special interest courses.

2 (g) Professional development programs that teach Michigan
3 educators how to develop and deliver online instructional services.

4 (4) From the federal funds allocated in subsection (1), there
5 is allocated for ~~2010-2011-2011-2012~~ an amount estimated at
6 \$1,700,000.00 from DED-OESE, title II, improving teacher quality
7 funds for a grant to the Michigan virtual university for the
8 purpose of this subsection. With the approval of the department,
9 the Michigan virtual university shall coordinate the following
10 activities related to DED-OESE, title II, improving teacher quality
11 funds in 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 ~~2010-2011~~**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~~**2011**,
16 from the funds allocated in this subsection, the department shall
17 award a single grant of \$1,000,000.00 to a consortium or
18 partnership established by the Michigan virtual university that
19 meets the requirements of this subsection. To be eligible for this
20 funding, a consortium or partnership established by the Michigan
21 virtual university shall include at least 1 intermediate district
22 and at least 1 high-need local district. All of the following apply
23 to 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 (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 ~~—— (8) Not later than December 1, 2010, the Michigan virtual~~
15 ~~university shall provide a report to the house and senate~~
16 ~~appropriations subcommittees on state school aid, the state budget~~
17 ~~director, the house and senate fiscal agencies, and the department~~
18 ~~that includes at least all of the following information related to~~
19 ~~the Michigan virtual high school for the preceding state fiscal~~
20 ~~year:~~

21 ~~—— (a) A list of the Michigan schools served by the Michigan~~
22 ~~virtual high school.~~

23 ~~—— (b) A list of online course titles available to Michigan~~
24 ~~schools.~~

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 ~~—— (c) 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 (8) ~~(9)~~ As used in this section:

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

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

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

12 Sec. 99. (1) From the ~~state school aid fund~~ money appropriated
 13 in section 11, there is allocated an amount not to exceed
 14 ~~\$2,515,000.00 for 2010-2011 and from the general fund appropriation~~
 15 ~~in section 11, there is allocated an amount not to exceed~~
 16 ~~\$110,000.00 for 2010-2011~~ **\$2,525,000.00 FOR 2011-2012** to support
 17 the activities and programs of mathematics and science centers and
 18 for other purposes as described in this section. In addition, from
 19 the federal funds appropriated in section 11, there is allocated
 20 for ~~2010-2011~~ **2011-2012** an amount estimated at \$5,249,300.00 from
 21 DED-OESE, title II, mathematics and science partnership grants.

22 (2) Within a service area designated locally, approved by the
 23 department, and consistent with the comprehensive master plan for
 24 mathematics and science centers developed by the department and
 25 approved by the state board, an established mathematics and science
 26 center shall provide 2 or more of the following 6 basic services,
 27 as described in the master plan, to constituent districts and

1 communities: leadership, pupil services, curriculum support,
2 community involvement, professional development, and resource
3 clearinghouse services.

4 (3) The department shall not award a state grant under this
5 section to more than 1 mathematics and science center located in a
6 designated region as prescribed in the 2007 master plan unless each
7 of the grants serves a distinct target population or provides a
8 service that does not duplicate another program in the designated
9 region.

10 (4) As part of the technical assistance process, the
11 department shall provide minimum standard guidelines that may be
12 used by the mathematics and science center for providing fair
13 access for qualified pupils and professional staff as prescribed in
14 this section.

15 (5) Allocations under this section to support the activities
16 and programs of mathematics and science centers shall be continuing
17 support grants to all 33 established mathematics and science
18 centers. Each established mathematics and science center that was
19 funded in ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** shall
20 receive state funding in an amount equal to 100% of the amount it
21 was allocated under this subsection for ~~2009-2010~~ **THE IMMEDIATELY**
22 **PRECEDING FISCAL YEAR**. If a center declines state funding or a
23 center closes, the remaining money available under this section
24 shall be distributed to the remaining centers, as determined by the
25 department.

26 (6) From the funds allocated in subsection (1), there is
27 allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed

1 \$750,000.00 in a form and manner determined by the department to
2 those centers able to provide curriculum and professional
3 development support to assist districts in implementing the
4 Michigan merit curriculum components for mathematics and science.
5 Funding under this subsection is in addition to funding allocated
6 under subsection (5).

7 (7) In order to receive state or federal funds under this
8 section, a grant recipient shall allow access for the department or
9 the department's designee to audit all records related to the
10 program for which it receives such funds. The grant recipient shall
11 reimburse the state for all disallowances found in the audit.

12 (8) Not later than September 30, 2013, the department shall
13 reevaluate and update the comprehensive master plan described in
14 subsection (1).

15 (9) The department shall give preference in awarding the
16 federal grants allocated in subsection (1) to eligible existing
17 mathematics and science centers.

18 (10) In order to receive state funds under this section, a
19 grant recipient shall provide at least a 10% local match from local
20 public or private resources for the funds received under this
21 section.

