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FISCAL YEARS 2013 AND 2014
EXECUTIVE BUDGET RECOMMENDATION
EDUCATION BUDGET

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 18c, 19, 20, 20d, 22a,
22b, 22d, 22f, 24, 24a, 24c, 25, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 51a, 51c,
51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 101, 104, 107, 147, 147a, 152a, 201,
201a, 203, 206, 208, 213, 219, 222, 223, 224, 225, 226, 229, 236, 236a, 241, 242, 244, 245,
251, 252, 254, 256, 258, 263, 265, 267, 269, 270, 275, 275a, 276, 277, 278, 279, 280, 281,
282, 283, 284, 286, 289, 291 and 296 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a,
388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1618c, 388.1619,
388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1624, 388.1624a,
388.1624c, 388.1625, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b,
388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1651a, 388.1651c, 388.1651d, 388.1653a,
388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698,
388.1699, 388.1701, 388.1704, 388.1707, 388.1747, 388.1747a, 388.1752a, 388.1801, 388.1801a,

1 388.1803, 388.1806, 388.1808, 388.1813, 388.1819, 388.1822, 388.1823, 388.1824, 388.1825,
2 388.1826, 388.1829, 388.1836, 388.1836a, 388.1841, 388.1842, 388.1844, 388.1845, 388.1851,
3 388.1852, 388.1854, 388.1856, 388.1858, 388.1863, 388.1865, 388.1867, 388.1869, 388.1870,
4 388.1875, 388.1875a, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882,
5 388.1883, 388.1884, 388.1886, 388.1889, 388.1891 and 388.1896), sections 11, 11j, 11m, 22a,
6 22b, 26a, 31d, 31f, 51a, 51c, 53a, 62, as amended by 2011 PA 299, sections 6, 11a, 11g, 11k,
7 15, 18, 20, 20d, 22d, 24, 24a, 24c, 26b, 31a, 32b, 32d, 32j, 39, 39a, 51d, 54, 56, 61a, 74,
8 81, 93, 94a, 98, 99, 104, 107, 147, 152a, as amended and sections 22f, 147a, 201, 201a, 203,
9 206, 208, 213, 219, 222, 223, 224, 225, 226, 229, 236, 236a, 241, 242, 244, 245, 251, 252,
10 254, 256, 258, 263, 265, 267, 269, 270, 275, 275a, 276, 277, 278, 279, 280, 281, 282, 283,
11 284, 286, 289, 291, and 296 as added by 2011 PA 62, sections 3, 19 and 101 as amended by 2010
12 PA 110, section 4 as amended by 2008 PA 268, section 18c as added by 2000 PA 297, and section
13 25 as amended by 2011 PA 322; and by adding sections 22g, 95, 202a, 206b, 231, 236b, 237b,
14 265a, 294a, 298, 298a, 298b, and 298c; and to repeal acts and parts of acts.

15
16 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

17 **ARTICLE I**

18 Sec. 3. (1) "ACHIEVEMENT AUTHORITY" MEANS THAT TERM AS DEFINED IN PART 7C OF THE
19 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.771 TO 380.778.

20 (2) "ACHIEVEMENT SCHOOL" MEANS A PUBLIC SCHOOL WITHIN THE EDUCATION ACHIEVEMENT SYSTEM
21 OPERATED, MANAGED, AUTHORIZED, ESTABLISHED, OR OVERSEEN BY THE ACHIEVEMENT AUTHORITY. AN
22 INSTRUCTIONAL PROGRAM OPERATED BY AN ACHIEVEMENT SCHOOL OR OTHERWISE OPERATED, MAINTAINED,
23 AUTHORIZED, ESTABLISHED, OR OVERSEEN BY THE ACHIEVEMENT AUTHORITY IS ELIGIBLE IN THE SAME
24 MANNER AS A DISTRICT FOR ALL APPLICABLE CATEGORICAL AND FEDERAL AID.

25 (3) ~~(1)~~ "Average daily attendance", for the purposes of complying with federal law,
26 means 92% of the pupils counted in membership on the pupil membership count day, as defined
27 in section 6(7).

28 (4) ~~(2)~~ "Board" means the governing body of a district or public school academy.

29 (5) ~~(3)~~ "Center" means the center for educational performance and information created
30 in section 94a.

31 (6) ~~(4)~~ "Cooperative education program" means a written voluntary agreement between
32 and among districts to provide certain educational programs for pupils in certain groups of

1 districts. The written agreement shall be approved by all affected districts at least
2 annually and shall specify the educational programs to be provided and the estimated number
3 of pupils from each district who will participate in the educational programs.

4 (7) ~~(5)~~ "Department", except in section 107, means the department of education.

5 (8) ~~(6)~~ "District" means a local school district established under the revised school
6 code or, except in sections 6(4), 6(6), 13, 20, 22a, ~~23, 29,~~ 31a, 51a~~(15)~~(14), 105, 105c, and
7 166b, a public school academy. ~~Except in sections 6(4), 6(6), 13, 20, 22a, 29, 51a(15), 105,~~
8 ~~105e, and 166b, district also includes a university school. EXCEPT IN SECTIONS 6(4), 6(6),~~
9 ~~6(8), 6(19), 13, 20, 22A, 31A, 105, 105C, AND 166B, DISTRICT ALSO INCLUDES THE EDUCATION~~
10 **ACHIEVEMENT SYSTEM.**

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

20 (10) ~~(8)~~ "District superintendent" means the superintendent of a district, the chief
21 administrator of a public school academy, or the ~~chief administrator of a university school~~
22 **CHANCELLOR OF THE ACHIEVEMENT AUTHORITY.**

23 Sec. 4. (1) **"EDUCATION ACHIEVEMENT SYSTEM" MEANS THAT TERM AS DEFINED IN PART 7C OF**
24 **THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.771 TO 380.778.**

25 (2) ~~(1)~~ "Elementary pupil" means a pupil in membership in grades K to 8 in a district
26 not maintaining classes above the eighth grade or in grades K to 6 in a district maintaining
27 classes above the eighth grade. For the purposes of calculating universal service fund (e-
28 rate) discounts, "elementary pupil" includes children enrolled in a preschool program
29 operated by a district in its facilities.

30 (3) ~~(2)~~ "Extended school year" means an educational program conducted by a district in
31 which pupils must be enrolled but not necessarily in attendance on the pupil membership count
32 day in an extended year program. The mandatory clock hours shall be completed by each pupil

1 not more than 365 calendar days after the pupil's first day of classes for the school year
2 prescribed. The department shall prescribe pupil, personnel, and other reporting requirements
3 for the educational program.

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

6 (5) ~~(4)~~ "General educational development testing preparation program" means a program
7 that has high school level courses in English language arts, social studies, science, and
8 mathematics and that prepares a person to successfully complete the general educational
9 development (GED) test.

10 (6) ~~(5)~~ "High school pupil" means a pupil in membership in grades 7 to 12, except in a
11 district not maintaining grades above the eighth grade.

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

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

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

32 (4) "Membership", except as otherwise provided in this article, means for a district,

1 public school academy, ~~university school,~~ **THE EDUCATION ACHIEVEMENT SYSTEM,** or **AN**
2 intermediate district the sum of the product of .90 times the number of full-time equated
3 pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil
4 membership count day for the current school year, plus the product of .10 times the final
5 audited count from the supplemental count day for the immediately preceding school year. All
6 pupil counts used in this subsection are as determined by the department and calculated by
7 adding the number of pupils registered for attendance plus pupils received by transfer and
8 minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by
9 a subsequent department audit. For the purposes of this section and section 6a, for a school
10 of excellence that is a cyber school, as defined in section 551 of the revised school code,
11 MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a,
12 a pupil's participation in the cyber school's educational program **OR ONLINE EDUCATIONAL**
13 **PROGRAM OF THE EDUCATION ACHIEVEMENT SYSTEM OR AN ACHIEVEMENT SCHOOL** is considered regular
14 daily attendance. The amount of the foundation allowance for a pupil in membership is
15 determined under section 20. In making the calculation of membership, all of the following,
16 as applicable, apply to determining the membership of a district, public school academy,
17 ~~university school,~~ **THE EDUCATION ACHIEVEMENT SYSTEM,** or intermediate district:

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

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

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

31 (d) A pupil placed by a court or state agency in an on-grounds program of a juvenile
32 detention facility, a child caring institution, or a mental health institution, or a pupil

1 funded under section 53a, shall be counted in membership in the district or intermediate
2 district approved by the department to operate the program.

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

5 (f) A pupil enrolled in a career and technical education program supported by a
6 millage levied over an area larger than a single district or in an area vocational-technical
7 education program established pursuant to section 690 of the revised school code, MCL
8 380.690, shall be counted only in the pupil's district of residence.

9 ~~(g) A pupil enrolled in a university school shall be counted in membership in the~~
10 ~~university school.~~

11 (G) ~~(H)~~ A pupil enrolled in a public school academy shall be counted in membership in
12 the public school academy.

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

15 (i) For a new district, ~~university school, or~~ public school academy, **ACHIEVEMENT**
16 **SCHOOL, OR THE EDUCATION ACHIEVEMENT SYSTEM** beginning its operation after December 31, 1994,
17 membership for the first 2 full or partial fiscal years of operation shall be determined as
18 follows:

19 (i) If operations begin before the pupil membership count day for the fiscal year,
20 membership is the average number of full-time equated pupils in grades K to 12 actually
21 enrolled and in regular daily attendance on the pupil membership count day for the current
22 school year and on the supplemental count day for the current school year, as determined by
23 the department and calculated by adding the number of pupils registered for attendance on the
24 pupil membership count day plus pupils received by transfer and minus pupils lost as defined
25 by rules promulgated by the superintendent, and as corrected by a subsequent department
26 audit, plus the final audited count from the supplemental count day for the current school
27 year, and dividing that sum by 2.

28 (ii) If operations begin after the pupil membership count day for the fiscal year and
29 not later than the supplemental count day for the fiscal year, membership is the final
30 audited count of the number of full-time equated pupils in grades K to 12 actually enrolled
31 and in regular daily attendance on the supplemental count day for the current school year. (j)
32 If a district is the authorizing body for a public school academy, then, in the first school

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

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

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

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

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

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

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

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

23 (m) An individual who has obtained a high school diploma shall not be counted in
24 membership. An individual who has obtained a general educational development (G.E.D.)
25 certificate shall not be counted in membership unless the individual is a student with a
26 disability as defined in R 340.1702 of the Michigan administrative code. An individual
27 participating in a job training program funded under former section 107a or a jobs program
28 funded under former section 107b, administered by the Michigan strategic fund ~~or the~~
29 ~~workforce development agency~~, or participating in any successor of either of those 2
30 programs, shall not be counted in membership.

31 (n) If a pupil counted in membership in a public school academy **OR THE EDUCATION**
32 **ACHIEVEMENT SYSTEM** is also educated by a district or intermediate district as part of a

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

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

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

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

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

32 (q) The number of class hours used to calculate full-time equated memberships shall be

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

6 (r) ~~Full-time equated memberships for pupils in kindergarten shall be determined by~~
7 ~~dividing the number of class hours scheduled and provided per year per kindergarten pupil by~~
8 ~~a number equal to 1/2 the number used for determining full-time equated memberships for~~
9 ~~pupils in grades 1 to 12. However, beginning~~ **BEGINNING** in 2012-2013, full-time equated
10 memberships for pupils in kindergarten shall be determined by dividing the number of class
11 hours scheduled and provided per year per kindergarten pupil by the same number used for
12 determining full-time equated memberships for pupils in grades 1 to 12.

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

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

28 (u) If, as a result of a disciplinary action, a district determines through the
29 district's alternative or disciplinary education program that the best instructional
30 placement for a pupil is in the pupil's home or otherwise apart from the general school
31 population, if that placement is authorized in writing by the district superintendent and
32 district alternative or disciplinary education supervisor, and if the district provides

1 appropriate instruction as described in this subdivision to the pupil at the pupil's home or
2 otherwise apart from the general school population, the district may count the pupil in
3 membership on a pro rata basis, with the proration based on the number of hours of
4 instruction the district actually provides to the pupil divided by the number of hours
5 specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision,
6 a district shall be considered to be providing appropriate instruction if all of the
7 following are met:

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

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

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

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

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

20 (w) If a pupil was enrolled in a public school academy on the pupil membership count
21 day, if the public school academy's contract with its authorizing body is revoked or the
22 public school academy otherwise ceases to operate, and if the pupil enrolls in a district **OR**
23 **THE EDUCATION ACHIEVEMENT SYSTEM** within 45 days after the pupil membership count day, the
24 department shall adjust the district's **OR THE EDUCATION ACHIEVEMENT SYSTEM'S** pupil count for
25 the pupil membership count day to include the pupil in the count.

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

1 superintendent.

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

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

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

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

27 (aa) Full-time equated memberships for ~~preprimary-aged~~ special education pupils who
28 are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of
29 the Michigan administrative code shall be determined by dividing the number of class hours
30 scheduled and provided per year by 450. Full-time equated memberships for ~~preprimary-aged~~
31 special education pupils who are not enrolled in kindergarten but are receiving early
32 childhood special education services under R 340.1755 of the Michigan administrative code

1 shall be determined by dividing the number of hours of service scheduled and provided per
2 year per pupil by 180.

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

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

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

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

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

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

24 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section
25 166b.

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

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

30 (d) A pupil enrolled in a district other than the pupil's district of residence under
31 an intermediate district schools of choice pilot program as described in section 91a or
32 former section 91 if the intermediate district and its constituent districts have been

1 exempted from section 105.

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

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

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

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

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

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

27 (i) The pupil has been suspended or expelled from his or her district of residence for
28 any reason, including, but not limited to, a suspension or expulsion under section 1310,
29 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

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

3 (i) A pupil enrolled in the Michigan virtual ~~high~~ school, for the pupil's enrollment
4 in the Michigan virtual ~~high~~ school.

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

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

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

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

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

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

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

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

27 (a) Except as provided in subdivision (b), the first Wednesday in October each school
28 year or, for a district or building in which school is not in session on that Wednesday due
29 to conditions not within the control of school authorities, with the approval of the
30 superintendent, the immediately following day on which school is in session in the district
31 or building.

32 (b) For a district or intermediate district maintaining school during the entire

1 school year, the following days:

2 (i) Fourth Wednesday in July.

3 (ii) First Wednesday in October.

4 (iii) Second Wednesday in February.

5 (iv) Fourth Wednesday in April.

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

29 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of
30 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

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

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

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

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

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

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

19 (18) "Taxable value" means the taxable value of property as determined under section
20 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

21 (19) "Textbook" means a book, electronic book, or other instructional print or
22 electronic resource that is selected and approved by the governing board of a district **OR THE**
23 **CHANCELLOR OF THE ACHIEVEMENT AUTHORITY FOR AN ACHIEVEMENT SCHOOL**, and that contains a
24 presentation of principles of a subject, or that is a literary work relevant to the study of
25 a subject required for the use of classroom pupils, or another type of course material that
26 forms the basis of classroom instruction.

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

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

32 Sec. 11. (1) Subject to subsection (3), for the fiscal year ending ~~September 30, 2011,~~

1 **SEPTEMBER 30, 2013**, there is appropriated for the public schools of this state and certain
2 other state purposes relating to education the sum of ~~\$10,784,760,500.00~~ **\$10,785,973,400.00**
3 from the state school aid fund and the sum of ~~\$18,642,400.00~~ **\$200,000,000.00** from the general
4 fund. ~~For the fiscal year ending September 30, 2011, there is also appropriated the remaining~~
5 ~~balance of the federal funding awarded to this state under title XIV of the American recovery~~
6 ~~and reinvestment act of 2009, Public Law 111-5, estimated at \$184,256,600.00, to be used~~
7 ~~solely for the purpose of funding the primary funding formula calculated under section 20, in~~
8 ~~accordance with federal law.~~ Subject to subsection (3), for the fiscal year ending ~~September~~
9 ~~30, 2012~~, **SEPTEMBER 30, 2014**, there is **ANTICIPATED TO BE** appropriated for the public schools
10 of this state and certain other state purposes relating to education the sum of
11 ~~\$10,887,098,700.00~~ **\$10,883,951,000.00** from the state school aid fund and the sum of
12 ~~\$118,642,400.00~~ **\$18,642,400.00** from the general fund. In addition, all other available
13 federal funds, ~~except those otherwise appropriated under section 11p~~, are appropriated **EACH**
14 **FISCAL YEAR** for the fiscal year ending ~~September 30, 2011 and for the fiscal year ending~~
15 ~~September 30, 2012~~ **SEPTEMBER 30, 2013 AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014.**

16 (2) The appropriations under this section shall be allocated as provided in this
17 article. Money appropriated under this section from the general fund shall be expended to
18 fund the purposes of this article before the expenditure of money appropriated under this
19 section from the state school aid fund.

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

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

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

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

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

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

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

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

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

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

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

24 Sec. 11g. (1) From the appropriation in section 11, there is allocated for this
25 section an amount not to exceed \$39,000,000.00 for the fiscal year ending ~~September 30, 2012~~
26 **SEPTEMBER 30, 2013** and for each succeeding fiscal year through the fiscal year ending
27 September 30, 2015, after which these payments will cease. These allocations are for paying
28 the amounts described in subsection (3) to districts and intermediate districts, other than
29 those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the
30 consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no.
31 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver
32 resolution described in section 11f. The amounts paid under this section represent offers of

1 settlement and compromise of any claim or claims that were or could have been asserted by
2 these districts and intermediate districts, as described in this section.

