

1 FISCAL YEARS 2012 AND 2013 EXECUTIVE BUDGET RECOMMENDATION

2 STATE EDUCATION FUNDING ACT

3
4 A bill to amend 1979 PA 94, entitled
5 "The state school aid act of 1979,"
6 by amending sections 1, 3, 6, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 24, 24a,
7 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a,
8 62, 74, 81, 94a, 98, 99, 101, 104, 107, 109, 147, and 152a(MCL 388.1601, 388.1603,
9 388.1606, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618,
10 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1624, 388.1624a, 388.1624c, 388.1626a,
11 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639,
12 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656,
13 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1701, 388.1704,
14 388.1707, 388.1709, 388.1747, and 388.1752a), sections 11m, 22a, 51a, and 56 as amended by
15 2010 PA 217, sections 11j, 24c, 26a, 39a, 81, 94a, and 104 as amended by 2010 PA 204,
16 sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d,
17 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 101, 107, and 147 as amended by 2010 PA
18 110, section 40 as amended by 2000 PA 297, section 109 as amended by 1994 PA 283, section
19 152a as added by 2010 PA 217, and section 1 as added by 1979 PA 94; and by adding sections
20 173a, 173b, 173c, 174a, 174b, 175a, 175b, 176a, 176b, 176c, 176d, 176e, 176f, 176g, 181a,
21 181b, 181c, 181d, 181e, 182a, 182b, 182c, 182d, 182e, 183a, 183b, 183c, 183d, 183e, 183f,
22 183g, 184a, 184b, 184c, 184d, 184e, 184f, 184g, 185a, 185b, 185c, 186a, 186b, 191, 192,
23 193, 194, and 195; and to repeal acts and parts of acts.

24
25
26 *The People of the State of Michigan enact:*

27 Sec. 1. The act shall be known and may be cited as "the state ~~school-aid~~ EDUCATION
28 FUNDING act ~~of 1979~~".

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

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

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

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

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

9 (6) "District" means a local school district established under the revised school
10 code or, except in sections 6(4), 6(6), 13, 20, 22a, 23, ~~29~~, 31a, ~~51a(15)~~, 105, 105c, and
11 166b, a public school academy. Except in sections 6(4), 6(6), 13, 20, 22a, ~~29~~, ~~51a(15)~~,
12 105, 105c, and 166b, district also includes a university school.

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

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

25 Sec. 6. (1) "Center program" means a program operated by a district or by an
26 intermediate district for special education pupils from several districts in programs for
27 pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with
28 moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing
29 impairment, pupils with visual impairment, and pupils with physical impairment or other
30 health impairment. Programs for pupils with emotional impairment housed in buildings that
31 do not serve regular education pupils also qualify. Unless otherwise approved by the
32 department, a center program either shall serve all constituent districts within an

1 intermediate district or shall serve several districts with less than 50% of the pupils
2 residing in the operating district. In addition, special education center program pupils
3 placed part-time in noncenter programs to comply with the least restrictive environment
4 provisions of section ~~612 of part B~~ **1412(A)(5)** of the individuals with disabilities
5 education act, 20 USC 1412, may be considered center program pupils for pupil accounting
6 purposes for the time scheduled in either a center program or a noncenter program.

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

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

13 (4) "Membership", except as otherwise provided in this act, means for a district,
14 public school academy, university school, or intermediate district the sum of the product
15 of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and
16 in regular daily attendance on the pupil membership count day for the current school year,
17 plus the product of .25 times the final audited count from the supplemental count day for
18 the immediately preceding school year. All pupil counts used in this subsection are as
19 determined by the department and calculated by adding the number of pupils registered for
20 attendance plus pupils received by transfer and minus pupils lost as defined by rules
21 promulgated by the superintendent, and as corrected by a subsequent department audit. For
22 the purposes of this section and section 6a, for a school of excellence that is a cyber
23 school, as defined in section 551 of the revised school code, MCL 380.551, and is in
24 compliance with section 553a of the revised school code, MCL 380.553a, a pupil's
25 participation in the cyber school's educational program is considered regular daily
26 attendance. The amount of the foundation allowance for a pupil in membership is determined
27 under section 20. In making the calculation of membership, all of the following, as
28 applicable, apply to determining the membership of a district, public school academy,
29 university school, or intermediate district:

30 (a) Except as otherwise provided in this subsection, and pursuant to subsection (6),
31 a pupil shall be counted in membership in the pupil's educating district or districts. An

1 individual pupil shall not be counted for more than a total of 1.0 full-time equated
2 membership.

3 (b) If a pupil is educated in a district other than the pupil's district of
4 residence, if the pupil is not being educated as part of a cooperative education program,
5 if the pupil's district of residence does not give the educating district its approval to
6 count the pupil in membership in the educating district, and if the pupil is not covered by
7 an exception specified in subsection (6) to the requirement that the educating district
8 must have the approval of the pupil's district of residence to count the pupil in
9 membership, the pupil shall not be counted in membership in any district.

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

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

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

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

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

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

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

29 (i) If operations begin before the pupil membership count day for the fiscal year,
30 membership is the average number of full-time equated pupils in grades K to 12 actually
31 enrolled and in regular daily attendance on the pupil membership count day for the current
32 school year and on the supplemental count day for the current school year, as determined by

1 the department and calculated by adding the number of pupils registered for attendance on
2 the pupil membership count day plus pupils received by transfer and minus pupils lost as
3 defined by rules promulgated by the superintendent, and as corrected by a subsequent
4 department audit, plus the final audited count from the supplemental count day for the
5 current school year, and dividing that sum by 2.

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

10 (j) If a district is the authorizing body for a public school academy, then, in the
11 first school year in which pupils are counted in membership on the pupil membership count
12 day in the public school academy, the determination of the district's membership shall
13 exclude from the district's pupil count for the immediately preceding supplemental count
14 day any pupils who are counted in the public school academy on that first pupil membership
15 count day who were also counted in the district on the immediately preceding supplemental
16 count day.

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

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

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

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

30 (A) Is enrolled in a public school academy or an alternative education high school
31 diploma program, that is primarily focused on educating homeless pupils and that is located
32 in a city with a population of more than 750,000.

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

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

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

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

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

27 (ii) If the public school academy provides instruction for less than 1/2 of the class
28 hours specified in subdivision (q), the district or intermediate district providing the
29 remainder of the hours of instruction shall receive as its prorated share of the full-time
30 equated membership for each of those pupils an amount equal to 1 times the product of the
31 hours of instruction the district or intermediate district provides divided by the number
32 of hours specified in subdivision (q) for full-time equivalency, and the remainder of the

1 full-time membership for each of those pupils shall be allocated to the public school
2 academy.

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

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

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

15 (r) Except as otherwise provided in this subdivision, full-time equated memberships
16 for pupils in kindergarten shall be determined by dividing the number of class hours
17 scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number
18 used for determining full-time equated memberships for pupils in grades 1 to 12.

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

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

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

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

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

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

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

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

25 (w) If a pupil was enrolled in a public school academy on the pupil membership count
26 day, if the public school academy's contract with its authorizing body is revoked or the
27 public school academy otherwise ceases to operate, and if the pupil enrolls in a district
28 within 45 days after the pupil membership count day, the department shall adjust the
29 district's pupil count for the pupil membership count day to include the pupil in the
30 count.

31 (x) For a public school academy that has been in operation for at least 2 years and
32 that suspended operations for at least 1 semester and is resuming operations, membership is

1 the sum of the product of .75 times the number of full-time equated pupils in grades K to
2 12 actually enrolled and in regular daily attendance on the first pupil membership count
3 day or supplemental count day, whichever is first, occurring after operations resume, plus
4 the product of .25 times the final audited count from the most recent pupil membership
5 count day or supplemental count day that occurred before suspending operations, as
6 determined by the superintendent.

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

18 ~~—— (i) The average of the district's membership for the 3 fiscal year period ending with~~
19 ~~that fiscal year, calculated by adding the district's actual membership for each of those 3~~
20 ~~fiscal years, as otherwise calculated under this subsection, and dividing the sum of those~~
21 ~~3 membership figures by 3.~~

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

24 (Y) ~~(z)~~ If a public school academy that is not in its first or second year of
25 operation closes at the end of a school year and does not reopen for the next school year,
26 the department shall adjust the membership count of the district in which a former pupil of
27 the public school academy enrolls and is in regular daily attendance for the next school
28 year to ensure that the district receives the same amount of membership aid for the pupil
29 as if the pupil were counted in the district on the supplemental count day of the preceding
30 school year.

31 (Z) ~~(aa)~~ Full-time equated memberships for preprimary-aged special education pupils
32 who are not enrolled in kindergarten but are enrolled in a classroom program under R

1 340.1754 of the Michigan administrative code shall be determined by dividing the number of
2 class hours scheduled and provided per year by 450. Full-time equated memberships for
3 preprimary-aged special education pupils who are not enrolled in kindergarten but are
4 receiving ~~nonclassroom~~ **EARLY CHILDHOOD SPECIAL EDUCATION** services under R 340.1755 of the
5 Michigan administrative code shall be determined by dividing the number of hours of service
6 scheduled and provided per year per pupil by 180.

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

11 ~~(cc) For the first year in which a pupil is counted in membership on the pupil~~
12 ~~membership count day in a middle college program described in section 64, the membership is~~
13 ~~the average of the full time equated membership on the pupil membership count day and on~~
14 ~~the supplemental count day for the current school year, as determined by the department. If~~
15 ~~a pupil was counted by the operating district on the immediately preceding supplemental~~
16 ~~count day, the pupil shall be excluded from the district's immediately preceding~~
17 ~~supplemental count for purposes of determining the district's membership.~~

18 (BB) ~~(dd)~~ A district that educates a pupil who attends a United States Olympic
19 education center may count the pupil in membership regardless of whether or not the pupil
20 is a resident of this state.

21 (CC) ~~(ee)~~ A pupil enrolled in a district other than the pupil's district of residence
22 pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in
23 the educating district.

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

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

28 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section
29 166b.

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

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

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

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

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

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

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

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

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

30 (i) The pupil has been suspended or expelled from his or her district of residence
31 for any reason, including, but not limited to, a suspension or expulsion under section
32 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

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

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

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

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

15 ~~(l) A pupil enrolled in a district other than the pupil's district of residence in a~~
16 ~~program described in section 64 if the pupil's district of residence and the enrolling~~
17 ~~district are both constituent districts of the same intermediate district.~~

18 (L) ~~(m)~~ A pupil enrolled in a district other than the pupil's district of residence
19 who attends a United States Olympic education center.

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

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

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

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

30 (a) Except as provided in subdivision (b), the ~~fourth~~ **FIRST** Wednesday ~~after Labor day~~
31 **IN OCTOBER** each school year or, for a district or building in which school is not in
32 session on that Wednesday due to conditions not within the control of school authorities,

1 with the approval of the superintendent, the immediately following day on which school is
2 in session in the district or building.

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

5 (i) Fourth Wednesday in July.

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

7 (iii) Second Wednesday in February.

8 (iv) Fourth Wednesday in April.

9 (8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance"

10 means pupils in grades K to 12 in attendance and receiving instruction in all classes for
11 which they are enrolled on the pupil membership count day or the supplemental count day, as
12 applicable. Except as otherwise provided in this subsection, a pupil who is absent from any
13 of the classes in which the pupil is enrolled on the pupil membership count day or
14 supplemental count day and who does not attend each of those classes during the 10
15 consecutive school days immediately following the pupil membership count day or
16 supplemental count day, except for a pupil who has been excused by the district, shall not
17 be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on
18 the pupil membership count day or supplemental count day and who fails to attend each of
19 the classes in which the pupil is enrolled within 30 calendar days after the pupil
20 membership count day or supplemental count day shall not be counted as 1.0 full-time
21 equated membership. In addition, a pupil who was enrolled and in attendance in a district,
22 intermediate district, or public school academy before the pupil membership count day or
23 supplemental count day of a particular year but was expelled or suspended on the pupil
24 membership count day or supplemental count day shall only be counted as 1.0 full-time
25 equated membership if the pupil resumed attendance in the district, intermediate district,
26 or public school academy within 45 days after the pupil membership count day or
27 supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated
28 membership due to an absence from a class shall be counted as a prorated membership for the
29 classes the pupil attended. For purposes of this subsection, "class" means a period of time
30 in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are
31 together and instruction is taking place.

1 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of
2 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

4 (11) "School district of the first class", "first class school district", and
5 "district of the first class" mean a district that had at least 60,000 pupils in membership
6 for the immediately preceding fiscal year.

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

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

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

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

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

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

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

25 (19) "Textbook" means a book, **ELECTRONIC BOOK, OR OTHER INSTRUCTIONAL PRINT OR**
26 **ELECTRONIC RESOURCE** that is selected and approved by the governing board of a district and
27 that contains a presentation of principles of a subject, or that is a literary work
28 relevant to the study of a subject required for the use of classroom pupils, or another
29 type of course material that forms the basis of classroom instruction.

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

1 (21) "University school" means an instructional program operated by a public
2 university under section 23 that meets the requirements of section 23.

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

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

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

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

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

13 (3) Money available in the school aid stabilization fund may not be expended without
14 a specific appropriation from the school aid stabilization fund. Money in the school aid
15 stabilization fund shall be expended only for purposes for which state school aid fund
16 money may be expended.

17 (4) The state treasurer shall direct the investment of the school aid stabilization
18 fund. The state treasurer shall credit to the school aid stabilization fund interest and
19 earnings from fund investments.

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

23 (6) If the maximum amount appropriated under section ~~11~~ 191 from the state school aid
24 fund for a fiscal year exceeds the amount available for expenditure from the state school
25 aid fund for that fiscal year, there is appropriated from the school aid stabilization fund
26 to the state school aid fund an amount equal to the projected shortfall as determined by
27 the department of treasury, but not to exceed available money in the school aid
28 stabilization fund. If the money in the school aid stabilization fund is insufficient to
29 fully fund an amount equal to the projected shortfall, the state budget director shall
30 notify the legislature as required under section ~~11(3)~~ 195(2) and state payments in an
31 amount equal to the remainder of the projected shortfall shall be prorated in the manner
32 provided under section ~~11(4)~~ 195(3).

1 (7) ~~For 2010-2011,~~ **IN ADDITION TO THE APPROPRIATIONS IN SECTION 191,** there is
2 appropriated **FOR 2011-2012** from the school aid stabilization fund to the state school aid
3 fund the amount necessary to fully fund the allocations under this act.

4 Sec. 11g. (1) From the appropriation in section ~~11~~ **192(6) FOR DEBT SERVICE AND OTHER**
5 **REQUIRED PAYMENTS,** there is allocated for this section an amount ~~not to exceed~~
6 ~~\$39,000,000.00~~ for the **CURRENT** fiscal year ~~ending September 30, 2011~~ and for each
7 succeeding fiscal year through the fiscal year ending September 30, 2015, after which these
8 payments will cease. These allocations are for paying the amounts described in subsection
9 (3) to districts and intermediate districts, other than those receiving a lump-sum payment
10 under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v
11 State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before
12 March 2, 1998, submitted to the state treasurer a waiver resolution described in section
13 11f. The amounts paid under this section represent offers of settlement and compromise of
14 any claim or claims that were or could have been asserted by these districts and
15 intermediate districts, as described in this section.

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

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

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

27 (b) If the district or intermediate district borrows money and issues bonds under
28 section 11i, an amount in each fiscal year calculated by the department of treasury that is
29 equal to the debt service amount in that fiscal year on the bonds issued by that district
30 or intermediate district under section 11i and that will result in the total payments made
31 to all districts and intermediate districts in each fiscal year under this section being no
32 more than the amount appropriated under this section in each fiscal year.

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

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

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

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

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

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

21 Sec. 11j. From the appropriation in section ~~11~~ **192(6) FOR DEBT SERVICE AND OTHER**
22 **REQUIRED PAYMENTS**, there is allocated an amount ~~not to exceed \$5,167,800.00 for 2010-2011~~
23 for payments to the school loan bond redemption fund in the department of treasury on
24 behalf of districts and intermediate districts. Notwithstanding section ~~11~~ **195** or any other
25 provision of this act, funds allocated under this section are not subject to proration and
26 shall be paid in full.

27 Sec. 11k. ~~For 2010-2011,~~ **IN ADDITION TO THE APPROPRIATIONS IN SECTION 192**, there is
28 appropriated **FOR 2011-2012** from the general fund to the school loan revolving fund an
29 amount equal to the amount of school bond loans assigned to the Michigan finance authority,
30 not to exceed the total amount of school bond loans held in reserve as long-term assets. As
31 used in this section, "school loan revolving fund" means that fund created in section 16c
32 of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

1 Sec. 11m. From the ~~appropriations~~ **APPROPRIATION** in section ~~11~~ **192(6) FOR DEBT SERVICE**
2 **AND OTHER REQUIRED PAYMENTS**, there is allocated ~~for 2009-2010~~ an amount ~~not to exceed~~
3 ~~\$12,000,000.00 and for 2010-2011 there is allocated an amount not to exceed \$45,000,000.00~~
4 for fiscal year cash-flow borrowing costs solely related to the state school aid fund
5 established by section 11 of article IX of the state constitution of 1963.

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

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

27 (3) If, because of the receipt of new or updated data, the department determines
28 during a fiscal year that the amount paid to a district or intermediate district under this
29 act for a prior fiscal year was incorrect under the law in effect for that year, the
30 department may make the appropriate deduction or payment in the district's or intermediate
31 district's allocation for the fiscal year in which the determination is made. The deduction

1 or payment shall be calculated according to the law in effect in the fiscal year in which
2 the improper amount was paid.

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

6 (5) In addition to funds appropriated in section ~~11~~ 192 for all programs and
7 services, there is appropriated for ~~2010-2011~~ 2011-2012 for obligations in excess of
8 applicable appropriations an amount equal to the collection of overpayments, but not to
9 exceed amounts available from overpayments.

10 Sec. 18. (1) Except as provided in another section of this act, each district or
11 other entity shall apply the money received by the district or entity under this act to
12 salaries and other compensation of teachers and other employees, tuition, transportation,
13 lighting, heating, ventilation, water service, the purchase of textbooks which are
14 designated by the board to be used in the schools under the board's charge, other supplies,
15 and any other school operating expenditures defined in section 7. However, not more than
16 20% of the total amount received by a district under article 2 or intermediate district
17 under article 8 may be transferred by the board to either the capital projects fund or to
18 the debt retirement fund for debt service. The money shall not be applied or taken for a
19 purpose other than as provided in this section. The department shall determine the
20 reasonableness of expenditures and may withhold from a recipient of funds under this act
21 the apportionment otherwise due upon a violation by the recipient.

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

27 (a) The annual operating budget and subsequent budget revisions.

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

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

32 (A) Salaries and wages.

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

3 (C) Retirement benefit costs.

4 (D) All other personnel costs.

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

6 (A) Instruction.

7 (B) Support services.

8 (C) Business and administration.

9 (D) Operations and maintenance.

10 (c) Links to all of the following:

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

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

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

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

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

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

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

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

28 (a) The department shall require that each district and intermediate district have an
29 audit of the district's or intermediate district's financial and pupil accounting records
30 conducted at least annually at the expense of the district or intermediate district, as
31 applicable, by a certified public accountant or by the intermediate district
32 superintendent, as may be required by the department, or in the case of a district of the

1 first class by a certified public accountant, the intermediate superintendent, or the
2 auditor general of the city.

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

11 ~~(c) An intermediate district's annual financial audit shall be accompanied by the~~
12 ~~intermediate district's pupil accounting procedures report.~~

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

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

19 (E) ~~(f)~~ Except as otherwise provided in this subsection, a district shall file the
20 annual financial audit reports with the intermediate district ~~not later than 120 days after~~
21 ~~the end of each school fiscal year~~ and the **DEPARTMENT NOT LATER THAN NOVEMBER 15 OF EACH**
22 **YEAR. THE INTERMEDIATE DISTRICT SHALL FILE THE ANNUAL FINANCIAL AUDIT REPORTS FOR THE**
23 **INTERMEDIATE DISTRICT WITH THE DEPARTMENT NOT LATER THAN NOVEMBER 15 OF EACH YEAR. THE**
24 intermediate district shall ~~forward the annual financial~~ **ENTER THE PUPIL MEMBERSHIP** audit
25 reports for its constituent districts and for the intermediate district, ~~and the pupil~~
26 ~~accounting procedures report~~ for the pupil membership count day and supplemental count day,
27 ~~to the department~~ **IN THE MICHIGAN STUDENT DATA SYSTEM** not later than November 15 of each
28 year.

29 (F) ~~(g)~~ The annual financial audit reports and pupil accounting procedures reports
30 shall be available to the public in compliance with the freedom of information act, 1976 PA
31 442, MCL 15.231 to 15.246.

1 (G) ~~(H)~~ Not later than ~~December~~ **JANUARY** 31 of each year, the department shall notify
2 the state budget director and the legislative appropriations subcommittees responsible for
3 review of the school aid budget of districts and intermediate districts that have not filed
4 an annual financial audit and pupil accounting procedures report required under this
5 section for the school year ending in the immediately preceding fiscal year.

6 (5) By November 15 of each year, each district and intermediate district shall submit
7 to the center, in a manner prescribed by the center, annual comprehensive financial data
8 consistent with accounting manuals and charts of accounts approved and published by the
9 department. For an intermediate district, the report shall also contain the website address
10 where the department can access the report required under section 620 of the revised school
11 code, MCL 380.620. The department shall ensure that the prescribed Michigan public school
12 accounting manual chart of accounts includes standard conventions to distinguish
13 expenditures by allowable fund function and object. The functions shall include at minimum
14 categories for instruction, pupil support, instructional staff support, general
15 administration, school administration, business administration, transportation, facilities
16 operation and maintenance, facilities acquisition, and debt service; and shall include
17 object classifications of salary, benefits, including categories for active employee health
18 expenditures, purchased services, supplies, capital outlay, and other. Districts shall
19 report the required level of detail consistent with the manual as part of the comprehensive
20 annual financial report. ~~The department shall make this information available online to~~
21 ~~districts and intermediate districts, and shall include per pupil amounts spent on~~
22 ~~instruction and instructional support service functions, and indicate how much of those~~
23 ~~costs were attributable to salaries. Districts and intermediate districts shall include a~~
24 ~~link on their websites to the website where the department posts this information.~~

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

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

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

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

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

11 Sec. 20. (1) For ~~2009-2010~~ **2011-2012** and for ~~2010-2011~~ **2012-2013**, the basic
12 foundation allowance is ~~\$8,489.00~~ **\$8,019.00**.

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

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

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

1 districts) divided by the difference between the basic foundation allowance for the current
2 state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments
3 made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation
4 allowance among all districts]. For ~~2009-2010~~ **2011-2012** and for ~~2010-2011~~ **2012-2013**, for a
5 district that had a foundation allowance for the immediately preceding state fiscal year
6 that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all
7 adjustments made from 2006-2007 to the immediately preceding state fiscal year in the
8 lowest foundation allowance among all districts, but less than the basic foundation
9 allowance for the immediately preceding state fiscal year, the district shall receive a
10 foundation allowance in an amount equal to the district's foundation allowance for ~~the~~
11 ~~immediately preceding state fiscal year~~ **2010-2011 MINUS \$470.00**. However, the foundation
12 allowance for a district that had less than the basic foundation allowance for the
13 immediately preceding state fiscal year shall not exceed the basic foundation allowance for
14 the current state fiscal year.

15 (b) Except as otherwise provided in this subsection, for a district that in the
16 immediately preceding state fiscal year had a foundation allowance in an amount at least
17 equal to the amount of the basic foundation allowance for the immediately preceding state
18 fiscal year, the district shall receive a foundation allowance in an amount equal to the
19 sum of the district's foundation allowance for ~~the immediately preceding state fiscal year~~
20 ~~plus the dollar amount of the adjustment from the immediately preceding state fiscal year~~
21 ~~to the current state fiscal year in the basic foundation allowance~~ **FISCAL YEAR 2010-2011**
22 **MINUS \$470.00**.

23 (c) Except as otherwise provided in subdivision (d), for a district that in the 1994-
24 95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's
25 foundation allowance is an amount equal to the sum of the district's foundation allowance
26 for the immediately preceding state fiscal year plus the lesser of the increase in the
27 basic foundation allowance for the current state fiscal year, as compared to the
28 immediately preceding state fiscal year, or the product of the district's foundation
29 allowance for the immediately preceding state fiscal year times the percentage increase in
30 the United States consumer price index in the calendar year ending in the immediately
31 preceding fiscal year as reported by the May revenue estimating conference conducted under
32 section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. **EXCEPT AS**

1 OTHERWISE PROVIDED IN SUBDIVISION (D), FOR 2011-2012 AND FOR 2012-2013, FOR A DISTRICT THAT
2 IN THE 1994-1995 STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE
3 DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S FOUNDATION
4 ALLOWANCE FOR THE 2010-2011 FISCAL YEAR MINUS \$470.00.

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

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

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

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

26 (4) Except as otherwise provided in this subsection, the state portion of a
27 district's foundation allowance is an amount equal to the district's foundation allowance
28 or the basic foundation allowance for the current state fiscal year, whichever is less,
29 minus the difference between the sum of the product of the taxable value per membership
30 pupil of all property in the district that is nonexempt property times the district's
31 certified mills and, for a district with certified mills exceeding 12, the product of the
32 taxable value per membership pupil of property in the district that is commercial personal

1 property times the certified mills minus 12 mills and the quotient of the ad valorem
2 property tax revenue of the district captured under tax increment financing acts divided by
3 the district's membership excluding special education pupils. For a district described in
4 subsection (3)(c), the state portion of the district's foundation allowance is an amount
5 equal to \$6,962.00 plus the difference between the district's foundation allowance for the
6 current state fiscal year and the district's foundation allowance for 1998-99, minus the
7 difference between the sum of the product of the taxable value per membership pupil of all
8 property in the district that is nonexempt property times the district's certified mills
9 and, for a district with certified mills exceeding 12, the product of the taxable value per
10 membership pupil of property in the district that is commercial personal property times the
11 certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of
12 the district captured under tax increment financing acts divided by the district's
13 membership excluding special education pupils. For a district that has a millage reduction
14 required under section 31 of article IX of the state constitution of 1963, the state
15 portion of the district's foundation allowance shall be calculated as if that reduction did
16 not occur. ~~For the purposes of state law, federal funding awarded to this state under title~~
17 ~~XIV of the American recovery and reinvestment act of 2009, Public Law 111 5, that is~~
18 ~~appropriated under section 11 and allocated under section 22b, is considered to be part of~~
19 ~~the state portion of a district's foundation allowance and is considered to be part of the~~
20 ~~total state school aid paid to a public school academy.~~

21 (5) The allocation calculated under this section for a pupil shall be based on the
22 foundation allowance of the pupil's district of residence. ~~However, for a pupil enrolled in~~
23 ~~a district other than the pupil's district of residence, if the foundation allowance of the~~
24 ~~pupil's district of residence has been adjusted pursuant to subsection (19), the allocation~~
25 ~~calculated under this section shall not include the adjustment described in subsection~~
26 ~~(19).~~ For a pupil enrolled pursuant to section 105 or 105c in a district other than the
27 pupil's district of residence, the allocation calculated under this section shall be based
28 on the lesser of the foundation allowance of the pupil's district of residence or the
29 foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or
30 K-8 district who is enrolled in another district in a grade not offered by the pupil's
31 district of residence, the allocation calculated under this section shall be based on the
32 foundation allowance of the educating district if the educating district's foundation

1 allowance is greater than the foundation allowance of the pupil's district of residence.
2 ~~The calculation under this subsection shall take into account a district's per pupil~~
3 ~~allocation under section 20j(2).~~

4 (6) Subject to subsection (7) and except as otherwise provided in this subsection,
5 for pupils in membership, other than special education pupils, in a public school academy
6 or a university school, the allocation calculated under this section is an amount per
7 membership pupil other than special education pupils in the public school academy or
8 university school equal to the foundation allowance of the district in which the public
9 school academy or university school is located or the state maximum public school academy
10 allocation, whichever is less. However, a public school academy or university school that
11 had an allocation under this subsection before 2009-2010 that was equal to the sum of the
12 local school operating revenue per membership pupil other than special education pupils for
13 the district in which the public school academy or university school is located and the
14 state portion of that district's foundation allowance shall not have that allocation
15 reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101,
16 for a public school academy that begins operations after the pupil membership count day,
17 the amount per membership pupil calculated under this subsection shall be adjusted by
18 multiplying that amount per membership pupil by the number of hours of pupil instruction
19 provided by the public school academy after it begins operations, as determined by the
20 department, divided by the minimum number of hours of pupil instruction required under
21 section 101(3). The result of this calculation shall not exceed the amount per membership
22 pupil otherwise calculated under this subsection.