22 **(11) NOT LATER THAN JULY 1 OF EACH YEAR, A MATHEMATICS AND**
23 **SCIENCE CENTER THAT RECEIVES FUNDS UNDER THIS SECTION SHALL REPORT**
24 **TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT**
25 **ON THE FOLLOWING PERFORMANCE MEASURES:**

26 **(A) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR**
27 **STUDENTS WHO ENROLLED IN MATHEMATICS AND SCIENCE ACTIVITIES**

1 PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE CENTER.

2 (B) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR
3 TEACHERS WHO ENROLLED IN PROFESSIONAL DEVELOPMENT ACTIVITIES
4 PROVIDED BY THE MATHEMATICS AND SCIENCE CENTER.

5 (12) ~~(11)~~—As used in this section:

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

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

9 Sec. 101. (1) To be eligible to receive state aid under this
10 act, not later than the fifth Wednesday after the pupil membership
11 count day and not later than the fifth Wednesday after the
12 supplemental count day, each district superintendent shall submit
13 to the center and the intermediate superintendent, in the form and
14 manner prescribed by the center, the number of pupils enrolled and
15 in regular daily attendance in the district as of the pupil
16 membership count day and as of the supplemental count day, as
17 applicable, for the current school year. In addition, a district
18 maintaining school during the entire year, as provided under
19 section 1561 of the revised school code, MCL 380.1561, shall submit
20 to the center and the intermediate superintendent, in the form and
21 manner prescribed by the center, the number of pupils enrolled and
22 in regular daily attendance in the district for the current school
23 year pursuant to rules promulgated by the superintendent. Not later
24 than the ~~seventh~~**SIXTH** Wednesday after the pupil membership count
25 day and not later than the seventh Wednesday after the supplemental
26 count day, the district shall certify the data in a form and manner
27 prescribed by the center and file the certified data with the

1 intermediate superintendent. If a district fails to submit and
2 certify the attendance data, as required under this subsection, the
3 center shall notify the department and state aid due to be
4 distributed under this act shall be withheld from the defaulting
5 district immediately, beginning with the next payment after the
6 failure and continuing with each payment until the district
7 complies with this subsection. If a district does not comply with
8 this subsection by the end of the fiscal year, the district
9 forfeits the amount withheld. A person who willfully falsifies a
10 figure or statement in the certified and sworn copy of enrollment
11 shall be punished in the manner prescribed by section 161.

12 (2) To be eligible to receive state aid under this act, not
13 later than the twenty-fourth Wednesday after the pupil membership
14 count day and not later than the twenty-fourth Wednesday after the
15 supplemental count day, an intermediate district shall submit to
16 the center, in a form and manner prescribed by the center, the
17 audited enrollment and attendance data for the pupils of its
18 constituent districts and of the intermediate district. If an
19 intermediate district fails to submit the audited data as required
20 under this subsection, state aid due to be distributed under this
21 act shall be withheld from the defaulting intermediate district
22 immediately, beginning with the next payment after the failure and
23 continuing with each payment until the intermediate district
24 complies with this subsection. If an intermediate district does not
25 comply with this subsection by the end of the fiscal year, the
26 intermediate district forfeits the amount withheld.

27 (3) Except as otherwise provided in subsection (11), all of

1 the following apply to the provision of pupil instruction:

2 (a) Except as otherwise provided in this section, each
3 district shall provide at least 1,098 hours and, beginning in 2010-
4 2011, the required minimum number of days of pupil instruction. For
5 2010-2011 and for 2011-2012, the required minimum number of days of
6 pupil instruction is 165. Beginning in 2012-2013, the required
7 minimum number of days of pupil instruction is 170. However,
8 beginning in 2010-2011, a district shall not provide fewer days of
9 pupil instruction than the district provided for 2009-2010. A
10 district may apply for a waiver under subsection (9) from the
11 requirements of this subdivision.

12 (b) Except as otherwise provided in this act, a district
13 failing to comply with the required minimum hours and days of pupil
14 instruction under this subsection shall forfeit from its total
15 state aid allocation an amount determined by applying a ratio of
16 the number of hours or days the district was in noncompliance in
17 relation to the required minimum number of hours and days under
18 this subsection. Not later than August 1, the board of each
19 district shall certify to the department the number of hours and,
20 beginning in 2010-2011, days of pupil instruction in the previous
21 school year. If the district did not provide at least the required
22 minimum number of hours and days of pupil instruction under this
23 subsection, the deduction of state aid shall be made in the
24 following fiscal year from the first payment of state school aid. A
25 district is not subject to forfeiture of funds under this
26 subsection for a fiscal year in which a forfeiture was already
27 imposed under subsection (6).

1 (c) Hours or days lost because of strikes or teachers'
2 conferences shall not be counted as hours or days of pupil
3 instruction.

4 (d) If a collective bargaining agreement that provides a
5 complete school calendar is in effect for employees of a district
6 as of October 19, 2009, and if that school calendar is not in
7 compliance with this subsection, then this subsection does not
8 apply to that district until after the expiration of that
9 collective bargaining agreement.

10 (e) Except as otherwise provided in subdivision (f), a
11 district not having at least 75% of the district's membership in
12 attendance on any day of pupil instruction shall receive state aid
13 in that proportion of 1/180 that the actual percent of attendance
14 bears to the specified percentage.