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

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

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

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

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

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

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

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

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

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

8 Sec. 11j. From the appropriation in section 11, there is allocated an amount not to
9 exceed ~~\$2,837,800.00 for 2010-2011 and an amount not to exceed \$93,575,300.00~~ **\$120,390,000.00**
10 for ~~2011-2012~~ **2012-2013 AND AN AMOUNT NOT TO EXCEED \$131,660,000.00 FOR 2013-2014** for
11 payments to the school loan bond redemption fund in the department of treasury on behalf of
12 districts and intermediate districts. Notwithstanding section 11 or any other provision of
13 this act, funds allocated under this section are not subject to proration and shall be paid
14 in full.

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

20 Sec. 11m. From the appropriations in section 11, there is allocated for ~~2010-2011~~
21 **2012-2013** an amount not to exceed ~~\$6,847,000.00~~ **\$10,000,000.00** and there is allocated for
22 ~~2011-2012~~ **2013-2014** an amount not to exceed \$20,000,000.00 for fiscal year cash-flow
23 borrowing costs solely related to the state school aid fund established by section 11 of
24 article IX of the state constitution of 1963.

25 Sec. 15. (1) If a district or intermediate district fails to receive its proper
26 apportionment, the department, upon satisfactory proof that the district or intermediate
27 district was entitled justly, shall apportion the deficiency in the next apportionment.
28 Subject to subsections (2) and (3), if a district or intermediate district has received more
29 than its proper apportionment, the department, upon satisfactory proof, shall deduct the
30 excess in the next apportionment. Notwithstanding any other provision in this article, state
31 aid overpayments to a district, other than overpayments in payments for special education or
32 special education transportation, may be recovered from any payment made under this article

1 other than a special education or special education transportation payment. State aid
2 overpayments made in special education or special education transportation payments may be
3 recovered from subsequent special education or special education transportation payments.

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

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

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

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

27 Sec. 18. (1) Except as provided in another section of this article, each district or
28 other entity shall apply the money received by the district or entity under this article to
29 salaries and other compensation of teachers and other employees, tuition, transportation,
30 lighting, heating, ventilation, water service, the purchase of textbooks ~~which are designated~~
31 ~~by the board to be used in the schools under the board's charge~~, other supplies, and any
32 other school operating expenditures defined in section 7. However, not more than 20% of the

1 total amount received by a district or intermediate district under this article may be
2 transferred by the board to either the capital projects fund or to the debt retirement fund
3 for debt service. The money shall not be applied or taken for a purpose other than as
4 provided in this section. The department shall determine the reasonableness of expenditures
5 and may withhold from a recipient of funds under this article the apportionment otherwise due
6 upon a violation by the recipient.

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

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

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

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

17 (A) Salaries and wages.

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

20 (C) Retirement benefit costs.

21 (D) All other personnel costs.

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

23 (A) Instruction.

24 (B) Support services.

25 (C) Business and administration.

26 (D) Operations and maintenance.

27 (c) Links to all of the following:

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

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

32 (iii) The audit report of the audit conducted under subsection (4) for the most recent

1 fiscal year for which it is available.

2 (iv) The bids required under section 5 of the public employee health benefits act,
3 2007 PA 106, MCL 124.75.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the required level of detail consistent with the manual as part of the comprehensive annual
2 financial report.

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

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

9 (8) The department shall review its pupil accounting and pupil auditing manuals at
10 least annually and shall periodically update those manuals to reflect changes in this
11 article.

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

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

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

30 Sec. 19. (1) A district or intermediate district shall comply with all applicable
31 reporting requirements specified in state and federal law. Data provided to the center, in a
32 form and manner prescribed by the center, shall be aggregated and disaggregated as required

1 by state and federal law. In addition, a district or intermediate district shall cooperate
2 with all measures taken by the center to ~~comply with the provisions of the American recovery~~
3 ~~and reinvestment act of 2009, Public Law 111-5, requiring the establishment of a statewide~~
4 **ESTABLISH AND MAINTAIN A** P-20 longitudinal data system.

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

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

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

21 (5) If a district or intermediate district fails to meet the requirements of this
22 section, the department shall withhold 5% of the total funds for which the district or
23 intermediate district qualifies under this ~~act~~ **ARTICLE** until the district or intermediate
24 district complies with all of those subsections. If the district or intermediate district
25 does not comply with all of those subsections by the end of the fiscal year, the department
26 shall place the amount withheld in an escrow account until the district or intermediate
27 district complies with all of those subsections.

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

1 Sec. 20. (1) For ~~2011-2012~~, **2012-2013 AND 2013-2014**, the basic foundation allowance is
2 \$8,019.00.

3 (2) The amount of each district's foundation allowance shall be calculated as provided
4 in this section, using a basic foundation allowance in the amount specified in subsection
5 (1).

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

9 (a) For a district that had a foundation allowance for the immediately preceding state
10 fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of
11 all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the
12 lowest foundation allowance among all districts, but less than the basic foundation allowance
13 for the immediately preceding state fiscal year, the district shall receive a foundation
14 allowance in an amount equal to the sum of the district's foundation allowance for the
15 immediately preceding state fiscal year plus the difference between twice the dollar amount
16 of the adjustment from the immediately preceding state fiscal year to the current state
17 fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment
18 from the immediately preceding state fiscal year to the current state fiscal year made in the
19 basic foundation allowance minus \$20.00) times (the difference between the district's
20 foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00
21 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately
22 preceding state fiscal year in the lowest foundation allowance among all districts) divided
23 by the difference between the basic foundation allowance for the current state fiscal year
24 and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007
25 to the immediately preceding state fiscal year in the lowest foundation allowance among all
26 districts]. For ~~2011-2012~~, **2012-2013 AND 2013-2014**, for a district that had a foundation
27 allowance for the immediately preceding state fiscal year that was at least equal to the sum
28 of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the
29 immediately preceding state fiscal year in the lowest foundation allowance among all
30 districts, but less than the basic foundation allowance for the immediately preceding state
31 fiscal year, the district shall receive a foundation allowance in an amount equal to the
32 district's foundation allowance for ~~2010-2011, minus \$470.00~~ **THE IMMEDIATELY PRECEDING STATE**

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

4 (b) Except as otherwise provided in this subsection, for a district that in the
5 immediately preceding state fiscal year had a foundation allowance in an amount at least
6 equal to the amount of the basic foundation allowance for the immediately preceding state
7 fiscal year, the district shall receive a foundation allowance for ~~2011-2012~~ **2012-2013 AND**
8 **2013-2014** in an amount equal to the district's foundation allowance for ~~2010-2011, minus~~
9 ~~\$470.00~~ **THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.**

10 (c) Except as otherwise provided in subdivision (d), for a district that in the 1994-
11 95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's
12 foundation allowance is an amount equal to the sum of the district's foundation allowance for
13 the immediately preceding state fiscal year plus the lesser of the increase in the basic
14 foundation allowance for the current state fiscal year, as compared to the immediately
15 preceding state fiscal year, or the product of the district's foundation allowance for the
16 immediately preceding state fiscal year times the percentage increase in the United States
17 consumer price index in the calendar year ending in the immediately preceding fiscal year as
18 reported by the May revenue estimating conference conducted under section 367b of the
19 management and budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided in
20 subdivision (d), for ~~2011-2012, 2012-2013 AND 2013-2014~~, for a district that in the 1994-1995
21 state fiscal year had a foundation allowance greater than \$6,500.00, the district's
22 foundation allowance is an amount equal to the district's foundation allowance for the ~~2010-~~
23 ~~2011 fiscal year minus \$470.00~~ **IMMEDIATELY PRECEDING STATE FISCAL YEAR.**

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

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

31 (f) For a district that received a payment under section 22c as that section was in
32 effect for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to

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

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

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

31 (5) The allocation calculated under this section for a pupil shall be based on the
32 foundation allowance of the pupil's district of residence. ~~However, for a pupil enrolled in a~~

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

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

31 (7) ~~If more than 25% of the pupils residing within a district are in membership in 1~~
32 ~~or more public school academies located in the district, then the amount per membership pupil~~

1 ~~calculated under this section for a public school academy located in the district shall be~~
2 ~~reduced by an amount equal to the difference between the sum of the product of the taxable~~
3 ~~value per membership pupil of all property in the district that is nonexempt property times~~
4 ~~the district's certified mills and, for a district with certified mills exceeding 12, the~~
5 ~~product of the taxable value per membership pupil of property in the district that is~~
6 ~~commercial personal property times the certified mills minus 12 mills and the quotient of the~~
7 ~~ad valorem property tax revenue of the district captured under tax increment financing acts~~
8 ~~divided by the district's membership excluding special education pupils, in the school fiscal~~
9 ~~year ending in the current state fiscal year, calculated as if the resident pupils in~~
10 ~~membership in 1 or more public school academies located in the district were in membership in~~
11 ~~the district. In order to receive state school aid under this article, a district described~~
12 ~~in this subsection shall pay to the authorizing body that is the fiscal agent for a public~~
13 ~~school academy located in the district for forwarding to the public school academy an amount~~
14 ~~equal to that local school operating revenue per membership pupil for each resident pupil in~~
15 ~~membership other than special education pupils in the public school academy, as determined by~~
16 ~~the department.~~

17 **(7) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR PUPILS ATTENDING AN**
18 **ACHIEVEMENT SCHOOL AND IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT SYSTEM, OTHER THAN SPECIAL**
19 **EDUCATION PUPILS, THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP**
20 **PUPIL OTHER THAN SPECIAL EDUCATION PUPILS WITHIN THE EDUCATION ACHIEVEMENT SYSTEM ATTENDING**
21 **AN ACHIEVEMENT SCHOOL EQUAL TO THE FOUNDATION ALLOWANCE OF THE SCHOOL DISTRICT IN WHICH THE**
22 **ACHIEVEMENT SCHOOL IS LOCATED. NOTWITHSTANDING SECTION 101, FOR AN ACHIEVEMENT SCHOOL THAT**
23 **BEGINS OPERATION AFTER THE PUPIL MEMBERSHIP COUNT DAY, THE AMOUNT PER MEMBERSHIP PUPIL**
24 **CALCULATED UNDER THIS SUBSECTION SHALL BE ADJUSTED BY MULTIPLYING THAT AMOUNT PER MEMBERSHIP**
25 **PUPIL BY THE NUMBER OF HOURS OF PUPIL INSTRUCTION PROVIDED BY THE ACHIEVEMENT SCHOOL AFTER IT**
26 **BEGINS OPERATIONS, AS DETERMINED BY THE DEPARTMENT, DIVIDED BY THE MINIMUM NUMBER OF HOURS OF**
27 **PUPIL INSTRUCTION REQUIRED UNDER SECTION 101(3). THE RESULT OF THIS CALCULATION SHALL NOT**
28 **EXCEED THE AMOUNT PER MEMBERSHIP PUPIL OTHERWISE CALCULATED UNDER THIS SUBSECTION. THE**
29 **EDUCATION ACHIEVEMENT SYSTEM INCLUDES ALL PUBLIC SCHOOLS TRANSFERRED TO THE STATE SCHOOL**
30 **REFORM/REDESIGN DISTRICT OR THE AUTHORITY UNDER SECTION 1280C OF THE REVISED SCHOOL CODE.**
31 **PUPILS ATTENDING AN ACHIEVEMENT SCHOOL TRANSFERRED TO THE STATE SCHOOL REFORM/REDESIGN**
32 **DISTRICT OR THE AUTHORITY ARE IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT SYSTEM AND NOT IN**

1 **MEMBERSHIP IN THE DISTRICT THAT OPERATED THE SCHOOL BEFORE THE TRANSFER.**

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

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

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

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

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

27 (b) The revenue adjustment factor shall be computed by dividing the sum of the
28 estimated total state school aid fund revenue for the subsequent state fiscal year plus the
29 estimated total state school aid fund revenue for the current state fiscal year, adjusted for
30 any change in the rate or base of a tax the proceeds of which are deposited in that fund and
31 excluding money transferred into that fund from the countercyclical budget and economic
32 stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594,

1 by the sum of the estimated total school aid fund revenue for the current state fiscal year
2 plus the estimated total state school aid fund revenue for the immediately preceding state
3 fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are
4 deposited in that fund. If a consensus revenue factor is not determined at the revenue
5 estimating conference, the principals of the revenue estimating conference shall report their
6 estimates to the house and senate subcommittees responsible for school aid appropriations not
7 later than 7 days after the conclusion of the revenue conference.

8 (c) The index shall be calculated by multiplying the pupil membership factor by the
9 revenue adjustment factor. However, for ~~2011-2012~~, **2012-2013 AND 2013-2014**, the index shall
10 be ~~0.93575~~ **1.00**. If a consensus index is not determined at the revenue estimating conference,
11 the principals of the revenue estimating conference shall report their estimates to the house
12 and senate subcommittees responsible for school aid appropriations not later than 7 days
13 after the conclusion of the revenue conference.

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

19 **(12)** ~~(13)~~ For a district in which 7.75 mills levied in 1992 for school operating
20 purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in
21 the 1993-94 school year, the district's combined state and local revenue per membership pupil
22 shall be recalculated as if that millage reduction did not occur and the district's
23 foundation allowance shall be calculated as if its 1994-95 foundation allowance had been
24 calculated using that recalculated 1993-94 combined state and local revenue per membership
25 pupil as a base. A district is not entitled to any retroactive payments for fiscal years
26 before 2000-2001 due to this subsection. A district receiving an adjustment under this
27 subsection shall not receive as a result of this adjustment an amount that exceeds 50% of the
28 amount the district received as a result of this adjustment for 2010-2011. This adjustment
29 shall not be made after 2011-2012.

30 **(13)** ~~(14)~~ For a district in which an industrial facilities exemption certificate that
31 abated taxes on property with a state equalized valuation greater than the total state
32 equalized valuation of the district at the time the certificate was issued or

1 \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572,
2 before the calculation of the district's 1994-95 foundation allowance, the district's
3 foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation
4 allowance for 2002-2003, as otherwise calculated under this section, plus \$250.00. A district
5 receiving an adjustment under this subsection shall not receive as a result of this
6 adjustment an amount that exceeds 50% of the amount the district received as a result of this
7 adjustment for 2010-2011. This adjustment shall not be made after 2011-2012.

8 (14) ~~(15)~~ For a district that received a grant under former section 32e for 2001-2002,
9 the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be
10 adjusted to be an amount equal to the sum of the district's foundation allowance, as
11 otherwise calculated under this section, plus the quotient of 100% of the amount of the grant
12 award to the district for 2001-2002 under former section 32e divided by the number of pupils
13 in the district's membership for 2001-2002 who were residents of and enrolled in the
14 district. Except as otherwise provided in this subsection, a district qualifying for a
15 foundation allowance adjustment under this subsection shall use the funds resulting from this
16 adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as
17 in effect for 2001-2002, and may also use these funds for an early intervening program
18 described in subsection (20). For an individual school or schools operated by a district
19 qualifying for a foundation allowance under this subsection that have been determined by the
20 department to meet the adequate yearly progress standards of the federal no child left behind
21 act of 2001, Public Law 107-110, in both mathematics and English language arts at all
22 applicable grade levels for all applicable subgroups, the district may submit to the
23 department an application for flexibility in using the funds resulting from this adjustment
24 that are attributable to the pupils in the school or schools. The application shall identify
25 the affected school or schools and the affected funds and shall contain a plan for using the
26 funds for specific purposes identified by the district that are designed to reduce class
27 size, but that may be different from the purposes otherwise allowable under this subsection.
28 The department shall approve the application if the department determines that the purposes
29 identified in the plan are reasonably designed to reduce class size. If the department does
30 not act to approve or disapprove an application within 30 days after it is submitted to the
31 department, the application is considered to be approved. If an application for flexibility
32 in using the funds is approved, the district may use the funds identified in the application

1 for any purpose identified in the plan. A district receiving an adjustment under this
2 subsection shall not receive as a result of this adjustment an amount that exceeds 68.5% of
3 the amount the district received as a result of this adjustment for 2010-2011. This
4 adjustment shall not be made after 2011-2012.

5 (15) ~~(16)~~ For a district that levied 1.9 mills in 1993 to finance an operating
6 deficit, the district's foundation allowance shall be calculated as if those mills were
7 included as operating mills in the calculation of the district's 1994-1995 foundation
8 allowance. A district is not entitled to any retroactive payments for fiscal years before
9 2006-2007 due to this subsection. A district receiving an adjustment under this subsection
10 shall not receive more than \$800,000.00 for a fiscal year as a result of this adjustment. A
11 district receiving an adjustment under this subsection shall not receive as a result of this
12 adjustment an amount that exceeds 50% of the amount the district received as a result of this
13 adjustment for 2010-2011. This adjustment shall not be made after 2011-2012.

14 (16) ~~(17)~~ For a district that levied 2.23 mills in 1993 to finance an operating
15 deficit, the district's foundation allowance shall be calculated as if those mills were
16 included as operating mills in the calculation of the district's 1994-1995 foundation
17 allowance. A district is not entitled to any retroactive payments for fiscal years before
18 2006-2007 due to this subsection. A district receiving an adjustment under this subsection
19 shall not receive more than \$500,000.00 for a fiscal year as a result of this adjustment. A
20 district receiving an adjustment under this subsection shall not receive as a result of this
21 adjustment an amount that exceeds 50% of the amount the district received as a result of this
22 adjustment for 2010-2011. This adjustment shall not be made after 2011-2012.

23 (17) ~~(18)~~ Payments to districts, ~~university schools, or~~ public school academies, **OR**
24 **THE EDUCATION ACHIEVEMENT SYSTEM** shall not be made under this section. Rather, the
25 calculations under this section shall be used to determine the amount of state payments under
26 section 22b.