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

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

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

20 ~~(9) For a district that had combined state and local revenue per membership pupil in~~
21 ~~the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in~~
22 ~~membership, if the district elects not to reduce the number of mills from which a principal~~
23 ~~residence, qualified agricultural property, qualified forest property, supportive housing~~
24 ~~property, industrial personal property, and commercial personal property are exempt and not~~
25 ~~to levy school operating taxes on a principal residence, qualified agricultural property,~~
26 ~~qualified forest property, supportive housing property, industrial personal property, and~~
27 ~~commercial personal property as provided in section 1211 of the revised school code, MCL~~
28 ~~380.1211, and not to levy school operating taxes on all property as provided in section~~
29 ~~1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection~~
30 ~~for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount~~
31 ~~equal to the amount the district would have received per membership pupil had it levied~~
32 ~~school operating taxes on a principal residence, qualified agricultural property, qualified~~

1 ~~forest property, supportive housing property, industrial personal property, and commercial~~
2 ~~personal property at the rate authorized for the district under section 1211 of the revised~~
3 ~~school code, MCL 380.1211, and levied school operating taxes on all property at the rate~~
4 ~~authorized for the district under section 1211(2) of the revised school code, MCL 380.1211,~~
5 ~~as determined by the department of treasury. If in the calendar year ending in the fiscal~~
6 ~~year a district does not levy the district's certified mills on property that is nonexempt~~
7 ~~property, the amount calculated under this subsection will be reduced by the same~~
8 ~~percentage as the millage actually levied compares to the district's certified mills.~~

9 (8) ~~(10)~~ Subject to subsection (4), for a district that is formed or reconfigured
10 after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting
11 district's foundation allowance under this section beginning after the effective date of
12 the consolidation or annexation shall be the average of the foundation allowances of each
13 of the original or affected districts, calculated as provided in this section, weighted as
14 to the percentage of pupils in total membership in the resulting district who reside in the
15 geographic area of each of the original or affected districts. ~~The calculation under this~~
16 ~~subsection shall take into account a district's per pupil allocation under section 20j(2).~~

17 (9) ~~(11)~~ Each fraction used in making calculations under this section shall be
18 rounded to the fourth decimal place and the dollar amount of an increase in the basic
19 foundation allowance shall be rounded to the nearest whole dollar.

20 (10) ~~(12)~~ State payments related to payment of the foundation allowance for a special
21 education pupil are not calculated under this section but are instead calculated under
22 section 51a.

23 (11) ~~(13)~~ To assist the legislature in determining the basic foundation allowance for
24 the subsequent state fiscal year, each revenue estimating conference conducted under
25 section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a
26 pupil membership factor, a revenue adjustment factor, and an index as follows:

27 (a) The pupil membership factor shall be computed by dividing the estimated
28 membership in the school year ending in the current state fiscal year, excluding
29 intermediate district membership, by the estimated membership for the school year ending in
30 the subsequent state fiscal year, excluding intermediate district membership. If a
31 consensus membership factor is not determined at the revenue estimating conference, the
32 principals of the revenue estimating conference shall report their estimates to the house

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

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

17 (c) The index shall be calculated by multiplying the pupil membership factor by the
18 revenue adjustment factor. However, for ~~2009-2010 and for 2010-2011~~ **2011-2012, THE INDEX**
19 **SHALL BE .93575 AND FOR 2012-2013,** the index shall be 1.00. If a consensus index is not
20 determined at the revenue estimating conference, the principals of the revenue estimating
21 conference shall report their estimates to the house and senate subcommittees responsible
22 for school aid appropriations not later than 7 days after the conclusion of the revenue
23 conference.

24 **(12)** ~~(14)~~ If the principals at the revenue estimating conference reach a consensus on
25 the index described in subsection ~~(13)~~**(11)**(c), the lowest foundation allowance among all
26 districts for the subsequent state fiscal year shall be at least the amount of that
27 consensus index multiplied by the lowest foundation allowance among all districts for the
28 immediately preceding state fiscal year.

29 ~~(15) If at the January revenue estimating conference it is estimated that pupil~~
30 ~~membership, excluding intermediate district membership, for the subsequent state fiscal~~
31 ~~year will be greater than 101% of the pupil membership, excluding intermediate district~~
32 ~~membership, for the current state fiscal year, then it is the intent of the legislature~~

1 ~~that the executive budget proposal for the school aid budget for the subsequent state~~
2 ~~fiscal year include a general fund/general purpose allocation sufficient to support the~~
3 ~~membership in excess of 101% of the current year pupil membership.~~

4 ~~(16) For a district that had combined state and local revenue per membership pupil in~~
5 ~~the 1993-94 state fiscal year of more than \$6,500.00, that had fewer than 7 pupils in~~
6 ~~membership in the 1993-94 state fiscal year, that has at least 1 child educated in the~~
7 ~~district in the current state fiscal year, and that levies the number of mills of school~~
8 ~~operating taxes authorized for the district under section 1211 of the revised school code,~~
9 ~~MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for~~
10 ~~the district as provided under this subsection. The minimum amount of combined state and~~
11 ~~local revenue for 1999-2000 shall be \$67,000.00 plus the district's additional expenses to~~
12 ~~educate pupils in grades 9 to 12 educated in other districts as determined and allowed by~~
13 ~~the department. The minimum amount of combined state and local revenue under this~~
14 ~~subsection, before adding the additional expenses, shall increase each fiscal year by the~~
15 ~~same percentage increase as the percentage increase in the basic foundation allowance from~~
16 ~~the immediately preceding fiscal year to the current fiscal year. The state portion of the~~
17 ~~minimum amount of combined state and local revenue under this subsection shall be~~
18 ~~calculated by subtracting from the minimum amount of combined state and local revenue under~~
19 ~~this subsection the sum of the district's local school operating revenue and an amount~~
20 ~~equal to the product of the sum of the state portion of the district's foundation allowance~~
21 ~~plus the amount calculated under section 20j times the district's membership. As used in~~
22 ~~this subsection, "additional expenses" means the district's expenses for tuition or fees,~~
23 ~~not to exceed the basic foundation allowance for the current state fiscal year, plus a room~~
24 ~~and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12~~
25 ~~educated in another district, as approved by the department.~~

26 ~~———— (17) For a district in which 7.75 mills levied in 1992 for school operating purposes~~
27 ~~in the 1992-93 school year were not renewed in 1993 for school operating purposes in the~~
28 ~~1993-94 school year, the district's combined state and local revenue per membership pupil~~
29 ~~shall be recalculated as if that millage reduction did not occur and the district's~~
30 ~~foundation allowance shall be calculated as if its 1994-95 foundation allowance had been~~
31 ~~calculated using that recalculated 1993-94 combined state and local revenue per membership~~

1 pupil as a base. A district is not entitled to any retroactive payments for fiscal years
2 before 2000-2001 due to this subsection.

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

11 ~~———— (19) For a district that received a grant under former section 32e for 2001-2002, the
12 district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be
13 adjusted to be an amount equal to the sum of the district's foundation allowance, as
14 otherwise calculated under this section, plus the quotient of 100% of the amount of the
15 grant award to the district for 2001-2002 under former section 32e divided by the number of
16 pupils in the district's membership for 2001-2002 who were residents of and enrolled in the
17 district. Except as otherwise provided in this subsection, a district qualifying for a
18 foundation allowance adjustment under this subsection shall use the funds resulting from
19 this adjustment for at least 1 of grades K to 3 for purposes allowable under former section
20 32e as in effect for 2001-2002, and may also use these funds for an early intervening
21 program described in subsection (20). For an individual school or schools operated by a
22 district qualifying for a foundation allowance under this subsection that have been
23 determined by the department to meet the adequate yearly progress standards of the federal
24 no-child-left-behind act of 2001, Public Law 107-110, in both mathematics and English
25 language arts at all applicable grade levels for all applicable subgroups, the district may
26 submit to the department an application for flexibility in using the funds resulting from
27 this adjustment that are attributable to the pupils in the school or schools. The
28 application shall identify the affected school or schools and the affected funds and shall
29 contain a plan for using the funds for specific purposes identified by the district that
30 are designed to reduce class size, but that may be different from the purposes otherwise
31 allowable under this subsection. The department shall approve the application if the
32 department determines that the purposes identified in the plan are reasonably designed to~~

1 ~~reduce class size. If the department does not act to approve or disapprove an application~~
2 ~~within 30 days after it is submitted to the department, the application is considered to be~~
3 ~~approved. If an application for flexibility in using the funds is approved, the district~~
4 ~~may use the funds identified in the application for any purpose identified in the plan.~~

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

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

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

26 ~~———— (21) For a district that levied 1.9 mills in 1993 to finance an operating deficit,~~
27 ~~the district's foundation allowance shall be calculated as if those mills were included as~~
28 ~~operating mills in the calculation of the district's 1994 1995 foundation allowance. A~~
29 ~~district is not entitled to any retroactive payments for fiscal years before 2006 2007 due~~
30 ~~to this subsection. A district receiving an adjustment under this subsection shall not~~
31 ~~receive more than \$800,000.00 for a fiscal year as a result of this adjustment.~~

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

7 (13) ~~(23)~~ Payments to districts, university schools, or public school academies shall
8 not be made under this section. Rather, the calculations under this section shall be used
9 to determine the amount of state payments under section 22b.

10 (14) ~~(24)~~ If an amendment to section 2 of article VIII of the state constitution of
11 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this
12 state, each foundation allowance or per pupil payment calculation under this section may be
13 reduced.

14 (15) ~~(26)~~ As used in this section:

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

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

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

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

25 (e) "Immediately preceding state fiscal year" means the state fiscal year immediately
26 preceding the current state fiscal year.

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

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

1 (h) "Maximum public school academy allocation", except as otherwise provided in this
2 subdivision, means the maximum per-pupil allocation as calculated by adding the highest
3 per-pupil allocation among all public school academies for the immediately preceding state
4 fiscal year plus the difference between twice the dollar amount of the adjustment from the
5 immediately preceding state fiscal year to the current state fiscal year made in the basic
6 foundation allowance and [(the dollar amount of the adjustment from the immediately
7 preceding state fiscal year to the current state fiscal year made in the basic foundation
8 allowance minus \$20.00) times (the difference between the highest per-pupil allocation
9 among all public school academies for the immediately preceding state fiscal year and the
10 sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the
11 immediately preceding state fiscal year in the lowest per-pupil allocation among all public
12 school academies) divided by the difference between the basic foundation allowance for the
13 current state fiscal 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 fiscal year in the
15 lowest per-pupil allocation among all public school academies]. For ~~2009-2010~~ 2011-2012 and
16 ~~2010-2011~~ 2012-2013, maximum public school academy allocation means ~~\$7,580.00~~ \$7,110.00.

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

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

22 (k) "Principal residence", "qualified agricultural property", "qualified forest
23 property", "supportive housing property", "industrial personal property", and "commercial
24 personal property" mean those terms as defined in section 1211 of the revised school code,
25 MCL 380.1211.

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

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

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

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

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

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

12 (a) For a district that had combined state and local revenue per membership pupil in
13 the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state
14 board designated area vocational education center in the 1993-94 school year, total state
15 school aid received by or paid on behalf of the district pursuant to this act in 1993-94
16 shall exclude payments made under former section 146 and under section 147 on behalf of the
17 district's employees who provided direct services to the area vocational education center.
18 Not later than June 30, 1996, the department shall make an adjustment under this
19 subdivision to the district's combined state and local revenue per membership pupil in the
20 1994-95 state fiscal year and the department of treasury shall make a final certification
21 of the number of mills that may be levied by the district under section 1211 of the revised
22 school code, MCL 380.1211, as a result of the adjustment under this subdivision.

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

1 local revenue per membership pupil for 1993-94 included resident pupils attending the
2 center program and excluded nonresident pupils attending the center program.

3 Sec. 22a. (1) From the appropriation in section ~~11~~ **192(2) FOR BASIC OPERATIONS**, there
4 is allocated an amount ~~not to exceed \$5,796,241,000.00 for 2009-2010 and an amount not to~~
5 ~~exceed \$5,764,000,000.00 for 2010-2011~~ for payments to districts, qualifying university
6 schools, and qualifying public school academies to guarantee each district, qualifying
7 university school, and qualifying public school academy an amount equal to its 1994-95
8 total state and local per pupil revenue for school operating purposes under section 11 of
9 article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the
10 state constitution of 1963, this guarantee does not apply to a district in a year in which
11 the district levies a millage rate for school district operating purposes less than it
12 levied in 1994. However, subsection (2) applies to calculating the payments under this
13 section. Funds allocated under this section that are not expended in the state fiscal year
14 for which they were allocated, as determined by the department, may be used to supplement
15 the allocations under sections 22b and 51c in order to fully fund those calculated
16 allocations for the same fiscal year.

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

21 (a) Except as otherwise provided in this subsection, the state portion of a
22 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95
23 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum
24 of the product of the taxable value per membership pupil of all property in the district
25 that is nonexempt property times the district's certified mills and, for a district with
26 certified mills exceeding 12, the product of the taxable value per membership pupil of
27 property in the district that is commercial personal property times the certified mills
28 minus 12 mills and the quotient of the ad valorem property tax revenue of the district
29 captured under tax increment financing acts divided by the district's membership. For a
30 district that has a millage reduction required under section 31 of article IX of the state
31 constitution of 1963, the state portion of the district's foundation allowance shall be
32 calculated as if that reduction did not occur.

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

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

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

24 (5) For a district that is formed or reconfigured after June 1, 2000 by consolidation
25 of 2 or more districts or by annexation, the resulting district's 1994-95 foundation
26 allowance under this section beginning after the effective date of the consolidation or
27 annexation shall be the average of the 1994-95 foundation allowances of each of the
28 original or affected districts, calculated as provided in this section, weighted as to the
29 percentage of pupils in total membership in the resulting district in the state fiscal year
30 in which the consolidation takes place who reside in the geographic area of each of the
31 original districts. If an affected district's 1994-95 foundation allowance is less than the
32 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation

1 allowance shall be considered for the purpose of calculations under this subsection to be
2 equal to the amount of the 1994-95 basic foundation allowance.

3 (6) As used in this section:

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

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

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

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

14 (e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance
15 greater than \$6,500.00, the number of mills by which the exemption from the levy of school
16 operating taxes on a homestead, qualified agricultural property, qualified forest property,
17 supportive housing property, industrial personal property, and commercial personal property
18 could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and
19 the number of mills of school operating taxes that could be levied on all property as
20 provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the
21 department of treasury for the 1994 tax year.

22 (f) "Homestead", "qualified agricultural property", "qualified forest property",
23 "supportive housing property", "industrial personal property", and "commercial personal
24 property" mean those terms as defined in section 1211 of the revised school code, MCL
25 380.1211.

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

28 (h) "Nonexempt property" means property that is not a principal residence, qualified
29 agricultural property, qualified forest property, supportive housing property, industrial
30 personal property, or commercial personal property.

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

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

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

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

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

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

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

24 Sec. 22b. (1) From the ~~state funds appropriated~~ **APPROPRIATION** in section ~~11~~ **192(2)**
25 **FOR BASIC OPERATIONS**, there is allocated ~~for 2009-2010 an amount not to exceed~~
26 ~~\$3,289,000,000.00 and there is allocated for 2010-2011 an amount not to exceed~~
27 ~~\$3,573,500,000.00~~ for discretionary nonmandated payments to districts under this section.
28 Funds allocated under this section that are not expended in the state fiscal year for which
29 they were allocated, as determined by the department, may be used to supplement the
30 allocations under sections 22a and 51c in order to fully fund those calculated allocations
31 for the same fiscal year.

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

9 (2) ~~(3)~~ Subject to subsection ~~(4)~~ (3) and section ~~11~~ 192, the allocation to a
10 district under this section shall be an amount equal to the sum of the amounts calculated
11 under sections 20, ~~20j~~, 51a(2), ~~51a(3)~~, and 51a~~(12)~~(9), minus the sum of the allocations to
12 the district under sections 22a and 51c.

13 (3) ~~(4)~~ In order to receive an allocation under subsection (1), each district shall
14 do all of the following:

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

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

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

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

27 (4) ~~(5)~~ Districts are encouraged to use funds allocated under this section for the
28 purchase and support of payroll, human resources, and other business function software that
29 is compatible with that of the intermediate district in which the district is located and
30 with other districts located within that intermediate district.

31 (5) ~~(6)~~ From the allocation in subsection (1), the department shall pay up to
32 \$1,000,000.00 in litigation costs incurred by this state related to commercial or

1 industrial property tax appeals, including, but not limited to, appeals of classification,
2 that impact revenues dedicated to the state school aid fund.

3 (6) ~~(7)~~ From the allocation in subsection (1), the department shall pay up to
4 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by
5 1 or more districts or intermediate districts against this state. If the allocation under
6 this section is insufficient to fully fund all payments required under this section, the
7 payments under this subsection shall be made in full before any proration of remaining
8 payments under this section.

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

20 (8) ~~(9)~~ If the local claims review board or a court of competent jurisdiction makes a
21 final determination that this state is in violation of section 29 of article IX of the
22 state constitution of 1963 regarding state payments to districts, the state budget director
23 shall use work project funds under subsection ~~(8)~~ (7) or allocate from the discretionary
24 funds for nonmandated payments under this section the amount as may be necessary to satisfy
25 the amount owed to districts before making any payments to districts under subsection ~~(3)~~
26 (2).

27 (9) ~~(10)~~ If a claim is made in court that challenges the legislative determination of
28 the adequacy of funding for this state's constitutional obligations or alleges that there
29 exists an unfunded constitutional requirement, any interested party may seek an expedited
30 review of the claim by the local claims review board. If the claim exceeds \$10,000,000.00,
31 this state may remove the action to the court of appeals, and the court of appeals shall
32 have and shall exercise jurisdiction over the claim.

1 (10) ~~(11)~~ If payments resulting from a final determination by the local claims review
2 board or a court of competent jurisdiction that there has been a violation of section 29 of
3 article IX of the state constitution of 1963 exceed the amount allocated for discretionary
4 nonmandated payments under this section, the legislature shall provide for adequate funding
5 for this state's constitutional obligations at its next legislative session.

6 (11) ~~(12)~~ If a lawsuit challenging payments made to districts related to costs
7 reimbursed by federal title XIX medicaid funds is filed against this state, then, for the
8 purpose of addressing potential liability under such a lawsuit, the state budget director
9 may place funds allocated under this section in escrow or allocate money from the funds
10 otherwise allocated under this section, up to a maximum of 50% of the amount allocated in
11 subsection (1). If funds are placed in escrow under this subsection, those funds are a work
12 project appropriation and the funds are carried forward into the following fiscal year. The
13 purpose of the work project is to provide for any payments that may be awarded to districts
14 as a result of the litigation. The work project shall be completed upon resolution of the
15 litigation. In addition, this state reserves the right to terminate future federal title
16 XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed
17 funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX
18 of the social security act, 42 USC 1396 to 1396v.

19 (12) BEGINNING IN 2012-2013, FROM THE ALLOCATION IN SUBSECTION (1), THERE IS
20 ALLOCATED \$300,000,000.00 TO BE PAID ON A PER PUPIL BASIS TO THOSE DISTRICTS THAT ARE
21 ELIGIBLE AS ESTABLISHED BY LAW. AT A MINIMUM, THOSE DISTRICTS WHOSE EMPLOYEES RECEIVE A
22 HEALTH CARE BENEFIT PLAN, INCLUDING, BUT NOT LIMITED TO, MEDICAL, DENTAL, VISION,
23 DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE HEALTH CARE
24 SERVICES, AS PART OF THEIR TOTAL COMPENSATION PACKAGE AND WHOSE EMPLOYEES ARE CONTRIBUTING
25 AT LEAST THE SAME PERCENTAGE OF THE COSTS OF THOSE SERVICES AS STATE EMPLOYEES SHALL BE
26 ELIGIBLE FOR A PAYMENT FROM THIS SUBSECTION.

27 Sec. 24. (1) From the appropriation in section ~~11~~ 192(4) FOR STUDENT SUPPLEMENTAL
28 SERVICES, there is allocated ~~for 2010-2011~~ an amount ~~not to exceed \$8,000,000.00~~ for
29 payments to the educating district or intermediate district for educating pupils assigned
30 by a court or the department of human services to reside in or to attend a juvenile
31 detention facility or child caring institution licensed by the department of human services
32 and approved by the department to provide an on-grounds education program. The amount of

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

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

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

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

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

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

31 Sec. 24a. From the appropriation in section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL**
32 **SERVICES**, there is allocated an amount ~~not to exceed \$1,751,300.00 for 2009-2010 and there~~

1 ~~is allocated an amount not to exceed \$1,440,000.00 for 2010-2011~~ for payments to
2 intermediate districts for pupils who are placed in juvenile justice service facilities
3 operated by the department of human services. Each intermediate district shall receive an
4 amount equal to the state share of those costs that are clearly and directly attributable
5 to the educational programs for pupils placed in facilities described in this section that
6 are located within the intermediate district's boundaries. The intermediate districts
7 receiving payments under this section shall cooperate with the department of human services
8 to ensure that all funding allocated under this section is utilized by the intermediate
9 district and department of human services for educational programs for pupils described in
10 this section. Pupils described in this section are not eligible to be funded under section
11 24. However, a program responsibility or other fiscal responsibility associated with these
12 pupils shall not be transferred from the department of human services to a district or
13 intermediate district unless the district or intermediate district consents to the
14 transfer.

15 Sec. 24c. From the appropriation in section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL**
16 **SERVICES**, there is allocated an amount ~~not to exceed \$742,300.00 for 2010-2011~~ for payments
17 to districts for pupils who are enrolled in a nationally administered community-based
18 education and youth mentoring program, known as the youth challenge program, that is
19 located within the district and is administered by the department of military and veterans
20 affairs. Both of the following apply to a district receiving payments under this section:

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

24 (b) The district may retain for its administrative expenses an amount not to exceed
25 3% of the amount of the payment the district receives under this section.

26 Sec. 26a. From the ~~state school aid fund~~ appropriation in section ~~11~~ **192(6) FOR DEBT**
27 **SERVICE AND OTHER REQUIRED PAYMENTS**, there is allocated an amount ~~not to exceed~~
28 ~~\$26,300,000.00 for 2010-2011~~ **FOR 2011-2012** to reimburse districts and intermediate
29 districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL
30 125.2692, for taxes levied in ~~2010~~ **2011**. The allocations shall be made not later than 60
31 days after the department of treasury certifies to the department and to the state budget

1 director that the department of treasury has received all necessary information to properly
2 determine the amounts due to each eligible recipient.

3 Sec. 26b. (1) From the appropriation in section ~~11~~ **192(6) FOR DEBT SERVICE AND OTHER**
4 **REQUIRED PAYMENTS**, there is allocated ~~for 2010-2011~~ an amount ~~not to exceed \$3,400,000.00~~
5 for payments to districts, intermediate districts, and community college districts for the
6 portion of the payment in lieu of taxes obligation that is attributable to districts,
7 intermediate districts, and community college districts pursuant to section 2154 of the
8 natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

9 (2) If the amount ~~appropriated~~ **ALLOCATED** under this section is not sufficient to
10 fully pay obligations under this section, payments shall be prorated on an equal basis
11 among all eligible districts, intermediate districts, and community college districts.

12 Sec. 31a. (1) From the ~~state school aid fund money appropriated~~ **APPROPRIATION** in
13 section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL SERVICES**, there is allocated ~~for 2010-2011~~ an
14 amount not to exceed \$317,695,500.00 for payments to eligible districts and eligible public
15 school academies under this section. Subject to subsection (14), the amount of the
16 additional allowance under this section, other than funding under subsection (6) or (7),
17 shall be based on the number of actual pupils in membership in the district or public
18 school academy who met the income eligibility criteria for free breakfast, lunch, or milk
19 in the immediately preceding state fiscal year, as determined under the Richard B. Russell
20 national school lunch act, 42 USC 1751 to 1769i, and reported to the department ~~by October~~
21 ~~31~~ **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE FALL PUPIL MEMBERSHIP COUNT DAY** of the
22 immediately preceding fiscal year and adjusted not later than December 31 of the
23 immediately preceding fiscal year **IN THE FORM AND MANNER PRESCRIBED BY THE CENTER**. However,
24 for a public school academy that began operations as a public school academy after the
25 pupil membership count day of the immediately preceding school year, the basis for the
26 additional allowance under this section shall be the number of actual pupils in membership
27 in the public school academy who met the income eligibility criteria for free breakfast,
28 lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell
29 national school lunch act **AND REPORTED TO THE DEPARTMENT NOT LATER THAN THE FIFTH WEDNESDAY**
30 **AFTER THE FALL PUPIL MEMBERSHIP COUNT DAY**.

31 (2) To be eligible to receive funding under this section, other than funding under
32 subsection (6) or (7), a district or public school academy that has not been previously

1 determined to be eligible shall apply to the department, in a form and manner prescribed by
2 the department, and a district or public school academy must meet all of the following:

3 (a) The sum of the district's or public school academy's combined state and local
4 revenue per membership pupil in the current state fiscal year, as calculated under section
5 20, ~~plus the amount of the district's per pupil allocation under section 20j(2)~~, is less
6 than or equal to the basic foundation allowance under section 20 for the current state
7 fiscal year.

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

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

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

25 (5) Except as otherwise provided in subsection (12), a district or public school
26 academy that receives funds under this section and that operates a school breakfast program
27 under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds
28 received under this section an amount, not to exceed \$10.00 per pupil for whom the district
29 or public school academy receives funds under this section, necessary to pay for costs
30 associated with the operation of the school breakfast program.