15 (f) At the request of a district that operates a department-
16 approved alternative education program and that does not provide
17 instruction for pupils in all of grades K to 12, the superintendent
18 may grant a waiver from the requirements of subdivision (e) in
19 order to conduct a pilot study. The waiver shall indicate that an
20 eligible district is subject to the proration provisions of
21 subdivision (e) only if the district does not have at least 50% of
22 the district's membership in attendance on any day of pupil
23 instruction. In order to be eligible for this waiver, a district
24 must maintain records to substantiate its compliance with the
25 following requirements during the pilot study:

26 (i) The district offers the minimum hours of pupil instruction
27 as required under this section.

1 (ii) For each enrolled pupil, the district uses appropriate
2 academic assessments to develop an individual education plan that
3 leads to a high school diploma.

4 (iii) The district tests each pupil to determine academic
5 progress at regular intervals and records the results of those
6 tests in that pupil's individual education plan.

7 (g) The superintendent shall promulgate rules for the
8 implementation of this subsection.

9 (4) Except as otherwise provided in this subsection, the first
10 6 days or the equivalent number of hours for which pupil
11 instruction is not provided because of conditions not within the
12 control of school authorities, such as severe storms, fires,
13 epidemics, utility power unavailability, water or sewer failure, or
14 health conditions as defined by the city, county, or state health
15 authorities, shall be counted as hours and days of pupil
16 instruction. With the approval of the superintendent of public
17 instruction, the department shall count as hours and days of pupil
18 instruction for a fiscal year not more than 6 additional days or
19 the equivalent number of additional hours for which pupil
20 instruction is not provided in a district after April 1 of the
21 applicable school year due to unusual and extenuating occurrences
22 resulting from conditions not within the control of school
23 authorities such as those conditions described in this subsection.
24 Subsequent such hours or days shall not be counted as hours or days
25 of pupil instruction.

26 (5) A district shall not forfeit part of its state aid
27 appropriation because it adopts or has in existence an alternative

1 scheduling program for pupils in kindergarten if the program
2 provides at least the number of hours required under subsection (3)
3 for a full-time equated membership for a pupil in kindergarten as
4 provided under section 6(4).

5 (6) Not later than April 15 of each fiscal year, the board of
6 each district shall certify to the department the planned number of
7 hours and days of pupil instruction in the district for the school
8 year ending in the fiscal year. In addition to any other penalty or
9 forfeiture under this section, if at any time the department
10 determines that 1 or more of the following has occurred in a
11 district, the district shall forfeit in the current fiscal year
12 beginning in the next payment to be calculated by the department a
13 proportion of the funds due to the district under this act that is
14 equal to the proportion below the required minimum number of hours
15 and days of pupil instruction under subsection (3), as specified in
16 the following:

17 (a) The district fails to operate its schools for at least the
18 required minimum number of hours and days of pupil instruction
19 under subsection (3) in a school year, including hours and days
20 counted under subsection (4).

21 (b) The board of the district takes formal action not to
22 operate its schools for at least the required minimum number of
23 hours and days of pupil instruction under subsection (3) in a
24 school year, including hours and days counted under subsection (4).

25 (7) In providing the minimum number of hours and days of pupil
26 instruction required under subsection (3), a district shall use the
27 following guidelines, and a district shall maintain records to

1 substantiate its compliance with the following guidelines:

2 (a) Except as otherwise provided in this subsection, a pupil
3 must be scheduled for at least the required minimum number of hours
4 of instruction, excluding study halls, or at least the sum of 90
5 hours plus the required minimum number of hours of instruction,
6 including up to 2 study halls.

7 (b) The time a pupil is assigned to any tutorial activity in a
8 block schedule may be considered instructional time, unless that
9 time is determined in an audit to be a study hall period.

10 (c) Except as otherwise provided in this subdivision, a pupil
11 in grades 9 to 12 for whom a reduced schedule is determined to be
12 in the individual pupil's best educational interest must be
13 scheduled for a number of hours equal to at least 80% of the
14 required minimum number of hours of pupil instruction to be
15 considered a full-time equivalent pupil. A pupil in grades 9 to 12
16 who is scheduled in a 4-block schedule may receive a reduced
17 schedule under this subsection if the pupil is scheduled for a
18 number of hours equal to at least 75% of the required minimum
19 number of hours of pupil instruction to be considered a full-time
20 equivalent pupil.

21 (d) If a pupil in grades 9 to 12 who is enrolled in a
22 cooperative education program or a special education pupil cannot
23 receive the required minimum number of hours of pupil instruction
24 solely because of travel time between instructional sites during
25 the school day, that travel time, up to a maximum of 3 hours per
26 school week, shall be considered to be pupil instruction time for
27 the purpose of determining whether the pupil is receiving the

1 required minimum number of hours of pupil instruction. However, if
2 a district demonstrates to the satisfaction of the department that
3 the travel time limitation under this subdivision would create
4 undue costs or hardship to the district, the department may
5 consider more travel time to be pupil instruction time for this
6 purpose.