27 (18) ~~(19)~~ If an amendment to section 2 of article VIII of the state constitution of
28 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this
29 state, each foundation allowance or per pupil payment calculation under this section may be
30 reduced.

31 (19) ~~(20)~~ As used in this section:

32 (a) "Certified mills" means the lesser of 18 mills or the number of mills of school

1 operating taxes levied by the district in 1993-94.

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

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

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

10 (e) "Immediately preceding state fiscal year" means the state fiscal year immediately
11 preceding the current state fiscal year.

12 (f) "Local school operating revenue" means school operating taxes levied under section
13 1211 of the revised school code, MCL 380.1211.

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

17 (h) "Maximum public school academy allocation", except as otherwise provided in this
18 subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-
19 pupil allocation among all public school academies for the immediately preceding state fiscal
20 year plus the difference between twice the dollar amount of the adjustment from the
21 immediately preceding state fiscal year to the current state fiscal year made in the basic
22 foundation allowance and [(the dollar amount of the adjustment from the immediately preceding
23 state fiscal year to the current state fiscal year made in the basic foundation allowance
24 minus \$20.00) times (the difference between the highest per-pupil allocation among all public
25 school academies for the immediately preceding state fiscal year and the sum of \$7,108.00
26 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately
27 preceding state fiscal year in the lowest per-pupil allocation among all public school
28 academies) divided by the difference between the basic foundation allowance for the current
29 state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments
30 made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil
31 allocation among all public school academies]. For ~~2011-2012~~, **2012-2013 AND 2013-2014**,
32 maximum public school academy allocation means \$7,110.00.

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

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

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

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

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

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

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

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

28 (a) For a district that had combined state and local revenue per membership pupil in
29 the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state
30 board designated area vocational education center in the 1993-94 school year, total state
31 school aid received by or paid on behalf of the district pursuant to this act in 1993-94
32 shall exclude payments made under former section 146 and under section 147 on behalf of the

1 district's employees who provided direct services to the area vocational education center.
2 Not later than June 30, 1996, the department shall make an adjustment under this subdivision
3 to the district's combined state and local revenue per membership pupil in the 1994-95 state
4 fiscal year and the department of treasury shall make a final certification of the number of
5 mills that may be levied by the district under section 1211 of the revised school code, MCL
6 380.1211, as a result of the adjustment under this subdivision.

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

19 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not
20 to exceed ~~\$5,831,273,900.00~~ **\$5,707,000,000.00** for ~~2010-2011~~ **2012-2013** and an amount not to
21 exceed ~~\$5,691,000,000.00~~ **\$5,592,000,000.00** for ~~2011-2012~~ **2013-2014** for payments to districts,
22 ~~qualifying university schools,~~ and qualifying public school academies to guarantee each
23 district, ~~qualifying university school,~~ and qualifying public school academy an amount equal
24 to its 1994-95 total state and local per pupil revenue for school operating purposes under
25 section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article
26 IX of the state constitution of 1963, this guarantee does not apply to a district in a year
27 in which the district levies a millage rate for school district operating purposes less than
28 it levied in 1994. However, subsection (2) applies to calculating the payments under this
29 section. Funds allocated under this section that are not expended in the state fiscal year
30 for which they were allocated, as determined by the department, may be used to supplement the
31 allocations under sections 22b and 51c in order to fully fund those calculated allocations
32 for the same fiscal year.

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

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

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

29 (3) Beginning in 2003-2004, for pupils in membership in a qualifying public school
30 academy ~~or qualifying university school~~, there is allocated under this section to the
31 authorizing body that is the fiscal agent for the qualifying public school academy for
32 forwarding to the qualifying public school academy, ~~or to the board of the public university~~

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

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

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

18 (6) As used in this section:

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

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

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

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

29 (e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance
30 greater than \$6,500.00, the number of mills by which the exemption from the levy of school
31 operating taxes on a homestead, qualified agricultural property, qualified forest property,
32 supportive housing property, industrial personal property, and commercial personal property

1 could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and
2 the number of mills of school operating taxes that could be levied on all property as
3 provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the
4 department of treasury for the 1994 tax year.

5 (f) "Homestead", "qualified agricultural property", "qualified forest property",
6 "supportive housing property", "industrial personal property", and "commercial personal
7 property" mean those terms as defined in section 1211 of the revised school code, MCL
8 380.1211.

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

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

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

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

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

21 (K) ~~(l)~~ "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681,
22 the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
23 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor
25 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

28 (i) For the number of mills by which the exemption from the levy of school operating
29 taxes on a homestead, qualified agricultural property, qualified forest property, supportive
30 housing property, industrial personal property, and commercial personal property may be
31 reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable
32 value of homestead, qualified agricultural property, qualified forest property, supportive

1 housing property, industrial personal property, and commercial personal property for the
2 calendar year ending in the current state fiscal year.

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

6 Sec. 22b. (1) From the state funds appropriated in section 11, there is allocated for
7 ~~2010-2011~~ **2012-2013** an amount not to exceed ~~\$3,551,097,700.00~~ **\$3,027,000,000.00** and there is
8 allocated for ~~2011-2012~~ **2013-2014** an amount not to exceed ~~\$3,032,300,000.00~~ **\$3,106,000,000.00**
9 for discretionary nonmandated payments to districts under this section. Funds allocated under
10 this section that are not expended in the state fiscal year for which they were allocated, as
11 determined by the department, may be used to supplement the allocations under sections 22a
12 and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

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

24 **(3)** ~~(4)~~ In order to receive an allocation under subsection (1), each district shall do
25 all of the following:

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

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

1 380.1278b.

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

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

6 **(4)** ~~(5)~~ Districts are encouraged to use funds allocated under this section for the
7 purchase and support of payroll, human resources, and other business function software that
8 is compatible with that of the intermediate district in which the district is located and
9 with other districts located within that intermediate district.

10 **(5)** ~~(6)~~ From the allocation in subsection (1), the department shall pay up to
11 \$1,000,000.00 in litigation costs incurred by this state related to commercial or industrial
12 property tax appeals, including, but not limited to, appeals of classification, that impact
13 revenues dedicated to the state school aid fund.

14 **(6)** ~~(7)~~ From the allocation in subsection (1), the department shall pay up to
15 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1
16 or more districts or intermediate districts against this state. If the allocation under this
17 section is insufficient to fully fund all payments required under this section, the payments
18 under this subsection shall be made in full before any proration of remaining payments under
19 this section.

20 **(7)** ~~(8)~~ It is the intent of the legislature that all constitutional obligations of
21 this state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is
22 made by an entity receiving funds under this article that challenges the legislative
23 determination of the adequacy of this funding or alleges that there exists an unfunded
24 constitutional requirement, the state budget director may escrow or allocate from the
25 discretionary funds for nonmandated payments under this section the amount as may be
26 necessary to satisfy the claim before making any payments to districts under subsection (3).
27 If funds are escrowed, the escrowed funds are a work project appropriation and the funds are
28 carried forward into the following fiscal year. The purpose of the work project is to provide
29 for any payments that may be awarded to districts as a result of litigation. The work project
30 shall be completed upon resolution of the litigation.

31 **(8)** ~~(9)~~ If the local claims review board or a court of competent jurisdiction makes a
32 final determination that this state is in violation of section 29 of article IX of the state

1 constitution of 1963 regarding state payments to districts, the state budget director shall
2 use work project funds under subsection ~~(9)~~ (7) or allocate from the discretionary funds for
3 nonmandated payments under this section the amount as may be necessary to satisfy the amount
4 owed to districts before making any payments to districts under subsection ~~(3)~~ (2).

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

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

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

29 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed
30 \$2,025,000.00 is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-13 AND 2013-2014** for
31 supplemental payments to rural districts under this section.

32 (2) From the allocation under subsection (1), there is allocated **EACH FISCAL YEAR** for

1 ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$750,000.00 for payments under this
2 subsection to districts that meet all of the following:

3 (a) Operates grades K to 12.

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

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

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

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

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

22 (4) Subject to subsection (6), from the allocation in subsection (1), there is
23 allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed
24 \$1,275,000.00 for payments under this subsection to districts that meet all of the following:

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

27 (b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts
28 that have consolidated transportation services and have a combined total square mileage
29 greater than 200.0.

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

32 (6) A district receiving funds allocated under subsection (2) is not eligible for

1 funding allocated under subsection (4).

2 Sec. 22f. (1) From the appropriation in section 11, there is allocated for ~~2011-2012~~
3 ~~only 2012-2013~~ an amount not to exceed ~~\$154,000,000.00~~ \$190,000,000.00 AND FOR 2013-2014
4 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000,000.00** to provide incentive payments to
5 districts that meet ~~financial~~ **SEPARATE STUDENT ACADEMIC PERFORMANCE FUNDING GOALS AND** best
6 practices under this section. ~~The money allocated~~ **OF THE FUNDS ALLOCATED FOR FISCAL YEAR**
7 **2012-2013** in this section, **AN AMOUNT OF \$140,000,000.00 IS FOR ONE-TIME PAYMENTS AND**
8 represents a portion of the year-end state school aid fund balance for ~~2010-2011~~ 2011-2012.
9 **PAYMENTS RECEIVED UNDER THIS SECTION MAY BE USED FOR ANY PURPOSE FOR WHICH PAYMENTS UNDER**
10 **SECTIONS 22A AND 22B ARE USED.**

11 (2) The amount of the incentive payment **FOR STUDENT ACADEMIC PERFORMANCE** is ~~an amount~~
12 ~~equal to~~ **A MAXIMUM OF \$100.00** per pupil. **PAYMENTS CALCULATED AND AWARDED TO QUALIFYING**
13 **DISTRICTS UNDER SUBSECTIONS (3) TO (5) SHALL BE CALCULATED AND AWARDED SEPARATELY AND A**
14 **DISTRICT MAY RECEIVE A PAYMENT UNDER ANY OR ALL OF SUBSECTIONS (3) TO (5).**

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

21 (A) **USING THE STATE'S GROWTH MODEL AS DETERMINED BY THE DEPARTMENT, WHICH INCORPORATES**
22 **THE MOST RECENT CUT SCORES ADOPTED FOR THE MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM FOR EACH**
23 **PUPIL IN GRADES 3 TO 8 IN THE 2011-2012 SCHOOL YEAR, THE DEPARTMENT SHALL CALCULATE A POINT**
24 **SCORE USING A METRIC THAT ASSIGNS POINTS TO EACH OF THOSE PUPILS AS FOLLOWS:**

25 (I) **FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN**
26 **MATHEMATICS AND WHO DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE**
27 **SCHOOL YEAR, 0 POINTS.**

28 (II) **FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN MATHEMATICS**
29 **AND DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR, 0**
30 **POINTS.**

31 (III) **FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN**
32 **MATHEMATICS AND WHO MAINTAINS HIS OR HER LEVEL OF PROFICIENCY, AS DEFINED BY THE STATE'S**

1 GROWTH MODEL, OVER THE SCHOOL YEAR, 1 POINT.

2 (IV) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN MATHEMATICS
3 AND WHO MAINTAINS HIS OR HER LEVEL OF PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL,
4 OVER THE SCHOOL YEAR, 2 POINTS.

5 (V) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN
6 MATHEMATICS AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE
7 SCHOOL YEAR, 3 POINTS.

8 (VI) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN MATHEMATICS
9 AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL
10 YEAR, 2 POINTS.

11 (B) THE DEPARTMENT SHALL THEN CALCULATE A DISTRICT AVERAGE FOR THIS METRIC FOR THE
12 2011-2012 SCHOOL YEAR BY TOTALING THE NUMBER OF POINTS FOR ALL PUPILS IN GRADES 3 TO 8 UNDER
13 SUBDIVISION (A) AND DIVIDING THAT TOTAL BY THE NUMBER OF THOSE PUPILS.

14 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER THIS SUBSECTION IF THE
15 DISTRICT AVERAGE FOR THE 2011-2012 SCHOOL YEAR UNDER SUBDIVISION (B) IS AT LEAST EQUAL TO A
16 FACTOR OF 1.5, AND THE DISTRICT TESTED AT LEAST 95% OF ITS STUDENTS IN MATHEMATICS, AND THE
17 DISTRICT HAD AT LEAST 30 FULL ACADEMIC YEAR STUDENTS IN GRADE 3 TO 8 MATHEMATICS WITH A
18 PERFORMANCE LEVEL CHANGE DESIGNATION.

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

25 (A) USING THE STATE'S GROWTH MODEL AS DETERMINED BY THE DEPARTMENT, WHICH INCORPORATES
26 THE MOST RECENT CUT SCORES ADOPTED FOR THE MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM FOR EACH
27 PUPIL IN GRADES 3 TO 8 IN THE 2011-2012 SCHOOL YEAR, THE DEPARTMENT SHALL CALCULATE A POINT
28 SCORE USING A METRIC THAT ASSIGNS POINTS TO EACH OF THOSE PUPILS AS FOLLOWS:

29 (I) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN READING
30 AND WHO DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL
31 YEAR, 0 POINTS.

32 (II) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN READING AND

1 DECLINES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR, 0
2 POINTS.

3 (III) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN READING
4 AND WHO MAINTAINS PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR,
5 1 POINT.

6 (IV) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN READING AND
7 WHO MAINTAINS PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR, 2
8 POINTS.

9 (V) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR NOT PERFORMING PROFICIENTLY IN READING
10 AND WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL
11 YEAR, 3 POINTS.

12 (VI) FOR EACH PUPIL WHO BEGAN THE SCHOOL YEAR PERFORMING PROFICIENTLY IN READING AND
13 WHO IMPROVES IN PROFICIENCY, AS DEFINED BY THE STATE'S GROWTH MODEL, OVER THE SCHOOL YEAR, 2
14 POINTS.

15 (B) THE DEPARTMENT SHALL THEN CALCULATE A DISTRICT AVERAGE FOR THIS METRIC FOR THE
16 2011-2012 SCHOOL YEAR BY TOTALING THE NUMBER OF POINTS FOR ALL PUPILS IN GRADES 3 TO 8 UNDER
17 SUBDIVISION (A) AND DIVIDING THAT TOTAL BY THE NUMBER OF THOSE PUPILS.

18 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER THIS SUBSECTION IF THE
19 DISTRICT AVERAGE FOR THE 2011-2012 SCHOOL YEAR UNDER SUBDIVISION (B) IS AT LEAST EQUAL TO A
20 FACTOR OF 1.5, AND THE DISTRICT TESTED AT LEAST 95% OF ITS STUDENTS IN READING, AND THE
21 DISTRICT HAD AT LEAST 30 FULL ACADEMIC YEAR STUDENTS IN GRADE 3 TO 8 READING WITH A
22 PERFORMANCE LEVEL CHANGE DESIGNATION.

23 (5) AN AMOUNT NOT TO EXCEED 40% OF THE MAXIMUM PER PUPIL AMOUNT ALLOCATED UNDER
24 SUBSECTION (2) SHALL BE USED TO MAKE PERFORMANCE INCENTIVE PAYMENTS TO QUALIFYING DISTRICTS
25 UNDER THIS SUBSECTION FOR HIGH SCHOOL IMPROVEMENT USING A METRIC BASED ON THE POSITIVE TREND
26 OVER A 4-YEAR PERIOD IN THE PERCENTAGE OF HIGH SCHOOL PUPILS IN THE DISTRICT TESTING AS
27 PROFICIENT IN ALL TESTED SUBJECT AREAS ON THE STATE ASSESSMENTS OF HIGH SCHOOL PUPILS. THE
28 AMOUNT OF A PAYMENT UNDER THIS SUBSECTION IS AN AMOUNT EQUAL TO \$40.00 PER PUPIL FOR ALL
29 PUPILS IN MEMBERSHIP IN THE DISTRICT. THE DEPARTMENT SHALL DETERMINE THE QUALIFYING DISTRICTS
30 UNDER THIS SUBSECTION AS FOLLOWS:

31 (A) CALCULATE A LINEAR REGRESSION OF THE PERCENTAGE OF HIGH SCHOOL PUPILS IN THE
32 DISTRICT TESTING AS PROFICIENT IN ALL TESTED SUBJECT AREAS ON STATE ASSESSMENTS OF HIGH

1 SCHOOL PUPILS ON SCHOOL YEAR OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012 SCHOOL YEAR AS
2 ADJUSTED FOR CHANGES IN CUT SCORES MOST RECENTLY ADOPTED FOR THE MICHIGAN MERIT EXAMINATION.

3 (B) CALCULATE A STATEWIDE AVERAGE FOR ALL DISTRICTS OPERATING A HIGH SCHOOL OF THE
4 LINEAR REGRESSION OF THE PERCENTAGE OF HIGH SCHOOL PUPILS TESTING AS PROFICIENT IN ALL TESTED
5 SUBJECT AREAS ON STATE ASSESSMENTS OF HIGH SCHOOL PUPILS ON SCHOOL YEAR OVER THE 4-YEAR
6 PERIOD ENDING WITH THE 2011-2012 SCHOOL YEAR, AS ADJUSTED FOR CHANGES IN CUT SCORES MOST
7 RECENTLY ADOPTED FOR THE MICHIGAN MERIT EXAMINATION AS THE BASE YEAR FOR ALL COMPARISONS.