31 (6) From the funds allocated under subsection (1), there is allocated ~~for 2010-2011~~
32 an amount ~~not to exceed \$3,557,300.00~~ to support child and adolescent health centers. These

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

16 (7) From the funds allocated under subsection (1), there is allocated ~~for 2010-2011~~
17 an amount ~~not to exceed \$5,150,000.00~~ for the state portion of the hearing and vision
18 screenings as described in section 9301 of the public health code, 1978 PA 368, MCL
19 333.9301. A local public health department shall pay at least 50% of the total cost of the
20 screenings. The frequency of the screenings shall be as required under R 325.13091 to R
21 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be
22 awarded in a form and manner approved jointly by the department and the department of
23 community health. Notwithstanding section 17b, payments to eligible entities under this
24 subsection shall be paid on a schedule determined by the department.

25 (8) Each district or public school academy receiving funds under this section shall
26 submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages,
27 on the usage by the district or public school academy of funds under this section, which
28 report shall include at least a brief description of each program conducted by the district
29 or public school academy using funds under this section, the amount of funds under this
30 section allocated to each of those programs, the number of at-risk pupils eligible for free
31 or reduced price school lunch who were served by each of those programs, and the total
32 number of at-risk pupils served by each of those programs. If a district or public school

1 academy does not comply with this subsection, the department shall withhold an amount equal
2 to the August payment due under this section until the district or public school academy
3 complies with this subsection. If the district or public school academy does not comply
4 with this subsection by the end of the state fiscal year, the withheld funds shall be
5 forfeited to the school aid fund.

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

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

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

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

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

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

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

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

1 (14) If necessary, and before any proration required under section ~~11~~ 195, the
2 department shall prorate payments under this section by reducing the amount of the per
3 pupil payment under this section by a dollar amount calculated by determining the amount by
4 which the amount necessary to fully fund the requirements of this section exceeds the
5 maximum amount allocated under this section and then dividing that amount by the total
6 statewide number of pupils who met the income eligibility criteria for free breakfast,
7 lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

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

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

1 ~~———— (17) A district that does not meet the eligibility requirement under subsection~~
2 ~~(2)(a) is eligible for funding under this section if at least 75% of the pupils in~~
3 ~~membership in the district met the income eligibility criteria for free breakfast, lunch,~~
4 ~~or milk in the immediately preceding state fiscal year, as determined and reported as~~
5 ~~described in subsection (1), the district receives an adjustment under section 20(19), and~~
6 ~~the district does not receive any state portion of its foundation allowance as calculated~~
7 ~~under section 20. A district that is eligible for funding under this section because the~~
8 ~~district meets the requirements of this subsection shall receive under this section for~~
9 ~~each membership pupil in the district who met the income eligibility criteria for free~~
10 ~~breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and~~
11 ~~reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of~~
12 ~~the district's foundation allowance under section 20, not to exceed the basic foundation~~
13 ~~allowance under section 20 for the current state fiscal year.~~

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

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

1 received, or did not achieve basic competency on the science component of the most recent
2 Michigan merit examination for which results for the pupil have been received. For pupils
3 in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the
4 district's core academic curricular objectives in English language arts or mathematics.

5 Sec. 31d. (1) From the ~~appropriations~~ **APPROPRIATION** in section ~~11~~ **192(5) FOR SCHOOL**
6 **MEAL PROGRAMS**, there is allocated an amount ~~not to exceed \$22,495,100.00 for 2010-2011~~ for
7 the purpose of making payments to districts and other eligible entities under this section.

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

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

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

22 (5) From the federal funds appropriated in section ~~11~~ **192(5) FOR SCHOOL MEAL**
23 **PROGRAMS**, there is allocated ~~for 2010-2011~~ all available federal funding, ~~estimated at~~
24 ~~\$400,000,000.00,~~ for the national school lunch program and all available federal funding,
25 ~~estimated at \$2,506,000.00,~~ for the emergency food assistance program.

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

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

31 Sec. 31f. (1) From the ~~appropriations~~ **APPROPRIATION** in section ~~11~~ **192(5) FOR SCHOOL**
32 **MEAL PROGRAMS**, there is allocated an amount ~~not to exceed \$9,625,000.00 for 2010-2011~~ for

1 the purpose of making payments to districts to reimburse for the cost of providing
2 breakfast.

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

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

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

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

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

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

20 Sec. 32b. (1) From the ~~funds appropriated under~~ **APPROPRIATION IN** section ~~11~~ **192(7)**
21 **FOR EARLY CHILDHOOD EDUCATION**, there is allocated an amount ~~not to exceed \$6,000,000.00 for~~
22 ~~2010-2011~~ for competitive grants to intermediate districts for the creation and continuance
23 of great start communities or other community purposes as identified by the early childhood
24 investment corporation. These dollars may not be expended until both of the following
25 conditions have been met:

26 (a) The early childhood investment corporation has identified matching dollars of at
27 least an amount equal to the amount of the matching dollars for 2006-2007.

28 (b) The executive committee of the corporation includes, in addition to the members
29 of the executive committee provided for by the interlocal agreement creating the
30 corporation under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to
31 124.512, 4 members appointed by the governor as provided in this subdivision. Not later
32 than 30 days after the convening of a regular legislative session in an odd-numbered year,

1 the speaker of the house of representatives, the house minority leader, the senate majority
2 leader, and the senate minority leader shall each submit to the governor a list of 3 or
3 more individuals as nominees for appointment as members of the executive committee of the
4 corporation. The corporation shall notify each of the legislative leaders of this
5 requirement to submit a list of nominees not later than 30 days before the date that the
6 list is due. Within 60 days of the submission to the governor of nominees by each of the 4
7 legislative leaders, the governor shall appoint 1 member of the executive committee from
8 each list of nominees submitted by each of the 4 legislative leaders. A member appointed
9 under this subdivision shall serve a term as a member of the executive committee through
10 the next regular legislative session unless he or she resigns or is otherwise unable to
11 serve. When a vacancy occurs other than by expiration of a term, the corporation shall
12 notify the legislative leader who originally nominated the member of the vacancy and that
13 legislative leader shall submit to the governor a list of 3 or more individuals as nominees
14 for appointment to fill the vacancy within 30 days after being notified by the corporation
15 of the vacancy. The governor shall make an appointment to fill that vacancy in the same
16 manner as the original appointment not later than 60 days after the date the vacancy
17 occurs.

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

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

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

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

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

1 (d) Evaluation of local programs.

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

9 (4) ~~(5)~~ An intermediate district receiving funds under this section may carry over
10 any unexpended funds received under this section into the next fiscal year and may expend
11 those unused funds in the next fiscal year. A recipient of a grant shall return any
12 unexpended grant funds to the department in the manner prescribed by the department not
13 later than September 30 of the next fiscal year after the fiscal year in which the funds
14 are received.

15 (5) ~~(6)~~ Notwithstanding section 17b, payments under this section may be made pursuant
16 to an agreement with the department.

17 Sec. 32d. (1) ~~For 2010-2011~~ **FROM THE APPROPRIATION IN SECTION 192(7) FOR EARLY**
18 **CHILDHOOD EDUCATION**, there is allocated **AN AMOUNT** to eligible districts for great start
19 readiness programs ~~an amount not to exceed \$89,400,000.00 from the state school aid fund~~
20 ~~money appropriated in section 11. In addition, from the general fund appropriation in~~
21 ~~section 11, there is allocated~~ **AND** ~~an amount not to exceed \$8,875,000.00~~ for competitive
22 great start readiness program grants. Funds allocated under this section shall be used to
23 provide part-day or ~~full~~ **SCHOOL**-day comprehensive free compensatory programs designed to ~~do~~
24 ~~1 or both of the following:~~

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

30 ~~(b) Provide preschool and parenting education programs similar to those under former~~
31 ~~section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by a district~~
32 ~~for programs described in this subdivision shall not exceed the lesser of the amount spent~~

1 ~~by the district under this subdivision for 2006-2007 or the amount spent under this~~
2 ~~subdivision in any subsequent fiscal year.~~

3 (2) To be eligible to receive payments under this section, a district shall comply
4 with this section and section 39. To receive competitive grant payments under this section,
5 an eligible grant recipient shall comply with this section and section 321.

6 (3) ~~In addition to~~ **FROM** the allocation under subsection (1), ~~from the general fund~~
7 ~~money appropriated under section 11,~~ there is allocated an amount not to exceed \$300,000.00
8 ~~for 2010-2011~~ for a competitive grant to continue a longitudinal evaluation of children who
9 have participated in great start readiness programs.

10 (4) To be eligible for funding under this section, a program shall prepare children
11 for success in school through comprehensive part-day or ~~full~~ **SCHOOL**-day programs that
12 contain all of the following program components, as determined by the department:

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

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

20 (c) Nutritional services for all program participants.

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

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

24 (f) Active and continuous involvement of the parents or guardians of the program
25 participants.

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

28 (h) Participation in a multidistrict, multiagency, school readiness advisory
29 committee that provides for the involvement of classroom teachers, parents or guardians of
30 program participants, and community, volunteer, and social service agencies and
31 organizations, as appropriate. The advisory committee shall review the program components

1 listed in this subsection and make recommendations for changes to the great start readiness
2 program for which it is an advisory committee.

3 (i) For great start readiness programs ~~operated by a district or consortium of~~
4 ~~districts~~, provide for the ongoing articulation of the ~~early childhood~~, kindergarten, and
5 first grade programs offered by ~~the district or districts~~ **GRANT RECIPIENTS**.

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

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

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

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

14 (i) Teachers possessing proper training. For programs ~~the district manages itself~~
15 **MANAGED DIRECTLY BY A SCHOOL DISTRICT**, a valid teaching certificate and an early childhood
16 (ZA OR ZS) endorsement are required. This provision does not apply to a district **OR**
17 **COMPETITIVE GRANTEE** that subcontracts with an eligible child development program. In that
18 situation, a teacher must have a valid Michigan teaching certificate with an early
19 childhood (ZA OR ZS) endorsement, a valid Michigan **ELEMENTARY** teaching certificate with a
20 child development associate credential, or a bachelor's degree in child development with
21 specialization in preschool teaching. However, ~~both of the following apply to this~~
22 ~~subparagraph:~~

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

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

4 (ii) Paraprofessionals possessing proper training in early childhood development,
5 including an associate's degree in early childhood education or child development or the
6 equivalent, or a child development associate (CDA) credential, ~~or the equivalent as~~
7 ~~approved by the state board.~~ However, if a district demonstrates to the department that it
8 is unable to fully comply with this subparagraph after making reasonable efforts to comply,
9 the district may employ paraprofessionals who have completed at least 1 **CREDIT-BEARING**
10 course in early childhood education or child development if the district provides to the
11 department, and the department approves, a plan for each paraprofessional to come into
12 compliance with the standards in this subparagraph. A paraprofessional's compliance plan
13 must be completed within 2 years of the date of employment. Progress toward completion of
14 the compliance plan shall consist of at least 2 courses or 60 clock hours of training per
15 calendar year.

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

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

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

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

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

22 (10) As used in this section, "part-day program" means a program that operates at
23 least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact
24 time per day but for fewer hours of teacher-child contact time per day than a ~~full~~ **SCHOOL-**
25 **day program as defined in subsection (6). A FULL-DAY PROGRAM PROVIDES SUPPLEMENTARY CHILD**
26 **CARE THAT TOTALS AT LEAST 10 HOURS OF PROGRAMMING PER DAY.**

27 (11) A ~~district or intermediate district~~ **GRANTEE** receiving funds under this section
28 is encouraged to establish a sliding scale of tuition rates based upon a child's family
29 income for the purpose of expanding eligible programs under this section. A ~~district or~~
30 ~~intermediate district~~ **GRANTEE** may charge tuition for programs provided under this section
31 according to that sliding scale of tuition rates on a uniform basis for any child who does
32 not meet the program eligibility requirements under this section.

1 Sec. 32j. (1) From the ~~appropriations~~ **APPROPRIATION** in section ~~11~~ **192(7) FOR EARLY**
2 **CHILDHOOD EDUCATION**, there is allocated an amount ~~not to exceed \$5,000,000.00 for 2010-2011~~
3 for great parents, great start grants to intermediate districts to provide programs for
4 parents with young children. The purpose of these programs is to encourage early
5 mathematics and reading literacy, improve school readiness, reduce the need for special
6 education services, and foster the maintenance of stable families by encouraging positive
7 parenting skills.

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

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

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

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

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

21 (3) To receive a grant under this section, an intermediate district shall submit a
22 plan to the department not later than October 15, ~~2010~~ **2011** in the form and manner
23 prescribed by the department. The plan shall do all of the following in a manner prescribed
24 by the department:

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

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

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

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

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

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

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

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

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

30 Sec. 39. (1) A district receiving funds under section 32d shall submit a
31 preapplication, in a form and manner prescribed by the department, by a date specified by
32 the department in the immediately preceding state fiscal year. The preapplication shall

1 include a comprehensive needs assessment and community collaboration plan, which is
2 endorsed by the local great start collaborative and is part of the community's great start
3 strategic plan that includes, but is not limited to, great start readiness program and head
4 start providers, and shall identify all of the following:

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

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

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

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

16 (2) A district receiving funds under section 32d shall also submit a final
17 application for approval, in a form and manner prescribed by the department, by a date
18 specified by the department, that details how the district complies with the program
19 components established by the department pursuant to section 32d.

20 (3) The number of prekindergarten children construed to be in need of special
21 readiness assistance under section 32d shall be calculated for each district in the
22 following manner: $1/2$ of the percentage of the district's pupils in grades 1 to 5 who are
23 eligible for free lunch, as determined using the district's pupil membership count as of
24 the pupil membership count day in the school year prior to the fiscal year for which the
25 calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to
26 1769i, shall be multiplied by the average kindergarten enrollment of the district on the
27 pupil membership count day of the 2 immediately preceding fiscal years.

28 (4) Beginning in 2008-2009, the initial allocation for each fiscal year to each
29 eligible district under section 32d shall be determined by multiplying the number of
30 children determined by the formula under subsection (3) or the number of children the
31 district indicates it will be able to serve under subsection (1)(c), whichever is less, by
32 \$3,400.00 and shall be distributed among districts in decreasing order of concentration of

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

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

22 (6) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in section 32d remain
23 after the allocations under subsections (4) and (5), remaining funds shall be distributed
24 to each eligible district under section 32d in decreasing order of concentration of
25 eligible children as determined by the formula under subsection (3). If the number of
26 children the district indicates it will be able to serve under subsection (1)(c) exceeds
27 the number of children for which funds have been received under subsections (4) and (5),
28 the allocation under this subsection shall be determined by multiplying the number of
29 children the district indicates it will be able to serve under subsection (1)(c) less the
30 number of children for which funds have been received under subsections (4) and (5) by
31 \$3,400.00 until the funds allocated for eligible districts in section 32d are distributed.

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

3 (8) A district that offers supplementary ~~day~~ **CHILD** care funded by funds other than
4 those received under this section and therefore offers full-day programs as part of its
5 early childhood development program shall receive priority in the allocation of funds under
6 section 32d over other eligible districts.

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

11 (10) If, taking into account the total amount to be allocated to the district as
12 calculated under this section, a district determines that it is able to include additional
13 eligible children in the great start readiness program without additional funds under
14 section 32d, the district may include additional eligible children but shall not receive
15 additional funding under section 32d for those children.

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

23 Sec. 39a. (1) From the federal funds appropriated in section ~~11~~ **192(4) FOR STUDENT**
24 **SUPPLEMENTAL SERVICES**, there is allocated ~~for 2010-2011~~ to districts, intermediate
25 districts, and other eligible entities all available federal funding, ~~estimated at~~
26 ~~\$761,973,600.00~~, for the federal programs under the no child left behind act of 2001,
27 Public Law 107-110. These funds are allocated as follows:

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

- 1 (b) An amount ~~estimated at \$7,461,800.00~~ for the purpose of improving teaching and
2 learning through a more effective use of technology, funded from DED-OESE, educational
3 technology state grant funds.
- 4 (c) An amount ~~estimated at \$109,411,900.00~~ for the purpose of preparing, training,
5 and recruiting high-quality teachers and class size reduction, funded from DED-OESE,
6 improving teacher quality funds.
- 7 (d) An amount ~~estimated at \$10,322,300.00~~ for programs to teach English to limited
8 English proficient (LEP) children, funded from DED-OESE, language acquisition state grant
9 funds.
- 10 (e) An amount ~~estimated at \$8,550,000.00~~ for the Michigan charter school subgrant
11 program, funded from DED-OESE, charter school funds.
- 12 (f) An amount ~~estimated at \$1,760,000.00~~ for rural and low income schools, funded
13 from DED-OESE, rural and low income school funds.
- 14 (g) An amount ~~estimated at \$1,000.00~~ to help schools develop and implement
15 comprehensive school reform programs, funded from DED-OESE, title I and title X,
16 comprehensive school reform funds.
- 17 (h) An amount ~~estimated at \$517,479,800.00~~ to provide supplemental programs to enable
18 educationally disadvantaged children to meet challenging academic standards, funded from
19 DED-OESE, title I, disadvantaged children funds.
- 20 (i) An amount ~~estimated at \$2,152,700.00~~ for the purpose of providing unified family
21 literacy programs, funded from DED-OESE, title I, even start funds.
- 22 (j) An amount ~~estimated at \$8,807,200.00~~ for the purpose of identifying and serving
23 migrant children, funded from DED-OESE, title I, migrant education funds.
- 24 (k) An amount ~~estimated at \$24,733,200.00~~ to promote high-quality school reading
25 instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.
- 26 (l) An amount ~~estimated at \$2,849,000.00~~ for the purpose of implementing innovative
27 strategies for improving student achievement, funded from DED-OESE, title VI, innovative
28 strategies funds.
- 29 (m) An amount ~~estimated at \$40,050,000.00~~ for the purpose of providing high-quality
30 extended learning opportunities, after school and during the summer, for children in low-
31 performing schools, funded from DED-OESE, twenty-first century community learning center
32 funds.

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

3 (2) From the federal funds appropriated in section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL**
4 **SERVICES**, there is allocated ~~for 2010-2011~~ to districts, intermediate districts, and other
5 eligible entities all available federal funding, ~~estimated at \$32,359,700.00~~, for the
6 following programs that are funded by federal grants:

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

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

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

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

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

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

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

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

28 (d) A structured mentoring-tutorial reading program for pupils in preschool to grade
29 4 that is a research-based, validated program that develops individualized educational
30 plans based on each pupil's age, assessed needs, reading level, interests, and learning
31 style.

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

6 (5) For the purposes of applying for federal grants appropriated under this act, the
7 department shall allow an intermediate district to submit a ~~consolidated~~ **CONSORTIA**
8 application on behalf of 2 or more districts with the agreement of those districts **AS**
9 **APPROPRIATE ACCORDING TO FEDERAL RULES AND GUIDANCE.**

10 (6) As used in this section:

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

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

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

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

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

16 Sec. 40. The department biennially shall review alternative methods to determine the
17 number of children construed to be in need of special readiness assistance ~~and shall report~~
18 ~~not later than November 15 of each even numbered year its findings and recommendations to~~
19 ~~the senate and house appropriations subcommittees responsible for district funding and the~~
20 ~~senate and house committees responsible for education legislation and the state budget~~
21 ~~director.~~

22 Sec. 51a. (1) From the appropriation in section ~~11~~ **192(3) FOR SPECIAL EDUCATION,**
23 there is allocated ~~for 2009-2010~~ an amount ~~not to exceed \$1,016,342,000.00 and there is~~
24 ~~allocated for 2010-2011 an amount not to exceed \$1,057,883,000.00~~ from state sources and
25 all available federal funding under ~~sections 611 to 619 of part B of the individuals with~~
26 ~~disabilities education act, 20 USC 1411 to 1419, estimated at \$350,700,000.00 for 2009-2010~~
27 ~~and estimated at \$385,700,000.00 for 2010-2011,~~ plus any carryover federal funds from
28 previous year appropriations. The allocations under this subsection are for the purpose of
29 reimbursing districts and intermediate districts for special education programs, services,
30 and special education personnel as prescribed in article 3 of the revised school code, MCL
31 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan
32 schools for the deaf and blind; and special education programs and services for pupils who

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

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

20 (a) The initial amount allocated to a district under this subsection toward
21 fulfilling the specified percentages shall be calculated by multiplying the district's
22 special education pupil membership, excluding pupils described in subsection ~~(12)~~ (9),
23 times ~~the sum of~~ the foundation allowance under section 20 of the pupil's district of
24 residence ~~plus the amount of the district's per pupil allocation under section 20j(2)~~, not
25 to exceed the basic foundation allowance under section 20 for the current fiscal year, or,
26 for a special education pupil in membership in a district that is a public school academy
27 or university school, times an amount equal to the amount per membership pupil calculated
28 under section 20(6). For an intermediate district, the amount allocated under this
29 subdivision toward fulfilling the specified percentages shall be an amount per special
30 education membership pupil, excluding pupils described in subsection ~~(12)~~ (9), and shall be
31 calculated in the same manner as for a district, using the foundation allowance under
32 section 20 of the pupil's district of residence, not to exceed the basic foundation

1 allowance under section 20 for the current fiscal year, ~~and that district's per pupil~~
2 ~~allocation under section 20j(2).~~

3 (b) After the allocations under subdivision (a), districts and intermediate districts
4 for which the payments calculated under subdivision (a) do not fulfill the specified
5 percentages shall be paid the amount necessary to achieve the specified percentages for the
6 district or intermediate district.

7 ~~(3) From the funds allocated under subsection (1), there is allocated each fiscal~~
8 ~~year for 2009-2010 and for 2010-2011 the amount necessary, estimated at \$1,329,000.00 for~~
9 ~~2009-2010 and estimated at \$1,400,000.00 for 2010-2011, to make payments to districts and~~
10 ~~intermediate districts under this subsection. If the amount allocated to a district or~~
11 ~~intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the~~
12 ~~amounts allocated to the district or intermediate district for 1996-97 under sections 52~~
13 ~~and 58, there is allocated to the district or intermediate district for the fiscal year an~~
14 ~~amount equal to that difference, adjusted by applying the same proration factor that was~~
15 ~~used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's~~
16 ~~or intermediate district's necessary costs of special education used in calculations for~~
17 ~~the fiscal year. This adjustment is to reflect reductions in special education program~~
18 ~~operations or services between 1996-97 and subsequent fiscal years. Adjustments for~~
19 ~~reductions in special education program operations or services shall be made in a manner~~
20 ~~determined by the department and shall include adjustments for program or service shifts.~~

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

1 ~~the amount necessary to fulfill the specified percentages in subsection (2), there shall be~~
2 ~~no deduction under this subsection.~~

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

9 (4) ~~(6)~~ From the amount allocated in subsection (1), there is allocated an amount ~~not~~
10 ~~to exceed \$1,750,000.00 for 2009-2010 and an amount not to exceed \$2,200,000.00 for 2010-~~
11 ~~2011~~ to reimburse 100% of the net increase in necessary costs incurred by a district or
12 intermediate district in implementing the revisions in the administrative rules for special
13 education that became effective on July 1, 1987. As used in this subsection, "net increase
14 in necessary costs" means the necessary additional costs incurred solely because of new or
15 revised requirements in the administrative rules minus cost savings permitted in
16 implementing the revised rules. Net increase in necessary costs shall be determined in a
17 manner specified by the department.

18 (5) ~~(7)~~ For purposes of this article, all of the following apply:

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

1 juvenile detention programs approved by the department to provide an on-grounds education
2 program.

3 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district
4 that employed special education support services staff to provide special education support
5 services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-
6 2004 receives the same type of support services from another district or intermediate
7 district shall report the cost of those support services for special education
8 reimbursement purposes under this act. This subdivision does not prohibit the transfer of
9 special education classroom teachers and special education classroom aides if the pupils
10 counted in membership associated with those special education classroom teachers and
11 special education classroom aides are transferred and counted in membership in the other
12 district or intermediate district in conjunction with the transfer of those teachers and
13 aides.

14 (c) If the department determines before bookclosing for a fiscal year that the
15 amounts allocated for that fiscal year under subsections (2), ~~(3), (6), (8)~~ (4), and ~~(12)~~
16 (9) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under
17 subsections (2), ~~(3), (6), (8)~~ (4), and ~~(12)~~ (9) and sections 53a, 54, and 56, then for a
18 district or intermediate district whose reimbursement for that fiscal year would otherwise
19 be affected by subdivision (b), subdivision (b) does not apply to the calculation of the
20 reimbursement for that district or intermediate district and reimbursement for that
21 district or intermediate district shall be calculated in the same manner as it was for
22 2003-2004. If the amount of the excess allocations under subsections (2), ~~(3), (6), (8)~~
23 (4), and ~~(12)~~ (9) and sections 53a, 54, and 56 is not sufficient to fully fund the
24 calculation of reimbursement to those districts and intermediate districts under this
25 subdivision, then the calculations and resulting reimbursement under this subdivision shall
26 be prorated on an equal percentage basis.

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

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

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

14 ~~(8) From the allocation in subsection (1), there is allocated each fiscal year for~~
15 ~~2009-2010 and for 2010-2011 an amount not to exceed \$15,313,900.00 to intermediate~~
16 ~~districts. The payment under this subsection to each intermediate district shall be equal~~
17 ~~to the amount of the 1996-97 allocation to the intermediate district under subsection (6)~~
18 ~~of this section as in effect for 1996-97.~~

19 (6) ~~(9)~~ A pupil who is enrolled in a full-time special education program conducted or
20 administered by an intermediate district or a pupil who is enrolled in the Michigan schools
21 for the deaf and blind shall not be included in the membership count of a district, but
22 shall be counted in membership in the intermediate district of residence.

23 (7) ~~(10)~~ Special education personnel transferred from 1 district to another to
24 implement the revised school code shall be entitled to the rights, benefits, and tenure to
25 which the person would otherwise be entitled had that person been employed by the receiving
26 district originally.

27 (8) ~~(11)~~ If a district or intermediate district uses money received under this
28 section for a purpose other than the purpose or purposes for which the money is allocated,
29 the department may require the district or intermediate district to refund the amount of
30 money received. Money that is refunded shall be deposited in the state treasury to the
31 credit of the state school aid fund.

1 (9) ~~(12)~~ From the funds allocated in subsection (1), there is allocated each fiscal
2 year the amount necessary, ~~estimated at \$6,200,000.00 for 2009-2010 and estimated at~~
3 ~~\$6,600,000.00 for 2010-2011~~, to pay the foundation allowances for pupils described in this
4 subsection. The allocation to a district under this subsection shall be calculated by
5 multiplying the number of pupils described in this subsection who are counted in membership
6 in the district times ~~the sum of~~ the foundation allowance under section 20 of the pupil's
7 district of residence ~~plus the amount of the district's per pupil allocation under section~~
8 ~~20j(2)~~, not to exceed the basic foundation allowance under section 20 for the current
9 fiscal year, or, for a pupil described in this subsection who is counted in membership in a
10 district that is a public school academy or university school, times an amount equal to the
11 amount per membership pupil under section 20(6). The allocation to an intermediate district
12 under this subsection shall be calculated in the same manner as for a district, using the
13 foundation allowance under section 20 of the pupil's district of residence, not to exceed
14 the basic foundation allowance under section 20 for the current fiscal year, ~~and that~~
15 ~~district's per pupil allocation under section 20j(2)~~. This subsection applies to all of the
16 following pupils:

17 (a) Pupils described in section 53a.