7 (e) In grades 7 through 12, instructional time that is part of
8 a junior reserve officer training corps (JROTC) program shall be
9 considered to be pupil instruction time regardless of whether the
10 instructor is a certificated teacher if all of the following are
11 met:

12 (i) The instructor has met all of the requirements established
13 by the United States department of defense and the applicable
14 branch of the armed services for serving as an instructor in the
15 junior reserve officer training corps program.

16 (ii) The board of the district or intermediate district
17 employing or assigning the instructor complies with the
18 requirements of sections 1230 and 1230a of the revised school code,
19 MCL 380.1230 and 380.1230a, with respect to the instructor to the
20 same extent as if employing the instructor as a regular classroom
21 teacher.

22 (8) Except as otherwise provided in subsection (11), the
23 department shall apply the guidelines under subsection (7) in
24 calculating the full-time equivalency of pupils.

25 (9) Upon application by the district for a particular fiscal
26 year, the superintendent may waive for a district the minimum
27 number of hours and days of pupil instruction requirement of

1 subsection (3) for a department-approved alternative education
2 program or another innovative program approved by the department,
3 including a 4-day school week. If a district applies for and
4 receives a waiver under this subsection and complies with the terms
5 of the waiver, for the fiscal year covered by the waiver the
6 district is not subject to forfeiture under this section for the
7 specific program covered by the waiver. If the district does not
8 comply with the terms of the waiver, the amount of the forfeiture
9 shall be calculated based upon a comparison of the number of hours
10 and days of pupil instruction actually provided to the minimum
11 number of hours and days of pupil instruction required under
12 subsection (3). Pupils enrolled in a department-approved
13 alternative education program under this subsection shall be
14 reported to the center in a form and manner determined by the
15 center.

16 (10) A district may count up to 38 hours of qualifying
17 professional development for teachers as hours of pupil
18 instruction. Professional development provided online is allowable
19 and encouraged, as long as the instruction has been approved by the
20 district. The department shall issue a list of approved online
21 professional development providers, which shall include the
22 Michigan virtual university. However, if a collective bargaining
23 agreement that provides more than 38 but not more than 51 hours of
24 professional development for teachers is in effect for employees of
25 a district as of October 1, 2006, then until the fiscal year that
26 begins after the expiration of that collective bargaining agreement
27 a district may count up to 51 hours of qualifying professional

1 development for teachers as hours of pupil instruction. A district
2 that elects to use this exception shall notify the department of
3 its election. As used in this subsection, "qualifying professional
4 development" means professional development that is focused on 1 or
5 more of the following:

6 (a) Achieving or improving adequate yearly progress as defined
7 under the no child left behind act of 2001, Public Law 107-110.

8 (b) Achieving accreditation or improving a school's
9 accreditation status under section 1280 of the revised school code,
10 MCL 380.1280.

11 (c) Achieving highly qualified teacher status as defined under
12 the no child left behind act of 2001, Public Law 107-110.

13 (d) Integrating technology into classroom instruction.

14 (e) Maintaining teacher certification.

15 (11) Subsections (3) and (8) do not apply to a school of
16 excellence that is a cyber school, as defined in section 551 of the
17 revised school code, MCL 380.551, and is in compliance with section
18 553a of the revised school code, MCL 380.553a.

19 (12) The department shall study the actual costs of providing
20 distance learning or other alternative instructional delivery that
21 is being used in this state and shall report on its findings to the
22 house and senate fiscal agencies and the office of the state budget
23 not later than September 10, 2012. Upon request by the department,
24 a school of excellence described in subsection (11), the Michigan
25 virtual university, or a school that receives a seat time waiver
26 from the department under this section shall submit to the
27 department any data requested by the department for the purposes of

1 this study.

2 Sec. 104. (1) In order to receive state aid under this act, a
3 district shall comply with sections 1249, 1278a, 1278b, 1279,
4 1279g, and 1280b of the revised school code, MCL 380.1249,
5 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
6 PA 38, MCL 388.1081 to 388.1086, **EXCEPT THAT A DISTRICT SHALL NOT**
7 **CONDUCT ANY STATE TESTING FOR PUPILS IN GRADE 9.** Subject to
8 subsection (2), from the state school aid fund money appropriated
9 in section 11, there is allocated for ~~2010-2011-2011-2012~~ an amount
10 not to exceed ~~\$40,194,400.00~~ **\$35,194,400.00** for payments on behalf
11 of districts for costs associated with complying with those
12 provisions of law. In addition, from the federal funds appropriated
13 in section 11, there is allocated for ~~2010-2011-2011-2012~~ an amount
14 estimated at ~~\$3,250,000.00~~ **\$8,250,000.00**, funded from DED-OSERS,
15 section 504 of part B of the individuals with disabilities
16 education act, Public Law 94-142, plus any carryover federal funds
17 from previous year appropriations, for the purposes of complying
18 with the federal no child left behind act of 2001, Public Law 107-
19 110.

20 (2) The results of each test administered as part of the
21 Michigan educational assessment program, including tests
22 administered to high school students, shall include an item
23 analysis that lists all items that are counted for individual pupil
24 scores and the percentage of pupils choosing each possible
25 response.