8 (C) A DISTRICT IS A QUALIFYING DISTRICT FOR THE PAYMENT UNDER THIS SUBSECTION IF THE
9 DISTRICT'S LINEAR REGRESSION OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012 SCHOOL YEAR
10 UNDER SUBDIVISION (A) IS AT LEAST EQUAL TO THE STATEWIDE AVERAGE LINEAR REGRESSION OVER THE
11 4-YEAR PERIOD ENDING WITH THE BASE YEAR UNDER SUBDIVISION (B), AND THE DISTRICT'S LINEAR
12 REGRESSION OVER THE 4-YEAR PERIOD ENDING WITH THE 2011-2012 SCHOOL YEAR UNDER SUBDIVISION (A)
13 IS POSITIVE, AND THE DISTRICT TESTED 95% OF HIGH SCHOOL STUDENTS IN EACH TESTED SUBJECT ON
14 THE MICHIGAN MERIT EXAMINATION, AND THE DISTRICT HAD AT LEAST 20 FULL ACADEMIC YEAR STUDENTS
15 TAKE ALL TESTED SUBJECTS ON THE MICHIGAN MERIT EXAMINATION OVER EACH OF THE MOST RECENT FOUR
16 YEARS.

17 (6) FUNDS ALLOCATED IN SUBSECTION (1) THAT REMAIN AFTER THE PERFORMANCE INCENTIVE
18 PAYMENT CALCULATIONS UNDER SUBSECTIONS (3) TO (5) SHALL BE USED FOR PER PUPIL PAYMENTS TO
19 DISTRICTS THAT MEET BEST PRACTICES UNDER THIS SUBSECTION. THE TOTAL AMOUNT OF FUNDS ALLOCATED
20 UNDER SUBSECTION (1) AVAILABLE FOR ALLOCATION UNDER THIS SUBSECTION SHALL BE DISTRIBUTED TO
21 ALL ELIGIBLE DISTRICTS ON AN EQUAL PER MEMBERSHIP PUPIL BASIS AS DETERMINED BY THE
22 DEPARTMENT. A district shall receive an incentive payment under this ~~section~~ SUBSECTION if
23 the district satisfies at least ~~4~~ 5 of the following requirements not later than June 1,
24 ~~2012~~ 2013:

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

30 (A) ~~(b)~~ If a district provides medical, pharmacy, dental, vision, disability, long-
31 term care, or any other type of benefit that would constitute a health care services benefit,
32 to employees and their dependents, the district is the policyholder for each of its insurance

1 policies that covers 1 or more of these benefits. A district that does not directly employ
2 its staff is considered to have satisfied this requirement.

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

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

14 **(B) THE DISTRICT ACCEPTS APPLICATIONS FOR ENROLLMENT BY NONRESIDENT APPLICANTS UNDER
15 SECTION 105 OR 105C.**

16 **(C) THE DISTRICT MONITORS INDIVIDUAL STUDENT ACADEMIC GROWTH IN EACH SUBJECT AREA AT
17 LEAST TWICE DURING THE SCHOOL YEAR USING COMPETENCY-BASED ONLINE ASSESSMENTS AND REPORTS
18 THOSE RESULTS TO THE STUDENT AND THEIR PARENT OR GUARDIAN.**

19 **(D) THE DISTRICT SUPPORTS OPPORTUNITIES FOR STUDENTS TO RECEIVE POSTSECONDARY CREDIT
20 WHILE ATTENDING SECONDARY SCHOOL, BY DOING AT LEAST 1 OF THE FOLLOWING:**

21 **(I) SUPPORTS ATTENDANCE OF DISTRICT PUPILS UNDER THE POSTSECONDARY ENROLLMENT
22 OPERATIONS ACT, MCL 388.511 TO 388.524, OR UNDER THE CAREER AND TECHNICAL PREPARATION ACT,
23 MCL 388.1901 TO 388.1913 CONSISTENT WITH PROVISIONS UNDER SECTION 21B.**

24 **(II) OFFERS ADVANCED PLACEMENT CLASSES.**

25 **(III) PARTICIPATES IN A MIDDLE COLLEGE. FOR THE PURPOSES OF THIS SUBDIVISION, "MIDDLE
26 COLLEGE" MEANS A SERIES OF COURSES AND OTHER REQUIREMENTS AND CONDITIONS THAT ALLOW A PUPIL
27 TO GRADUATE WITH A HIGH SCHOOL DIPLOMA AND A CERTIFICATE OR DEGREE FROM A COMMUNITY COLLEGE
28 OR STATE PUBLIC UNIVERSITY.**

29 **(IV) PROVIDES OTHER OPPORTUNITIES TO PUPILS THAT ALLOW THOSE PUPILS TO GRADUATE WITH A
30 HIGH SCHOOL DIPLOMA AND ALSO COMPLETE COURSEWORK THAT A POSTSECONDARY INSTITUTION NORMALLY
31 APPLIES TOWARD SATISFACTION OF DEGREE REQUIREMENTS.**

32 **(V) IN ORDER TO SATISFY THE REQUIREMENT UNDER SUBDIVISION (D), DISTRICTS MUST MAKE ALL**

1 ELIGIBLE STUDENTS AND THEIR PARENTS OR GUARDIANS AWARE OF THESE OPPORTUNITIES.

2 (E) THE DISTRICT OFFERS ONLINE INSTRUCTIONAL PROGRAMS OR BLENDED LEARNING
3 OPPORTUNITIES TO ALL ELIGIBLE PUPILS. IN ORDER TO SATISFY THIS REQUIREMENT, DISTRICTS MUST
4 MAKE ALL ELIGIBLE STUDENTS AND THEIR PARENTS OR GUARDIANS AWARE OF THESE OPPORTUNITIES. FOR
5 THE PURPOSES OF THIS SUBDIVISION:

6 (I) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY MODEL WHERE STUDENTS ARE
7 PROVIDED FACE-TO-FACE INSTRUCTION, IN PART AT A SUPERVISED SCHOOL FACILITY AWAY FROM HOME AND
8 PARTIALLY THROUGH COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENTS WITH SOME
9 DEGREE OF STUDENT CONTROL OVER TIME, LOCATION AND PACE OF INSTRUCTION.

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

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

21 (i) Graduation and dropout rates.

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

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

24 (iv) Elementary and middle school MEAP scores.

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

27 (vi) General fund balance.

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

29 ~~(2) The department shall maintain the guidelines for the service consolidation plans
30 that were developed for former section 11d as it was in effect for 2010-2011. The guidelines
31 may identify, but are not limited to, allowable cost-sharing arrangements for the provision
32 of noninstructional and instructional services and the creation of joint operating agreements~~

1 ~~between and among districts, intermediate districts, and other units of local government. The~~
2 ~~department shall create benchmarks to measure success in implementing service consolidation~~
3 ~~plans, including, but not limited to, demonstrated cost reductions and efficiency. In~~
4 ~~determining eligibility for incentive payments, the department shall recognize service~~
5 ~~consolidation and cooperation and cost reductions already in effect as well as continued~~
6 ~~progress.~~

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

- 12 ~~(a) Employee only coverage.~~
- 13 ~~(b) Employee and spouse coverage.~~
- 14 ~~(c) Employee and children coverage.~~
- 15 ~~(d) Full family coverage.~~

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

19 ~~(7) (5) If the department determines that a district has intentionally submitted false~~
20 ~~information in order to qualify for an incentive payment under this section, the district~~
21 ~~forfeits an amount equal to the amount it received under this section from its total state~~
22 ~~school aid for 2012-2013 2013-2014.~~

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

27 **(2) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR REIMBURSEMENT OF TRANSITION**
28 **COSTS ASSOCIATED WITH THE CONSOLIDATION OF OPERATIONS OR SERVICES BETWEEN TWO OR MORE**
29 **DISTRICTS OR THE CONSOLIDATION OF DISTRICTS OR INTERMEDIATE DISTRICTS. GRANT FUNDING SHALL BE**
30 **AVAILABLE FOR CONSOLIDATIONS THAT OCCUR ON OR AFTER OCTOBER 1, 2012. THE DEPARTMENT SHALL**
31 **DEVELOP AN APPLICATION PROCESS AND METHOD OF GRANT DISTRIBUTION.**

32 **Sec. 24. (1) From the appropriation in section 11, there is allocated EACH FISCAL YEAR**

1 for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$8,000,000.00 for payments to
2 the educating district or intermediate district for educating pupils assigned by a court or
3 the department of human services to reside in or to attend a juvenile detention facility or
4 child caring institution licensed by the department of human services and approved by the
5 department to provide an on-grounds education program. The amount of the payment under this
6 section to a district or intermediate district shall be calculated as prescribed under
7 subsection (2).

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

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

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

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

1 intermediate district.

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

4 Sec. 24a. From the appropriation in section 11, there is allocated **EACH FISCAL YEAR** an
5 amount not to exceed ~~\$1,197,500.00~~ **\$2,135,800.00** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for
6 payments to intermediate districts for pupils who are placed in juvenile justice service
7 facilities operated by the department of human services. Each intermediate district shall
8 receive an amount equal to the state share of those costs that are clearly and directly
9 attributable to the educational programs for pupils placed in facilities described in this
10 section that are located within the intermediate district's boundaries. The intermediate
11 districts receiving payments under this section shall cooperate with the department of human
12 services to ensure that all funding allocated under this section is utilized by the
13 intermediate district and department of human services for educational programs for pupils
14 described in this section. Pupils described in this section are not eligible to be funded
15 under section 24. However, a program responsibility or other fiscal responsibility associated
16 with these pupils shall not be transferred from the department of human services to a
17 district or intermediate district unless the district or intermediate district consents to
18 the transfer.

19 Sec. 24c. From the appropriation in section 11, there is allocated **EACH FISCAL YEAR** an
20 amount not to exceed ~~\$742,300.00~~ **\$765,600.00** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for
21 payments to districts for pupils who are enrolled in a nationally administered community-
22 based education and youth mentoring program, known as the youth challenge program, that is
23 located within the district and is administered by the department of military and veterans
24 affairs. Both of the following apply to a district receiving payments under this section:

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

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

30 Sec. 25. (1) If a pupil is enrolled in an alternative education program operated by an
31 intermediate district or district for the purpose of educating pupils who have been expelled
32 from school or referred from the court, and if the pupil is counted in membership in another

1 intermediate district or district, the intermediate district or district operating the
2 alternative education program shall report the enrollment information to the department and
3 to the district in which the pupil is counted in membership, and the intermediate district or
4 district in which the pupil is counted in membership shall pay to the intermediate district
5 or district operating the alternative education program an amount equal to the amount of the
6 foundation allowance or per pupil payment as calculated under section 20 for the intermediate
7 district or district in which the pupil is counted in membership, prorated according to the
8 number of days of the school year ending in the fiscal year the pupil is educated in the
9 alternative education program compared to the number of days of the school year ending in the
10 fiscal year the pupil was actually enrolled in the intermediate district or district in which
11 the pupil is counted in membership. The foundation allowance or per pupil payment shall be
12 adjusted by the pupil's full-time equated status as affected by the membership definition
13 under section 6(4). If an intermediate district or district does not make the payment
14 required under this section within 30 days after receipt of the report, the department shall
15 calculate the amount owed, shall deduct that amount from the remaining state school aid
16 payments to the intermediate district or district for that fiscal year under this act, and
17 shall pay that amount to the intermediate district or district operating the alternative
18 education program. The intermediate district or district in which the pupil is counted in
19 membership and the intermediate district or district operating the alternative education
20 program shall provide to the department all information the department requires to enforce
21 this section.

22 (2) If a pupil is enrolled in a strict discipline academy for pupils who have been
23 expelled or suspended from school or otherwise placed in a strict discipline academy as
24 described in section 1311g of the revised school code, MCL 380.1311g, and if the pupil is
25 counted in membership in another district or intermediate district, the strict discipline
26 academy shall report the enrollment information to the department and to the district or
27 intermediate district in which the pupil is counted in membership. Upon receipt of enrollment
28 information under this subsection indicating that a pupil has enrolled in a strict discipline
29 academy as described in this subsection, the department shall do both of the following:

30 (a) Adjust the membership calculation for the district or intermediate district in
31 which the pupil was counted in membership so that the district's or intermediate district's
32 membership is prorated to allow the district or intermediate district to receive for each

1 school day in which the pupil was enrolled in the district an amount equal to 1/180 of the
2 foundation allowance or per pupil payment as calculated under section 20 for the district or
3 intermediate district. The foundation allowance or per pupil payment shall be adjusted by the
4 pupil's full-time equated status as affected by the membership definition under section 6(4).

5 (b) Include in the calculation of state school aid for the strict discipline academy
6 for each school day in which the pupil is enrolled in the strict discipline academy, not to
7 exceed a number of school days equal to the difference between 180 and the number of school
8 days in which the pupil was reported under this section as previously enrolled in 1 or more
9 other districts or intermediate districts, an amount equal to 1/180 of the per pupil payment
10 as calculated under section 20 for the strict discipline academy. The per pupil payment shall
11 be adjusted by the pupil's full-time equated status as affected by the membership definition
12 under section 6(4).

13 (3) The changes in calculation of state school aid required under subsection (2) shall
14 take effect as of the date that the pupil enrolls in the strict discipline academy, and the
15 department shall base all subsequent payments under this act for the fiscal year to the
16 affected districts or intermediate districts and for the strict discipline academy, as
17 applicable, on this recalculation of state school aid.

18 (4) If a pupil enrolls in a strict discipline academy as described in subsection (2),
19 if adjustments are made in calculations pursuant to subsection (2) due to that enrollment,
20 and if the pupil subsequently ceases to be enrolled in the strict discipline academy, the
21 strict discipline academy shall notify the department of the last date of the pupil's
22 enrollment in the strict discipline academy and the number of days the pupil was enrolled in
23 the strict discipline academy.

24 (5) If a pupil enrolls in a strict discipline academy as described in subsection (2),
25 the district or intermediate district in which the pupil is counted in membership and the
26 strict discipline academy shall provide to the department all information the department
27 requires to comply with this section.

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

30 Sec. 26a. From the state school aid fund appropriation in section 11, there is
31 allocated **EACH FISCAL YEAR** an amount not to exceed ~~\$22,932,000.00 for 2010-2011 and an amount~~
32 ~~not to exceed \$26,300,000.00 for 2011-2012~~ **2012-2013 AND 2013-2014** to reimburse districts and

1 intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA
2 376, MCL 125.2692, for taxes levied in ~~2011~~ **2012 OR 2013 AS APPLICABLE**. The allocations shall
3 be made not later than 60 days after the department of treasury certifies to the department
4 and to the state budget director that the department of treasury has received all necessary
5 information to properly determine the amounts due to each eligible recipient.

6 Sec. 26b. (1) From the appropriation in section 11, there is allocated **EACH FISCAL**
7 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed ~~\$2,890,000.00~~
8 **\$1,838,000.00** for payments to districts, intermediate districts, and community college
9 districts for the portion of the payment in lieu of taxes obligation that is attributable to
10 districts, intermediate districts, and community college districts pursuant to section 2154
11 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

15 Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there
16 is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed
17 \$317,695,500.00 for payments to eligible districts ~~and eligible~~ , public school academies,
18 **AND THE EDUCATION ACHIEVEMENT SYSTEM** under this section. Subject to subsection (14), the
19 amount of the additional allowance under this section, other than funding under subsection
20 (6) or (7), shall be based on the number of actual pupils in membership in the district, ~~or~~
21 public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** who met the income eligibility
22 criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year,
23 as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i,
24 and reported to the department ~~by October 31~~ **NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE**
25 **FALL PUPIL MEMBERSHIP COUNT DAY** of the immediately preceding fiscal year and adjusted not
26 later than December 31 of the immediately preceding fiscal year in the form and manner
27 prescribed by the center. However, for a public school academy that began operations as a
28 public school academy **OR FOR AN ACHIEVEMENT SCHOOL THAT BEGAN OPERATIONS AS AN ACHIEVEMENT**
29 **SCHOOL** after the pupil membership count day of the immediately preceding school year, the
30 basis for the additional allowance under this section shall be the number of actual pupils in
31 membership in the public school academy **OR THE EDUCATION ACHIEVEMENT SYSTEM** who met the
32 income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal

1 year, as determined under the Richard B. Russell national school lunch act **AND REPORTED TO**
2 **THE DEPARTMENT NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE FALL PUPIL MEMBERSHIP COUNT DAY.**

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

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

12 (b) The district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** agrees
13 to use the funding only for purposes allowed under this section and to comply with the
14 program and accountability requirements under this section.

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

1 act and as reported to the department ~~by October 31~~ **NOT LATER THAN THE FIFTH WEDNESDAY AFTER**
2 **THE FALL PUPIL MEMBERSHIP COUNT DAY** of the current fiscal year and adjusted not later than
3 December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public
4 school academy's **OR THE EDUCATION ACHIEVEMENT SYSTEM'S** per membership pupil amount calculated
5 under section 20 for the current state fiscal year.

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

31 (5) Except as otherwise provided in subsection (12), a district, ~~or~~ public school
32 academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** that receives funds under this section and that

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

6 (6) From the funds allocated under subsection (1), there is allocated **EACH FISCAL YEAR**
7 for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$3,557,300.00 to support child
8 and adolescent health centers. These grants shall be awarded for 5 consecutive years
9 beginning with 2003-2004 in a form and manner approved jointly by the department and the
10 department of community health. Each grant recipient shall remain in compliance with the
11 terms of the grant award or shall forfeit the grant award for the duration of the 5-year
12 period after the noncompliance. To continue to receive funding for a child and adolescent
13 health center under this section a grant recipient shall ensure that the child and adolescent
14 health center has an advisory committee and that at least one-third of the members of the
15 advisory committee are parents or legal guardians of school-aged children. A child and
16 adolescent health center program shall recognize the role of a child's parents or legal
17 guardian in the physical and emotional well-being of the child. Funding under this subsection
18 shall be used to support child and adolescent health center services provided to children up
19 to age 21. If any funds allocated under this subsection are not used for the purposes of this
20 subsection for the fiscal year in which they are allocated, those unused funds shall be used
21 that fiscal year to avoid or minimize any proration that would otherwise be required under
22 subsection (14) for that fiscal year.