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

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

24 (10) ~~(13)~~ If it is determined that funds allocated under subsection (2) or ~~(12)~~ (9)
25 or under section 51c will not be expended, funds up to the amount necessary and available
26 may be used to supplement the allocations under subsection (2) or ~~(12)~~ (9) or under section
27 51c in order to fully fund those allocations. After payments under subsections (2) and ~~(12)~~
28 (9) and section 51c, the remaining expenditures from the allocation in subsection (1) shall
29 be made in the following order:

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

31 (b) 100% of the reimbursement required under subsection ~~(6)~~ (4).

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

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

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

3 (d) ~~(f)~~ 100% of the payments under section 56.

4 (11) ~~(14)~~ The allocations under subsections (2), ~~(3)~~, and ~~(12)~~ (9) shall be
5 allocations to intermediate districts only and shall not be allocations to districts, but
6 instead shall be calculations used only to determine the state payments under section 22b.

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

19 Sec. 51c. As required by the court in the consolidated cases known as Durant v State
20 of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under
21 section 51a(1), there is allocated each fiscal year ~~for 2009-2010 and for 2010-2011~~ the
22 amount necessary, ~~estimated at \$702,500,000.00 for 2009-2010 and estimated at~~
23 ~~\$732,100,000.00 for 2010-2011~~, for payments to reimburse districts for 28.6138% of total
24 approved costs of special education excluding costs reimbursed under section 53a, and
25 70.4165% of total approved costs of special education transportation. Funds allocated under
26 this section that are not expended in the state fiscal year for which they were allocated,
27 as determined by the department, may be used to supplement the allocations under sections
28 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

29 Sec. 51d. (1) From the federal funds appropriated in section ~~11~~ **192(3) FOR SPECIAL**
30 **EDUCATION**, there is allocated ~~for 2010-2011~~ all available federal funding, ~~estimated at~~
31 ~~\$74,000,000.00~~, for special education programs that are funded by federal grants. All
32 federal funds allocated under this section shall be distributed in accordance with federal

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

4 (2) From the federal funds allocated under subsection (1), the following amounts are
5 allocated ~~for 2010-2011~~:

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

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

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

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

16 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)
17 shall be 100% of the total approved costs of operating special education programs and
18 services approved by the department and included in the intermediate district plan adopted
19 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the
20 district's foundation allowance calculated under section 20, ~~and minus the amount~~
21 ~~calculated for the district under section 20j~~. For intermediate districts, reimbursement
22 for pupils described in subsection (2) shall be calculated in the same manner as for a
23 district, using the foundation allowance under section 20 of the pupil's district of
24 residence, not to exceed the basic foundation allowance under section 20 for the current
25 fiscal year, ~~and under section 20j~~.

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

27 (a) Pupils assigned to a district or intermediate district through the community
28 placement program of the courts or a state agency, if the pupil was a resident of another
29 intermediate district at the time the pupil came under the jurisdiction of the court or a
30 state agency.

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

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

4 (d) Pupils enrolled in a department-approved on-grounds educational program longer
5 than 180 days, but not longer than 233 days, at a residential child care institution, if
6 the child care institution offered in 1991-92 an on-grounds educational program longer than
7 180 days but not longer than 233 days.

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

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

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

17 (5) ~~Not more than \$13,500,000.00 of~~ **FROM** the allocation ~~for 2010-2011~~ in section
18 51a(1), **THERE IS** ~~shall be~~ allocated **AN AMOUNT** under this section.

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

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

24 (a) "Membership" means for a particular fiscal year the total membership for the
25 immediately preceding fiscal year of the intermediate district and the districts
26 constituent to the intermediate district.

27 (b) "Millage levied" means the millage levied for special education pursuant to part
28 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service
29 obligations.

30 (c) "Taxable value" means the total taxable value of the districts constituent to an
31 intermediate district, except that if a district has elected not to come under part 30 of
32 the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the

1 district shall not be included in the membership and taxable value of the intermediate
2 district.

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

13 (3) Reimbursement for those millages levied in ~~2008-2009~~ 2010-2011 shall be made in
14 ~~2009-2010~~ 2011-2012 at an amount per ~~2008-2009~~ 2010-2011 membership pupil computed by
15 subtracting from ~~\$180,600.00~~ \$174,700.00 the ~~2008-2009~~ 2010-2011 taxable value behind each
16 membership pupil and multiplying the resulting difference by the ~~2008-2009~~ 2010-2011
17 millage levied. Reimbursement for those millages levied in ~~2009-2010~~ 2011-2012 shall be
18 made in ~~2010-2011~~ 2012-2013 at an amount per ~~2009-2010~~ 2011-2012 membership pupil computed
19 by subtracting from ~~\$181,700.00~~ \$173,000.00 the ~~2009-2010~~ 2011-2012 taxable value behind
20 each membership pupil and multiplying the resulting difference by the ~~2009-2010~~ 2011-2012
21 millage levied.

22 Sec. 61a. (1) From the appropriation in section ~~11~~ 192(4) **FOR STUDENT SUPPLEMENTAL**
23 **SERVICES**, there is allocated an amount ~~not to exceed \$26,611,300.00 for 2010-2011~~ to
24 reimburse on an added cost basis districts, except for a district that served as the fiscal
25 agent for a vocational education consortium in the 1993-94 school year, and secondary area
26 vocational-technical education centers for secondary-level career and technical education
27 programs according to rules approved by the superintendent. Applications for participation
28 in the programs shall be submitted in the form prescribed by the department. The department
29 shall determine the added cost for each career and technical education program area. The
30 allocation of added cost funds shall be based on the type of career and technical education
31 programs provided, the number of pupils enrolled, and the length of the training period
32 provided, and shall not exceed 75% of the added cost of any program. With the approval of

1 the department, the board of a district maintaining a secondary career and technical
2 education program may offer the program for the period from the close of the school year
3 until September 1. The program shall use existing facilities and shall be operated as
4 prescribed by rules promulgated by the superintendent.

5 (2) Except for a district that served as the fiscal agent for a vocational education
6 consortium in the 1993-94 school year, districts and intermediate districts shall be
7 reimbursed for local career and technical education administration, shared time career and
8 technical education administration, and career education planning district career and
9 technical education administration. The definition of what constitutes administration and
10 reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than
11 \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

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

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

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

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

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

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

5 (2) From the appropriation in section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL SERVICES**,
6 there is allocated an amount not to exceed \$9,000,000.00 ~~each fiscal year for 2009-2010 and~~
7 ~~for 2010-2011~~ to reimburse intermediate districts and area vocational-technical education
8 programs established under section 690(3) of the revised school code, MCL 380.690, levying
9 millages for area vocational-technical education pursuant to sections 681 to 690 of the
10 revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the
11 reimbursement shall be limited as if the funds were generated by those millages.

12 (3) Reimbursement for the millages levied in ~~2008-2009~~ **2010-2011** shall be made in
13 ~~2009-2010~~ **2011-2012** at an amount per ~~2008-2009~~ **2010-2011** membership pupil computed by
14 subtracting from ~~\$191,000.00~~ **\$190,400.00** the ~~2008-2009~~ **2010-2011** taxable value behind each
15 membership pupil and multiplying the resulting difference by the ~~2008-2009~~ **2010-2011**
16 millage levied. Reimbursement for the millages levied in ~~2009-2010~~ **2011-2012** shall be made
17 in ~~2010-2011~~ **2012-2013** at an amount per ~~2009-2010~~ **2011-2012** membership pupil computed by
18 subtracting from ~~\$194,700.00~~ **\$188,300.00** the ~~2009-2010~~ **2011-2012** taxable value behind each
19 membership pupil and multiplying the resulting difference by the ~~2009-2010~~ **2011-2012**
20 millage levied.

21 Sec. 74. (1) From the ~~amount appropriated~~ **APPROPRIATION** in section ~~11~~ **192(4) FOR**
22 **STUDENT SUPPLEMENTAL SERVICES**, there is allocated an amount ~~not to exceed \$3,028,500.00 for~~
23 ~~2009-2010 and there is allocated an amount not to exceed \$2,058,800.00 for 2010-2011~~ for
24 the purposes of this section.

25 (2) From the allocation in subsection (1), there is allocated for each fiscal year
26 the amount necessary for payments to state supported colleges or universities and
27 intermediate districts providing school bus driver safety instruction pursuant to section
28 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an
29 amount determined by the department not to exceed 75% of the actual cost of instruction and
30 driver compensation for each public or nonpublic school bus driver attending a course of
31 instruction. For the purpose of computing compensation, the hourly rate allowed each school
32 bus driver shall not exceed the hourly rate received for driving a school bus.

1 Reimbursement compensating the driver during the course of instruction shall be made by the
2 department to the college or university or intermediate district providing the course of
3 instruction.

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

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

25 Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in
26 section ~~11~~ **192(2) FOR BASIC OPERATIONS**, there is allocated ~~for 2010-2011~~ to the
27 intermediate districts the sum necessary, ~~but not to exceed \$65,376,800.00,~~ to provide
28 state aid to intermediate districts under this section. Except as otherwise provided in
29 this section, there shall be allocated to each intermediate district for ~~2010-2011~~ **2011-**
30 **2012** an amount equal to ~~80%~~ **95%** of the amount allocated under this subsection for ~~2008-2009~~
31 **2010-2011**. Funding provided under this section shall be used to comply with requirements of
32 this act and the revised school code that are applicable to intermediate districts, and for

1 which funding is not provided elsewhere in this act, and to provide technical assistance to
2 districts as authorized by the intermediate school board.

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (b) Create, maintain, and enhance this state's statewide longitudinal data system and
18 ensure that it meets the requirements of subsection ~~(6)~~ (4).

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

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

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

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

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

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

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

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

7 (2) Each state department, officer, or agency that collects information from
8 districts, intermediate districts, or postsecondary institutions as required under state or
9 federal law shall make arrangements with the center to ensure that the state department,
10 officer, or agency is in compliance with subsection (1). This subsection does not apply to
11 information collected by the department of treasury under the uniform budgeting and
12 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001
13 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act,
14 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL
15 380.1351a.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 ~~———— (d) Establishing and maintaining data definitions, data transmission protocols, and~~
9 ~~system specifications and procedures for the efficient and accurate transmission and~~
10 ~~collection of data.~~

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

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

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

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

20 (3) ~~(5)~~ The center may enter into any interlocal agreements necessary to fulfill its
21 functions.

22 (4) ~~(6)~~ The center shall ensure that the statewide longitudinal data system required
23 under subsection (1)(b) meets all of the following:

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

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

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

1 (d) Enables the matching of individual teachers with information about their
2 certification and the institutions that prepared and recommended those teachers for state
3 certification.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (A) Enrollment in remedial coursework.

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

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

9 (5) ~~(7)~~ From the ~~general fund~~ appropriation in section ~~11~~ **192(8) FOR STUDENT**
10 **ASSESSMENT AND ACCOUNTABILITY**, there is allocated an amount ~~not to exceed \$3,621,100.00 for~~
11 ~~2010-2011~~ to the department of technology, management, and budget to support the operations
12 of the center **AND TO ESTABLISH A LONGITUDINAL DATA SYSTEM AS PROVIDED UNDER THIS SECTION IN**
13 **COMPLIANCE WITH THE ASSURANCE PROVIDED TO THE FEDERAL DEPARTMENT OF EDUCATION IN ORDER TO**
14 **RECEIVE STATE FISCAL STABILIZATION FUNDS**. ~~In addition, from the federal funds appropriated~~
15 ~~in section 11 there is allocated for 2010-2011 the amount necessary, estimated at~~
16 ~~\$10,067,800.00 for 2010-2011, to support the operations of the center.~~ The center shall
17 cooperate with the state education agency to ensure that this state is in compliance with
18 federal law and is maximizing opportunities for increased federal funding to improve
19 education in this state.

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

26 ~~(9) In addition to the amount allocated under subsection (7) there is also allocated~~
27 ~~from the general fund money appropriated in section 11 for 2010-2011 an additional amount~~
28 ~~not to exceed \$1,800,000.00 for the purpose of establishing a longitudinal data system as~~
29 ~~provided under this section in compliance with the assurance provided to the federal~~
30 ~~department of education in order to receive state fiscal stabilization funds. In addition,~~
31 ~~there is allocated for 2010-2011 from the state school aid fund money appropriated under~~
32 ~~section 11 an amount not to exceed \$8,440,000.00 to support the efforts of districts to~~

1 ~~match individual teacher and student records. The funds shall be distributed to districts~~
2 ~~in an amount and manner determined by the center.~~

3 ~~(10) From the federal funds allocated in subsection (7), there is allocated for 2010-~~
4 ~~2011 an amount not to exceed \$242,000.00 to support the efforts of postsecondary~~
5 ~~institutions to comply with the requirements of this state's statewide longitudinal data~~
6 ~~system. The funds shall be distributed to postsecondary institutions in an amount and~~
7 ~~manner determined by the center.~~

8 (7) ~~(11)~~ The center and the department shall work cooperatively to develop a cost
9 allocation plan that pays for center expenses from the appropriate federal fund and state
10 restricted fund revenues.

11 (8) ~~(12)~~ Funds allocated under this section that are not expended in the fiscal year
12 in which they were allocated may be carried forward to a subsequent fiscal year and are
13 appropriated for the purposes for which the funds were originally allocated.

14 (9) ~~(13)~~ The center may bill departments as necessary in order to fulfill reporting
15 requirements of state and federal law. The center may also enter into agreements to supply
16 custom data, analysis, and reporting to other principal executive departments, state
17 agencies, local units of government, and other individuals and organizations. The center
18 may receive and expend funds in addition to those authorized in subsection ~~(7)~~ (5) to cover
19 the costs associated with salaries, benefits, supplies, materials, and equipment necessary
20 to provide such data, analysis, and reporting services.

21 (10) ~~(14)~~ As used in this section:

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

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

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

28 Sec. 98. (1) From the ~~general fund money appropriated~~ **APPROPRIATION** in section ~~11~~
29 **192(4) FOR STUDENT SUPPLEMENTAL SERVICES**, there is allocated an amount ~~not to exceed~~
30 ~~\$1,687,500.00 for 2010-2011~~ to provide a grant to the Michigan virtual university for the
31 development, implementation, and operation of the Michigan virtual high school; to provide
32 professional development opportunities for educators; and to fund other purposes described

1 in this section. ~~In addition, from the federal funds appropriated in section 11, there is~~
2 ~~allocated for 2010-2011 an amount estimated at \$2,700,000.00.~~

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

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

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

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

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

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

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

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

19 (a) Information technology courses.

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

22 (c) Courses and dual enrollment opportunities.

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

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

25 (f) Special interest courses.

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

28 (4) From the federal funds allocated in subsection (1), there is allocated ~~for 2010-~~
29 ~~2011~~ an amount ~~estimated at \$1,700,000.00~~ from DED-OESE, title II, improving teacher
30 quality funds for a grant to the Michigan virtual university for the purpose of this
31 subsection. With the approval of the department, the Michigan virtual university shall

1 coordinate the following activities related to DED-OESE, title II, improving teacher
2 quality funds in accordance with federal law:

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

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

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

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

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

17 (5) The Michigan virtual university shall offer at least 200 hours of online
18 professional development for classroom teachers under this section each fiscal year
19 beginning in 2006-2007 without charge to the teachers or to districts or intermediate
20 districts.

21 (6) From the federal funds appropriated in subsection (1), there is allocated ~~for~~
22 ~~2010-2011~~ an amount ~~estimated at \$1,000,000.00~~ from the DED-OESE, title II, educational
23 technology grant funds to support e-learning and virtual school initiatives consistent with
24 the goals contained in the United States national educational technology plan issued in
25 January 2005. These funds shall be used to support activities designed to build the
26 capacity of the Michigan virtual university and shall not be used to supplant other
27 funding. Not later than November 30, ~~2010~~ 2011, from the funds allocated in this
28 subsection, the department shall award a single grant of \$1,000,000.00 to a consortium or
29 partnership established by the Michigan virtual university that meets the requirements of
30 this subsection. To be eligible for this funding, a consortium or partnership established
31 by the Michigan virtual university shall include at least 1 intermediate district and at
32 least 1 high-need local district. All of the following apply to this funding:

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

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

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

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

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

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

11 (vi) Demonstrated technical expertise and capacity in managing complex technology
12 systems.

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

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

17 (i) Strengthen its capacity by pursuing activities, policies, and practices that
18 increase the overall number of Michigan virtual high school course enrollments and course
19 completions by at-risk students.

20 (ii) Examine the curricular and specific course content needs of middle and high
21 school students in the areas of mathematics and science.

22 (iii) Design, develop, and acquire online courses and related supplemental resources
23 aligned to state standards to create a comprehensive and rigorous statewide catalog of
24 online courses and instructional services.

25 (iv) Continue to evaluate and conduct pilot programs for new and innovative online
26 tools, resources, and courses.

27 (v) Evaluate existing online teaching and learning practices and develop continuous
28 improvement strategies to enhance student achievement.

29 (vi) Develop, support, and maintain the technology infrastructure and related
30 software required to deliver online courses and instructional services to students
31 statewide.

1 (7) If a home-schooled or nonpublic school student is a resident of a district that
2 subscribes to services provided by the Michigan virtual high school, the student may use
3 the services provided by the Michigan virtual high school to the district without charge to
4 the student beyond what is charged to a district pupil using the same services.

5 ~~(9) Not later than December 1, 2010, the Michigan virtual university shall provide a~~
6 ~~report to the house and senate appropriations subcommittees on state school aid, the state~~
7 ~~budget director, the house and senate fiscal agencies, and the department that includes at~~
8 ~~least all of the following information related to the Michigan virtual high school for the~~
9 ~~preceding state fiscal year:~~

10 ~~_____ (a) A list of the Michigan schools served by the Michigan virtual high school.~~

11 ~~_____ (b) A list of online course titles available to Michigan schools.~~

12 ~~_____ (c) The total number of online course enrollments and information on registrations~~
13 ~~and completions by course.~~

14 ~~_____ (d) The overall course completion rate percentage.~~

15 ~~_____ (e) A summary of DED OESE, title IIA, teacher quality grant and DED OESE, title IID,~~
16 ~~education technology grant expenditures.~~

17 ~~_____ (f) Identification of unmet educational needs that could be addressed by the Michigan~~
18 ~~virtual high school.~~

19 (8) ~~(9)~~ As used in this section:

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

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

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

26 Sec. 99. (1) From the ~~state school aid fund money appropriated in section 11, there~~
27 ~~is allocated an amount not to exceed \$2,515,000.00 for 2010-2011 and from the general fund~~
28 ~~appropriation in section 11~~ **192(4) FOR STUDENT SUPPLEMENTAL SERVICES**, there is allocated an
29 amount ~~not to exceed \$110,000.00 for 2010-2011~~ to support the activities and programs of
30 mathematics and science centers and for other purposes as described in this section. In
31 addition, from the federal funds appropriated in section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL**

1 **SERVICES**, there is allocated ~~for 2010-2011~~ an amount ~~estimated at \$5,249,300.00~~ from DED-
2 OESE, title II, mathematics and science partnership grants.

3 (2) Within a service area designated locally, approved by the department, and
4 consistent with the comprehensive master plan for mathematics and science centers developed
5 by the department and approved by the state board, an established mathematics and science
6 center shall provide 2 or more of the following 6 basic services, as described in the
7 master plan, to constituent districts and communities: leadership, pupil services,
8 curriculum support, community involvement, professional development, and resource
9 clearinghouse services.

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

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

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

25 (6) From the funds allocated in subsection (1), there is allocated ~~for 2010-2011~~ an
26 amount not to exceed \$750,000.00 in a form and manner determined by the department to those
27 centers able to provide curriculum and professional development support to assist districts
28 in implementing the Michigan merit curriculum components for mathematics and science.
29 Funding under this subsection is in addition to funding allocated under subsection (5).

30 (7) In order to receive state or federal funds under this section, a grant recipient
31 shall allow access for the department or the department's designee to audit all records

1 related to the program for which it receives such funds. The grant recipient shall
2 reimburse the state for all disallowances found in the audit.

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

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

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

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

13 (A) **STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR STUDENTS WHO ENROLLED**
14 **IN MATHEMATICS AND SCIENCE ACTIVITIES PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE**
15 **CENTER.**

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

18 (12) ~~(11)~~ 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 secondary education.

21 Sec. 101. (1) To be eligible to receive state aid under this act, not later than the
22 fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday
23 after the supplemental count day, each district superintendent shall submit to the center
24 and the intermediate superintendent, in the form and manner prescribed by the center, the
25 number of pupils enrolled and in regular daily attendance in the district as of the pupil
26 membership count day and as of the supplemental count day, as applicable, for the current
27 school year. In addition, a district maintaining school during the entire year, as provided
28 under section 1561 of the revised school code, MCL 380.1561, shall submit to the center and
29 the intermediate superintendent, in the form and manner prescribed by the center, the
30 number of pupils enrolled and in regular daily attendance in the district for the current
31 school year pursuant to rules promulgated by the superintendent. Not later than the ~~seventh~~
32 **SIXTH** Wednesday after the pupil membership count day and not later than the seventh

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

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

22 (3) Except as otherwise provided in subsection (11), all of the following apply to
23 the provision of pupil instruction:

24 (a) Except as otherwise provided in this section, each district shall provide at
25 least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil
26 instruction. For 2010-2011 and for 2011-2012, the required minimum number of days of pupil
27 instruction is 165. Beginning in 2012-2013, the required minimum number of days of pupil
28 instruction is 170. However, beginning in 2010-2011, a district shall not provide fewer
29 days of pupil instruction than the district provided for 2009-2010. A district may apply
30 for a waiver under subsection (9) from the requirements of this subdivision.

31 (b) Except as otherwise provided in this act, a district failing to comply with the
32 required minimum hours and days of pupil instruction under this subsection shall forfeit

1 from its total state aid allocation an amount determined by applying a ratio of the number
2 of hours or days the district was in noncompliance in relation to the required minimum
3 number of hours and days under this subsection. Not later than August 1, the board of each
4 district shall certify to the department the number of hours and, beginning in 2010-2011,
5 days of pupil instruction in the previous school year. If the district did not provide at
6 least the required minimum number of hours and days of pupil instruction under this
7 subsection, the deduction of state aid shall be made in the following fiscal year from the
8 first payment of state school aid. A district is not subject to forfeiture of funds under
9 this subsection for a fiscal year in which a forfeiture was already imposed under
10 subsection (6).

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

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

17 (e) Except as otherwise provided in subdivision (f), a district not having at least
18 75% of the district's membership in attendance on any day of pupil instruction shall
19 receive state aid in that proportion of 1/180 that the actual percent of attendance bears
20 to the specified percentage.

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

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

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

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

3 (g) The superintendent shall promulgate rules for the implementation of this
4 subsection.

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

17 (5) A district shall not forfeit part of its state aid appropriation because it
18 adopts or has in existence an alternative scheduling program for pupils in kindergarten if
19 the program provides at least the number of hours required under subsection (3) for a full-
20 time equated membership for a pupil in kindergarten as provided under section 6(4).

21 (6) Not later than April 15 of each fiscal year, the board of each district shall
22 certify to the department the planned number of hours and days of pupil instruction in the
23 district for the school year ending in the fiscal year. In addition to any other penalty or
24 forfeiture under this section, if at any time the department determines that 1 or more of
25 the following has occurred in a district, the district shall forfeit in the current fiscal
26 year beginning in the next payment to be calculated by the department a proportion of the
27 funds due to the district under this act that is equal to the proportion below the required
28 minimum number of hours and days of pupil instruction under subsection (3), as specified in
29 the following:

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

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

4 (7) In providing the minimum number of hours and days of pupil instruction required
5 under subsection (3), a district shall use the following guidelines, and a district shall
6 maintain records to substantiate its compliance with the following guidelines:

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

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

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

22 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program
23 or a special education pupil cannot receive the required minimum number of hours of pupil
24 instruction solely because of travel time between instructional sites during the school
25 day, that travel time, up to a maximum of 3 hours per school week, shall be considered to
26 be pupil instruction time for the purpose of determining whether the pupil is receiving the
27 required minimum number of hours of pupil instruction. However, if a district demonstrates
28 to the satisfaction of the department that the travel time limitation under this
29 subdivision would create undue costs or hardship to the district, the department may
30 consider more travel time to be pupil instruction time for this purpose.

31 (e) In grades 7 through 12, instructional time that is part of a junior reserve
32 officer training corps (JROTC) program shall be considered to be pupil instruction time

1 regardless of whether the instructor is a certificated teacher if all of the following are
2 met:

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

6 (ii) The board of the district or intermediate district employing or assigning the
7 instructor complies with the requirements of sections 1230 and 1230a of the revised school
8 code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if
9 employing the instructor as a regular classroom teacher.

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

12 (9) Upon application by the district for a particular fiscal year, the superintendent
13 may waive for a district the minimum number of hours and days of pupil instruction
14 requirement of subsection (3) for a department-approved alternative education program or
15 another innovative program approved by the department, including a 4-day school week. If a
16 district applies for and receives a waiver under this subsection and complies with the
17 terms of the waiver, for the fiscal year covered by the waiver the district is not subject
18 to forfeiture under this section for the specific program covered by the waiver. If the
19 district does not comply with the terms of the waiver, the amount of the forfeiture shall
20 be calculated based upon a comparison of the number of hours and days of pupil instruction
21 actually provided to the minimum number of hours and days of pupil instruction required
22 under subsection (3). Pupils enrolled in a department-approved alternative education
23 program under this subsection shall be reported to the center in a form and manner
24 determined by the center.

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

1 district may count up to 51 hours of qualifying professional development for teachers as
2 hours of pupil instruction. A district that elects to use this exception shall notify the
3 department of its election. As used in this subsection, "qualifying professional
4 development" means professional development that is focused on 1 or more of the following:

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

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

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

11 (d) Integrating technology into classroom instruction.

12 (e) Maintaining teacher certification.

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

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

23 Sec. 104. (1) In order to receive state aid under this act, a district shall comply
24 with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL
25 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL
26 388.1081 to 388.1086. Subject to subsection (2), from the ~~state school aid fund money~~
27 ~~appropriated~~ **APPROPRIATION** in section ~~11~~ **192(8) FOR STUDENT ASSESSMENT AND ACCOUNTABILITY**,
28 there is allocated ~~for 2010-2011~~ an amount ~~not to exceed \$40,194,400.00~~ for payments on
29 behalf of districts for costs associated with complying with those provisions of law. In
30 addition, from the federal funds appropriated in section ~~11~~ **192(8) FOR STUDENT ASSESSMENT**
31 **AND ACCOUNTABILITY**, there is allocated ~~for 2010-2011~~ an amount ~~estimated at \$3,250,000.00,~~
32 funded from **DED-OESE, TITLE VI, STATE ASSESSMENTS FUNDS AND DED-OSERS**, section 504 of part

1 B of the individuals with disabilities education act, Public Law 94-142, plus any carryover
2 federal funds from previous year appropriations, for the purposes of complying with the
3 federal no child left behind act of 2001, Public Law 107-110.

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

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

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

14 (5) As used in this section:

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

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

18 (C) "DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.

19 Sec. 107. (1) From the appropriation in section ~~11~~ **192(4) FOR STUDENT SUPPLEMENTAL**
20 **SERVICES**, there is allocated an amount ~~not to exceed \$22,000,000.00 for 2010-2011~~ for adult
21 education programs authorized under this section. Funds ~~appropriated~~ **ALLOCATED** under this
22 section are restricted for adult education programs as authorized under this section only.
23 A recipient of funds under this section shall not use those funds for any other purpose.