26 (3) All federal funds allocated under this section shall be
27 distributed in accordance with federal law and with flexibility

1 provisions outlined in Public Law 107-116, and in the education
2 flexibility partnership act of 1999, Public Law 106-25.

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

7 (5) As used in this section:

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

9 (b) "DED-OSERS" means the DED office of special education and
10 rehabilitative services.

11 Sec. 107. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$22,000,000.00 for ~~2010-2011~~
13 **2011-2012** for adult education programs authorized under this
14 section. Funds appropriated under this section are restricted for
15 adult education programs as authorized under this section only. A
16 recipient of funds under this section shall not use those funds for
17 any other purpose.

18 (2) To be eligible for funding under this section, a program
19 shall employ certificated teachers and qualified administrative
20 staff and shall offer continuing education opportunities for
21 teachers to allow them to maintain certification.

22 (3) To be eligible to be a participant funded under this
23 section, a person shall be enrolled in an adult basic education
24 program, an adult English as a second language program, a general
25 educational development (G.E.D.) test preparation program, a job or
26 employment related program, or a high school completion program,
27 that meets the requirements of this section, and shall meet either

1 of the following, as applicable:

2 (a) If the individual has obtained a high school diploma or a
3 general educational development (G.E.D.) certificate, the
4 individual meets 1 of the following:

5 (i) Is less than 20 years of age on September 1 of the school
6 year and is enrolled in the Michigan career and technical
7 institute.

8 (ii) Is less than 20 years of age on September 1 of the school
9 year, is not attending an institution of higher education, and is
10 enrolled in a job or employment-related program through a referral
11 by an employer.

12 (iii) Is enrolled in an English as a second language program.

13 (iv) Is enrolled in a high school completion program.

14 (b) If the individual has not obtained a high school diploma
15 or G.E.D. certificate, the individual meets 1 of the following:

16 (i) Is at least 20 years of age on September 1 of the school
17 year.

18 (ii) Is at least 16 years of age on September 1 of the school
19 year, has been permanently expelled from school under section
20 1311(2) or 1311a of the revised school code, MCL 380.1311 and
21 380.1311a, and has no appropriate alternative education program
22 available through his or her district of residence.

23 (4) Except as otherwise provided in subsection (5), ~~from the~~
24 ~~amount allocated under subsection (1), at least \$21,800,000.00~~ **THE**
25 **MONEY ALLOCATED UNDER THIS SECTION** shall be distributed as follows:

26 (a) For districts and consortia that received payments for
27 ~~2009-2010-2010-2011~~ under this section, the amount allocated to

1 each for ~~2010-2011~~ **2011-2012** shall be based on the number of
2 participants served by the district or consortium for ~~2010-2011~~,
3 **2011-2012**, using the amount allocated per full-time equated
4 participant under subsection (7), up to a maximum total allocation
5 under this subsection in an amount equal to 100% of the amount the
6 district or consortium received for ~~2009-2010~~ **2010-2011** under this
7 section before any reallocations made for ~~2009-2010~~ **2010-2011** under
8 subsection (5).

9 (b) A district or consortium that received funding in ~~2009-~~
10 ~~2010-2010-2011~~ under this section may operate independently of a
11 consortium or join or form a consortium for ~~2010-2011~~ **2011-2012**.
12 The allocation for ~~2010-2011~~ **2011-2012** to the district or the newly
13 formed consortium under this subsection shall be determined by the
14 department and shall be based on the proportion of the amounts that
15 are attributable to the district or consortium that received
16 funding in ~~2009-2010~~ **2010-2011**. A district or consortium described
17 in this subdivision shall notify the department of its intention
18 with regard to ~~2010-2011~~ **2011-2012** by October 1, ~~2010~~ **2011**.

19 (c) If a district had a declaration of financial emergency in
20 place under the local government fiscal responsibility act, 1990 PA
21 72, MCL 141.1201 to 141.1291, and that declaration was revoked
22 during 2005, the district may operate a program under this section
23 independently of a consortium or may join or form a consortium to
24 operate a program under this section. The allocation for ~~2010-2011~~
25 **2011-2012** to the district or the newly formed consortium under this
26 subsection shall be determined by the department and shall be based
27 on the proportion of the amounts that are attributable to the

1 district or consortium that received funding in ~~2009-2010-2010-2011~~
2 or, for a district for which a declaration of financial emergency
3 was revoked during 2005, based on the amount the district received
4 under this section using a 3-year average of the 3 most recent
5 fiscal years the district received funding under this section. A
6 district or consortium described in this subdivision shall notify
7 the department of its intention with regard to ~~2010-2011-2011-2012~~
8 by October 1, ~~2010-2011~~.

9 (5) A district that operated an adult education program in
10 ~~2009-2010-2010-2011~~ and does not intend to operate a program in
11 ~~2010-2011-2011-2012~~ shall notify the department by October 1, ~~2010~~
12 ~~2011~~ of its intention. The money intended to be allocated under
13 this section to a district that does not operate a program in ~~2010-~~
14 ~~2011-2011-2012~~ and the unspent money originally allocated under
15 this section to a district or consortium that subsequently operates
16 a program at less than the level of funding allocated under
17 subsection (4) and any other unallocated money under this section
18 shall instead be proportionately reallocated to the other districts
19 described in subsection (4) (a) that are operating an adult
20 education program in ~~2010-2011-2011-2012~~ under this section.