23 (7) From the funds allocated under subsection (1), there is allocated **EACH FISCAL YEAR**
24 for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$5,150,000.00 for the state
25 portion of the hearing and vision screenings as described in section 9301 of the public
26 health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least
27 50% of the total cost of the screenings. The frequency of the screenings shall be as required
28 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative
29 code. Funds shall be awarded in a form and manner approved jointly by the department and the
30 department of community health. Notwithstanding section 17b, payments to eligible entities
31 under this subsection shall be paid on a schedule determined by the department.

32 (8) Each district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM**

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

15 (9) In order to receive funds under this section, a district, ~~or~~ public school
16 academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall allow access for the department or the
17 department's designee to audit all records related to the program for which it receives those
18 funds. The district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** shall
19 reimburse the state for all disallowances found in the audit.

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

32 (11) A district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** may use

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

4 (12) For an individual school or schools operated by a district, ~~or~~ public school
5 academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** receiving funds under this section that have
6 been determined by the department to meet the adequate yearly progress standards of the no
7 child left behind act of 2001, Public Law 107-110, in both mathematics and English language
8 arts at all applicable grade levels for all applicable subgroups, the district, ~~or~~ public
9 school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** may ~~submit to the department an~~
10 ~~application for flexibility in using the funds received under this section that are~~
11 ~~attributable to the pupils in the school or schools. The application shall identify the~~
12 ~~affected school or schools and the affected funds and shall contain a plan for using the~~ **USE**
13 **NOT MORE THAN 20% OF THE** funds **IT RECEIVES UNDER THIS SECTION** for specific purposes
14 identified by the district that are designed to benefit at-risk pupils in the school, but
15 that may be different from the purposes otherwise allowable under this section. ~~The~~
16 ~~department shall approve the application if the department determines that the purposes~~
17 ~~identified in the plan are reasonably designed to benefit at-risk pupils in the school. If~~
18 ~~the department does not act to approve or disapprove an application within 30 days after it~~
19 ~~is submitted to the department, the application is considered to be approved. If an~~
20 ~~application for flexibility in using the funds is approved, the district may use the funds~~
21 ~~identified in the application for any purpose identified in the plan~~ **IF FUNDS ARE USED FOR**
22 **PURPOSES UNDER THE FLEXIBILITY PROVISIONS UNDER THIS SUBSECTION, DISTRICTS MUST MAINTAIN**
23 **DOCUMENTATION OF THE AMOUNTS USED FOR OTHER PURPOSES AND SHALL MAKE THAT INFORMATION**
24 **AVAILABLE TO THE DEPARTMENT UPON REQUEST.**

25 (13) A district, ~~or~~ public school academy, **OR THE EDUCATION ACHIEVEMENT SYSTEM** that
26 receives funds under this section may use funds it receives under this section to implement
27 and operate an early intervening program for pupils in grades K to 3 that meets either or
28 both of the following:

29 (a) Monitors individual pupil learning and provides specific support or learning
30 strategies to pupils as early as possible in order to reduce the need for special education
31 placement. The program shall include literacy and numeracy supports, sensory motor skill
32 development, behavior supports, instructional consultation for teachers, and the development

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

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

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

21 (15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of
22 the original districts was not eligible before the consolidation for an additional allowance
23 under this section, the amount of the additional allowance under this section for the
24 consolidated district shall be based on the number of pupils described in subsection (1)
25 enrolled in the consolidated district who reside in the territory of an original district
26 that was eligible before the consolidation for an additional allowance under this section.

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

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

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

18 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not
19 to exceed ~~\$21,627,100.00 for 2010-2011 and an amount not to exceed \$22,495,100.00~~ **EACH FISCAL**
20 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for the purpose of making payments to districts
21 and other eligible entities under this section.

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

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

31 (4) The payments made under this section to districts and other eligible entities that
32 are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a

1 school lunch program shall be in an amount not to exceed \$10.00 per eligible pupil plus 5
2 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by
3 the department.

4 (5) From the federal funds appropriated in section 11, there is allocated **EACH FISCAL**
5 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** all available federal funding, estimated at
6 \$400,000,000.00, for the national school lunch program and all available federal funding,
7 estimated at \$2,506,000.00, for the emergency food assistance program.

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

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

13 Sec.31f. (1) From the appropriations in section 11, there is allocated an amount not
14 to exceed ~~\$3,800,000.00 for 2010-2011 and an amount not to exceed~~ \$9,625,000.00 **EACH FISCAL**
15 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for the purpose of making payments to districts to
16 reimburse for the cost of providing breakfast.

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

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

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

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

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

31 (5) In purchasing food for a school breakfast program funded under this section,
32 preference shall be given to food that is grown or produced by Michigan businesses if it is

1 competitively priced and of comparable quality.

2 Sec. 32b. (1) From the funds appropriated under section 11, there is allocated **EACH**
3 **FISCAL YEAR** an amount not to exceed \$5,900,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** for
4 competitive grants to intermediate districts for the creation and continuance of great start
5 communities or other community purposes as identified by the early childhood investment
6 corporation. These dollars may not be expended until both of the following conditions have
7 been met:

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

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

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

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

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

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

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

14 (d) Evaluation of local programs.

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

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

27 (6) ~~Beginning with 2012-2013, it is the intent of the legislature~~ **THE DEPARTMENT SHALL**
28 **DEVELOP A PLAN FOR A MULTI-YEAR PHASED-IN APPROACH** to transfer funding for great start
29 collaboratives under this section into an early childhood block grant program, along with
30 funding for great start readiness programs under section 32d and funding for great parents,
31 great start programs under section 32j. The early childhood block grant program will allocate
32 funds to intermediate districts and consortia of intermediate districts to act as fiduciaries

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

8 (7) Notwithstanding section 17b, payments under this section may be made pursuant to
9 an agreement with the department.

10 Sec. 32d. (1) ~~For 2011-2012~~ **FROM THE FUNDS APPROPRIATED IN SECTION 11**, there is
11 allocated **EACH FISCAL YEAR FOR 2012-2013 AND 2013-2014** to eligible intermediate districts and
12 consortia of intermediate districts for great start readiness programs an amount not to
13 exceed \$104,275,000.00 from the state school aid fund money appropriated in section 11. Funds
14 allocated under this section shall be used to provide part-day ~~or full-day~~ , **SCHOOL-DAY, OR**
15 **GSRP/HEAD START BLENDED** comprehensive free compensatory **CLASSROOM** programs designed to ~~do~~
16 ~~or both of the following:~~

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

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

26 (2) Funds allocated under this section shall be allocated to intermediate districts or
27 consortia of intermediate districts. An intermediate district or consortium of intermediate
28 districts receiving funding under this section shall act as the fiduciary for the great start
29 readiness programs. For ~~2011-2012~~ **2012-2013**, the fiduciary intermediate districts and
30 consortia of intermediate districts shall allocate the funding under this section as follows:

31 (a) An amount not to exceed \$95,400,000.00 allocated to **INTERMEDIATE** districts and
32 consortia of **INTERMEDIATE** districts as directed by the department based on the formula in

1 section 39. In order to be eligible to receive funds allocated under this subdivision from an
2 intermediate district or consortium of intermediate districts, a district or consortium of
3 districts shall comply with this section and section 39.

4 (b) An amount not to exceed \$8,875,000.00 allocated in grants to competitive great
5 start readiness programs as directed by the department based on the grant award process in
6 section 321. In order to be eligible to receive funds allocated under this section from an
7 intermediate district or consortium of intermediate districts, a competitive great start
8 readiness program shall comply with this section and section 321.

9 (3) In addition to the allocation under subsection (1), from the general fund money
10 appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 **EACH**
11 **FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for a competitive grant to continue a
12 longitudinal evaluation of children who have participated in great start readiness programs.

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

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

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

23 (c) Nutritional services for all program participants.

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

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

27 (f) Active and continuous involvement of the parents or guardians of the program
28 participants.

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

31 (h) Participation in a multidistrict, multiagency, school readiness advisory committee
32 that provides for the involvement of classroom teachers, parents or guardians of program

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

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

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

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

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

13 (c) Ensure that the applicant only ~~employs~~ **UTILIZES** qualified personnel for this
14 program, as follows:

15 (i) Teachers possessing proper training. For programs managed directly by ~~an A~~
16 **DISTRICT OR** intermediate district, a valid teaching certificate and an early childhood (ZA or
17 ZS) endorsement are required. This provision does not apply to ~~an A DISTRICT~~, intermediate
18 district or competitive program that subcontracts with an eligible child development program.
19 In that situation, a teacher must have a valid Michigan teaching certificate with an early
20 childhood (ZA or ZS) endorsement, a valid Michigan elementary teaching certificate with a
21 child development associate credential, or a bachelor's degree in child development with
22 specialization in preschool teaching. However, if an ~~intermediate district~~ **APPLICANT**
23 demonstrates to the department that it is unable to fully comply with this subparagraph after
24 making reasonable efforts to comply, teachers who have significant but incomplete training in
25 early childhood education or child development may be ~~employed by the intermediate district~~
26 **UTILIZED** if the ~~intermediate district~~ **APPLICANT** provides to the department, and the
27 department approves, a plan for each teacher to come into compliance with the standards in
28 this subparagraph. A teacher's compliance plan must be completed within 2 years of the date
29 of employment. Progress toward completion of the compliance plan shall consist of at least 2
30 courses per calendar year.

31 (ii) Paraprofessionals possessing proper training in early childhood development,
32 including an associate's degree in early childhood education or child development or the

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

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

18 (6) For a grant recipient that enrolls pupils in a school-day program funded under
19 this section, each child enrolled in the school-day program shall be counted as 2 children
20 served by the program for purposes of determining the number of children to be served and for
21 determining the amount of the grant award. A grant award shall not be increased solely on the
22 basis of providing a school-day program.

23 (7) An intermediate district or consortium of intermediate districts receiving a grant
24 under this section may contract with for-profit or nonprofit preschool center providers that
25 meet all requirements of subsection (4) and retain for administrative services an amount
26 equal to not more than 5% of the grant amount. An intermediate district, consortium of
27 intermediate districts, or competitive grant program may expend not more than 10% of the
28 total grant amount for administration of the program.

29 (8) Any public or private for-profit or nonprofit legal entity or agency may apply for
30 a competitive grant under this section. However, a district or intermediate district may not
31 apply for a competitive grant under this section unless the district, intermediate district,
32 or consortium of districts or intermediate districts is acting as a local grantee for the

1 federal head start program operating under the head start act, 42 USC 9831 to 9852.

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

12 (10) As used in this section:

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

15 **(B) ~~(a)~~** "Part-day program" means a program that operates at least 4 days per week, 30
16 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer
17 hours of teacher-child contact time per day than a school-day program.

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

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

28 ~~(12) Beginning with 2012-2013, it is the intent of the legislature~~ **THE DEPARTMENT**
29 **SHALL DEVELOP A PLAN FOR A MULTI-YEAR PHASED-IN APPROACH** to transfer funding for great start
30 readiness programs under this section into an early childhood block grant program, along with
31 funding for great start collaboratives under section 32b and funding for great parents, great
32 start programs under section 32j. The early childhood block grant program will allocate funds

1 to intermediate districts and consortia of intermediate districts to act as fiduciaries and
2 provide administration of regional early childhood programs in conjunction with their
3 regional great start collaborative to improve program quality, evaluation, and efficiency for
4 early childhood programs. The department shall work with intermediate districts, districts,
5 great start collaboratives, and the early childhood investment corporation to establish a
6 revised funding formula, application process, program criteria, and data reporting
7 requirements ~~for 2012-2013. Not later than January 1, 2012, the department shall report to~~
8 ~~the legislature its recommendations for the revisions required under this subsection.~~

9 Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount **EACH**
10 **FISCAL YEAR** not to exceed \$5,000,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** for great
11 parents, great start grants to intermediate districts to provide programs for parents with
12 young children. The purpose of these programs is to encourage early mathematics and reading
13 literacy, improve school readiness, reduce the need for special education services, and
14 foster the maintenance of stable families by encouraging positive parenting skills.

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

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

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

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

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

28 (3) To receive a grant under this section, an intermediate district shall submit a
29 plan to the department not later than October 15, ~~2011~~ **2012** in the form and manner prescribed
30 by the department. The plan shall do all of the following in a manner prescribed by the
31 department:

32 (a) Provide a plan for the delivery of the program components described in subsection

1 (2) that targets resources based on family need and provides for educators trained in child
2 development to help parents understand their role in their child's developmental process,
3 thereby promoting school readiness and mitigating the need for special education services.

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

8 (c) Provide a projected budget for the program to be funded. The intermediate district
9 shall provide at least a 20% local match from local public or private resources for the funds
10 received under this section. Not more than 1/2 of this matching requirement, up to a total of
11 10% of the total project budget, may be satisfied through in-kind services provided by
12 participating providers of programs or services. In addition, not more than 10% of the grant
13 may be used for program administration.

14 (4) Each intermediate district receiving a grant under this section shall agree to
15 include a data collection system approved by the department. The data collection system shall
16 provide a report by October 15 of each year on the number of children in families with income
17 below ~~200%~~ **300%** of the federal poverty level that received services under this program and
18 the total number of children who received services under this program.

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

20 (a) The superintendent shall approve or disapprove the plans and notify the
21 intermediate district of that decision not later than November 15, ~~2011~~ **2012**. The amount
22 allocated to each intermediate district shall be at least an amount equal to 100% of the
23 intermediate district's ~~2010-2011~~ **2011-2012** payment under this section.

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

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

1 which the funds are received.

2 (7) ~~Beginning with 2012-2013, it is the intent of the legislature~~ **THE DEPARTMENT SHALL**
3 **DEVELOP A PLAN FOR A MULTI-YEAR PHASED-IN APPROACH** to transfer funding for great parents,
4 great start programs under this section into an early childhood block grant program, along
5 with funding for great start collaboratives under section 32b and funding for great start
6 readiness programs under section 32d. The early childhood block grant program will allocate
7 funds to intermediate districts and consortia of intermediate districts to act as fiduciaries
8 and provide administration of regional early childhood programs in conjunction with their
9 regional great start collaborative to improve program quality, evaluation, and efficiency for
10 early childhood programs. The department shall work with intermediate districts, districts,
11 great start collaboratives, and the early childhood investment corporation to establish a
12 revised funding formula, application process, program criteria, and data reporting
13 requirements ~~for 2012-2013. Not later than January 1, 2012, the department shall report to~~
14 ~~the legislature its recommendations for the revisions required under this subsection.~~

15 Sec. 39. (1) ~~A district~~ **AN ELIGIBLE APPLICANT** receiving funds ~~from an intermediate~~
16 ~~district or consortium of intermediate districts~~ under section 32d shall submit a
17 preapplication, in a form and manner prescribed by the department, by a date specified by the
18 department in the immediately preceding state fiscal year. The preapplication shall include a
19 comprehensive needs assessment **USING AGGREGATED DATA FROM THE ENTIRE SERVICE AREA OF THE**
20 **APPLICANT** and community collaboration plan, which is endorsed by the local great start
21 collaborative and is part of the community's great start strategic plan that includes, but is
22 not limited to, great start readiness program and head start providers, and shall identify
23 all of the following:

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

26 (b) The estimated number of children in the community who meet the criteria of section
27 32d and are being served by other early childhood development programs operating in the
28 community, and how that calculation was made.

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

32 (d) The estimated number of children who meet the criteria of section 32d who will

1 remain unserved after the ~~district~~ **APPLICANT** and community early childhood programs have met
2 their funded enrollments. The ~~school district~~ **APPLICANT** shall maintain a waiting list of
3 identified unserved eligible children who would be served when openings are available.

4 (2) ~~A district~~ **AN APPLICANT** receiving funds ~~from an intermediate district or~~
5 ~~consortium of intermediate districts~~ under section 32d shall also submit a final application
6 for approval, in a form and manner prescribed by the department, by a date specified by the
7 department, that details how the ~~district~~ **APPLICANT** complies with the program components
8 established by the department pursuant to section 32d.

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

18 (4) The initial allocation for each fiscal year to each eligible ~~district~~ **APPLICANT**
19 under section 32d shall be determined by multiplying the number of children determined by the
20 formula under subsection (3) or the number of children the ~~district~~ **APPLICANT** indicates it
21 will be able to serve under subsection (1)(c), whichever is less, by \$3,400.00 and shall be
22 distributed among ~~districts~~ **APPLICANTS** in decreasing order of concentration of eligible
23 children as determined by the formula under subsection (3). If the number of children ~~a~~
24 ~~district~~ **AN APPLICANT** indicates it will be able to serve under subsection (1)(c) includes
25 children able to be served in a school-day program, then the number able to be served in a
26 school-day program shall be doubled for the purposes of making this calculation of the lesser
27 of the number of children determined by the formula under subsection (3) and the number of
28 children the ~~district~~ **APPLICANT** indicates it will be able to serve under subsection (1)(c)
29 and determining the amount of the initial allocation to the ~~district~~ **APPLICANT** under section
30 32d. ~~A district~~ **AN APPLICANT** may contract with a head start agency to serve children enrolled
31 in head start with a school-day program by blending head start funds with a part-day great
32 start readiness program allocation. All head start and great start readiness program policies

1 and regulations apply to the blended program.