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

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

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

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

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

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

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

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

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

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

17 (4) Except as otherwise provided in subsection (5), ~~from~~ the amount allocated under
18 subsection (1), ~~at least \$21,800,000.00~~ shall be distributed as follows:

19 (a) For districts and consortia that received payments for ~~2009-2010~~ **THE IMMEDIATELY**
20 **PRECEDING FISCAL YEAR** under this section, the amount allocated to each for ~~2010-2011~~ **THE**
21 **CURRENT FISCAL YEAR** shall be based on the number of participants served by the district or
22 consortium for ~~2010-2011~~ **THE CURRENT FISCAL YEAR**, using the amount allocated per full-time
23 equated participant under subsection ~~(7)~~ **(6)**, up to a maximum total allocation under this
24 subsection in an amount equal to 100% of the amount the district or consortium received for
25 ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under this section before any reallocations
26 made for ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under subsection (5).

27 (b) A district or consortium that received funding in ~~2009-2010~~ **THE IMMEDIATELY**
28 **PRECEDING FISCAL YEAR** under this section may operate independently of a consortium or join
29 or form a consortium for ~~2010-2011~~ **THE CURRENT FISCAL YEAR**. The allocation for ~~2010-2011~~
30 **THE CURRENT FISCAL YEAR** to the district or the newly formed consortium under this
31 subsection shall be determined by the department and shall be based on the proportion of
32 the amounts that are attributable to the district or consortium that received funding in

1 ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**. A district or consortium described in this
2 subdivision shall notify the department of its intention with regard to ~~2010-2011~~ **THE**
3 **CURRENT FISCAL YEAR** by October 1, ~~2010~~ **OF THE CURRENT FISCAL YEAR**.

4 (c) If a district had a declaration of financial emergency in place under the local
5 government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and that
6 declaration was revoked during 2005, the district may operate a program under this section
7 independently of a consortium or may join or form a consortium to operate a program under
8 this section. The allocation for ~~2010-2011~~ **THE CURRENT FISCAL YEAR** to the district or the
9 newly formed consortium under this subsection shall be determined by the department and
10 shall be based on the proportion of the amounts that are attributable to the district or
11 consortium that received funding in ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** or, for
12 a district for which a declaration of financial emergency was revoked during 2005, based on
13 the amount the district received under this section using a 3-year average of the 3 most
14 recent fiscal years the district received funding under this section. A district or
15 consortium described in this subdivision shall notify the department of its intention with
16 regard to ~~2010-2011~~ **THE CURRENT FISCAL YEAR** by October 1, ~~2010~~ **OF THE CURRENT FISCAL YEAR**.

17 (5) A district that operated an adult education program in ~~2009-2010~~ **THE IMMEDIATELY**
18 **PRECEDING FISCAL YEAR** and does not intend to operate a program in ~~2010-2011~~ **THE CURRENT**
19 **FISCAL YEAR** shall notify the department by October 1, ~~2010~~ **OF THE CURRENT FISCAL YEAR** of
20 its intention. The money intended to be allocated under this section to a district that
21 does not operate a program in ~~2010-2011~~ **THE CURRENT FISCAL YEAR** and the unspent money
22 originally allocated under this section to a district or consortium that subsequently
23 operates a program at less than the level of funding allocated under subsection (4) and any
24 other unallocated money under this section shall instead be proportionately reallocated to
25 the other districts described in subsection (4)(a) that are operating an adult education
26 program in ~~2010-2011~~ **THE CURRENT FISCAL YEAR** under this section.

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

- 1 ~~_____ (a) Collaborates with local districts and businesses to determine area academic needs~~
2 ~~and to promote the learning opportunities.~~
- 3 ~~_____ (b) Is located off campus in an urban residential setting with documented high~~
4 ~~poverty and low high school graduation rates.~~
- 5 ~~_____ (c) Provides general educational development (G.E.D.) test preparation courses and~~
6 ~~workshops.~~
- 7 ~~_____ (d) Provides developmental courses taught by college faculty that prepare students to~~
8 ~~be successful in college level courses.~~
- 9 ~~_____ (e) Uses learning communities to allow for shared, rather than isolated, learning~~
10 ~~experiences.~~
- 11 ~~_____ (f) Provides on site tutoring.~~
- 12 ~~_____ (g) Provides access to up to date technology, including personal computers.~~
- 13 ~~_____ (h) Partners with a financial institution to provide financial literacy education.~~
- 14 ~~_____ (i) Assists students in gaining access to financial aid.~~
- 15 ~~_____ (j) Provides on site academic advising to students.~~
- 16 ~~_____ (k) Provides vouchers for reduced G.E.D. testing costs.~~
- 17 ~~_____ (l) Partners with local agencies to provide referrals for social services as needed.~~
- 18 ~~_____ (m) Enrolls participants as students of the community college.~~
- 19 ~~_____ (n) Partners with philanthropic and business entities to provide capital funding.~~

20 (6) ~~(7)~~ The amount allocated under this section per full-time equated participant is
21 \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program
22 offering less than 450 hours of instruction.

23 (7) ~~(8)~~ An adult basic education program or an adult English as a second language
24 program operated on a year-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 are determined by a department-approved
27 assessment, in a form and manner prescribed by the department, to be below ninth grade
28 level in reading or mathematics, or both, or to lack basic English proficiency.

29 (b) The program tests individuals for eligibility under subdivision (a) before
30 enrollment and upon completion of the program in compliance with the state-approved
31 assessment policy.

1 (c) A participant in an adult basic education program is eligible for reimbursement
2 until 1 of the following occurs:

3 (i) The participant's reading and mathematics proficiency are assessed at or above
4 the ninth grade level.

5 (ii) The participant fails to show progress on 2 successive assessments after having
6 completed at least 450 hours of instruction.

7 (d) A funding recipient enrolling a participant in an English as a second language
8 program is eligible for funding according to subsection ~~(12)~~ (11) until the participant
9 meets 1 of the following:

10 (i) The participant is assessed as having attained basic English proficiency as
11 determined by a department-approved assessment.

12 (ii) The participant fails to show progress on 2 successive department-approved
13 assessments after having completed at least 450 hours of instruction. The department shall
14 provide information to a funding recipient regarding appropriate assessment instruments for
15 this program.

16 (8) ~~(9)~~ A general educational development (G.E.D.) test preparation program operated
17 on a year-round or school year basis may be funded under this section, subject to all of
18 the following:

19 (a) The program enrolls adults who do not have a high school diploma.

20 (b) The program shall administer a G.E.D. pre-test approved by the department before
21 enrolling an individual to determine the individual's potential for success on the G.E.D.
22 test, and shall administer a post-test upon completion of the program in compliance with
23 the state-approved assessment policy.

24 (c) A funding recipient shall receive funding according to subsection ~~(12)~~ (11) for a
25 participant, and a participant may be enrolled in the program until 1 of the following
26 occurs:

27 (i) The participant passes the G.E.D. test.

28 (ii) The participant fails to show progress on 2 successive department-approved
29 assessments used to determine readiness to take the G.E.D. test after having completed at
30 least 450 hours of instruction.

31 (9) ~~(10)~~ A high school completion program operated on a year-round or school year
32 basis may be funded under this section, subject to all of the following:

1 (a) The program enrolls adults who do not have a high school diploma.

2 (b) The program tests participants described in subdivision (a) before enrollment and
3 upon completion of the program in compliance with the state-approved assessment policy.

4 (c) A funding recipient shall receive funding according to subsection ~~(12)~~ (11) for a
5 participant in a course offered under this subsection until 1 of the following occurs:

6 (i) The participant passes the course and earns a high school diploma.

7 (ii) The participant fails to earn credit in 2 successive semesters or terms in which
8 the participant is enrolled after having completed at least 900 hours of instruction.

9 (10) ~~(11)~~ A job or employment-related adult education program operated on a year-
10 round or school year basis may be funded under this section, subject to all of the
11 following:

12 (a) The program enrolls adults referred by their employer who are less than 20 years
13 of age, have a high school diploma, are determined to be in need of remedial mathematics or
14 communication arts skills and are not attending an institution of higher education.

15 (b) An individual may be enrolled in this program and the grant recipient shall
16 receive funding according to subsection ~~(12)~~ (11) until 1 of the following occurs:

17 (i) The individual achieves the requisite skills as determined by department-approved
18 assessment instruments administered at least after every 90 hours of attendance.

19 (ii) The individual fails to show progress on 2 successive assessments after having
20 completed at least 450 hours of instruction. The department shall provide information to a
21 funding recipient regarding appropriate assessment instruments for this program.

22 (11) ~~(12)~~ A funding recipient shall receive payments under this section in accordance
23 with the following:

24 (a) Ninety percent for enrollment of eligible participants.

25 (b) Ten percent for completion of the adult basic education objectives by achieving
26 an increase of at least 1 grade level of proficiency in reading or mathematics; for
27 achieving basic English proficiency, as defined by the department in the adult education
28 guidebook; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for
29 attainment of a high school diploma or passage of a course required for a participant to
30 attain a high school diploma; or for completion of the course and demonstrated proficiency
31 in the academic skills to be learned in the course, as applicable.

1 (12) ~~(13)~~ As used in this section, "participant" means the sum of the number of full-
2 time equated individuals enrolled in and attending a department-approved adult education
3 program under this section, using quarterly participant count days on the schedule
4 described in section 6(7)(b).

5 (13) ~~(14)~~ A person who is not eligible to be a participant funded under this section
6 may receive adult education services upon the payment of tuition. In addition, a person who
7 is not eligible to be served in a program under this section due to the program limitations
8 specified in subsection (7), (8), (9), OR (10), ~~or (11)~~ may continue to receive adult
9 education services in that program upon the payment of tuition. The tuition level shall be
10 determined by the local or intermediate district conducting the program.

11 (14) ~~(15)~~ An individual who is an inmate in a state correctional facility shall not
12 be counted as a participant under this section.

13 (15) ~~(16)~~ A district shall not commingle money received under this section or from
14 another source for adult education purposes with any other funds of the district. A
15 district receiving adult education funds shall establish a separate ledger account for
16 those funds. This subsection does not prohibit a district from using general funds of the
17 district to support an adult education or community education program.

18 (16) ~~(17)~~ A district or intermediate district receiving funds under this section may
19 establish a sliding scale of tuition rates based upon a participant's family income. A
20 district or intermediate district may charge a participant tuition to receive adult
21 education services under this section from that sliding scale of tuition rates on a uniform
22 basis. The amount of tuition charged per participant shall not exceed the actual operating
23 cost per participant minus any funds received under this section per participant. A
24 district or intermediate district may not charge a participant tuition under this section
25 if the participant's income is at or below 200% of the federal poverty guidelines published
26 by the United States department of health and human services.

27 (17) ~~(18)~~ In order to receive funds under this section, a district shall furnish to
28 the department, in a form and manner determined by the department, all information needed
29 to administer this program and meet federal reporting requirements; shall allow the
30 department or the department's designee to review all records related to the program for
31 which it receives funds; and shall reimburse the state for all disallowances found in the
32 review, as determined by the department.

1 (18) ~~(19)~~ All intermediate district participant audits of adult education programs
2 shall be performed pursuant to the adult education participant auditing and accounting
3 manuals published by the department.

4 (19) ~~(20)~~ As used in this section, "department" means the department of energy,
5 labor, and economic growth.

6 Sec. 109. (1) Subject to subsection (2), in order to receive funds under this act,
7 each district or intermediate district shall provide appropriate instructional services, as
8 determined by the district or intermediate district, to an enrolled pupil who is certified
9 by the pupil's attending physician as having a medical condition that requires the pupil to
10 be hospitalized or confined to his or her home during regular school hours and that is
11 expected to require the hospitalization or confinement for a period longer than 5 school
12 days. The district or intermediate district may provide the services itself or may contract
13 with an intermediate district, a hospital, a treatment center, or another district to
14 provide the services. In choosing a provider for the instructional services, the district
15 or intermediate district shall consider which of those potential providers is best able to
16 deliver the appropriate instructional services. The district or intermediate district shall
17 pay reasonable costs as agreed upon between the district or intermediate district and the
18 provider for services provided to a pupil under this section.

19 (2) A district or intermediate district is required to provide instructional services
20 under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment
21 facility without the district's or intermediate district's prior knowledge only if the
22 district or intermediate district is notified of the pupil's placement by the hospital,
23 treatment center, facility, or the pupil's parent or legal guardian. Upon being notified,
24 the district or intermediate district shall make arrangements to provide instructional
25 services under subsection (1) within 3 school days after being notified.

26 (3) ~~Not later than October 15 of each odd numbered year, the~~ **THE** department shall
27 prepare and ~~distribute to each district and intermediate district~~ **MAINTAIN ON ITS WEBSITE** a
28 written explanation of the operation of this section and the respective duties of all
29 affected parties. ~~The department shall provide a copy of the explanation to any other~~
30 ~~person upon request.~~

31 Sec. 147. The allocation for ~~2010-2011~~ **2011-2012 AND 2012-2013** for the public school
32 employees' retirement system pursuant to the public school employees retirement act of

1 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost
2 actuarial method and risk assumptions adopted by the public school employees retirement
3 board and the department of technology, management, and budget. **FOR PUBLIC SCHOOL EMPLOYEES**
4 **WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT PRIOR TO JULY 1, 2010, The THE** annual
5 level percentage of payroll contribution rate is estimated at ~~19.41%~~ **15.96% FOR PENSION AND**
6 **8.50% FOR RETIREE HEALTH CARE** for the ~~2010-2011~~ **2011-2012** state fiscal year. **FOR PUBLIC**
7 **SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR AFTER JULY 1,**
8 **2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 14.73% FOR**
9 **PENSION AND 8.50% FOR RETIREE HEALTH CARE FOR THE 2011-2012 STATE FISCAL YEAR. FOR PUBLIC**
10 **SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT PRIOR TO JULY 1, 2010,**
11 **THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 18.62% FOR PENSION**
12 **AND 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 STATE FISCAL YEAR. FOR PUBLIC SCHOOL**
13 **EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010, THE**
14 **ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 17.39% FOR PENSION AND**
15 **8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 STATE FISCAL YEAR.** The portion of the
16 contribution rate assigned to districts and intermediate districts for each fiscal year is
17 all of the total percentage points. This contribution rate reflects an amortization period
18 of ~~27~~ **26** years for ~~2010-2011~~ **2011-2012 AND 2012-2013.** However, ~~the contribution rate for~~
19 ~~2010-2011 may be reduced by an amount approved by the public school employees' retirement~~
20 ~~system board if reforms in the public school employees' retirement system are enacted and~~
21 ~~in effect by December 31, 2010.~~ The public school employees' retirement system board shall
22 notify each district and intermediate district by February 28 of each fiscal year of the
23 estimated contribution rate for the next fiscal year.

24 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v
25 State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the ~~state~~
26 ~~school aid fund money appropriated~~ **APPROPRIATION** in section ~~11~~ **192(8) FOR STUDENT**
27 **ASSESSMENT AND ACCOUNTABILITY** there is allocated ~~for 2010-2011~~ an amount ~~not to exceed~~
28 ~~\$25,624,500.00~~ to be used solely for the purpose of paying necessary costs related to the
29 state-mandated collection, maintenance, and reporting of data to this state.

30 (2) From the allocation in subsection (1), the department shall make payments to
31 districts and intermediate districts in an equal amount per pupil based on the total number
32 of pupils in membership in each district and intermediate district. The department shall

1 not make any adjustment to these payments after the final installment payment under section
2 17b is made.

3 SEC. 173A. THE MONEY APPROPRIATED IN SECTION 193 IS APPROPRIATED FOR COMMUNITY
4 COLLEGES WITH FISCAL YEARS ENDING JUNE 30, 2012 AND SHALL BE PAID OUT OF THE STATE TREASURY
5 AND DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE COMMUNITY COLLEGES IN 11 MONTHLY
6 INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING
7 WITH OCTOBER 16, 2011. EACH COMMUNITY COLLEGE SHALL ACCRUE ITS JULY AND AUGUST 2011
8 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2011. HOWEVER, IF A COMMUNITY
9 COLLEGE FAILS TO SUBMIT ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION
10 STRUCTURE DATA FOR SCHOOL YEAR 2010-2011 TO THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC
11 GROWTH BY NOVEMBER 1, 2011, THE MONTHLY INSTALLMENTS SHALL BE WITHHELD FROM THAT COMMUNITY
12 COLLEGE UNTIL THOSE DATA ARE SUBMITTED. THE AMOUNT FROM THE MONEY APPROPRIATED IN SECTION
13 193 THAT IS ALLOCATED TO ADDRESS THE SPECIAL NEEDS OF AT-RISK STUDENTS SHALL BE PAID IN
14 FULL BY THE STATE TREASURER BY NOVEMBER 1, 2011. THE AMOUNT DISTRIBUTED TO A COMMUNITY
15 COLLEGE OR DEPARTMENT SHALL NOT EXCEED THE NET STATE ALLOCATION AUTHORIZED BY THIS ACT.

16 SEC. 173B. (1) A COMMUNITY COLLEGE SHALL PAY THE EMPLOYER'S CONTRIBUTIONS TO THE
17 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM CREATED BY THE PUBLIC SCHOOL EMPLOYEES
18 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AS A CONDITION OF RECEIVING
19 MONEY APPROPRIATED UNDER SECTION 193.

20 (2) A COMMUNITY COLLEGE SHALL NOT PAY AN EMPLOYER'S CONTRIBUTION TO MORE THAN 1
21 RETIREMENT FUND PROVIDING BENEFITS FOR AN EMPLOYEE.

22 SEC. 173C. MONEY APPROPRIATED IN SECTION 193 SHALL NOT BE USED TO PAY FOR THE
23 CONSTRUCTION OR MAINTENANCE OF A SELF-LIQUIDATING PROJECT.

24 SEC. 174A. UNLESS OTHERWISE STATED, ALL DATA ITEMS USED IN DETERMINING STATE AID IN
25 THIS ACT ARE AS DEFINED IN THE "2001 MANUAL FOR UNIFORM FINANCIAL REPORTING, MICHIGAN
26 PUBLIC COMMUNITY COLLEGES," WHICH SHALL BE THE BASIS FOR REPORTING DATA, AND THE
27 "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES," AS AMENDED,
28 WHICH SHALL BE USED TO DOCUMENT FINANCIAL NEEDS OF THE COMMUNITY COLLEGES.

29 SEC. 174B. A COMMUNITY COLLEGE SHALL NOT INCLUDE IN THE ENROLLMENT DATA REPORTED FOR
30 DETERMINING STATE AID UNDER THIS ACT ANY STUDENT CREDIT HOURS OR STUDENT CONTACT HOURS FOR
31 A STUDENT INCARCERATED IN A MICHIGAN PENAL INSTITUTION. EXCLUSION OF THESE STUDENTS IS

1 INTENDED TO AVOID THE PAYMENT OF STATE AID UNDER THIS ACT FOR THE SAME INDIVIDUALS FOR WHOM
2 REIMBURSEMENT IS PROVIDED BY THE STATE CORRECTIONAL SYSTEM.

3 SEC. 175A. (1) FUNDING FOR THE COMMUNITY COLLEGE AT-RISK STUDENT SUCCESS PROGRAM
4 SHALL BE PRORATED AMONG COMMUNITY COLLEGES BASED ON THE NUMBER OF STUDENT CONTACT HOURS FOR
5 DEVELOPMENTAL AND PREPARATORY INSTRUCTION REPORTED BY EACH COMMUNITY COLLEGE TO THE
6 DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH PURSUANT TO THE "ACTIVITIES CLASSIFICATION
7 STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES," AS AMENDED. OF THE AMOUNT APPROPRIATED
8 IN SECTION 193 FOR THE AT-RISK STUDENT SUCCESS PROGRAM, \$1,120,000.00 IS ALLOCATED FOR BASE
9 GRANTS OF \$40,000.00 EACH, TO ADDRESS THE SPECIAL NEEDS OF AT-RISK STUDENTS AT COMMUNITY
10 COLLEGES.

11 (2) OF THE AMOUNT APPROPRIATED IN SECTION 193 FOR THE AT-RISK STUDENT SUCCESS
12 PROGRAM, THE BALANCE OF THE APPROPRIATED MONEY SHALL BE DISTRIBUTED ON A PRORATION
13 UTILIZING THE SUM OF THE MOST RECENT 3 YEARS' DEVELOPMENTAL/PREPARATORY CONTACT HOURS
14 DIVIDED BY THE SUM OF THE 3-YEAR TOTAL CONTACT HOURS AT EACH COLLEGE. EACH COMMUNITY
15 COLLEGE'S PERCENTAGE SHALL BE DIVIDED BY THE SUM OF ALL THE PERCENTAGES SYSTEMWIDE TO
16 OBTAIN EACH COMMUNITY COLLEGE'S PRORATED GRANT AMOUNT.

17 (3) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, THE AT-RISK STUDENT SUCCESS
18 PROGRAM MONEY IS ALLOCATED AS FOLLOWS:

19	ALPENA COMMUNITY COLLEGE	\$	79,500
20	BAY DE NOC COMMUNITY COLLEGE		89,600
21	DELTA COLLEGE		106,600
22	GLEN OAKS COMMUNITY COLLEGE		100,100
23	GOGEBIC COMMUNITY COLLEGE		55,300
24	GRAND RAPIDS COMMUNITY COLLEGE		136,000
25	HENRY FORD COMMUNITY COLLEGE		186,200
26	JACKSON COMMUNITY COLLEGE		162,100
27	KALAMAZOO VALLEY COMMUNITY COLLEGE		87,800
28	KELLOGG COMMUNITY COLLEGE		131,000
29	KIRTLAND COMMUNITY COLLEGE		123,600
30	LAKE MICHIGAN COLLEGE		145,200
31	LANSING COMMUNITY COLLEGE		141,600
32	MACOMB COMMUNITY COLLEGE		79,500

1	MID MICHIGAN COMMUNITY COLLEGE	128,500
2	MONROE COUNTY COMMUNITY COLLEGE	98,700
3	MONTCALM COMMUNITY COLLEGE	66,100
4	C.S. MOTT COMMUNITY COLLEGE	138,700
5	MUSKEGON COMMUNITY COLLEGE	96,100
6	NORTH CENTRAL MICHIGAN COLLEGE	104,000
7	NORTHWESTERN MICHIGAN COLLEGE	134,300
8	OAKLAND COMMUNITY COLLEGE	141,900
9	ST. CLAIR COUNTY COMMUNITY COLLEGE	88,800
10	SCHOOLCRAFT COLLEGE	121,500
11	SOUTHWESTERN MICHIGAN COLLEGE	162,600
12	WASHTENAW COMMUNITY COLLEGE	109,700
13	WAYNE COUNTY COMMUNITY COLLEGE	172,500
14	WEST SHORE COMMUNITY COLLEGE	135,200

15 (4) AS USED IN THIS SECTION, "AT-RISK STUDENTS" MEANS STUDENTS WHO MEET 1 OR MORE OF
16 THE FOLLOWING CRITERIA:

17 (A) ARE INITIALLY PLACED IN 1 OR MORE DEVELOPMENTAL COURSES AS A RESULT OF
18 STANDARDIZED TESTING OR AS A RESULT OF FAILURE TO MAKE SATISFACTORY ACADEMIC PROGRESS.

19 (B) ARE DIAGNOSED AS LEARNING DISABLED.

20 (C) REQUIRE ENGLISH AS A SECOND LANGUAGE (ESL) ASSISTANCE.

21 (5) GRANT FUNDING UNDER THIS SECTION SHALL BE UTILIZED TO ADDRESS THE SPECIAL NEEDS
22 OF AT-RISK STUDENTS. ACTIVITIES RELATED TO SERVICES PROVIDED TO AT-RISK STUDENTS INCLUDE,
23 BUT ARE NOT LIMITED TO, PRETESTING FOR ACADEMIC ABILITY, COUNSELING CONTACTS, AND SPECIAL
24 PROGRAMS. EQUIPMENT OR INFORMATION TECHNOLOGY HARDWARE OR SOFTWARE PURCHASED UNDER THIS
25 SECTION MUST BE ASSOCIATED WITH THE OPERATION OF A PROGRAM DESIGNED TO ADDRESS THE NEEDS OF
26 AT-RISK STUDENTS.

27 (6) GRANT FUNDING UNDER THIS SECTION SHALL NOT BE USED FOR INDIRECT COSTS INCLUDING,
28 BUT NOT LIMITED TO, RENT, UTILITIES, OR, EXCEPT AS PROVIDED IN THIS SECTION, COLLEGE
29 ADMINISTRATION.

30 (7) EACH COMMUNITY COLLEGE SHALL REPORT TO THE DEPARTMENT OF ENERGY, LABOR, AND
31 ECONOMIC GROWTH A SUMMARY OF ALL ACCOMPLISHMENTS UNDER, EXPENDITURES FOR, AND COMPLIANCE
32 WITH THE INTENT OF THIS PROGRAM, INCLUDING THE NUMBER OF AT-RISK STUDENTS SERVED. THE

1 REPORT IS SUBJECT TO AUDIT AS PROVIDED FOR IN SECTION 176A. THE REPORT SHALL BE SUBMITTED
2 NOT LATER THAN 90 DAYS AFTER THE END OF THE STATE'S FISCAL YEAR.

3 SEC. 175B. A COMMUNITY COLLEGE RECEIVING FUNDS UNDER THIS ACT SHALL COOPERATE WITH
4 THE STATE TO COMPLY WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF
5 2009, PUBLIC LAW 111-5, REQUIRING THE ESTABLISHMENT OF A STATEWIDE P-20 LONGITUDINAL DATA
6 SYSTEM.

7 SEC. 176A. (1) THE AUDITOR GENERAL OR A CERTIFIED PUBLIC ACCOUNTANT APPOINTED BY THE
8 AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF COMMUNITY COLLEGES AS THE AUDITOR GENERAL
9 CONSIDERS NECESSARY.

10 (2) NOT MORE THAN 60 DAYS AFTER AN AUDIT REPORT IS RELEASED BY THE OFFICE OF THE
11 AUDITOR GENERAL, THE PRINCIPAL EXECUTIVE OFFICER OF THE COMMUNITY COLLEGE THAT WAS AUDITED
12 SHALL SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES, THE HOUSE AND SENATE FISCAL
13 AGENCIES, THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH, THE AUDITOR GENERAL, AND
14 THE STATE BUDGET DIRECTOR A PLAN TO COMPLY WITH AUDIT RECOMMENDATIONS. THE PLAN SHALL
15 CONTAIN PROJECTED DATES AND RESOURCES REQUIRED, IF ANY, TO ACHIEVE COMPLIANCE WITH THE
16 AUDIT RECOMMENDATIONS, OR A DOCUMENTED EXPLANATION OF THE COLLEGE'S NONCOMPLIANCE WITH THE
17 AUDIT RECOMMENDATIONS CONCERNING THE MATTERS ON WHICH THE AUDITED COMMUNITY COLLEGE AND
18 OFFICE OF THE AUDITOR GENERAL DISAGREE.