21 ~~—— (6) From the amount allocated under subsection (1), up to a~~
22 ~~maximum of \$200,000.00 shall be allocated for not more than 1 grant~~
23 ~~not to exceed \$200,000.00 for expansion of an existing innovative~~
24 ~~community college program that focuses on educating adults. Grants~~
25 ~~may be used for program operating expenses such as staffing, rent,~~
26 ~~equipment, and other expenses. To be eligible for this grant~~
27 ~~funding, a program must meet the following criteria:~~

1 ~~—— (a) Collaborates with local districts and businesses to~~
2 ~~determine area academic needs and to promote the learning~~
3 ~~opportunities.~~

4 ~~—— (b) Is located off campus in an urban residential setting with~~
5 ~~documented high poverty and low high school graduation rates.~~

6 ~~—— (c) Provides general educational development (G.E.D.) test~~
7 ~~preparation courses and workshops.~~

8 ~~—— (d) Provides developmental courses taught by college faculty~~
9 ~~that prepare students to be successful in college level courses.~~

10 ~~—— (e) Uses learning communities to allow for shared, rather than~~
11 ~~isolated, learning experiences.~~

12 ~~—— (f) Provides on site tutoring.~~

13 ~~—— (g) Provides access to up to date technology, including~~
14 ~~personal computers.~~

15 ~~—— (h) Partners with a financial institution to provide financial~~
16 ~~literacy education.~~

17 ~~—— (i) Assists students in gaining access to financial aid.~~

18 ~~—— (j) Provides on site academic advising to students.~~

19 ~~—— (k) Provides vouchers for reduced G.E.D. testing costs.~~

20 ~~—— (l) Partners with local agencies to provide referrals for~~
21 ~~social services as needed.~~

22 ~~—— (m) Enrolls participants as students of the community college.~~

23 ~~—— (n) Partners with philanthropic and business entities to~~
24 ~~provide capital funding.~~

25 (6) ~~(7)~~—The amount allocated under this section per full-time
26 equated participant is \$2,850.00 for a 450-hour program. The amount
27 shall be proportionately reduced for a program offering less than

1 450 hours of instruction.

2 (7) ~~(8)~~—An adult basic education program or an adult English
3 as a second language program operated on a year-round or school
4 year basis may be funded under this section, subject to all of the
5 following:

6 (a) The program enrolls adults who are determined by a
7 department-approved assessment, in a form and manner prescribed by
8 the department, to be below ninth grade level in reading or
9 mathematics, or both, or to lack basic English proficiency.

10 (b) The program tests individuals for eligibility under
11 subdivision (a) before enrollment and upon completion of the
12 program in compliance with the state-approved assessment policy.

13 (c) A participant in an adult basic education program is
14 eligible for reimbursement until 1 of the following occurs:

15 (i) The participant's reading and mathematics proficiency are
16 assessed at or above the ninth grade level.

17 (ii) The participant fails to show progress on 2 successive
18 assessments after having completed at least 450 hours of
19 instruction.

20 (d) A funding recipient enrolling a participant in an English
21 as a second language program is eligible for funding according to
22 subsection ~~(12)~~—(11) until the participant meets 1 of the
23 following:

24 (i) The participant is assessed as having attained basic
25 English proficiency as determined by a department-approved
26 assessment.

27 (ii) The participant fails to show progress on 2 successive

1 department-approved assessments after having completed at least 450
2 hours of instruction. The department shall provide information to a
3 funding recipient regarding appropriate assessment instruments for
4 this program.

5 (8) ~~(9)~~—A general educational development (G.E.D.) test
6 preparation program operated on a year-round or school year basis
7 may be funded under this section, subject to all of the following:

8 (a) The program enrolls adults who do not have a high school
9 diploma.

10 (b) The program shall administer a G.E.D. pre-test approved by
11 the department before enrolling an individual to determine the
12 individual's potential for success on the G.E.D. test, and shall
13 administer a post-test upon completion of the program in compliance
14 with the state-approved assessment policy.

15 (c) A funding recipient shall receive funding according to
16 subsection ~~(12)~~—(11) for a participant, and a participant may be
17 enrolled in the program until 1 of the following occurs:

18 (i) The participant passes the G.E.D. test.

19 (ii) The participant fails to show progress on 2 successive
20 department-approved assessments used to determine readiness to take
21 the G.E.D. test after having completed at least 450 hours of
22 instruction.

23 (9) ~~(10)~~—A high school completion program operated on a year-
24 round or school year basis may be funded under this section,
25 subject to all of the following:

26 (a) The program enrolls adults who do not have a high school
27 diploma.

1 (b) The program tests participants described in subdivision
2 (a) before enrollment and upon completion of the program in
3 compliance with the state-approved assessment policy.