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

11 (6) If funds allocated for eligible ~~districts~~ **APPLICANTS** in section 32d remain after
12 the allocations under subsections (4) and (5), remaining funds shall be distributed to each
13 eligible ~~district~~ **APPLICANT** under section 32d in decreasing order of concentration of
14 eligible children as determined by the formula under subsection (3). If the number of
15 children the ~~district~~ **APPLICANT** indicates it will be able to serve under subsection (1)(c)
16 exceeds the number of children for which funds have been received under subsections (4) and
17 (5), the allocation under this subsection shall be determined by multiplying the number of
18 children the ~~district~~ **APPLICANT** indicates it will be able to serve under subsection (1)(c)
19 less the number of children for which funds have been received under subsections (4) and (5)
20 by \$3,400.00 until the funds allocated for eligible ~~districts~~ **APPLICANTS** in section 32d are
21 distributed.

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

24 (7) ~~(8) A district~~ **AN APPLICANT** that offers supplementary child care funded by funds
25 other than those received under ~~this~~ section **32D** and therefore offers full-day programs as
26 part of its early childhood development program shall receive priority in the allocation of
27 funds under section 32d over other eligible ~~districts~~ **APPLICANTS**. As used in this subsection,
28 "full-day program" means a program that provides supplementary child care that totals at
29 least 10 hours of programming per day.

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

1 ~~allocation for eligible districts under section 32d.~~

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

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

15 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated
16 **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** to districts, intermediate districts,
17 and other eligible entities all available federal funding, estimated at ~~\$761,973,600.00~~
18 **\$812,328,500.00**, for the federal programs under the no child left behind act of 2001, Public
19 Law 107-110. These funds are allocated as follows:

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

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

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

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

32 (e) An amount estimated at ~~\$8,550,000.00~~ **\$10,286,500.00** for the Michigan charter

1 school subgrant program, funded from DED-OESE, charter school funds.

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

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

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

10 **(H)** ~~(i)~~ An amount estimated at ~~\$2,152,700.00~~ **\$250,000.00** for the purpose of providing
11 unified family literacy programs, funded from DED-OESE, title I, even start funds.

12 **(I)** ~~(j)~~ An amount estimated at ~~\$8,807,200.00~~ **\$8,878,000.00** for the purpose of
13 identifying and serving migrant children, funded from DED-OESE, title I, migrant education
14 funds.

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

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

20 **(J)** ~~(m)~~ An amount estimated at \$40,050,000.00 for the purpose of providing high-
21 quality extended learning opportunities, after school and during the summer, for children in
22 low-performing schools, funded from DED-OESE, twenty-first century community learning center
23 funds.

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

26 (2) From the federal funds appropriated in section 11, there is allocated **EACH FISCAL**
27 **YEAR** for ~~2011-2012~~ **2012-2013 and 2013-2014** to districts, intermediate districts, and other
28 eligible entities all available federal funding, estimated at ~~\$32,359,700.00~~ **\$33,514,100.00**,
29 for the following programs that are funded by federal grants:

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

32 (b) An amount estimated at \$1,814,100.00 to provide services to homeless children and

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

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

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

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

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

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

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

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

21 (4) All federal funds allocated under this section shall be distributed in accordance
22 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the
23 education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section
24 17b, payments of federal funds to districts, intermediate districts, and other eligible
25 entities under this section shall be paid on a schedule determined by the department.

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

30 (6) As used in this section:

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

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

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

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

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

4 Sec. 51a. (1) From the appropriation in section 11, there is allocated for ~~2010-2011~~
5 **2012-2013** an amount not to exceed ~~\$909,087,100.00~~ **\$990,269,100.00** and there is allocated for
6 ~~2011-2012~~ **2013-2014** an amount not to exceed ~~\$977,469,100.00~~ **\$1,022,869,100.00** from state
7 sources and all available federal funding under sections 611 to 619 of part B of the
8 individuals with disabilities education act, 20 USC 1411 to 1419, estimated at
9 ~~\$385,700,000.00 for 2010-2011, and estimated at \$363,400,000.00~~ **\$365,000,000.00 EACH FISCAL**
10 **YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014**, plus any carryover federal funds from previous
11 year appropriations. The allocations under this subsection are for the purpose of reimbursing
12 districts and intermediate districts for special education programs, services, and special
13 education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to
14 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the
15 deaf and blind; and special education programs and services for pupils who are eligible for
16 special education programs and services according to statute or rule. For meeting the costs
17 of special education programs and services not reimbursed under this article, a district or
18 intermediate district may use money in general funds or special education funds, not
19 otherwise restricted, or contributions from districts to intermediate districts, tuition
20 payments, gifts and contributions from individuals, **ENTITIES** or federal funds that may be
21 available for this purpose, as determined by the intermediate district plan prepared pursuant
22 to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds
23 allocated under this section in excess of those allocated under this section for 2002-2003
24 may be distributed in accordance with the flexible funding provisions of the individuals with
25 disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206
26 and 300.208. Notwithstanding section 17b, payments of federal funds to districts,
27 intermediate districts, and other eligible entities under this section shall be paid on a
28 schedule determined by the department.

29 (2) From the funds allocated under subsection (1), there is allocated each
30 fiscal year the amount necessary, estimated at ~~\$233,199,100.00~~ **\$257,300,000.00** for ~~2010-2011~~
31 **2012-2013** and estimated at ~~\$245,500,000.00~~ **\$264,800,000.00** for ~~2011-2012~~ **2013-2014**, for
32 payments toward reimbursing districts and intermediate districts for 28.6138% of total

1 approved costs of special education, excluding costs reimbursed under section 53a, and
2 70.4165% of total approved costs of special education transportation. Allocations under this
3 subsection shall be made as follows:

4 (a) The initial amount allocated to a district under this subsection toward fulfilling
5 the specified percentages shall be calculated by multiplying the district's special education
6 pupil membership, excluding pupils described in subsection (12), times the foundation
7 allowance under section 20 of the pupil's district of residence, not to exceed the basic
8 foundation allowance under section 20 for the current fiscal year, or, for a special
9 education pupil in membership in a district that is a public school academy or ~~university~~
10 ~~school~~ times an amount equal to the amount per membership pupil calculated under section
11 20(6) **OR, FOR A PUPIL DESCRIBED IN THIS SUBSECTION WHO IS COUNTED IN MEMBERSHIP IN THE**
12 **EDUCATION ACHIEVEMENT SYSTEM TIMES AN AMOUNT EQUAL TO THE AMOUNT PER MEMBERSHIP PUPIL UNDER**
13 **SECTION 20(7)**. For an intermediate district, the amount allocated under this subdivision
14 toward fulfilling the specified percentages shall be an amount per special education
15 membership pupil, excluding pupils described in subsection ~~(12)~~ **(11)**, and shall be calculated
16 in the same manner as for a district, using the foundation allowance under section 20 of the
17 pupil's district of residence, not to exceed the basic foundation allowance under section 20
18 for the current fiscal year.

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

23 (3) From the funds allocated under subsection (1), there is allocated **EACH FISCAL YEAR**
24 ~~for 2010-2011 only~~ **2012-2013 AND 2013-2014** the amount necessary, estimated at ~~\$1,734,000.00~~
25 ~~for 2010-2011~~ **\$1,000,000.00 FOR EACH FISCAL YEAR**, to make payments to districts and
26 intermediate districts under this subsection. ~~From the funds allocated under subsection (1),~~
27 ~~there is allocated for 2011-2012 an amount not to exceed \$1,000,000.00 to make payments to~~
28 ~~districts and intermediate districts under this subsection.~~ If the amount allocated to a
29 district or intermediate district for a fiscal year under subsection (2)(b) is less than the
30 sum of the amounts allocated to the district or intermediate district for 1996-97 under
31 sections 52 and 58, there is allocated to the district or intermediate district for the
32 fiscal year an amount equal to that difference, adjusted by applying the same proration

1 factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to
2 the district's or intermediate district's necessary costs of special education used in
3 calculations for the fiscal year. This adjustment is to reflect reductions in special
4 education program operations or services between 1996-97 and subsequent fiscal years.
5 Adjustments for reductions in special education program operations or services shall be made
6 in a manner determined by the department and shall include adjustments for program or service
7 shifts.

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

22 (5) State funds shall be allocated on a total approved cost basis. Federal funds shall
23 be allocated under applicable federal requirements, except that an amount not to exceed
24 \$3,500,000.00 may be allocated by the department each fiscal year for ~~2010-2011~~ **2012-2013** and
25 for ~~2011-2012~~ **2013-2014** to districts, intermediate districts, or other eligible entities on a
26 competitive grant basis for programs, equipment, and services that the department determines
27 to be designed to benefit or improve special education on a statewide scale.

28 (6) From the amount allocated in subsection (1), there is allocated an amount not to
29 exceed ~~\$1,700,000.00 for 2010-2011 and an amount not to exceed~~ **\$2,200,000.00 EACH FISCAL YEAR**
30 for ~~2011-2012~~ **2012-2013 AND 2013-2014** to reimburse 100% of the net increase in necessary
31 costs incurred by a district or intermediate district in implementing the revisions in the
32 administrative rules for special education that became effective on July 1, 1987. As used in

1 this subsection, "net increase in necessary costs" means the necessary additional costs
2 incurred solely because of new or revised requirements in the administrative rules minus cost
3 savings permitted in implementing the revised rules. Net increase in necessary costs shall be
4 determined in a manner specified by the department.

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

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

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

31 ~~(c) If the department determines before bookclosing for a fiscal year that the amounts~~
32 ~~allocated for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections~~

1 ~~53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3),~~
2 ~~(6), (8), and (12) and sections 53a, 54, and 56, then for a district or intermediate district~~
3 ~~whose reimbursement for that fiscal year would otherwise be affected by subdivision (b),~~
4 ~~subdivision (b) does not apply to the calculation of the reimbursement for that district or~~
5 ~~intermediate district and reimbursement for that district or intermediate district shall be~~
6 ~~calculated in the same manner as it was for 2003-2004. If the amount of the excess~~
7 ~~allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is~~
8 ~~not sufficient to fully fund the calculation of reimbursement to those districts and~~
9 ~~intermediate districts under this subdivision, then the calculations and resulting~~
10 ~~reimbursement under this subdivision shall be prorated on an equal percentage basis.~~

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

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

30 ~~(9) From the allocation in subsection (1), there is allocated for 2010-2011 only an~~
31 ~~amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this~~
32 ~~subsection to each intermediate district shall be equal to the amount of the 1996-97~~

1 allocation to the intermediate district under subsection (6) of this section as in effect for
2 ~~1996-97.~~

3 (8) ~~(9)~~ A pupil who is enrolled in a full-time special education program conducted or
4 administered by an intermediate district or a pupil who is enrolled in the Michigan schools
5 for the deaf and blind shall not be included in the membership count of a district, but shall
6 be counted in membership in the intermediate district of residence.

7 (9) ~~(10)~~ Special education personnel transferred from 1 district to another to
8 implement the revised school code shall be entitled to the rights, benefits, and tenure to
9 which the person would otherwise be entitled had that person been employed by the receiving
10 district originally.

11 (10) ~~(11)~~ If a district or intermediate district uses money received under this
12 section for a purpose other than the purpose or purposes for which the money is allocated,
13 the department may require the district or intermediate district to refund the amount of
14 money received. Money that is refunded shall be deposited in the state treasury to the credit
15 of the state school aid fund.

16 (11) ~~(12)~~ From the funds allocated in subsection (1), there is allocated each fiscal
17 year the amount necessary, estimated at ~~\$5,000,000.00 for 2010-2011, and estimated at~~
18 ~~\$6,800,000.00~~ **\$4,800,000.00** for ~~2011-2012~~ **2012-2013 AND 2013-2014**, to pay the foundation
19 allowances for pupils described in this subsection. The allocation to a district under this
20 subsection shall be calculated by multiplying the number of pupils described in this
21 subsection who are counted in membership in the district times the foundation allowance under
22 section 20 of the pupil's district of residence, not to exceed the basic foundation allowance
23 under section 20 for the current fiscal year, or, for a pupil described in this subsection
24 who is counted in membership in a district that is a public school academy ~~or university~~
25 ~~school~~ times an amount equal to the amount per membership pupil under section 20(6) **OR, FOR A**
26 **PUPIL DESCRIBED IN THIS SUBSECTION WHO IS COUNTED IN MEMBERSHIP IN THE EDUCATION ACHIEVEMENT**
27 **SYSTEM TIMES AN AMOUNT EQUAL TO THE AMOUNT PER MEMBERSHIP PUPIL UNDER SECTION 20(7)**. The
28 allocation to an intermediate district under this subsection shall be calculated in the same
29 manner as for a district, using the foundation allowance under section 20 of the pupil's
30 district of residence, not to exceed the basic foundation allowance under section 20 for the
31 current fiscal year. This subsection applies to all of the following pupils:

32 (a) Pupils described in section 53a.

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

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

6 **(12)** ~~(13)~~ If it is determined that funds allocated under subsection (2) or ~~(12)~~ **(11)**
7 or under section 51c will not be expended, funds up to the amount necessary and available may
8 be used to supplement the allocations under subsection (2) or ~~(12)~~ **(11)** or under section 51c
9 in order to fully fund those allocations. After payments under subsections (2) and ~~(12)~~ **(11)**
10 and section 51c, the remaining expenditures from the allocation in subsection (1) shall be
11 made in the following order:

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

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

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

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

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

17 **(E)** ~~(F)~~ 100% of the payments under section 56.

18 **(13)** ~~(14)~~ The allocations under subsections (2), (3), and ~~(12)~~ **(11)** shall be
19 allocations to intermediate districts only and shall not be allocations to districts, but
20 instead shall be calculations used only to determine the state payments under section 22b.

21 **(14)** ~~(15)~~ If a public school academy enrolls pursuant to this section a pupil who
22 resides outside of the intermediate district in which the public school academy is located
23 and who is eligible for special education programs and services according to statute or rule,
24 or who is a child with disabilities, as defined under the individuals with disabilities
25 education act, Public Law 108-446, the provision of special education programs and services
26 and the payment of the added costs of special education programs and services for the pupil
27 are the responsibility of the district and intermediate district in which the pupil resides
28 unless the enrolling district or intermediate district has a written agreement with the
29 district or intermediate district in which the pupil resides or the public school academy for
30 the purpose of providing the pupil with a free appropriate public education and the written
31 agreement includes at least an agreement on the responsibility for the payment of the added
32 costs of special education programs and services for the pupil.

1 Sec. 51c. As required by the court in the consolidated cases known as Durant v State
2 of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under
3 section 51a(1), there is allocated each fiscal year ~~for 2010-2011 and for 2011-2012~~ the
4 amount necessary, estimated at ~~\$601,271,000.00~~ **\$672,900,000.00** for ~~2010-2011~~ **2012-2013** and
5 estimated at ~~\$669,900,000.00~~ **\$698,000,000.00** for ~~2011-2012~~ **2013-2014**, for payments to
6 reimburse districts for 28.6138% of total approved costs of special education excluding costs
7 reimbursed under section 53a, and 70.4165% of total approved costs of special education
8 transportation. Funds allocated under this section that are not expended in the state fiscal
9 year for which they were allocated, as determined by the department, may be used to
10 supplement the allocations under sections 22a and 22b in order to fully fund those calculated
11 allocations for the same fiscal year.

12 Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated
13 **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** all available federal funding,
14 estimated at \$74,000,000.00, for special education programs that are funded by federal
15 grants. All federal funds allocated under this section shall be distributed in accordance
16 with federal law. Notwithstanding section 17b, payments of federal funds to districts,
17 intermediate districts, and other eligible entities under this section shall be paid on a
18 schedule determined by the department.

19 (2) From the federal funds allocated under subsection (1), the following amounts are
20 allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014**:

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

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

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

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

29 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)
30 shall be 100% of the total approved costs of operating special education programs and
31 services approved by the department and included in the intermediate district plan adopted
32 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the

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

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

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

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

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

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

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

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

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

29 (5) Not more than ~~\$12,300,000.00 of the allocation for 2010-2011 and not more than~~
30 \$13,500,000.00 of the allocation for ~~2011-2012~~ **2012-2013 AND 2013-2014** in section 51a(1)
31 shall be allocated **FOR EACH FISCAL YEAR** under this section.

32 Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil

1 in attendance at the Michigan schools for the deaf and blind. The amount shall be
2 proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of
3 the allocation for ~~2011-2012~~ **2012-2013 AND 2013-2014** in section 51a(1) shall be allocated
4 **EACH FISCAL YEAR** under this section.

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

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

9 (b) "Millage levied" means the millage levied for special education pursuant to part
10 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service
11 obligations.

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

16 (2) From the allocation under section 51a(1), there is allocated **FOR EACH FISCAL YEAR**
17 an amount not to exceed \$36,881,100.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** to reimburse
18 intermediate districts levying millages for special education pursuant to part 30 of the
19 revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
20 reimbursement shall be limited as if the funds were generated by these millages and governed
21 by the intermediate district plan adopted pursuant to article 3 of the revised school code,
22 MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an
23 intermediate district distributing any portion of special education millage funds to its
24 constituent districts shall submit for departmental approval and implement a distribution
25 plan.