19 SEC. 176B. (1) A COMMUNITY COLLEGE SHALL RETAIN CERTIFIED CLASS SUMMARIES, CLASS
20 LISTS, REGISTRATION DOCUMENTS, AND STUDENT TRANSCRIPTS THAT ARE CONSISTENT WITH THE
21 TAXONOMY OF COURSES. FOR EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR, THESE CERTIFIED
22 DOCUMENTS SHALL IDENTIFY CLEARLY BY COURSE THE NUMBER OF IN-DISTRICT AND OUT-OF-DISTRICT
23 STUDENT CREDIT AND CONTACT HOURS. THE CLASS SUMMARIES AND CLASS LISTS SHALL BE CONSISTENT
24 WITH EACH OTHER AND SHALL INCLUDE THE COURSE PREFIX AND NUMBERS, COURSE TITLE, COURSE
25 CREDIT AND CONTACT HOURS, CREDIT AND CONTACT HOURS GENERATED BY EACH STUDENT, AND ACTIVITY
26 CLASSIFICATIONS CONSISTENT WITH THE TAXONOMY. AN AUDITABLE PROCESS SHALL BE USED BY THE
27 COMMUNITY COLLEGE TO DETERMINE THE UNDUPLICATED HEAD COUNT FOR IN-DISTRICT STUDENTS, OUT-
28 OF-DISTRICT STUDENTS, AND PRISONERS FOR EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR.

29 (2) CONTRACTS BETWEEN THE COMMUNITY COLLEGE AND AGENCIES THAT REIMBURSE THE COMMUNITY
30 COLLEGE FOR THE COSTS OF INSTRUCTION SHALL BE RETAINED FOR AUDIT PURPOSES.

31 SEC. 176C. EACH COMMUNITY COLLEGE SHALL HAVE AN ANNUAL AUDIT OF ALL INCOME AND
32 EXPENDITURES PERFORMED BY AN INDEPENDENT AUDITOR AND SHALL FURNISH THE INDEPENDENT

1 AUDITOR'S MANAGEMENT LETTER AND AN ANNUAL AUDITED ACCOUNTING OF ALL GENERAL AND CURRENT
2 FUNDS INCOME AND EXPENDITURES INCLUDING AUDITS OF COLLEGE FOUNDATIONS TO THE MEMBERS OF THE
3 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE
4 FISCAL AGENCIES, THE AUDITOR GENERAL, THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH,
5 AND THE STATE BUDGET DIRECTOR BEFORE NOVEMBER 15 EACH YEAR. IF A COMMUNITY COLLEGE FAILS TO
6 FURNISH THE AUDIT MATERIALS, THE MONTHLY STATE AID INSTALLMENTS SHALL BE WITHHELD FROM THAT
7 COLLEGE UNTIL THE INFORMATION IS SUBMITTED. ALL REPORTING SHALL CONFORM TO THE REQUIREMENTS
8 SET FORTH IN THE "2001 MANUAL FOR UNIFORM FINANCIAL REPORTING, MICHIGAN PUBLIC COMMUNITY
9 COLLEGES."

10 SEC. 176D. (1) EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING TO THE DEPARTMENT OF
11 ENERGY, LABOR, AND ECONOMIC GROWTH NO LATER THAN NOVEMBER 1 EACH YEAR.

12 (A) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS
13 FISCAL YEAR, USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF ENERGY, LABOR,
14 AND ECONOMIC GROWTH AND THE MICHIGAN COMMISSION ON INDIAN AFFAIRS.

15 (B) THE NUMBER OF NORTH AMERICAN INDIAN TUITION WAIVERS GRANTED EACH TERM, AND THE
16 MONETARY VALUE OF THE WAIVERS FOR THE PREVIOUS FISCAL YEAR.

17 (2) COLLEGES SHALL USE THE CRITERIA CITED IN 1976 PA 174, MCL 390.1251 TO 390.1253,
18 TO DETERMINE ELIGIBILITY FOR TUITION WAIVERS, AND SHALL GRANT THOSE WAIVERS TO INDIVIDUALS
19 WHO MEET THE CRITERIA AND REQUEST TUITION WAIVERS.

20 SEC. 176E. UPON REQUEST, A COMMUNITY COLLEGE SHALL INFORM INTERESTED MICHIGAN HIGH
21 SCHOOLS OF THE AGGREGATE ACADEMIC STATUS OF ITS STUDENTS FOR THE PRIOR ACADEMIC YEAR, IN A
22 MANNER PRESCRIBED BY THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND IN COOPERATION WITH THE
23 MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.

24 SEC. 176F. EACH COMMUNITY COLLEGE SHALL REPORT TO THE HOUSE AND SENATE FISCAL
25 AGENCIES, THE STATE BUDGET DIRECTOR, AND THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC
26 GROWTH BY AUGUST 31, 2011, THE TUITION AND MANDATORY FEES PAID BY A FULL-TIME IN-DISTRICT
27 STUDENT AND A FULL-TIME OUT-OF-DISTRICT STUDENT AS ESTABLISHED BY THE COLLEGE GOVERNING
28 BOARD FOR THE 2011-2012 ACADEMIC YEAR. THIS REPORT SHOULD ALSO INCLUDE THE ANNUAL COST OF
29 ATTENDANCE BASED ON A FULL-TIME COURSE LOAD OF 30 CREDITS. EACH COMMUNITY COLLEGE SHALL
30 ALSO REPORT ANY REVISIONS TO THE REPORTED 2011-2012 ACADEMIC YEAR TUITION AND MANDATORY
31 FEES ADOPTED BY THE COLLEGE GOVERNING BOARD TO THE HOUSE AND SENATE FISCAL AGENCIES, THE

1 STATE BUDGET DIRECTOR, AND THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH WITHIN 15
2 DAYS OF BEING ADOPTED.

3 SEC. 176G. EACH COMMUNITY COLLEGE SHALL REPORT TO THE DEPARTMENT OF ENERGY, LABOR,
4 AND ECONOMIC GROWTH THE NUMBERS AND TYPE OF ASSOCIATE DEGREES AND OTHER CERTIFICATES
5 AWARDED DURING THE PREVIOUS FISCAL YEAR. THE REPORT SHALL BE MADE NOT LATER THAN NOVEMBER
6 15 EACH YEAR.

7 SEC. 181A. AS USED IN THIS ACT, "RESEARCH UNIVERSITY" MEANS A PUBLIC UNIVERSITY
8 CLASSIFIED AS A "RESEARCH UNIVERSITY (VERY HIGH RESEARCH ACTIVITY)" UNDER THE 2010
9 CLASSIFICATION OF INSTITUTIONS OF HIGHER EDUCATION CONDUCTED BY THE CARNEGIE FOUNDATION FOR
10 THE ADVANCEMENT OF TEACHING.

11 SEC. 181B. (1) THE FUNDS APPROPRIATED IN SECTION 194 TO PUBLIC UNIVERSITIES SHALL BE
12 PAID OUT OF THE STATE TREASURY AND DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE
13 INSTITUTIONS IN 11 EQUAL MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR THE NEXT
14 SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16, 2011. EXCEPT FOR WAYNE STATE
15 UNIVERSITY, EACH INSTITUTION SHALL ACCRUE ITS JULY AND AUGUST 2012 PAYMENTS TO ITS
16 INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2012.

17 (2) ALL PUBLIC UNIVERSITIES SHALL SUBMIT HIGHER EDUCATION INSTITUTIONAL DATA
18 INVENTORY (HEIDI) DATA AND ASSOCIATED FINANCIAL AND PROGRAM INFORMATION REQUESTED BY AND IN
19 A MANNER PRESCRIBED BY THE STATE BUDGET DIRECTOR. FOR PUBLIC UNIVERSITIES WITH FISCAL YEARS
20 ENDING JUNE 30, 2011, THESE DATA SHALL BE SUBMITTED TO THE STATE BUDGET DIRECTOR BY OCTOBER
21 15, 2011. PUBLIC UNIVERSITIES WITH A FISCAL YEAR ENDING SEPTEMBER 30, 2011 SHALL SUBMIT
22 PRELIMINARY HEIDI DATA BY NOVEMBER 15, 2011 AND FINAL DATA BY DECEMBER 15, 2011. IF A
23 PUBLIC UNIVERSITY FAILS TO SUBMIT HEIDI DATA AND ASSOCIATED FINANCIAL AID PROGRAM
24 INFORMATION IN ACCORDANCE WITH THIS REPORTING SCHEDULE, THE STATE TREASURER SHALL WITHHOLD
25 THE MONTHLY INSTALLMENTS UNDER SUBSECTION (1) TO THE PUBLIC UNIVERSITY UNTIL THOSE DATA ARE
26 SUBMITTED.

27 SEC. 181C. FUNDS RECEIVED BY THE STATE FROM THE FEDERAL GOVERNMENT OR PRIVATE SOURCES
28 FOR THE USE OF A COLLEGE OR UNIVERSITY ARE APPROPRIATED FOR THE PURPOSES FOR WHICH THEY ARE
29 PROVIDED.

30 SEC. 181D. A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER THIS ACT SHALL FURNISH ALL
31 PROGRAM AND FINANCIAL INFORMATION THAT IS REQUIRED BY AND IN A MANNER PRESCRIBED BY THE
32 STATE BUDGET DIRECTOR OR THE HOUSE OR SENATE APPROPRIATIONS COMMITTEE.

1 SEC. 181E. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 194 SHALL COOPERATE WITH
2 ALL MEASURES TAKEN BY THE STATE TO ESTABLISH A STATEWIDE P-20 EDUCATIONAL LONGITUDINAL DATA
3 SYSTEM TO COMPLY WITH THE STATE FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN
4 RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.

5 SEC. 182A. (1) INCLUDED IN THE APPROPRIATION IN SECTION 194 IS FUNDING FOR THE
6 PATHWAY TO HIGHER EDUCATION GRANTS WHICH SHALL BE ADMINISTERED BY THE DEPARTMENT OF
7 TREASURY.

8 (2) THE PATHWAY TO HIGHER EDUCATION GRANTS SHALL BE PAID TO FINANCIALLY NEEDY
9 MICHIGAN UNDERGRADUATE STUDENTS ATTENDING A MICHIGAN PUBLIC OR INDEPENDENT COLLEGE OR
10 UNIVERSITY. THE DEPARTMENT OF TREASURY SHALL ANNUALLY ESTABLISH FINANCIAL NEED BASED UPON
11 THE FEDERAL METHODOLOGY FOR DETERMINING THE EXPECTED FAMILY CONTRIBUTION (EFC) TOWARD
12 EDUCATION COSTS USING INFORMATION PROVIDED IN THE STUDENT'S FREE APPLICATION FOR FEDERAL
13 STUDENT AID (FAFSA). FOR ACADEMIC YEAR 2011-2012 AN EFC OF \$3,800 OR LESS SHALL QUALIFY AN
14 OTHERWISE ELIGIBLE STUDENT FOR A PATHWAY TO HIGHER EDUCATION GRANT. THE EFC SHALL BE
15 ADJUSTED ANNUALLY BY THE DEPARTMENT OF TREASURY TO ENSURE ELIGIBILITY OF STUDENTS IS BASED
16 ON COMPARABLE ADJUSTED GROSS INCOME REPORTED ON FAFSA SUBMISSIONS.

17 (3) IN ADDITION TO THE FINANCIAL NEED DETERMINATION MADE UNDER SUBSECTION 2, TO
18 RECEIVE A PATHWAY TO HIGHER EDUCATION GRANT THE STUDENT MUST MEET THE FOLLOWING ADDITIONAL
19 REQUIREMENTS:

20 (A) IS A CITIZEN OF THE UNITED STATES AS DEFINED ON THE FAFSA AND IS A MICHIGAN
21 RESIDENT.

22 (B) IS NOT INCARCERATED IN A CORRECTIONAL INSTITUTION.

23 (C) HAS GRADUATED FROM HIGH SCHOOL OR PASSED THE GENERAL EDUCATIONAL DEVELOPMENT
24 (GED) TEST OR ANY OTHER HIGH SCHOOL GRADUATE EQUIVALENCY EXAMINATION APPROVED BY THE STATE
25 BOARD OF EDUCATION WITHIN THE 4-YEAR PERIOD PRECEDING THE DATE OF THE STUDENT'S APPLICATION
26 TO RECEIVE HIS OR HER PATHWAY TO HIGHER EDUCATION GRANT, OR IF THE STUDENT BECOMES A MEMBER
27 OF THE UNITED STATES ARMED FORCES OR PEACE CORPS DURING THIS 4-YEAR PERIOD AND SERVES FOR 4
28 YEARS OR LESS, THE 4-YEAR PERIOD IS EXTENDED BY A PERIOD EQUAL TO THE NUMBER OF DAYS THE
29 STUDENT SERVED AS A MEMBER OF THE UNITED STATES ARMED FORCES OR PEACE CORPS. THE DEPARTMENT
30 OF TREASURY MAY ALSO EXTEND THE 4-YEAR PERIOD IF THE DEPARTMENT DETERMINES THAT AN
31 EXTENSION IS WARRANTED BECAUSE OF AN ILLNESS, DISABILITY, OR OTHER FAMILY EMERGENCY OF THE
32 STUDENT OR IN THE STUDENT'S IMMEDIATE FAMILY.

1 (D) HAS TAKEN THE MICHIGAN MERIT EXAMINATION.

2 (E) IS ENROLLED AT LEAST HALF-TIME IN A DEGREE OR CERTIFICATE GRANTING PROGRAM AT A
3 MICHIGAN POSTSECONDARY INSTITUTION THAT IS AN ACCREDITED INSTITUTION AS DEFINED BY 2005 PA
4 100, MCL 390.1601 TO 390.1605.

5 (F) HAS NOT YET RECEIVED A BACCALAUREATE DEGREE.

6 (G) HAS A QUALIFYING FAFSA THAT WAS RECEIVED BY MARCH 1 PRECEDING THE START OF THE
7 ACADEMIC YEAR.

8 (H) MAINTAINS SATISFACTORY ACADEMIC PROGRESS AS DETERMINED BY THE POSTSECONDARY
9 INSTITUTION.

10 (I) IS NOT ENROLLED IN AN INSTITUTION WHOSE PRIMARY PURPOSE IS TO PREPARE STUDENTS
11 FOR ORDINATION OR APPOINTMENT AS A MEMBER OF THE CLERGY OF A CHURCH, DENOMINATION, OR
12 RELIGIOUS ASSOCIATION, ORDER, OR SECT.

13 (J) HAS NOT RECEIVED FINANCIAL ASSISTANCE UNDER THE TUITION INCENTIVE PROGRAM.

14 (K) MEETS ANY ADDITIONAL ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE DEPARTMENT OF
15 TREASURY.

16 (4) AWARDS SHALL BE MADE TO STUDENTS WHO APPLY AND QUALIFY AFTER MARCH 1 AS FUNDS
17 PERMIT.

18 (5) A STUDENT WHO REMAINS ELIGIBLE MUST APPLY ANNUALLY BY SUBMITTING A FAFSA AND MAY
19 RECEIVE A PATHWAY TO HIGHER EDUCATION GRANT FOR NO MORE THAN 10 SEMESTERS OR ITS EQUIVALENT
20 IN TRIMESTERS OR QUARTERS OF UNDERGRADUATE EDUCATION, OR THE EQUIVALENT AS DETERMINED BY
21 THE DEPARTMENT OF TREASURY FOR LESS THAN FULL-TIME STUDENTS.

22 (6) THE DEPARTMENT OF TREASURY SHALL DETERMINE THE ANNUAL MAXIMUM AMOUNT OF A PATHWAY
23 TO HIGHER EDUCATION GRANT AND SHALL ESTABLISH A PROPORTIONAL AWARD AMOUNT FOR RECIPIENTS
24 ENROLLED LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM THAT ENSURES THAT THE AGGREGATE
25 PAYMENTS DO NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 194(6) FOR THE PROGRAM. IF
26 THE FUNDS ARE INSUFFICIENT TO PAY ALL AWARDS, THE DEPARTMENT OF TREASURY SHALL PRORATE THE
27 AWARDS AND NOTIFY THE HOUSE AND SENATE FISCAL AGENCIES AND THE STATE BUDGET DIRECTOR OF
28 THIS PRORATION.

29 SEC. 182B. THE AUDITOR GENERAL MAY AUDIT SELECTED ENROLLMENTS, DEGREES, AND AWARDS AT
30 SELECTED INDEPENDENT COLLEGES AND UNIVERSITIES RECEIVING AWARDS ADMINISTERED BY THE
31 DEPARTMENT OF TREASURY. THE AUDITS SHALL BE BASED UPON DEFINITIONS AND REQUIREMENTS
32 ESTABLISHED BY THE DEPARTMENT OF TREASURY, THE STATE BUDGET DIRECTOR, AND THE SENATE AND

1 HOUSE FISCAL AGENCIES. THE AUDITOR GENERAL SHALL ACCEPT THE FREE APPLICATION FOR FEDERAL
2 STUDENT AID (FAFSA) FORM AS THE STANDARD OF RESIDENCY DOCUMENTATION.

3 SEC. 182C. THE SUMS APPROPRIATED IN SECTION 194 FOR THE STUDENT FINANCIAL AID
4 PROGRAMS SHALL BE PAID OUT OF THE STATE TREASURY AND SHALL BE DISTRIBUTED TO THE RESPECTIVE
5 INSTITUTIONS UNDER A QUARTERLY PAYMENT SYSTEM AS FOLLOWS:

6 (A) FOR THE PATHWAY TO HIGHER EDUCATION GRANT PROGRAM, 40% SHALL BE PAID AT THE
7 BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 40% AT THE BEGINNING OF THE STATE'S SECOND
8 FISCAL QUARTER, 10% AT THE BEGINNING OF THE STATE'S THIRD FISCAL QUARTER, AND 10% AT THE
9 BEGINNING OF THE STATE'S FOURTH FISCAL QUARTER.

10 (B) FOR THE ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM, 50% SHALL BE PAID AT THE
11 BEGINNING OF THE STATE'S FIRST FISCAL QUARTER AND 50% AT THE BEGINNING OF THE STATE'S
12 SECOND FISCAL QUARTER.

13 (C) FOR THE TUITION INCENTIVE PROGRAM, 50% SHALL BE PAID AT THE BEGINNING OF THE
14 STATE'S FIRST FISCAL QUARTER AND 50% AT THE BEGINNING OF THE STATE'S SECOND FISCAL QUARTER.

15 SEC. 182D. (1) THE FUNDS APPROPRIATED IN SECTION 194(6) FOR THE TUITION INCENTIVE
16 PROGRAM SHALL BE DISTRIBUTED AS PROVIDED IN THIS SECTION AND PURSUANT TO THE ADMINISTRATIVE
17 PROCEDURES FOR THE TUITION INCENTIVE PROGRAM OF THE DEPARTMENT OF TREASURY.

18 (2) AS USED IN THIS SECTION:

19 (A) "PHASE I" MEANS THE FIRST PART OF THE TUITION INCENTIVE ASSISTANCE PROGRAM
20 DEFINED AS THE ACADEMIC PERIOD OF 80 SEMESTER OR 120 TERM CREDITS, OR LESS, LEADING TO AN
21 ASSOCIATE DEGREE OR CERTIFICATE.

22 (B) "PHASE II" MEANS THE SECOND PART OF THE TUITION INCENTIVE ASSISTANCE PROGRAM
23 WHICH PROVIDES ASSISTANCE IN THE THIRD AND FOURTH YEAR OF 4-YEAR DEGREE PROGRAMS.

24 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

25 (3) A PERSON SHALL MEET THE FOLLOWING BASIC CRITERIA AND FINANCIAL THRESHOLDS TO BE
26 ELIGIBLE FOR TUITION INCENTIVE BENEFITS:

27 (A) TO BE ELIGIBLE FOR PHASE I, A PERSON SHALL MEET ALL OF THE FOLLOWING CRITERIA:

28 (I) APPLY FOR CERTIFICATION TO THE DEPARTMENT BEFORE GRADUATING FROM HIGH SCHOOL OR
29 COMPLETING THE GENERAL EDUCATION DEVELOPMENT (GED) CERTIFICATE.

30 (II) BE LESS THAN 20 YEARS OF AGE AT THE TIME OF HIGH SCHOOL GRADUATION OR GED
31 COMPLETION.

1 (III) BE A UNITED STATES CITIZEN AND A RESIDENT OF MICHIGAN ACCORDING TO
2 INSTITUTIONAL CRITERIA.

3 (IV) BE AT LEAST A HALF-TIME STUDENT, EARNING LESS THAN 80 SEMESTER OR 120 TERM
4 CREDITS AT A PARTICIPATING EDUCATIONAL INSTITUTION WITHIN 4 YEARS OF HIGH SCHOOL GRADUATION
5 OR GED CERTIFICATE COMPLETION.

6 (V) REQUEST INFORMATION ON FILING A FAFSA.

7 (B) TO BE ELIGIBLE FOR PHASE II, A PERSON SHALL MEET EITHER OF THE FOLLOWING CRITERIA
8 IN ADDITION TO THE CRITERIA IN SUBDIVISION (A):

9 (I) COMPLETE AT LEAST 56 TRANSFERABLE SEMESTER OR 84 TRANSFERABLE TERM CREDITS.
10 (II) OBTAIN AN ASSOCIATE DEGREE OR CERTIFICATE AT A PARTICIPATING INSTITUTION.

11 (C) TO BE ELIGIBLE FOR PHASE I OR PHASE II, A PERSON MUST NOT BE INCARCERATED AND
12 MUST BE FINANCIALLY ELIGIBLE AS DETERMINED BY THE DEPARTMENT. A PERSON IS FINANCIALLY
13 ELIGIBLE FOR THE TUITION INCENTIVE PROGRAM IF THAT PERSON WAS MEDICAID ELIGIBLE FOR 24
14 MONTHS WITHIN THE 36 MONTHS BEFORE APPLICATION. CERTIFICATION OF ELIGIBILITY MAY BEGIN IN
15 THE SIXTH GRADE.

16 (4) FOR PHASE I, THE DEPARTMENT SHALL PROVIDE PAYMENT ON BEHALF OF A PERSON ELIGIBLE
17 UNDER SUBSECTION (3). THE DEPARTMENT SHALL REJECT BILLINGS THAT ARE EXCESSIVE OR OUTSIDE
18 THE GUIDELINES FOR THE TYPE OF EDUCATIONAL INSTITUTION.

19 (5) FOR PHASE I, ALL OF THE FOLLOWING APPLY:

20 (A) PAYMENTS FOR ASSOCIATE DEGREE OR CERTIFICATE PROGRAMS SHALL NOT BE MADE FOR MORE
21 THAN 80 SEMESTER OR 120 TERM CREDITS FOR ANY INDIVIDUAL STUDENT AT ANY PARTICIPATING
22 INSTITUTION.

23 (B) FOR PERSONS ENROLLED AT A MICHIGAN COMMUNITY COLLEGE, THE DEPARTMENT SHALL PAY
24 THE CURRENT IN-DISTRICT TUITION AND MANDATORY FEES. FOR PERSONS RESIDING IN AN AREA THAT IS
25 NOT INCLUDED IN ANY COMMUNITY COLLEGE DISTRICT, THE OUT-OF-DISTRICT TUITION RATE MAY BE
26 AUTHORIZED.

27 (C) FOR PERSONS ENROLLED AT A MICHIGAN PUBLIC UNIVERSITY, THE DEPARTMENT SHALL PAY
28 LOWER DIVISION RESIDENT TUITION AND MANDATORY FEES FOR THE CURRENT YEAR.

29 (D) FOR PERSONS ENROLLED AT A MICHIGAN INDEPENDENT, NONPROFIT DEGREE-GRANTING COLLEGE
30 OR UNIVERSITY, OR A MICHIGAN FEDERAL TRIBALLY CONTROLLED COMMUNITY COLLEGE, OR FOCUS: HOPE,
31 THE DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT YEAR AND A PER-CREDIT PAYMENT THAT

1 DOES NOT EXCEED THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION RATE AS
2 REPORTED ON AUGUST 1, FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR.

3 (6) A PERSON PARTICIPATING IN PHASE II MAY BE ELIGIBLE FOR ADDITIONAL FUNDS NOT TO
4 EXCEED \$500.00 PER SEMESTER OR \$400.00 PER TERM UP TO A MAXIMUM OF \$2,000.00 SUBJECT TO THE
5 FOLLOWING CONDITIONS:

6 (A) CREDITS ARE EARNED IN A 4-YEAR PROGRAM AT A MICHIGAN DEGREE-GRANTING 4-YEAR
7 COLLEGE OR UNIVERSITY.

8 (B) THE TUITION REIMBURSEMENT IS FOR COURSEWORK COMPLETED WITHIN 30 MONTHS OF
9 COMPLETION OF THE PHASE I REQUIREMENTS.

10 (7) THE DEPARTMENT SHALL WORK CLOSELY WITH PARTICIPATING INSTITUTIONS TO DEVELOP AN
11 APPLICATION AND ELIGIBILITY DETERMINATION PROCESS THAT WILL PROVIDE THE HIGHEST LEVEL OF
12 PARTICIPATION AND ENSURE THAT ALL REQUIREMENTS OF THE PROGRAM ARE MET.

13 (8) APPLICATIONS FOR THE TUITION INCENTIVE PROGRAM MAY BE APPROVED AT ANY TIME AFTER
14 THE STUDENT BEGINS THE SIXTH GRADE. IF A DETERMINATION OF FINANCIAL ELIGIBILITY IS MADE,
15 THAT DETERMINATION IS VALID AS LONG AS THE STUDENT MEETS ALL OTHER PROGRAM REQUIREMENTS AND
16 CONDITIONS.

17 (9) EACH INSTITUTION SHALL ENSURE THAT ALL KNOWN AVAILABLE RESTRICTED GRANTS FOR
18 TUITION AND FEES ARE USED PRIOR TO BILLING THE TUITION INCENTIVE PROGRAM FOR ANY PORTION OF
19 A STUDENT'S TUITION AND FEES.

20 (10) THE DEPARTMENT SHALL ENSURE THAT THE TUITION INCENTIVE PROGRAM IS WELL
21 PUBLICIZED AND THAT ELIGIBLE MEDICAID CLIENTS ARE PROVIDED INFORMATION ON THE PROGRAM. THE
22 DEPARTMENT SHALL PROVIDE THE NECESSARY FUNDING AND STAFF TO FULLY OPERATE THE PROGRAM.

23 SEC. 182E. TO ENABLE THE LEGISLATURE AND THE STATE BUDGET DIRECTOR TO EVALUATE THE
24 APPROPRIATION NEEDS OF HIGHER EDUCATION, EACH INDEPENDENT COLLEGE AND UNIVERSITY SHALL MAKE
25 AVAILABLE TO THE LEGISLATURE OR STATE BUDGET DIRECTOR, UPON REQUEST, DATA REGARDING GRANTS
26 FOR THE PRECEDING, CURRENT, AND ENSUING FISCAL YEARS.