4 (c) A funding recipient shall receive funding according to
5 subsection ~~(12)~~-(11) for a participant in a course offered under
6 this subsection until 1 of the following occurs:

7 (i) The participant passes the course and earns a high school
8 diploma.

9 (ii) The participant fails to earn credit in 2 successive
10 semesters or terms in which the participant is enrolled after
11 having completed at least 900 hours of instruction.

12 (10) ~~(11)~~-A job or employment-related adult education program
13 operated on a year-round or school year basis may be funded under
14 this section, subject to all of the following:

15 (a) The program enrolls adults referred by their employer who
16 are less than 20 years of age, have a high school diploma, are
17 determined to be in need of remedial mathematics or communication
18 arts skills and are not attending an institution of higher
19 education.

20 (b) An individual may be enrolled in this program and the
21 grant recipient shall receive funding according to subsection ~~(12)~~
22 (11) until 1 of the following occurs:

23 (i) The individual achieves the requisite skills as determined
24 by department-approved assessment instruments administered at least
25 after every 90 hours of attendance.

26 (ii) The individual fails to show progress on 2 successive
27 assessments after having completed at least 450 hours of

1 instruction. The department shall provide information to a funding
2 recipient regarding appropriate assessment instruments for this
3 program.

4 (11) ~~(12)~~—A funding recipient shall receive payments under
5 this section in accordance with the following:

6 (a) Ninety percent for enrollment of eligible participants.

7 (b) Ten percent for completion of the adult basic education
8 objectives by achieving an increase of at least 1 grade level of
9 proficiency in reading or mathematics; for achieving basic English
10 proficiency, as defined by the department in the adult education
11 guidebook; for obtaining a G.E.D. or passage of 1 or more
12 individual G.E.D. tests; for attainment of a high school diploma or
13 passage of a course required for a participant to attain a high
14 school diploma; or for completion of the course and demonstrated
15 proficiency in the academic skills to be learned in the course, as
16 applicable.

17 (12) ~~(13)~~—As used in this section, "participant" means the sum
18 of the number of full-time equated individuals enrolled in and
19 attending a department-approved adult education program under this
20 section, using quarterly participant count days on the schedule
21 described in section 6(7)(b).

22 (13) ~~(14)~~—A person who is not eligible to be a participant
23 funded under this section may receive adult education services upon
24 the payment of tuition. In addition, a person who is not eligible
25 to be served in a program under this section due to the program
26 limitations specified in subsection ~~(8), (9), (10), or (11)~~ (7),
27 (8), (9), OR (10) may continue to receive adult education services

1 in that program upon the payment of tuition. The tuition level
2 shall be determined by the local or intermediate district
3 conducting the program.

4 (14) ~~(15)~~—An individual who is an inmate in a state
5 correctional facility shall not be counted as a participant under
6 this section.

7 (15) ~~(16)~~—A district shall not commingle money received under
8 this section or from another source for adult education purposes
9 with any other funds of the district. A district receiving adult
10 education funds shall establish a separate ledger account for those
11 funds. This subsection does not prohibit a district from using
12 general funds of the district to support an adult education or
13 community education program.

14 (16) ~~(17)~~—A district or intermediate district receiving funds
15 under this section may establish a sliding scale of tuition rates
16 based upon a participant's family income. A district or
17 intermediate district may charge a participant tuition to receive
18 adult education services under this section from that sliding scale
19 of tuition rates on a uniform basis. The amount of tuition charged
20 per participant shall not exceed the actual operating cost per
21 participant minus any funds received under this section per
22 participant. A district or intermediate district may not charge a
23 participant tuition under this section if the participant's income
24 is at or below 200% of the federal poverty guidelines published by
25 the United States department of health and human services.

26 (17) ~~(18)~~—In order to receive funds under this section, a
27 district shall furnish to the department, in a form and manner

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1 determined by the department, all information needed to administer
2 this program and meet federal reporting requirements; shall allow
3 the department or the department's designee to review all records
4 related to the program for which it receives funds; and shall
5 reimburse the state for all disallowances found in the review, as
6 determined by the department.

7 (18) ~~(19)~~—All intermediate district participant audits of
8 adult education programs shall be performed pursuant to the adult
9 education participant auditing and accounting manuals published by
10 the department.

11 (19) ~~(20)~~—As used in this section, "department" means the
12 ~~<<department of energy, labor, and economic growth~~ **WORKFORCE**
DEVELOPMENT AGENCY>>.

13 Sec. 109. (1) Subject to subsection (2), in order to receive
14 funds under this act, each district or intermediate district shall
15 provide appropriate instructional services, as determined by the
16 district or intermediate district, to an enrolled pupil who is
17 certified by the pupil's attending physician as having a medical
18 condition that requires the pupil to be hospitalized or confined to
19 his or her home during regular school hours and that is expected to
20 require the hospitalization or confinement for a period longer than
21 5 school days. The district or intermediate district may provide
22 the services itself or may contract with an intermediate district,
23 a hospital, a treatment center, or another district to provide the
24 services. In choosing a provider for the instructional services,
25 the district or intermediate district shall consider which of those
26 potential providers is best able to deliver the appropriate
27 instructional services. The district or intermediate district shall

1 pay reasonable costs as agreed upon between the district or
2 intermediate district and the provider for services provided to a
3 pupil under this section.