26 (3) Reimbursement for those millages levied in ~~2010-2011~~ **2011-2012** shall be made in
27 ~~2011-2012~~ **2012-2013** at an amount per ~~2010-2011~~ **2011-2012** membership pupil computed by
28 subtracting from ~~\$174,700.00~~ **\$194,400.00** the ~~2010-2011~~ **2011-2012** taxable value behind each
29 membership pupil and multiplying the resulting difference by the ~~2010-2011~~ **2011-2012** millage
30 levied. **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2012-2013 SHALL BE MADE IN 2013-2014 AT AN**
31 **AMOUNT PER 2012-2013 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$195,000.00 THE 2012-2013**
32 **TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE**

1 **2012-2013 MILLAGE LEVIED.**

2 Sec. 61a. (1) From the appropriation in section 11, there is allocated **FOR EACH FISCAL**
3 **YEAR** an amount not to exceed \$26,611,300.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** to
4 reimburse on an added cost basis districts, except for a district that served as the fiscal
5 agent for a vocational education consortium in the 1993-94 school year, and secondary area
6 vocational-technical education centers for secondary-level career and technical education
7 programs according to rules approved by the superintendent. Applications for participation in
8 the programs shall be submitted in the form prescribed by the department. The department
9 shall determine the added cost for each career and technical education program area. The
10 allocation of added cost funds shall be based on the type of career and technical education
11 programs provided, the number of pupils enrolled, and the length of the training period
12 provided, and shall not exceed 75% of the added cost of any program. With the approval of the
13 department, the board of a district maintaining a secondary career and technical education
14 program may offer the program for the period from the close of the school year until
15 September 1. The program shall use existing facilities and shall be operated as prescribed by
16 rules promulgated by the superintendent.

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

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

25 (a) "Membership" means for a particular fiscal year the total membership for the
26 immediately preceding fiscal year of the intermediate district and the districts constituent
27 to the intermediate district or the total membership for the immediately preceding fiscal
28 year of the area vocational-technical program.

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

1 education.

2 (c) "Taxable value" means the total taxable value of the districts constituent to an
3 intermediate district or area vocational-technical education program, except that if a
4 district has elected not to come under sections 681 to 690 of the revised school code, MCL
5 380.681 to 380.690, the membership and taxable value of that district shall not be included
6 in the membership and taxable value of the intermediate district. However, the membership and
7 taxable value of a district that has elected not to come under sections 681 to 690 of the
8 revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable
9 value of the intermediate district if the district meets both of the following:

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

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

16 (2) From the appropriation in section 11, there is allocated **EACH FISCAL YEAR** an
17 amount not to exceed ~~\$8,693,000.00 for 2010-2011 and an amount not to exceed \$9,000,000.00~~
18 **for 2011-2012 2012-2013 AND 2013-2014** to reimburse intermediate districts and area
19 vocational-technical education programs established under section 690(3) of the revised
20 school code, MCL 380.690, levying millages for area vocational-technical education pursuant
21 to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use,
22 and expenditure of the reimbursement shall be limited as if the funds were generated by those
23 millages.

24 (3) Reimbursement for the millages levied in ~~2010-2011~~ **2011-2012** shall be made in
25 ~~2011-2012 2012-2013~~ at an amount per ~~2010-2011~~ **2011-2012** membership pupil computed by
26 subtracting from ~~\$190,400.00~~ **\$194,200.00** the ~~2010-2011~~ **2011-2012** taxable value behind each
27 membership pupil and multiplying the resulting difference by the ~~2010-2011~~ **2011-2012** millage
28 levied. **REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2012-2013 SHALL BE MADE IN 2013-2014 AT AN**
29 **AMOUNT PER 2012-2013 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$193,100.00 THE 2012-2013**
30 **TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE**
31 **2012-2013 MILLAGE LEVIED.**

32 Sec. 74. (1) From the amount appropriated in section 11, there is allocated **EACH**

1 **FISCAL YEAR** an amount not to exceed ~~\$2,558,800.00 for 2010-2011 and an amount not to exceed~~
2 ~~\$3,154,600.00~~ **\$3,259,900.00** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for the purposes of this
3 section.

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

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

19 (4) From the funds allocated in subsection (1), there is allocated **EACH FISCAL YEAR** an
20 amount not to exceed ~~\$933,800.00 for 2010-2011 and an amount not to exceed \$1,529,600.00~~
21 **\$1,634,900.00** for ~~2011-2012~~ **2012-2013 AND 2013-2014** for reimbursement to districts and
22 intermediate districts for costs associated with the inspection of school buses and pupil
23 transportation vehicles by the department of state police as required under section 715a of
24 the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
25 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a
26 statement of costs attributable to each district for which bus inspections are provided and
27 submit it to the department and to ~~each affected~~ **AN INTERMEDIATE** district **SERVING AS THE**
28 **FIDUCIARY** in a time and manner determined jointly by the department and the department of
29 state police. ~~The~~ **UPON REVIEW AND APPROVAL OF THE STATEMENT OF COST, THE** department shall
30 ~~reimburse~~ **FORWARD TO THE DESIGNATED INTERMEDIATE DISTRICT SERVING AS THE FIDUCIARY THE AMOUNT**
31 **OF REIMBURSEMENT ON BEHALF OF** each district and intermediate district for costs detailed on
32 the statement within ~~30~~ **45** days after receipt of the statement. ~~Districts for which services~~

1 ~~are provided~~ **THE DESIGNATED INTERMEDIATE DISTRICT** shall make payment in the amount specified
2 on the statement to the department of state police within 45 days after receipt of the
3 statement. The total reimbursement of costs under this subsection shall not exceed the amount
4 allocated under this subsection. Notwithstanding section 17b, payments to eligible entities
5 under this subsection shall be paid on a schedule prescribed by the department.

6 Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in
7 section 11, there is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** to the
8 intermediate districts the sum necessary, but not to exceed \$62,108,000.00, to provide state
9 aid to intermediate districts under this section.

10 (2) Except as otherwise provided in this section, there shall be allocated **EACH FISCAL**
11 **YEAR** to each intermediate district for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount equal to
12 95% of the amount allocated under this subsection for ~~2010-2011~~ **2011-2012**. Funding provided
13 under this section shall be used to comply with requirements of this article and the revised
14 school code that are applicable to intermediate districts, and for which funding is not
15 provided elsewhere in this article, and to provide technical assistance to districts as
16 authorized by the intermediate school board.

17 (3) ~~(2)~~ Intermediate districts receiving funds under ~~this section~~ **SUBSECTION (2)** shall
18 collaborate with the department to develop expanded professional development opportunities
19 for teachers to update and expand their knowledge and skills needed to support the Michigan
20 merit curriculum.

21 (4) ~~(3)~~ From the allocation in subsection (1), there is allocated to an intermediate
22 district, formed by the consolidation or annexation of 2 or more intermediate districts or
23 the attachment of a total intermediate district to another intermediate school district or
24 the annexation of all of the constituent K-12 districts of a previously existing intermediate
25 school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year
26 for each intermediate district included in the new intermediate district for 3 years
27 following consolidation, annexation, or attachment.

28 (5) ~~(4)~~ During a fiscal year, the department shall not increase an intermediate
29 district's allocation under subsection (1) because of an adjustment made by the department
30 during the fiscal year in the intermediate district's taxable value for a prior year.
31 Instead, the department shall report the adjustment and the estimated amount of the increase
32 to the house and senate fiscal agencies and the state budget director not later than June 1

1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the
2 next succeeding fiscal year.

3 (6) ~~(5)~~ In order to receive funding under ~~this section~~ **SUBSECTION (2)**, an intermediate
4 district shall do all of the following:

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

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

12 (c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and
13 380.1278b.

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

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

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

19 (7) **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FROM THE ALLOCATION IN SUBSECTION**
20 **(1), THERE SHALL BE ALLOCATED EACH FISCAL YEAR TO EACH INTERMEDIATE DISTRICT FOR 2012-2013**
21 **AND 2013-2014 AN INCENTIVE PAYMENT EQUAL TO 5% OF THE AMOUNT ALLOCATED UNDER THIS SECTION FOR**
22 **2011-2012 TO INTERMEDIATE DISTRICTS THAT MEET BEST PRACTICES AS DETERMINED BY THE DEPARTMENT**
23 **UNDER THIS SUBSECTION. AN INTERMEDIATE DISTRICT SHALL RECEIVE AN INCENTIVE PAYMENT UNDER THIS**
24 **SUBSECTION IF THE INTERMEDIATE DISTRICT SATISFIES AT LEAST 4 OF THE FOLLOWING REQUIREMENTS**
25 **NOT LATER THAN JUNE 1, 2013.**

26 (A) **THE INTERMEDIATE DISTRICT ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT TO DO ALL**
27 **OF THE FOLLOWING:**

28 (I) **DEVELOP A SERVICE CONSOLIDATION PLAN IN 2012-2013 TO REDUCE OPERATING COSTS THAT**
29 **IS IN COMPLIANCE WITH GUIDELINES THAT WERE DEVELOPED BY THE DEPARTMENT FOR FORMER SECTION 11D**
30 **AS THAT SECTION WAS IN EFFECT FOR 2010-2011.**

31 (II) **IMPLEMENT THE PLAN IN 2013-2014 AND REPORT TO THE DEPARTMENT NOT LATER THAN**
32 **FEBRUARY 1, 2014 ON THE INTERMEDIATE DISTRICT'S PROGRESS IN IMPLEMENTING THE PLAN.**

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

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

8 (D) THE INTERMEDIATE DISTRICT PROVIDES TO PARENTS AND COMMUNITY MEMBERS A DASHBOARD OR
9 REPORT CARD DEMONSTRATING THE INTERMEDIATE DISTRICT'S EFFORTS TO MANAGE ITS FINANCES
10 RESPONSIBLY. THE DASHBOARD OR REPORT CARD SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING FOR THE
11 3 MOST RECENT SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE:

12 (I) A LIST OF SERVICES OFFERED BY THE INTERMEDIATE DISTRICT THAT ARE SHARED BY OTHER
13 LOCAL OR INTERMEDIATE DISTRICTS AND A LIST OF THE DISTRICTS OR INTERMEDIATE DISTRICTS THAT
14 PARTICIPATE.

15 (II) THE TOTAL COST SAVINGS TO LOCAL OR OTHER INTERMEDIATE DISTRICTS THAT SHARE
16 SERVICES WITH THE INTERMEDIATE DISTRICT.

17 (III) THE NUMBER AND PERCENTAGE OF TEACHERS IN THE INTERMEDIATE DISTRICT SERVICE AREA
18 THAT ARE TRAINED TO INTEGRATE TECHNOLOGY INTO THE CLASSROOM.

19 (IV) THE TOTAL FUNDS RECEIVED FROM LEVYING SPECIAL EDUCATION AND VOCATIONAL EDUCATION
20 MILLAGES, AND THE NUMBER OF SPECIAL EDUCATION AND VOCATIONAL EDUCATION STUDENTS SERVED WITH
21 THOSE DOLLARS.

22 (V) THE NUMBER AND PERCENTAGE OF INDIVIDUALIZED EDUCATION PROGRAMS DEVELOPED FOR
23 SPECIAL EDUCATION STUDENTS THAT CONTAIN ACADEMIC GOALS.

24 (E) THE INTERMEDIATE DISTRICT WORKS IN A CONSORTIUM WITH ONE OR MORE INTERMEDIATE
25 DISTRICTS TO DEVELOP INFORMATION MANAGEMENT SYSTEM REQUIREMENTS AND BID SPECIFICATIONS THAT
26 CAN BE USED AS STATEWIDE MODELS. AT A MINIMUM, THESE SPECIFICATIONS SHALL ADDRESS STUDENT
27 MANAGEMENT SYSTEMS FOR BOTH GENERAL AND SPECIAL EDUCATION, LEARNING MANAGEMENT TOOLS, AND
28 BUSINESS SERVICES.

29 Sec. 93. From the general fund money appropriated in section 11, there is allocated
30 EACH FISCAL YEAR for ~~2011-2012~~ 2012-2013 AND 2013-2014 an amount not to exceed \$1,304,300.00
31 to the library of Michigan for state aid to libraries payments to help support the provision
32 of the Michigan electronic library in public schools and public libraries. The library of

1 Michigan shall distribute the payments to libraries under this section pursuant to the state
2 aid to public libraries act, 1977 PA 89, MCL 397.551 to 397.576.

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

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

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

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

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

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

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

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

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

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

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

30 (2) Each state department, officer, or agency that collects information from
31 districts, intermediate districts, or postsecondary institutions as required under state or
32 federal law shall make arrangements with the center to ensure that the state department,

1 officer, or agency is in compliance with subsection (1). This subsection does not apply to
2 information collected by the department of treasury under the uniform budgeting and
3 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001
4 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005
5 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

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

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

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

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

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

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

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

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

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

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

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

32 (ii) Contains student-level enrollment, demographic, and program participation

1 information.

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

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

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

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

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

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

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

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

18 (A) Enrollment in remedial coursework.

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

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

23 (5) From the general fund appropriation in section 11, there is allocated **EACH FISCAL**
24 **YEAR** an amount not to exceed ~~\$5,501,700.00~~ **\$9,218,400.00** for ~~2011-2012~~ **2012-2013 AND 2013-**
25 **2014** to the department of technology, management, and budget to support the operations of the
26 center. In addition, from the federal funds appropriated in section 11 there is allocated
27 **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** the amount necessary, estimated at
28 ~~\$2,893,200.00~~ **\$193,500.00**, to support the operations of the center and to establish a **P-20**
29 longitudinal data system as provided under this section in compliance with the assurance
30 provided to the United States department of education in order to receive state fiscal
31 stabilization funds. The center shall cooperate with the ~~state education agency~~ **DEPARTMENT** to
32 ensure that this state is in compliance with federal law and is maximizing opportunities for

1 increased federal funding to improve education in this state.

2 (6) From the ~~federal~~ funds allocated in subsection (5), there is allocated **EACH FISCAL**
3 **YEAR** for ~~2011-2012 2012-2013 AND 2013-2014~~ an amount not to exceed \$850,000.00 ~~funded from~~
4 ~~the competitive grants of DED-OESE, title II, educational technology funds for the purposes~~
5 ~~of this subsection. Not later than November 30 of each fiscal year, the department shall~~
6 ~~award a single grant to an eligible partnership that includes an intermediate district with~~
7 ~~at least 1 high-need local school district and the center~~ **FOR COMPETITIVE GRANTS TO SUPPORT**
8 **COLLABORATIVE EFFORTS ON THE P-20 LONGITUDINAL DATA SYSTEM. ALL OF THE FOLLOWING APPLY TO**
9 **GRANTS AWARDED UNDER THIS SUBSECTION:**

10 (I) **THE CENTER SHALL AWARD COMPETITIVE GRANTS TO ELIGIBLE INTERMEDIATE DISTRICTS OR A**
11 **CONSORTIUM OF INTERMEDIATE DISTRICTS BASED ON CRITERIA ESTABLISHED BY THE CENTER.**

12 (II) **ACTIVITIES FUNDED UNDER THE GRANT SHALL SUPPORT THE P-20 LONGITUDINAL DATA SYSTEM**
13 **PORTAL AND MAY INCLUDE PORTAL HOSTING, HARDWARE AND SOFTWARE ACQUISITION, MAINTENANCE,**
14 **ENHANCEMENTS, USER SUPPORT AND RELATED MATERIALS, AND PROFESSIONAL LEARNING TOOLS AND**
15 **ACTIVITIES AIMED AT IMPROVING THE UTILITY OF THE P-20 LONGITUDINAL DATA SYSTEM.**

16 (III) **AN APPLICANT THAT RECEIVED A GRANT UNDER THIS SUBSECTION FOR THE IMMEDIATELY**
17 **PRECEDING FISCAL YEAR SHALL RECEIVE PRIORITY FOR FUNDING UNDER THIS SECTION. HOWEVER, AFTER 3**
18 **FISCAL YEARS OF CONTINUOUS FUNDING, AN APPLICANT IS REQUIRED TO COMPETE OPENLY WITH NEW**
19 **APPLICANTS.**

20 ~~(7) From the federal funds allocated in subsection (5), there is allocated for 2011-~~
21 ~~2012 an amount not to exceed \$242,000.00 to support the efforts of postsecondary institutions~~
22 ~~to comply with the requirements of this state's statewide longitudinal data system. The funds~~
23 ~~shall be distributed to postsecondary institutions in an amount and manner determined by the~~
24 ~~center.~~

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

28 (7) ~~(9)~~ Funds allocated under this section that are not expended in the fiscal year in
29 which they were allocated may be carried forward to a subsequent fiscal year and are
30 appropriated for the purposes for which the funds were originally allocated.

31 (8) ~~(10)~~ The center may bill departments as necessary in order to fulfill reporting
32 requirements of state and federal law. The center may also enter into agreements to supply

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

6 ~~(11) As used in this section:~~

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

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

12 ~~(c) "State education agency" means the department.~~

13 **SEC. 95. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
14 NOT TO EXCEED \$1,750,000.00 FOR 2012-2013 AND AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2013-
15 2014 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR PRINCIPALS AND ASSISTANT
16 PRINCIPALS IN A DEPARTMENT APPROVED TRAINING PROGRAM FOR IMPLEMENTING EDUCATOR EVALUATIONS AS
17 REQUIRED UNDER SECTION 1249 OF THE REVISED SCHOOL CODE, MCL 380.1249.**

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

22 **(3) TO QUALIFY AS A DEPARTMENT-APPROVED TRAINING PROGRAM, A PROGRAM SHALL MEET
23 DEPARTMENT CRITERIA. AT A MINIMUM, PROGRAMS MUST INCLUDE ALL OF THE FOLLOWING SERVICES:**

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

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

28 **(C) INCORPORATE ONLINE RESOURCES AND THE USE OF VIDEOS OF ACTUAL LESSONS FOR APPLYING
29 RUBRICS AND CONSISTENT SCORING.**

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

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

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

3 Sec. 98. (1) From the general fund money appropriated in section 11, there is
4 allocated ~~FOR EACH FISCAL YEAR~~ an amount not to exceed ~~\$1,687,500.00~~ **\$4,387,500.00** for ~~2011-~~
5 ~~2012 to provide a grant to the Michigan virtual university for the development,~~
6 ~~implementation, and operation of the Michigan virtual high school; to provide professional~~
7 ~~development opportunities for educators; and to fund other~~ **2012-2013 AND 2013-2014 FOR THE**
8 purposes described in this section. ~~In addition, from the federal funds appropriated in~~
9 ~~section 11, there is allocated for 2011-2012 an amount estimated at \$2,700,000.00.~~

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

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

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

16 ~~(c) Provide pupils with opportunities to develop skills and competencies through~~
17 ~~online learning.~~

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

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

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

24 (2) THE MICHIGAN VIRTUAL UNIVERSITY SHALL ESTABLISH THE CENTER FOR ONLINE LEARNING
25 RESEARCH AND INNOVATION. THE CENTER SHALL DO ALL OF THE FOLLOWING:

26 (A) SUPPORT AND ACCELERATE INNOVATION IN EDUCATION THROUGH THE FOLLOWING ACTIVITIES:

27 (I) TEST, EVALUATE AND RECOMMEND AS APPROPRIATE NEW TECHNOLOGY-BASED INSTRUCTIONAL
28 TOOLS AND RESOURCES.