27 SEC. 183A. (1) THE AMOUNTS APPROPRIATED IN SECTION 194 FOR STATE UNIVERSITY TUITION
28 RESTRAINT INCENTIVES SHALL ONLY BE PAID TO A STATE UNIVERSITY CERTIFYING TO THE STATE
29 BUDGET DIRECTOR BY AUGUST 31, 2011 THAT ITS BOARD DID NOT ADOPT AN INCREASE IN TUITION AND
30 FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS AFTER FEBRUARY 1, 2011 FOR THE 2010-2011
31 ACADEMIC YEAR AND THAT ITS BOARD WILL NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR
32 RESIDENT UNDERGRADUATE STUDENTS FOR THE 2011-2012 ACADEMIC YEAR THAT IS GREATER THAN THE

1 CALCULATED AVERAGE OF ANNUAL STATEWIDE CHANGES IN TUITION AND FEE RATES FOR ACADEMIC YEARS
2 2006-2007 THROUGH 2010-2011, AS DETERMINED BY THE STATE BUDGET DIRECTOR.

3 (2) AS USED IN THIS SECTION, "TUITION AND FEE RATE" MEANS THE AVERAGE OF RATES FOR
4 ALL UNDERGRADUATE CLASSES, BASED ON THE HIGHEST BOARD-AUTHORIZED RATE FOR ANY SEMESTER
5 DURING THE ACADEMIC YEAR.

6 (3) AS USED IN THIS SECTION, "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID
7 BY MORE THAN HALF OF ALL RESIDENT UNDERGRADUATE STUDENTS AT LEAST ONCE DURING THEIR
8 ENROLLMENT AT A STATE UNIVERSITY. A UNIVERSITY INCREASING A FEE APPLYING TO A SPECIFIC
9 SUBSET OF STUDENTS OR COURSES SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT SUCH
10 ACTION WILL NOT CAUSE THE INCREASE IN THE AVERAGE AMOUNT OF BOARD-AUTHORIZED TOTAL TUITION
11 AND FEES PAID BY RESIDENT UNDERGRADUATE STUDENTS IN THE 2011-2012 ACADEMIC YEAR TO EXCEED
12 THE LIMIT ESTABLISHED IN SUBSECTION (1).

13 (4) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM REPORTING REQUIREMENTS TO
14 ENSURE THAT A STATE UNIVERSITY RECEIVING AN APPROPRIATION UNDER SECTION 194 HAS SATISFIED
15 THE TUITION RESTRAINT REQUIREMENTS OF THIS SECTION. THE STATE BUDGET DIRECTOR SHALL HAVE
16 THE SOLE AUTHORITY TO DETERMINE IF A STATE UNIVERSITY HAS MET THE REQUIREMENTS OF THIS
17 SECTION.

18 SEC. 183B. BEGINNING FISCAL YEAR 2012-2013, UNIVERSITY OPERATIONS FUNDING
19 APPROPRIATED IN SECTION 194 SHALL BE ALLOCATED TO EACH UNIVERSITY USING A FORMULA DEVELOPED
20 BY THE STATE BUDGET DIRECTOR, WITH THE ADVICE OF RELEVANT STAKEHOLDERS AND ENACTED BY THE
21 LEGISLATURE. SUCH A FORMULA SHALL INCENT UNIVERSITIES TO PROVIDE POSTSECONDARY
22 OPPORTUNITIES FOR STUDENTS THAT ARE BOTH ACCESSIBLE AND AFFORDABLE AND THAT RESULT IN A
23 HIGHLY EDUCATED WORKFORCE. IN ADDITION, THE FORMULA SHALL REWARD UNIVERSITIES THAT
24 CONTRIBUTE TO THE ECONOMIC WELLBEING OF MICHIGAN THROUGH RESEARCH AND COMMERCIALIZATION OF
25 THOSE EFFORTS.

26 SEC. 183C. (1) INCLUDED IN SECTION 194 IS \$2,982,900.00 FOR THE AGRICULTURAL
27 EXPERIMENT STATION AND \$2,645,200.00 FOR THE COOPERATIVE EXTENSION SERVICE FOR PROJECT
28 GREEN. PROJECT GREEN IS INTENDED TO ADDRESS CRITICAL REGULATORY, FOOD SAFETY, ECONOMIC,
29 AND ENVIRONMENTAL PROBLEMS FACED BY THIS STATE'S PLANT-BASED AGRICULTURE, FORESTRY, AND
30 PROCESSING INDUSTRIES. "GREEN" IS AN ACRONYM FOR GENERATING RESEARCH AND EXTENSION TO MEET
31 ENVIRONMENTAL AND ECONOMIC NEEDS.

1 (2) THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND MICHIGAN STATE
2 UNIVERSITY, IN CONSULTATION WITH AGRICULTURAL COMMODITY GROUPS AND OTHER INTERESTED
3 PARTIES, SHALL DEVELOP PROJECT GREEN AND ITS PROGRAM PRIORITIES.

4 SEC. 183D. INCLUDED IN THE APPROPRIATION IN SECTION 194 FOR MICHIGAN STATE UNIVERSITY
5 IS \$80,000.00 FOR THE MICHIGAN FUTURE FARMERS OF AMERICA ASSOCIATION. THIS \$80,000.00
6 APPROPRIATION SHALL NOT SUPPLANT ANY EXISTING SUPPORT THAT MICHIGAN STATE UNIVERSITY
7 PROVIDES TO THE MICHIGAN FUTURE FARMERS OF AMERICA ASSOCIATION.

8 SEC. 183E. ALL PUBLIC UNIVERSITIES SHALL SUBMIT THE AMOUNT OF TUITION AND FEES
9 ACTUALLY CHARGED TO A FULL-TIME RESIDENT UNDERGRADUATE STUDENT FOR ACADEMIC YEAR 2011-2012
10 AS PART OF THEIR HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA BY AUGUST 31,
11 2011. A PUBLIC UNIVERSITY SHALL REPORT ANY REVISIONS FOR ANY SEMESTER OF THE REPORTED
12 ACADEMIC YEAR 2011-2012 TUITION AND FEE CHARGES TO HEIDI WITHIN 15 DAYS OF BEING ADOPTED.

13 SEC. 183F. FROM THE AMOUNT APPROPRIATED IN SECTION 194 TO CENTRAL MICHIGAN UNIVERSITY
14 FOR OPERATIONS, \$29,700.00 SHALL BE PAID TO SAGINAW CHIPPEWA TRIBAL COLLEGE FOR THE COSTS
15 OF WAIVING TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

16 SEC. 183G. FROM THE AMOUNT APPROPRIATED IN SECTION 194 TO LAKE SUPERIOR STATE
17 UNIVERSITY FOR OPERATIONS, \$100,000.00 SHALL BE PAID TO BAY MILLS COMMUNITY COLLEGE FOR THE
18 COSTS OF WAIVING TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO
19 390.1253.

20 SEC. 184A. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION
21 194 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS FUTURE FACULTY
22 PROGRAM THAT IS INTENDED TO INCREASE THE POOL OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED
23 CANDIDATES PURSUING FACULTY TEACHING CAREERS IN POSTSECONDARY EDUCATION. PREFERENCE MAY NOT
24 BE GIVEN TO APPLICANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
25 INSTITUTIONS SHOULD ENCOURAGE APPLICATIONS FROM APPLICANTS WHO WOULD OTHERWISE NOT
26 ADEQUATELY BE REPRESENTED IN THE GRADUATE STUDENT AND FACULTY POPULATIONS. EACH PUBLIC
27 UNIVERSITY SHALL APPLY THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE
28 CALCULATION OF APPROPRIATIONS IN SECTION 194 TO THE AMOUNT OF FUNDS ALLOCATED TO THE FUTURE
29 FACULTY PROGRAM.

30 (2) THE PROGRAM SHALL BE ADMINISTERED BY EACH PUBLIC UNIVERSITY IN A MANNER
31 PRESCRIBED BY THE MICHIGAN DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH. THE MICHIGAN

1 DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH SHALL USE A GOOD FAITH EFFORT STANDARD TO
2 EVALUATE WHETHER A FELLOWSHIP IS IN DEFAULT.

3 SEC. 184B. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION
4 194 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE DAY
5 PROGRAM THAT IS INTENDED TO INTRODUCE ACADEMICALLY OR ECONOMICALLY DISADVANTAGED
6 SCHOOLCHILDREN TO THE POTENTIAL OF A COLLEGE EDUCATION. PREFERENCE MAY NOT BE GIVEN TO
7 PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
8 INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY
9 BE REPRESENTED IN THE STUDENT POPULATION.

10 (2) INDIVIDUAL PROGRAM PLANS OF EACH PUBLIC UNIVERSITY SHALL INCLUDE A BUDGET OF
11 EQUAL CONTRIBUTIONS FROM THIS PROGRAM, THE PARTICIPATING PUBLIC UNIVERSITY, THE
12 PARTICIPATING SCHOOL DISTRICT, AND THE PARTICIPATING INDEPENDENT DEGREE-GRANTING COLLEGE.
13 COLLEGE DAY FUNDS SHALL NOT BE EXPENDED TO COVER INDIRECT COSTS. NOT MORE THAN 20% OF THE
14 UNIVERSITY MATCH SHALL BE ATTRIBUTABLE TO INDIRECT COSTS. EACH PUBLIC UNIVERSITY SHALL
15 APPLY THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF
16 APPROPRIATIONS IN SECTION 194 TO THE AMOUNT OF FUNDS ALLOCATED TO THE COLLEGE DAY PROGRAM.

17 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY EACH PUBLIC
18 UNIVERSITY IN A MANNER PRESCRIBED BY THE MICHIGAN DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC
19 GROWTH.

20 SEC. 184C. (1) INCLUDED IN SECTION 194(5) IS FUNDING FOR THE MARTIN LUTHER KING, JR.
21 - CESAR CHAVEZ - ROSA PARKS SELECT STUDENT SUPPORT SERVICES PROGRAM FOR DEVELOPING
22 ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENT RETENTION PROGRAMS FOR 4-YEAR PUBLIC AND
23 INDEPENDENT EDUCATIONAL INSTITUTIONS IN THIS STATE. PREFERENCE MAY NOT BE GIVEN TO
24 PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
25 INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY
26 BE REPRESENTED IN THE STUDENT POPULATION.

27 (2) AN AWARD MADE UNDER THIS PROGRAM TO ANY ONE INSTITUTION SHALL NOT BE GREATER THAN
28 \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70% STATE, 30% COLLEGE OR
29 UNIVERSITY BASIS.

30 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE MICHIGAN
31 DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH.

1 SEC. 184D. (1) INCLUDED IN SECTION 194(5) IS FUNDING FOR THE MARTIN LUTHER KING, JR.
2 - CESAR CHAVEZ - ROSA PARKS COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM BETWEEN 4-YEAR PUBLIC
3 AND INDEPENDENT COLLEGES AND UNIVERSITIES AND PUBLIC COMMUNITY COLLEGES, WHICH IS INTENDED
4 TO INCREASE THE NUMBER OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS WHO TRANSFER
5 FROM COMMUNITY COLLEGES INTO BACCALAUREATE PROGRAMS. PREFERENCE MAY NOT BE GIVEN TO
6 PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
7 INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY
8 BE REPRESENTED IN THE TRANSFER STUDENT POPULATION.

9 (2) THE GRANTS SHALL BE MADE UNDER THE PROGRAM DESCRIBED IN THIS SECTION TO MICHIGAN
10 PUBLIC AND INDEPENDENT COLLEGES AND UNIVERSITIES. AN AWARD TO ANY ONE INSTITUTION SHALL NOT
11 BE GREATER THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70% STATE, 30%
12 COLLEGE OR UNIVERSITY BASIS.

13 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE MICHIGAN
14 DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH.

15 SEC. 184E. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION
16 194 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS VISITING
17 PROFESSORS PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF INSTRUCTORS IN THE CLASSROOM
18 TO PROVIDE ROLE MODELS FOR ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS. PREFERENCE
19 MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR
20 NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD
21 OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

22 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE MICHIGAN
23 DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH.

24 SEC. 184F. (1) INCLUDED IN THE APPROPRIATION IN SECTION 194(5) IS FUNDING UNDER THE
25 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS INITIATIVE FOR THE MORRIS HOOD, JR.
26 EDUCATOR DEVELOPMENT PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR
27 ECONOMICALLY DISADVANTAGED STUDENTS WHO ENROLL IN AND COMPLETE K-12 TEACHER EDUCATION
28 PROGRAMS AT THE BACCALAUREATE LEVEL. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE
29 BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE
30 PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE TEACHER
31 EDUCATION STUDENT POPULATION.

1 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY EACH STATE-
2 APPROVED TEACHER EDUCATION INSTITUTION IN A MANNER PRESCRIBED BY THE MICHIGAN DEPARTMENT OF
3 ENERGY, LABOR, AND ECONOMIC GROWTH.

4 (3) APPROVED TEACHER EDUCATION INSTITUTIONS MAY AND ARE ENCOURAGED TO USE STUDENT
5 SUPPORT SERVICES FUNDING IN COORDINATION WITH THE MORRIS HOOD, JR. FUNDING TO ACHIEVE THE
6 GOALS OF THE PROGRAM DESCRIBED IN THIS SECTION.

7 SEC. 184G. EACH INSTITUTION RECEIVING FUNDS UNDER SECTIONS 184C, 184D, OR 184F SHALL
8 NOTIFY THE MICHIGAN DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH BY APRIL 15, 2012 AS
9 TO WHETHER IT WILL EXPEND BY THE END OF ITS FISCAL YEAR THE FUNDS RECEIVED UNDER SECTIONS
10 184C, 184D, OR 184F. NOTWITHSTANDING THE AWARD LIMITATIONS IN SECTIONS 184C AND 184D, THE
11 AMOUNT OF FUNDING REPORTED AS NOT BEING EXPENDED WILL BE REALLOCATED TO THE INSTITUTIONS
12 THAT INTEND TO EXPEND ALL FUNDING RECEIVED UNDER SECTIONS 184C, 184D, OR 184F.

13 SEC. 185A. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 194, THE PUBLIC UNIVERSITIES
14 SHALL SYSTEMATICALLY INFORM MICHIGAN HIGH SCHOOLS REGARDING THE ACADEMIC STATUS OF STUDENTS
15 FROM EACH HIGH SCHOOL IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES
16 OF MICHIGAN IN COOPERATION WITH THE MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.

17 (2) THE MICHIGAN HIGH SCHOOLS SHALL SYSTEMATICALLY INFORM THE PUBLIC UNIVERSITIES
18 ABOUT THE USE OF INFORMATION RECEIVED UNDER THIS SECTION IN A MANNER PRESCRIBED BY THE
19 MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS IN COOPERATION WITH THE PRESIDENTS
20 COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

21 SEC. 185B. FROM THE AMOUNT APPROPRIATED IN SECTION 194, THE PUBLIC UNIVERSITIES SHALL
22 INFORM MICHIGAN COMMUNITY COLLEGES REGARDING THE ACADEMIC STATUS OF COMMUNITY COLLEGE
23 TRANSFER STUDENTS IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF
24 MICHIGAN IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

25 SEC. 185C. PUBLIC UNIVERSITIES SHALL WORK WITH THE STATE COMMUNITY COLLEGES TO
26 ENCOURAGE THE TRANSFER OF STUDENTS FROM THE COMMUNITY COLLEGES TO THE STATE UNIVERSITIES
27 AND TO FACILITATE THE TRANSFER OF CREDITS FROM THE COMMUNITY COLLEGES TO THE PUBLIC
28 UNIVERSITIES.

29 SEC. 186A. (1) THE AUDITOR GENERAL SHALL REVIEW HIGHER EDUCATION INSTITUTIONAL DATA
30 INVENTORY (HEIDI) ENROLLMENT DATA SUBMITTED BY ALL PUBLIC UNIVERSITIES AND MAY PERFORM
31 AUDITS OF SELECTED PUBLIC UNIVERSITIES IF DETERMINED NECESSARY. THE REVIEW AND AUDITS SHALL
32 BE BASED UPON THE DEFINITIONS, REQUIREMENTS, AND UNIFORM REPORTING CATEGORIES ESTABLISHED

1 BY THE STATE BUDGET DIRECTOR IN CONSULTATION WITH THE HEIDI ADVISORY COMMITTEE. THE AUDITOR
2 GENERAL SHALL SUBMIT A REPORT OF FINDINGS TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES
3 AND THE STATE BUDGET DIRECTOR NO LATER THAN JULY 1, 2012.

4 (2) STUDENT CREDIT HOURS REPORTS SHALL NOT INCLUDE THE FOLLOWING:

5 (A) STUDENT CREDIT HOURS GENERATED THROUGH INSTRUCTIONAL ACTIVITY BY FACULTY OR STAFF
6 IN CLASSROOMS LOCATED OUTSIDE MICHIGAN, WITH THE EXCEPTION OF INSTRUCTIONAL ACTIVITY
7 RELATED TO STUDY-ABROAD PROGRAMS OR FIELD PROGRAMS.

8 (B) STUDENT CREDIT HOURS GENERATED THROUGH DISTANCE LEARNING INSTRUCTION FOR STUDENTS
9 NOT ELIGIBLE FOR THE PUBLIC UNIVERSITY'S IN-STATE MAIN CAMPUS RESIDENT TUITION RATE.
10 HOWEVER, IN INSTANCES WHERE A STUDENT IS ENROLLED IN DISTANCE EDUCATION AND NON-DISTANCE
11 EDUCATION CREDIT HOURS IN A GIVEN TERM AND THE STUDENT'S NON-DISTANCE EDUCATION ENROLLMENT
12 IS AT A CAMPUS OR SITE LOCATED WITHIN MICHIGAN, STUDENT CREDIT HOURS PER THE STUDENT'S
13 ELIGIBILITY FOR IN-STATE OR OUT-OF-STATE TUITION RATES MAY BE REPORTED.

14 (C) STUDENT CREDIT HOURS GENERATED THROUGH CREDIT BY EXAMINATION.

15 (D) STUDENT CREDIT HOURS GENERATED THROUGH INMATE PRISON PROGRAMS REGARDLESS OF
16 TEACHING LOCATION.

17 (E) STUDENT CREDIT HOURS GENERATED IN NEW DEGREE PROGRAMS AFTER JANUARY 1, 1975, THAT
18 HAVE NOT BEEN SPECIFICALLY AUTHORIZED FOR FUNDING BY THE LEGISLATURE, EXCEPT SPIN-OFF
19 PROGRAMS CONVERTED FROM EXISTING CORE PROGRAMS THAT DO ALL OF THE FOLLOWING:

20 (I) REPRESENT NEW OPTIONS, FIELDS, OR CONCENTRATIONS WITHIN EXISTING PROGRAMS.

21 (II) ARE CONSISTENT WITH THE CURRENT INSTITUTIONAL ROLE AND MISSION.

22 (III) ARE ACCOMMODATED WITHIN THE CONTINUING FUNDING BASE OF THE PUBLIC UNIVERSITY.

23 (IV) DO NOT REQUIRE A NEW DEGREE LEVEL BEYOND THAT WHICH THE PUBLIC UNIVERSITY IS
24 CURRENTLY AUTHORIZED TO GRANT WITHIN THAT DISCIPLINE OR FIELD.

25 (V) DO NOT REQUIRE FUNDING FROM THE STATE OTHER THAN THAT PROVIDED BY THE STUDENT
26 CREDIT HOURS GENERATED WITHIN THE PROGRAM, EITHER BEFORE PROGRAM INITIATION OR WITHIN THE
27 FIRST 3 YEARS OF PROGRAM OPERATION.

28 (3) THE AUDITOR GENERAL SHALL PERIODICALLY AUDIT HIGHER EDUCATION INSTITUTIONAL DATA
29 INVENTORY (HEIDI) DATA AS SUBMITTED BY THE PUBLIC UNIVERSITIES FOR COMPLIANCE WITH THE
30 DEFINITIONS ESTABLISHED BY THE STATE BUDGET DIRECTOR IN CONSULTATION WITH THE HEIDI
31 ADVISORY COMMITTEE FOR THE HEIDI DATABASE.

1 (4) "DISTANCE LEARNING INSTRUCTION" AS USED IN SUBSECTION (2) MEANS INSTRUCTION THAT
2 OCCURS SOLELY IN OTHER THAN A TRADITIONAL CLASSROOM SETTING WHERE THE STUDENT AND
3 INSTRUCTOR ARE IN THE SAME PHYSICAL LOCATION AND FOR WHICH A STUDENT RECEIVES COURSE
4 CREDITS AND IS CHARGED TUITION AND FEES. EXAMPLES OF DISTANCE LEARNING INSTRUCTION ARE
5 INSTRUCTION DELIVERED SOLELY THROUGH THE INTERNET, CABLE TELEVISION, TELECONFERENCE, OR
6 MAIL.

7 SEC. 186B. THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF PUBLIC UNIVERSITIES
8 RECEIVING FUNDS IN SECTION 194 DURING THE FISCAL YEAR ENDING SEPTEMBER 30, 2012 AS THE
9 AUDITOR GENERAL CONSIDERS NECESSARY.

10 SEC. 191. SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS
11 SECTION FOR THE PUBLIC SCHOOLS OF THIS STATE, COMMUNITY COLLEGES, HIGHER EDUCATION, AND
12 CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE APPROPRIATED FOR THE FISCAL YEAR
13 ENDING SEPTEMBER 30, 2012, AND ARE ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR
14 ENDING SEPTEMBER 30, 2013, FROM THE FUNDS INDICATED IN THIS SECTION:

1	STATE EDUCATION FUNDING ACT		
2	APPROPRIATION SUMMARY		
3	FULL-TIME EQUATED UNCLASSIFIED POSITIONS.....	0	0
4	FULL-TIME EQUATED CLASSIFIED POSITIONS.....	1.0	1.0
5	GROSS APPROPRIATION	\$ 13,831,718,000	\$ 13,810,381,400
6	TOTAL INTERDEPARTMENTAL GRANTS AND		
7	INTRADPARTMENTAL TRANSFERS.....	0	0
8	ADJUSTED GROSS APPROPRIATION	\$ 13,831,718,000	\$ 13,810,381,400
9	TOTAL FEDERAL REVENUES	1,751,658,200	1,760,418,200
10	TOTAL LOCAL REVENUES	0	0
11	TOTAL PRIVATE REVENUES	0	0
12	TOTAL OTHER STATE RESTRICTED REVENUES	11,003,484,900	11,040,688,300
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,076,574,900	\$ 1,009,274,900
14	SEC. 192. (1) FROM THE APPROPRIATION IN SECTION 191, SUBJECT TO THE CONDITIONS SET		
15	FORTH IN SECTIONS 2 THROUGH 169B OF THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE		
16	PUBLIC SCHOOLS OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE		
17	APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, AND ARE ANTICIPATED TO BE		
18	APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, FROM THE FUNDS INDICATED IN		
19	THIS SECTION:		
20	SCHOOL AID		
21	APPROPRIATION SUMMARY		
22	FULL-TIME EQUATED UNCLASSIFIED POSITIONS.....	0.0	0.0
23	FULL-TIME EQUATED CLASSIFIED POSITIONS.....	0.0	0.0
24	GROSS APPROPRIATION	\$ 12,173,559,100	\$ 12,143,462,500
25	TOTAL INTERDEPARTMENTAL GRANTS AND		
26	INTRADPARTMENTAL TRANSFERS.....	0	0
27	ADJUSTED GROSS APPROPRIATION	\$ 12,173,559,100	\$ 12,143,462,500
28	TOTAL FEDERAL REVENUES	1,653,331,800	1,653,331,800
29	TOTAL LOCAL REVENUES	0	0
30	TOTAL PRIVATE REVENUES	0	0
31	TOTAL OTHER STATE RESTRICTED REVENUES	10,107,684,900	10,144,888,300
32	STATE GENERAL FUND/GENERAL PURPOSE	\$ 412,542,400	\$ 345,242,400

	FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1	(2) BASIC OPERATIONS	
2	BASIC OPERATIONS	\$ <u>8,754,321,000</u> \$ <u>8,672,321,000</u>
3	GROSS APPROPRIATION	\$ 8,754,321,000 \$ 8,672,321,000
4	APPROPRIATED FROM:	
5	STATE RESTRICTED REVENUES	8,358,142,800 8,343,442,800
6	STATE GENERAL FUND/GENERAL PURPOSE	\$ 396,178,200 \$ 328,878,200
7	SCHEDULE OF PROGRAMS:	
8	PROPOSAL A OBLIGATION PAYMENT.....	5,682,500,000 5,590,500,000
9	DISCRETIONARY PAYMENT.....	3,009,713,000 3,019,713,000
10	ISD GENERAL OPERATIONS.....	62,108,000 62,108,000
11	(3) SPECIAL EDUCATION	
12	SPECIAL EDUCATION	\$ <u>1,412,469,100</u> \$ <u>1,466,869,100</u>
13	GROSS APPROPRIATION	\$ 1,412,469,100 \$ 1,466,869,100
14	APPROPRIATED FROM:	
15	FEDERAL REVENUES	437,400,000 437,400,000
16	STATE RESTRICTED REVENUES	975,069,100 1,029,469,100
17	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0 \$ 0
18	SCHEDULE OF PROGRAMS:	
19	SPECIAL EDUCATION HEADLEE OBLIGATION.....	668,300,000 709,700,000
20	SPECIAL EDUCATION FOUNDATIONS.....	245,700,000 258,700,000
21	SPECIAL EDUCATION NON-SEC. 52 PAYMENT.....	6,800,000 6,800,000
22	SPECIAL EDUCATION RULE CHANGE.....	2,200,000 2,200,000
23	SPECIAL EDUCATION COURT PLACED FTES.....	13,500,000 13,500,000
24	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND.....	1,688,000 1,688,000
25	SPECIAL EDUCATION MILLAGE EQUALIZATION.....	36,881,100 36,881,100
26	SPECIAL EDUCATION FEDERAL PROGRAMS.....	437,400,000 437,400,000
27	(4) STUDENT SUPPLEMENTAL SERVICES	
28	STUDENT SUPPLEMENTAL SERVICES	\$ <u>1,194,898,800</u> \$ <u>1,194,898,800</u>
29	GROSS APPROPRIATION	\$ 1,194,898,800 \$ 1,194,898,800
30	APPROPRIATED FROM:	
31	FEDERAL REVENUES	802,282,600 802,282,600
32	STATE RESTRICTED REVENUES	390,928,700 390,928,700

		FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,687,500	\$ 1,687,500
2	<i>SCHEDULE OF PROGRAMS:</i>		
3	COURT-PLACED CHILDREN.....	8,000,000	8,000,000
4	JUVENILE DETENTION FACILITIES.....	1,197,500	1,197,500
5	YOUTH CHALLENGE PROGRAM.....	644,800	644,800
6	AT-RISK PROGRAM.....	308,988,200	308,988,200
7	CHILD AND ADOLESCENT HEALTH CENTERS.....	3,557,300	3,557,300
8	HEARING AND VISION SCREENING.....	5,150,000	5,150,000
9	VOCATIONAL EDUCATION.....	26,611,300	26,611,300
10	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT.....	9,000,000	9,000,000
11	BUS DRIVER SAFETY.....	1,625,000	1,625,000
12	SCHOOL BUS INSPECTIONS.....	1,529,600	1,529,600
13	MICHIGAN VIRTUAL HIGH SCHOOL.....	4,387,500	4,387,500
14	MATH AND SCIENCE CENTERS.....	7,874,300	7,874,300
15	ADULT EDUCATION.....	22,000,000	22,000,000
16	FEDERAL PROGRAMS.....	794,333,300	794,333,300
17	(5) SCHOOL MEAL PROGRAMS		
18	SCHOOL MEAL PROGRAMS	\$ <u>434,626,100</u>	\$ <u>434,626,100</u>
19	GROSS APPROPRIATION	\$ 434,626,100	\$ 434,626,100
20	APPROPRIATED FROM:		
21	FEDERAL REVENUES	402,506,000	402,506,000
22	STATE RESTRICTED REVENUES	32,120,100	32,120,100
23	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
24	<i>SCHEDULE OF PROGRAMS:</i>		
25	SCHOOL LUNCH.....	425,001,100	425,001,100
26	SCHOOL BREAKFAST.....	9,625,000	9,625,000
27	(6) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
28	DEBT SERVICE AND OTHER REQUIRED PAYMENTS	\$ <u>181,765,300</u>	\$ <u>187,768,700</u>
29	GROSS APPROPRIATION	\$ 181,765,300	\$ 187,768,700
30	APPROPRIATED FROM:		
31	STATE RESTRICTED REVENUES	181,765,300	187,768,700
32	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0

	FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1	<i>SCHEDULE OF PROGRAMS:</i>	
2	DEBT SERVICE ON NON-DURANT DISTRICT BONDS.....	39,000,000 39,000,000
3	SCHOOL BOND LOAN REDEMPTION FUND.....	93,575,300 89,578,700
4	SCHOOL AID FUND BORROWING COSTS.....	20,000,000 30,000,000
5	RENAISSANCE ZONE REIMBURSEMENT.....	26,300,000 26,300,000
6	PAYMENT IN LIEU OF TAXES REIMBURSEMENT.....	2,890,000 2,890,000
7	(7) EARLY CHILDHOOD EDUCATION	
8	EARLY CHILDHOOD EDUCATION	\$ <u>109,575,000</u> \$ <u>109,575,000</u>
9	GROSS APPROPRIATION	\$ 109,575,000 \$ 109,575,000
10	APPROPRIATED FROM:	
11	STATE RESTRICTED REVENUES	100,400,000 100,400,000
12	STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,175,000 \$ 9,175,000
13	<i>SCHEDULE OF PROGRAMS:</i>	
14	GREAT START LOCAL COLLABORATIVE GRANTS.....	6,000,000 6,000,000
15	GREAT START READINESS PROGRAM: SCHOOL-BASED.....	89,700,000 89,700,000
16	GREAT START READINESS PROGRAM: COMPETITIVE.....	8,875,000 8,875,000
17	GREAT PARENTS, GREAT START ISD PROGRAM.....	5,000,000 5,000,000
18	(8) STUDENT ASSESSMENT AND ACCOUNTABILITY	
19	STUDENT ASSESSMENT AND ACCOUNTABILITY	\$ <u>85,903,800</u> \$ <u>77,403,800</u>
20	GROSS APPROPRIATION	\$ 85,903,800 \$ 77,403,800
21	APPROPRIATED FROM:	
22	FEDERAL REVENUES	11,143,200 11,143,200
23	STATE RESTRICTED REVENUES	69,258,900 60,758,900
24	STATE GENERAL FUND/GENERAL PURPOSE	\$ 5,501,700 \$ 5,501,700
25	<i>SCHEDULE OF PROGRAMS:</i>	
26	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION...	8,394,900 8,394,900
27	STUDENT ASSESSMENTS.....	43,444,400 34,944,400
28	DATA COLLECTION AND REPORTING COSTS.....	34,064,500 34,064,500
29	(9) ALL OTHER AVAILABLE FEDERAL FUNDS ARE APPROPRIATED FOR THE FISCAL YEAR ENDING	
30	SEPTEMBER 30, 2012 AND ARE ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR ENDING	
31	SEPTEMBER 30, 2013.	