4 (2) A district or intermediate district is required to provide
5 instructional services under subsection (1) to a pupil placed in a
6 hospital, treatment center, or other treatment facility without the
7 district's or intermediate district's prior knowledge only if the
8 district or intermediate district is notified of the pupil's
9 placement by the hospital, treatment center, facility, or the
10 pupil's parent or legal guardian. Upon being notified, the district
11 or intermediate district shall make arrangements to provide
12 instructional services under subsection (1) within 3 school days
13 after being notified.

14 ~~(3) Not later than October 15 of each odd numbered year, the~~
15 ~~THE~~ department shall prepare and ~~distribute to each district and~~
16 ~~intermediate district~~ **MAKE AVAILABLE ON ITS WEBSITE** a written
17 explanation of the operation of this section and the respective
18 duties of all affected parties. ~~The department shall provide a copy~~
19 ~~of the explanation to any other person upon request.~~

20 Sec. 147. The allocation for ~~2010-2011~~ **2011-2012 AND FOR 2012-**
21 **2013** for the public school employees' retirement system pursuant to
22 the public school employees retirement act of 1979, 1980 PA 300,
23 MCL 38.1301 to 38.1408, shall be made using the entry age normal
24 cost actuarial method and risk assumptions adopted by the public
25 school employees retirement board and the department of technology,
26 management, and budget. ~~The~~ **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST**
27 **WORKED FOR A PUBLIC SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, THE**

1 annual level percentage of payroll contribution rate is estimated
2 at ~~19.41% for the 2010-2011 state~~ 15.96% FOR PENSION AND AT 8.50%
3 FOR RETIREE HEALTH CARE FOR THE 2011-2012 fiscal year. FOR PUBLIC
4 SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
5 UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF
6 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 14.73% FOR PENSION AND
7 8.50% FOR RETIREE HEALTH CARE FOR THE 2011-2012 FISCAL YEAR. FOR
8 PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL
9 REPORTING UNIT BEFORE JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF
10 PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 18.62% FOR PENSION AND
11 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL YEAR. FOR
12 PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL
13 REPORTING UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL
14 PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 17.39% FOR
15 PENSION AND 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL
16 YEAR. The portion of the contribution rate assigned to districts
17 and intermediate districts for each fiscal year is all of the total
18 percentage points. This contribution rate reflects an amortization
19 period of ~~27-26~~ years for ~~2010-2011~~. However, ~~the contribution rate~~
20 ~~for 2010-2011 may be reduced by an amount approved by the public~~
21 ~~school employees' retirement system board if reforms in the public~~
22 ~~school employees' retirement system are enacted and in effect by~~
23 ~~December 31, 2010.~~ 2011-2012. The public school employees'
24 retirement system board shall notify each district and intermediate
25 district by February 28 of each fiscal year of the estimated
26 contribution rate for the next fiscal year.

27 Sec. 152a. (1) As required by the court in the consolidated

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1 cases known as Adair v State of Michigan, Michigan supreme court
2 docket nos. 137424 and 137453, from the state school aid fund money
3 appropriated in section 11 there is allocated for ~~2010-2011-2011-~~
4 ~~2012~~ an amount not to exceed ~~\$25,624,500.00~~ **\$34,064,500.00** to be
5 used solely for the purpose of paying necessary costs related to
6 the state-mandated collection, maintenance, and reporting of data
7 to this state.

8 (2) From the allocation in subsection (1), the department
9 shall make payments to districts and intermediate districts in an
10 equal amount per pupil based on the total number of pupils in
11 membership in each district and intermediate district. The
12 department shall not make any adjustment to these payments after
13 the final installment payment under section 17b is made.

14 **<<SEC. 166F. (1) BEGINNING IN 2011-2012, IF A DISTRICT OR**
15 **INTERMEDIATE DISTRICT OFFERS A MEDICAL BENEFIT PLAN TO ITS EMPLOYEES, A**
16 **DISTRICT OR INTERMEDIATE DISTRICT IS ENCOURAGED TO REVIEW THE COSTS OF**
17 **ITS MEDICAL BENEFIT PLANS AND CONSIDER ADDITIONAL EMPLOYEE COST SHARING**
18 **FOR THOSE PLANS.**

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Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid in this amendatory act from state sources for fiscal year 2011-2012 is estimated at <<\$10,746,906,200.00>> and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at <<\$10,591,203,100.00>>.

Enacting section 2. <<

>> Sections 11d, 11p, 20j, 20k, 26b, 29, 32c, 41, 64, 65, 92, 99i, 99p, 158b, 166c, 171, and 172 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611d, 388.1611p, 388.1620j, 388.1620k, 388.1626b, 388.1629, 388.1632c, 388.1641, 388.1664, 388.1665,

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1 388.1692, 388.1699i, 388.1699p, 388.1766c, 388.1758b, 388.1771, and
2 388.1772<<, are repealed>>.

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5 Enacting section 3. This amendatory act takes effect October
6 1, 2011.