1 (10) ANY GENERAL FUND ALLOCATIONS UNDER THIS SECTION THAT ARE NOT EXPENDED BY THE END
2 OF THE STATE FISCAL YEAR ARE TRANSFERRED TO THE SCHOOL AID STABILIZATION FUND CREATED UNDER
3 SECTION 11A.

4 SEC. 193. (1) FROM THE APPROPRIATION IN SECTION 191, SUBJECT TO THE CONDITIONS SET
5 FORTH IN SECTIONS 173A THROUGH 176G OF THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR
6 COMMUNITY COLLEGES AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE APPROPRIATED
7 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, AND ARE ANTICIPATED TO BE APPROPRIATED FOR
8 THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, FROM THE FUNDS INDICATED IN THIS SECTION:

9 COMMUNITY COLLEGES

10 APPROPRIATION SUMMARY

11	GROSS APPROPRIATION	\$	295,880,500	\$	295,880,500
12	TOTAL INTERDEPARTMENTAL GRANTS AND				
13	INTRADPARTMENTAL TRANSFERS.....		0		0
14	ADJUSTED GROSS APPROPRIATION	\$	295,880,500	\$	295,880,500
15	TOTAL FEDERAL REVENUES		0		0
16	TOTAL LOCAL REVENUES		0		0
17	TOTAL PRIVATE REVENUES		0		0
18	TOTAL OTHER STATE RESTRICTED REVENUES		195,880,500		195,880,500
19	STATE GENERAL FUND/GENERAL PURPOSE	\$	100,000,000	\$	100,000,000
20	(2) OPERATIONS				
21	ALPENA COMMUNITY COLLEGE	\$	5,126,100	\$	5,126,100
22	BAY DE NOC COMMUNITY COLLEGE		5,178,400		5,178,400
23	DELTA COLLEGE		13,751,600		13,751,600
24	GLEN OAKS COMMUNITY COLLEGE		2,304,800		2,304,800
25	GOGEBIC COMMUNITY COLLEGE		4,275,200		4,275,200
26	GRAND RAPIDS COMMUNITY COLLEGE		17,219,800		17,219,800
27	HENRY FORD COMMUNITY COLLEGE		20,898,900		20,898,900
28	JACKSON COMMUNITY COLLEGE		11,542,300		11,542,300
29	KALAMAZOO VALLEY COMMUNITY COLLEGE		11,888,600		11,888,600
30	KELLOGG COMMUNITY COLLEGE		9,311,800		9,311,800
31	KIRTLAND COMMUNITY COLLEGE		2,842,800		2,842,800
32	LAKE MICHIGAN COLLEGE		5,012,100		5,012,100

		FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1	LANSING COMMUNITY COLLEGE	29,762,500	29,762,500
2	MACOMB COMMUNITY COLLEGE	31,773,900	31,773,900
3	MID MICHIGAN COMMUNITY COLLEGE	4,289,200	4,289,200
4	MONROE COUNTY COMMUNITY COLLEGE	4,142,800	4,142,800
5	MONTCALM COMMUNITY COLLEGE	2,981,600	2,981,600
6	C.S. MOTT COMMUNITY COLLEGE	15,016,400	15,016,400
7	MUSKEGON COMMUNITY COLLEGE	8,518,600	8,518,600
8	NORTH CENTRAL MICHIGAN COLLEGE	2,893,600	2,893,600
9	NORTHWESTERN MICHIGAN COLLEGE	8,682,000	8,682,000
10	OAKLAND COMMUNITY COLLEGE	20,133,700	20,133,700
11	ST. CLAIR COUNTY COMMUNITY COLLEGE	6,729,800	6,729,800
12	SCHOOLCRAFT COLLEGE	11,767,000	11,767,000
13	SOUTHWESTERN MICHIGAN COLLEGE	6,276,900	6,276,900
14	WASHTENAW COMMUNITY COLLEGE	12,149,000	12,149,000
15	WAYNE COUNTY COMMUNITY COLLEGE	15,889,900	15,889,900
16	WEST SHORE COMMUNITY COLLEGE	<u>2,198,500</u>	<u>2,198,500</u>
17	GROSS APPROPRIATION	\$ 292,557,800	\$ 292,557,800
18	APPROPRIATED FROM:		
19	STATE RESTRICTED REVENUES	195,880,500	195,880,500
20	STATE GENERAL FUND/GENERAL PURPOSE	\$ 96,677,300	\$ 96,677,300
21	(3) GRANTS		
22	AT-RISK STUDENT SUCCESS PROGRAM	\$ <u>3,322,700</u>	\$ <u>3,322,700</u>
23	GROSS APPROPRIATION	\$ 3,322,700	\$ 3,322,700
24	APPROPRIATED FROM:		
25	STATE RESTRICTED REVENUES	0	0
26	STATE GENERAL FUND/GENERAL PURPOSE	\$ 3,322,700	\$ 3,322,700
27	SEC. 194. (1) FROM THE APPROPRIATION IN SECTION 191, SUBJECT TO THE CONDITIONS SET		
28	FORTH IN SECTIONS 181A THROUGH 186B OF THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR		
29	HIGHER EDUCATION ARE APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, AND ARE		
30	ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, FROM THE		
31	FUNDS INDICATED IN THIS SECTION:		
32	HIGHER EDUCATION		

	FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1	APPROPRIATION SUMMARY	
2		
3	1.0	1.0
4		
5		
6	\$ 1,362,278,400	\$ 1,371,038,400
7		
8		
9	0	0
10		
11	\$ 1,362,278,400	\$ 1,371,038,400
12		
13	98,326,400	107,086,400
14		
15	0	0
16		
17	0	0
18		
19	699,919,500	699,919,500
20		
21	\$ 564,032,500	\$ 564,032,500
22		
23	(2) RESEARCH UNIVERSITIES	
24	(A) MICHIGAN STATE UNIVERSITY	
25		
26	\$ 222,796,200	
27		
28	18,324,600	
29		
30	AGRICULTURAL EXPERIMENT AND COOPERATIVE	
31		
32	<u>52,625,800</u>	<u>52,625,800</u>
33		
34	\$ 293,746,600	\$ 52,625,800
35		
36	APPROPRIATED FROM:	
37		
38	139,754,800	
39		
40	\$ 153,991,800	\$ 52,625,800
41		
42	(B) UNIVERSITY OF MICHIGAN - ANN ARBOR	
43		
44	\$ 254,931,800	
45		
46	<u>13,871,500</u>	
47		
48	\$ 268,803,300	
49		
50	APPROPRIATED FROM:	
51		
52	155,799,800	
53		
54	\$ 113,003,500	
55		
56	(C) WAYNE STATE UNIVERSITY	
57		
58	\$ 169,209,400	
59		
60	<u>12,827,500</u>	
61		
62	\$ 182,036,900	

1	APPROPRIATED FROM:	
2	STATE RESTRICTED REVENUES	105,509,500
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 76,527,400
4	(3) STATE UNIVERSITIES	
5	(A) CENTRAL MICHIGAN UNIVERSITY	
6	OPERATIONS	\$ 61,431,100
7	TUITION RESTRAINT INCENTIVE	<u>6,677,800</u>
8	GROSS APPROPRIATION	\$ 68,108,900
9	APPROPRIATED FROM:	
10	STATE RESTRICTED REVENUES	39,476,300
11	STATE GENERAL FUND/GENERAL PURPOSE	\$ 28,632,600
12	(B) EASTERN MICHIGAN UNIVERSITY	
13	OPERATIONS	\$ 61,319,900
14	TUITION RESTRAINT INCENTIVE	<u>3,299,200</u>
15	GROSS APPROPRIATION	\$ 64,619,100
16	APPROPRIATED FROM:	
17	STATE RESTRICTED REVENUES	37,453,600
18	STATE GENERAL FUND/GENERAL PURPOSE	\$ 27,165,500
19	(C) FERRIS STATE UNIVERSITY	
20	OPERATIONS	\$ 37,971,600
21	TUITION RESTRAINT INCENTIVE	<u>3,352,700</u>
22	GROSS APPROPRIATION	\$ 41,324,300
23	APPROPRIATED FROM:	
24	STATE RESTRICTED REVENUES	23,951,900
25	STATE GENERAL FUND/GENERAL PURPOSE	\$ 17,372,400
26	(D) GRAND VALLEY STATE UNIVERSITY	
27	OPERATIONS	\$ 48,431,500
28	TUITION RESTRAINT INCENTIVE	<u>4,245,900</u>
29	GROSS APPROPRIATION	\$ 52,677,400
30	APPROPRIATED FROM:	
31	STATE RESTRICTED REVENUES	30,532,100
32	STATE GENERAL FUND/GENERAL PURPOSE	22,145,300

1	(E) LAKE SUPERIOR STATE UNIVERSITY	
2	OPERATIONS	\$ 10,055,100
3	TUITION RESTRAINT INCENTIVE	<u>734,400</u>
4	GROSS APPROPRIATION	\$ 10,789,500
5	APPROPRIATED FROM:	
6	STATE RESTRICTED REVENUES	6,253,700
7	STATE GENERAL FUND/GENERAL PURPOSE	\$ 4,535,800
8	(F) MICHIGAN TECHNOLOGICAL UNIVERSITY	
9	OPERATIONS	\$ 37,409,700
10	TUITION RESTRAINT INCENTIVE	<u>3,323,900</u>
11	GROSS APPROPRIATION	\$ 40,733,600
12	APPROPRIATED FROM:	
13	STATE RESTRICTED REVENUES	23,609,400
14	STATE GENERAL FUND/GENERAL PURPOSE	\$ 17,124,200
15	(G) NORTHERN MICHIGAN UNIVERSITY	
16	OPERATIONS	\$ 36,225,200
17	TUITION RESTRAINT INCENTIVE	<u>2,142,200</u>
18	GROSS APPROPRIATION	\$ 38,367,400
19	APPROPRIATED FROM:	
20	STATE RESTRICTED REVENUES	22,237,900
21	STATE GENERAL FUND/GENERAL PURPOSE	\$ 16,129,500
22	(H) OAKLAND UNIVERSITY	
23	OPERATIONS	\$ 39,313,500
24	TUITION RESTRAINT INCENTIVE	<u>3,831,500</u>
25	GROSS APPROPRIATION	\$ 43,145,000
26	APPROPRIATED FROM:	
27	STATE RESTRICTED REVENUES	25,007,100
28	STATE GENERAL FUND/GENERAL PURPOSE	\$ 18,137,900
29	(I) SAGINAW VALLEY STATE UNIVERSITY	
30	OPERATIONS	\$ 21,969,300
31	TUITION RESTRAINT INCENTIVE	<u>1,592,200</u>
32	GROSS APPROPRIATION	\$ 23,561,500

	FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1	APPROPRIATED FROM:	
2	STATE RESTRICTED REVENUES	13,656,300
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,905,200
4	(J) UNIVERSITY OF MICHIGAN - DEARBORN	
5	OPERATIONS	\$ 19,627,400
6	TUITION RESTRAINT INCENTIVE	<u>1,388,900</u>
7	GROSS APPROPRIATION	\$ 21,016,300
8	APPROPRIATED FROM:	
9	STATE RESTRICTED REVENUES	12,181,100
10	STATE GENERAL FUND/GENERAL PURPOSE	\$ 8,835,200
11	(K) UNIVERSITY OF MICHIGAN - FLINT	
12	OPERATIONS	\$ 16,679,400
13	TUITION RESTRAINT INCENTIVE	<u>1,083,000</u>
14	GROSS APPROPRIATION	\$ 17,762,400
15	APPROPRIATED FROM:	
16	STATE RESTRICTED REVENUES	10,295,200
17	STATE GENERAL FUND/GENERAL PURPOSE	\$ 7,467,200
18	(L) WESTERN MICHIGAN UNIVERSITY	
19	OPERATIONS	\$ 86,866,700
20	TUITION RESTRAINT INCENTIVE	<u>6,301,600</u>
21	GROSS APPROPRIATION	\$ 93,168,300
22	APPROPRIATED FROM:	
23	STATE RESTRICTED REVENUES	54,000,800
24	STATE GENERAL FUND/GENERAL PURPOSE	\$ 39,167,500
25	(4) UNIVERSITY FUNDING	
26	UNIVERSITY FUNDING	\$ <u>1,207,234,700</u>
27	GROSS APPROPRIATION	\$ 1,207,234,700
28	APPROPRIATED FROM:	
29	STATE RESTRICTED REVENUES	699,719,500
30	STATE GENERAL FUND/GENERAL PURPOSE	\$ 507,515,200
31	(5) STATEWIDE PROGRAMS	
32	FULL-TIME EQUATED CLASSIFIED POSITIONS.....	1.0 1.0

	FOR FISCAL YEAR ENDING SEPT. 30, 2012	FOR FISCAL YEAR ENDING SEPT. 30, 2013
1 STATEWIDE PROGRAMS - 1.0 FTE POSITION	\$ <u>2,891,500</u>	\$ <u>2,891,500</u>
2 GROSS APPROPRIATION	\$ 2,891,500	\$ 2,891,500
3 APPROPRIATED FROM:		
4 STATE GENERAL FUND/GENERAL PURPOSE	\$ 2,891,500	\$ 2,891,500
5 SCHEDULE OF PROGRAMS:		
6 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA		
7 PARKS PROGRAM	2,691,500	2,691,500
8 HIGHER EDUCATION DATABASE MODERNIZATION AND		
9 CONVERSION	105,000	105,000
10 MIDWESTERN HIGHER EDUCATION COMPACT.....	95,000	95,000
11 (6) GRANTS AND FINANCIAL AID		
12 STUDENT FINANCIAL AID	\$ <u>99,526,400</u>	\$ <u>108,286,400</u>
13 GROSS APPROPRIATION	\$ 99,526,400	\$ 108,286,400
14 APPROPRIATED FROM:		
15 FEDERAL REVENUES	98,326,400	107,086,400
16 STATE RESTRICTED REVENUES	200,000	200,000
17 STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,000,000	\$ 1,000,000
18 SCHEDULE OF PROGRAMS:		
19 PATHWAY TO HIGHER EDUCATION PROGRAM.....	51,526,400	51,526,400
20 TUITION INCENTIVE PROGRAM.....	43,800,000	52,560,000
21 ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM.....	1,500,000	1,500,000
22 CHILDREN OF VETERANS AND OFFICER'S SURVIVOR		
23 TUITION PROGRAM	1,200,000	1,200,000
24 PROJECT GEAR-UP.....	1,500,000	1,500,000
25 SEC. 195. (1) THE APPROPRIATIONS UNDER SECTION 191 SHALL BE ALLOCATED AS PROVIDED IN		
26 THIS ACT. IF THE MAXIMUM AMOUNT APPROPRIATED UNDER SECTION 191 FROM THE STATE SCHOOL AID		
27 FUND FOR A FISCAL YEAR EXCEEDS THE AMOUNT NECESSARY TO FULLY FUND ALLOCATIONS UNDER THIS		
28 ACT FROM THE STATE SCHOOL AID FUND, THAT EXCESS AMOUNT SHALL NOT BE EXPENDED IN THAT STATE		
29 FISCAL YEAR AND SHALL NOT LAPSE TO THE GENERAL FUND, BUT INSTEAD SHALL BE DEPOSITED INTO		
30 THE SCHOOL AID STABILIZATION FUND CREATED IN SECTION 11A.		
31 (2) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER SECTION 191 FROM THE STATE SCHOOL AID		
32 FUND AND THE SCHOOL AID STABILIZATION FUND FOR A FISCAL YEAR EXCEEDS THE AMOUNT AVAILABLE		

1 FOR EXPENDITURE FROM THE STATE SCHOOL AID FUND FOR THAT FISCAL YEAR, PAYMENTS UNDER
2 SECTIONS 11G, 11J, 22A, 26A, 26B, 31D, 31F, 51A(2), 51A(9), 51C, 53A, AND 152A SHALL BE
3 MADE IN FULL. IN ADDITION, FOR DISTRICTS BEGINNING OPERATIONS AFTER 1994-95 THAT QUALIFY
4 FOR PAYMENTS UNDER SECTION 22B, PAYMENTS UNDER SECTION 22B SHALL BE MADE SO THAT THE
5 QUALIFYING DISTRICTS RECEIVE THE LESSER OF AN AMOUNT EQUAL TO THE 1994-95 FOUNDATION
6 ALLOWANCE OF THE DISTRICT IN WHICH THE DISTRICT BEGINNING OPERATIONS AFTER 1994-95 IS
7 LOCATED OR \$5,500.00. THE AMOUNT OF THE PAYMENT TO BE MADE UNDER SECTION 22B FOR THESE
8 QUALIFYING DISTRICTS SHALL BE AS CALCULATED UNDER SECTION 22A, WITH THE BALANCE OF THE
9 PAYMENT UNDER SECTION 22B BEING SUBJECT TO THE PRORATION OTHERWISE PROVIDED UNDER THIS
10 SUBSECTION AND SUBSECTION (3). IF PRORATION IS NECESSARY, STATE PAYMENTS UNDER EACH OF THE
11 OTHER SECTIONS OF THIS ACT FROM ALL STATE FUNDING SOURCES SHALL BE PRORATED IN THE MANNER
12 PRESCRIBED IN SUBSECTION (3) AS NECESSARY TO REFLECT THE AMOUNT AVAILABLE FOR EXPENDITURE
13 FROM THE STATE SCHOOL AID FUND FOR THE AFFECTED FISCAL YEAR. HOWEVER, IF THE DEPARTMENT OF
14 TREASURY DETERMINES THAT PRORATION WILL BE REQUIRED UNDER THIS SUBSECTION, OR IF THE
15 DEPARTMENT OF TREASURY DETERMINES THAT FURTHER PRORATION IS REQUIRED UNDER THIS SUBSECTION
16 AFTER AN INITIAL PRORATION HAS ALREADY BEEN MADE FOR A FISCAL YEAR, THE DEPARTMENT OF
17 TREASURY SHALL NOTIFY THE STATE BUDGET DIRECTOR, AND THE STATE BUDGET DIRECTOR SHALL NOTIFY
18 THE LEGISLATURE AT LEAST 30 CALENDAR DAYS OR 6 LEGISLATIVE SESSION DAYS, WHICHEVER IS MORE,
19 BEFORE THE DEPARTMENT REDUCES ANY PAYMENTS UNDER THIS ACT BECAUSE OF THE PRORATION. DURING
20 THE 30 CALENDAR DAY OR 6 LEGISLATIVE SESSION DAY PERIOD AFTER THAT NOTIFICATION BY THE
21 STATE BUDGET DIRECTOR, THE DEPARTMENT SHALL NOT REDUCE ANY PAYMENTS UNDER THIS ACT BECAUSE
22 OF PRORATION UNDER THIS SUBSECTION. THE LEGISLATURE MAY PREVENT PRORATION FROM OCCURRING
23 BY, WITHIN THE 30 CALENDAR DAY OR 6 LEGISLATIVE SESSION DAY PERIOD AFTER THAT NOTIFICATION
24 BY THE STATE BUDGET DIRECTOR, ENACTING LEGISLATION APPROPRIATING ADDITIONAL FUNDS FROM THE
25 GENERAL FUND, COUNTERCYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND, STATE SCHOOL AID FUND
26 BALANCE, OR ANOTHER SOURCE TO FUND THE AMOUNT OF THE PROJECTED SHORTFALL.

27 (3) IF PRORATION IS NECESSARY UNDER SUBSECTION (2), THE DEPARTMENT SHALL CALCULATE
28 THE PRORATION IN DISTRICT AND INTERMEDIATE DISTRICT PAYMENTS THAT IS REQUIRED UNDER
29 SUBSECTION (2) AS FOLLOWS:

30 (A) THE DEPARTMENT SHALL CALCULATE THE PERCENTAGE OF TOTAL STATE SCHOOL AID ALLOCATED
31 UNDER THIS ACT FOR THE AFFECTED FISCAL YEAR FOR EACH OF THE FOLLOWING:

32 (I) DISTRICTS.

1 (II) INTERMEDIATE DISTRICTS.

2 (III) ENTITIES OTHER THAN DISTRICTS OR INTERMEDIATE DISTRICTS.

3 (B) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER
4 SUBSECTION (2) THAT IS EQUAL TO THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A)(I) FOR
5 DISTRICTS BY REDUCING PAYMENTS TO DISTRICTS. THIS REDUCTION SHALL BE MADE BY CALCULATING AN
6 EQUAL DOLLAR AMOUNT PER PUPIL AS NECESSARY TO RECOVER THIS PERCENTAGE OF THE PRORATION
7 AMOUNT AND REDUCING EACH DISTRICT'S TOTAL STATE SCHOOL AID FROM STATE SOURCES, OTHER THAN
8 PAYMENTS UNDER SECTIONS 11G, 11J, 22A, 26A, 26B, 31D, 31F, 51A(2), 51A(9), 51C, 53A, AND
9 152A, BY THAT AMOUNT.

10 (C) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER
11 SUBSECTION (2) THAT IS EQUAL TO THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A)(II) FOR
12 INTERMEDIATE DISTRICTS BY REDUCING PAYMENTS TO INTERMEDIATE DISTRICTS. THIS REDUCTION SHALL
13 BE MADE BY REDUCING THE PAYMENTS TO EACH INTERMEDIATE DISTRICT, OTHER THAN PAYMENTS UNDER
14 SECTIONS 11G, 26A, 26B, 51A(2), 51A(9), 53A, AND 152A, ON AN EQUAL PERCENTAGE BASIS.

15 (D) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER
16 SUBSECTION (2) THAT IS EQUAL TO THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A)(III) FOR
17 ENTITIES OTHER THAN DISTRICTS AND INTERMEDIATE DISTRICTS BY REDUCING PAYMENTS TO THESE
18 ENTITIES. THIS REDUCTION SHALL BE MADE BY REDUCING THE PAYMENTS TO EACH OF THESE ENTITIES,
19 OTHER THAN PAYMENTS UNDER SECTIONS 11J, 26A, AND 26B, ON AN EQUAL PERCENTAGE BASIS.

20 Enacting section 1. (1) In accordance with section 30 of article I of the state
21 constitution of 1963, total state spending on school aid in this amendatory act from state
22 sources for fiscal year 2011-2012 is estimated at \$10,520,227,300.00 and state
23 appropriations for school aid to be paid to local units of government for fiscal year 2011-
24 2012 are estimated at \$10,364,473,300.00.

25 (2) In accordance with section 30 of article I of the state constitution of 1963,
26 total state spending on community colleges in this amendatory act from state sources for
27 fiscal year 2011-2012 is estimated at \$295,880,500.00 and state appropriations for
28 community colleges to be paid to local units of government for fiscal year 2011-2012 are
29 estimated at \$295,880,500.00.

30 (3) In accordance with section 30 of article I of the state constitution of 1963,
31 total state spending on higher education in this amendatory act from state sources for
32 fiscal year 2011-2012 is estimated at \$1,263,952,000.00 and state appropriations for higher

1 education to be paid to local units of government for fiscal year 2011-2012 are estimated
2 at \$0.00.

3 Enacting section 2. Sections 11, 11d, 11p, 20j, 20k, 22d, 22e, 29, 32c, 41, 64, 65,
4 92, 93, 99i, 99p, 158b, 166c, 171, and 172 of the state school aid act of 1979, 1979 PA 94,
5 MCL 388.1611, 388.1611d, 388.1611p, 388.1620j, 388.1620k, 388.1622d, 388.1622e, 388.1629,
6 388.1632c, 388.1641, 388.1664, 388.1665, 388.1692, 388.1693, 388.1699i, 388.1699p,
7 388.1758b, 388.1766c, 388.1771, and 388.1772, are repealed effective October 1, 2011.

8 Enacting section 3. This amendatory act takes effect October 1, 2011.