29 (II) RESEARCH, DESIGN AND RECOMMEND ONLINE AND BLENDED EDUCATION DELIVERY MODELS FOR
30 USE BY STUDENTS AND TEACHERS THAT INCLUDE AGE-APPROPRIATE MULTIMEDIA INSTRUCTIONAL CONTENT.

31 (III) RESEARCH, DESIGN AND RECOMMEND COMPETENCY-BASED ONLINE ASSESSMENTS.

32 (IV) RESEARCH, DEVELOP AND RECOMMEND ANNUALLY TO THE DEPARTMENT CRITERIA BY WHICH

1 CYBER SCHOOLS AND ONLINE COURSE PROVIDERS SHOULD BE MONITORED AND EVALUATED TO ENSURE A
2 QUALITY EDUCATION FOR THEIR STUDENTS.

3 (V) BASED ON STUDENT COMPLETION AND PERFORMANCE DATA REPORTED TO THE DEPARTMENT OR THE
4 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION FROM CYBER SCHOOLS AND OTHER ONLINE COURSE
5 PROVIDERS OPERATING IN MICHIGAN, THE CENTER SHALL ANALYZE THE EFFECTIVENESS OF ONLINE
6 LEARNING DELIVERY MODELS IN PREPARING STUDENTS TO BE COLLEGE AND CAREER READY AND PUBLISH A
7 REPORT THAT HIGHLIGHTS ENROLLMENT TOTALS, COMPLETION RATES AND THE OVERALL IMPACT ON
8 STUDENTS. THE REPORT SHALL BE SUBMITTED TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES
9 ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE
10 DEPARTMENT NO LATER THAN DECEMBER 31, 2013.

11 (VI) DESIGN PROFESSIONAL DEVELOPMENT SERVICES FOR TEACHERS, SCHOOL ADMINISTRATORS AND
12 SCHOOL BOARD MEMBERS TO LEARN HOW TO EFFECTIVELY INTEGRATE NEW TECHNOLOGIES AND ONLINE
13 LEARNING INTO CURRICULA AND INSTRUCTION.

14 (VII) IDENTIFY AND SHARE BEST PRACTICES FOR IMPLEMENTING ONLINE AND BLENDED EDUCATION
15 DELIVERY MODELS WITH INTERMEDIATE DISTRICTS, DISTRICTS AND PUBLIC SCHOOL ACADEMIES TO
16 ACCELERATE THE ADOPTION OF INNOVATIVE EDUCATION DELIVERY MODELS STATEWIDE.

17 (B) PROVIDE LEADERSHIP FOR MICHIGAN'S SYSTEM OF ONLINE AND BLENDED LEARNING EDUCATION
18 BY DOING THE FOLLOWING ACTIVITIES:

19 (I) DEVELOP AND REPORT POLICY RECOMMENDATIONS TO THE GOVERNOR AND THE LEGISLATURE THAT
20 ACCELERATE THE EXPANSION OF EFFECTIVE ONLINE LEARNING IN MICHIGAN'S SCHOOLS.

21 (II) PROVIDE A CLEARINGHOUSE FOR RESEARCH REPORTS, ACADEMIC STUDIES, EVALUATIONS AND
22 OTHER INFORMATION RELATED TO ONLINE LEARNING.

23 (III) PROMOTE AND DISTRIBUTE THE MOST CURRENT INSTRUCTIONAL DESIGN STANDARDS AND
24 GUIDELINES FOR ONLINE TEACHING.

25 (IV) IN COLLABORATION WITH THE DEPARTMENT AND INTERESTED MICHIGAN COLLEGES AND
26 UNIVERSITIES, RECOMMEND TO THE STATE SUPERINTENDENT GUIDELINES AND STANDARDS FOR A NEW
27 TEACHER ENDORSEMENT CREDENTIAL RELATED TO EFFECTIVE ONLINE AND BLENDED INSTRUCTION.

28 (V) PURSUE PUBLIC/PRIVATE PARTNERSHIPS THAT INCLUDE DISTRICTS TO STUDY AND IMPLEMENT
29 COMPETENCY-BASED TECHNOLOGY-RICH ONLINE LEARNING MODELS.

30 (VI) CONVENE FOCUS GROUPS AND CONDUCT ANNUAL SURVEYS OF TEACHERS, ADMINISTRATORS,
31 STUDENTS, PARENTS AND OTHERS TO IDENTIFY BARRIERS AND OPPORTUNITIES RELATED TO ONLINE
32 LEARNING.

1 (VII) PRODUCE AN ANNUAL CONSUMER AWARENESS REPORT FOR SCHOOLS AND PARENTS ABOUT
2 EFFECTIVE ONLINE EDUCATION PROVIDERS AND EDUCATION DELIVERY MODELS, PERFORMANCE DATA, COST
3 STRUCTURES AND RESEARCH TRENDS.

4 (3) THE GOVERNOR MAY APPOINT AN ADVISORY GROUP TO THE CENTER FOR ONLINE LEARNING
5 RESEARCH AND INNOVATION. THE MEMBERS OF THE ADVISORY GROUP SHALL SERVE AT THE PLEASURE OF THE
6 GOVERNOR. THE PURPOSE OF THE ADVISORY GROUP SHALL BE TO MAKE RECOMMENDATIONS TO THE GOVERNOR,
7 THE LEGISLATURE AND THE PRESIDENT AND BOARD OF THE MICHIGAN VIRTUAL UNIVERSITY THAT WILL
8 ACCELERATE INNOVATION IN MICHIGAN'S EDUCATION SYSTEM IN A MANNER THAT WILL PREPARE ELEMENTARY
9 AND SECONDARY STUDENTS TO BE CAREER AND COLLEGE READY AND THAT WILL PROMOTE THE GOAL OF
10 INCREASING THE PROPORTION OF MICHIGAN CITIZENS WITH HIGH-QUALITY DEGREES AND CREDENTIALS TO
11 AT LEAST 60% BY 2025. MEMBERS OF THE ADVISORY GROUP SHALL SERVE WITHOUT COMPENSATION.

12 (4) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, FROM THE FUNDS ALLOCATED IN
13 SUBSECTION (1), THERE IS ALLOCATED UP TO \$500,000.00 FOR FISCAL YEAR 2012-2013 TO THE
14 MICHIGAN VIRTUAL SCHOOL OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY TO CONDUCT AND REPORT ON
15 A YEAR-LONG PILOT STUDY OF A NEW PERFORMANCE-BASED FUNDING MODEL FOR THE MICHIGAN VIRTUAL
16 SCHOOL. THE PURPOSE OF THE PILOT STUDY IS TO DEMONSTRATE THE MERITS OF A PAYMENT SYSTEM FOR
17 ONLINE INSTRUCTIONAL PROGRAMS BASED ON STUDENT PERFORMANCE RATHER THAN SOLELY ON ENROLLMENT
18 AND ATTENDANCE FACTORS.

19 (A) THE MICHIGAN VIRTUAL SCHOOL SHALL RANDOMLY SELECT A MINIMUM OF 1,000 OF ITS
20 QUALIFYING ONLINE COURSE ENROLLMENTS FOR INCLUSION IN THE PILOT STUDY. THE MICHIGAN VIRTUAL
21 SCHOOL SHALL ISSUE A REFUND OR CREDIT TO DISTRICTS FOR ALL ONLINE COURSE ENROLLMENTS INCLUDED
22 IN THE PILOT STUDY.

23 (B) THE MICHIGAN VIRTUAL SCHOOL SHALL REPORT TO THE DEPARTMENT THE NUMBER OF ONLINE
24 COURSE ENROLLMENTS IN THE PILOT STUDY THAT MEET THE FOLLOWING CONDITIONS:

25 (I) THE PUPIL SUCCESSFULLY COMPLETED THE ONLINE COURSE AS MEASURED BY ASSESSMENTS
26 ALIGNED TO THE COURSE CONTENT AND EARNED A GRADE OR CREDIT FROM THE DISTRICT OR PUBLIC SCHOOL
27 ACADEMY IN WHICH THE STUDENT IS ENROLLED.

28 (II) THE ONLINE COURSE IS TAUGHT BY A MICHIGAN CERTIFICATED TEACHER CERTIFIED IN THE
29 SUBJECT AREA IN WHICH THE COURSE IS BEING OFFERED.

30 (III) WHERE APPLICABLE, THE ONLINE COURSE IS ALIGNED WITH MICHIGAN CURRICULUM
31 STANDARDS.

32 (IV) THE ONLINE COURSE CURRICULUM CONTAINS PERIODIC ONLINE STUDENT ASSESSMENTS.

1 (V) STUDENTS HAVE ACCESS TO THE APPROPRIATE TECHNOLOGY HARDWARE AND SOFTWARE NECESSARY
2 TO TAKE THE ONLINE COURSE.

3 (VI) PARENTS OR GUARDIANS AND STUDENTS HAVE SECURE ONLINE ACCESS TO REVIEW PERIODIC
4 STUDENT PROGRESS AND PERFORMANCE DATA.

5 (VII) THE ONLINE INSTRUCTOR IS AVAILABLE TO INTERACT WITH PARENTS OR GUARDIANS AND
6 STUDENTS USING ELECTRONIC COMMUNICATIONS.

7 (C) THE DEPARTMENT SHALL PAY TO MICHIGAN VIRTUAL SCHOOL FROM THE ALLOCATION CONTAINED
8 IN THIS SUBSECTION AN AMOUNT NOT TO EXCEED THE EQUIVALENT OF 1/12 OF THE STATE'S MINIMUM PER
9 PUPIL FOUNDATION ALLOWANCE FOR EACH ONLINE COURSE ENROLLMENT INCLUDED IN THE PILOT STUDY THAT
10 MEETS THE REQUIREMENTS OF SUBDIVISION (B) IN THE NEXT SCHOOL AID PAYMENT AFTER THE REPORT IS
11 RECEIVED BY THE DEPARTMENT.

12 (5) THE ACCREDITATION STATUS OF THE MICHIGAN VIRTUAL SCHOOL FROM RECOGNIZED NATIONAL
13 AND INTERNATIONAL ACCREDITING ENTITIES MUST BE MAINTAINED IN ORDER FOR THE MICHIGAN VIRTUAL
14 UNIVERSITY TO RECEIVE ANY FUNDS ALLOCATED UNDER THIS SECTION.

15 (6) ~~(3)~~ The Michigan virtual ~~high~~ school **MAY OFFER ONLINE** course offerings **IN ADDITION**
16 **TO THOSE OFFERED IN THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING BUT ~~shall include,~~**
17 ~~but are~~ not limited to, all of the following:

18 (a) Information technology courses.

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

21 (c) Courses and dual enrollment opportunities.

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

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

24 (f) Special interest courses.

25 (g) Professional development programs ~~that teach Michigan educators how to develop and~~
26 ~~deliver online instructional services.~~ **FOR TEACHERS, SCHOOL ADMINISTRATORS, SCHOOL EMPLOYEES**
27 **AND SCHOOL BOARD MEMBERS.**

28 ~~(4) From the federal funds allocated in subsection (1), there is allocated for 2011-~~
29 ~~2012 an amount estimated at \$1,700,000.00 from DED-OESE, title II, improving teacher quality~~
30 ~~funds for a grant to the Michigan virtual university for the purpose of this subsection. With~~
31 ~~the approval of the department, the Michigan virtual university shall coordinate the~~
32 ~~following activities related to DED-OESE, title II, improving teacher quality funds in~~

1 ~~accordance with federal law.~~

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

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

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

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

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

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

19 ~~(6) From the federal funds appropriated in subsection (1), there is allocated for~~
20 ~~2011-2012 an amount estimated at \$1,000,000.00 from the DED OESE, title II, educational~~
21 ~~technology grant funds to support e-learning and virtual school initiatives consistent with~~
22 ~~the goals contained in the United States national educational technology plan issued in~~
23 ~~January 2005. These funds shall be used to support activities designed to build the capacity~~
24 ~~of the Michigan virtual university and shall not be used to supplant other funding. Not later~~
25 ~~than November 30, 2010, from the funds allocated in this subsection, the department shall~~
26 ~~award a single grant of \$1,000,000.00 to a consortium or partnership established by the~~
27 ~~Michigan virtual university that meets the requirements of this subsection. To be eligible~~
28 ~~for this funding, a consortium or partnership established by the Michigan virtual university~~
29 ~~shall include at least 1 intermediate district and at least 1 high-need local district. All~~
30 ~~of the following apply to this funding:~~

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

32 ~~(i) Prior success in delivering online courses and instructional services to K-12~~

1 ~~pupils throughout this state.~~

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

3 ~~(iii) Experience in maintaining a statewide help desk service for pupils, online~~

4 ~~teachers, and other school personnel.~~

5 ~~(iv) Knowledge and experience in providing technical assistance and support to K-12~~

6 ~~schools in the area of online education.~~

7 ~~(v) Experience in training and supporting K-12 educators in this state to teach online~~

8 ~~courses.~~

9 ~~(vi) Demonstrated technical expertise and capacity in managing complex technology~~

10 ~~systems.~~

11 ~~(vii) Experience promoting twenty-first century learning skills through the use of~~

12 ~~online technologies.~~

13 ~~(b) The Michigan virtual university, which operates the Michigan virtual high school,~~

14 ~~shall perform the following tasks related to this funding:~~

15 ~~(i) Strengthen its capacity by pursuing activities, policies, and practices that~~

16 ~~increase the overall number of Michigan virtual high school course enrollments and course~~

17 ~~completions by at-risk students.~~

18 ~~(ii) Examine the curricular and specific course content needs of middle and high~~

19 ~~school students in the areas of mathematics and science.~~

20 ~~(iii) Design, develop, and acquire online courses and related supplemental resources~~

21 ~~aligned to state standards to create a comprehensive and rigorous statewide catalog of online~~

22 ~~courses and instructional services.~~

23 ~~(iv) Continue to evaluate and conduct pilot programs for new and innovative online~~

24 ~~tools, resources, and courses.~~

25 ~~(v) Evaluate existing online teaching and learning practices and develop continuous~~

26 ~~improvement strategies to enhance student achievement.~~

27 ~~(vi) Develop, support, and maintain the technology infrastructure and related software~~

28 ~~required to deliver online courses and instructional services to students statewide.~~

29 (7) If a home-schooled or nonpublic school student is a resident of a district that

30 subscribes to services provided by the Michigan virtual high school, the student may use the

31 services provided by the Michigan virtual high school to the district without charge to the

32 student beyond what is charged to a district pupil using the same services.

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

6 (a) A list of the Michigan ~~schools~~ **DISTRICTS** served by the Michigan virtual ~~high~~
7 school.

8 (b) A list of online course titles available to Michigan ~~schools~~ **DISTRICTS**.

9 (c) The total number of online course enrollments and information on registrations and
10 completions by course.

11 (d) The overall course completion rate percentage.

12 ~~(e) A summary of DED-OESE, title IIA, teacher quality grant and DED-OESE, title IID,~~
13 ~~education technology grant expenditures.~~

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

16 **(E) THE RESULTS OF THE PILOT STUDY DESCRIBED IN SUBSECTION (4), INCLUDING, BUT NOT**
17 **LIMITED TO:**

18 **(I) A LIST OF THE DISTRICTS THAT WERE SELECTED TO BE PART OF THE PILOT STUDY.**

19 **(II) THE NUMBER OF SUCCESSFUL ONLINE COURSE COMPLETIONS.**

20 **(III) A LIST OF THE COURSES OFFERED IN THE PILOT AND THE COMPLETION RATES FOR EACH**
21 **COURSE.**

22 **(IV) IDENTIFICATION OF OPPORTUNITIES AND BARRIERS THAT MUST BE ADDRESSED IN ORDER TO**
23 **APPLY ONLINE LEARNING PERFORMANCE FUNDING BASED ON SUCCESSFUL COMPLETIONS RATHER THAN**
24 **ENROLLMENT AND ATTENDANCE FOR ONLINE LEARNING OFFERINGS STATEWIDE.**

25 (9) As used in this section:

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

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

31 ~~(c) "State education agency" means the department.~~

32 **(A) "BLENDED LEARNING" MEANS A HYBRID INSTRUCTIONAL DELIVERY MODEL WHERE STUDENTS ARE**

1 PROVIDED FACE-TO-FACE INSTRUCTION, IN PART AT A SUPERVISED SCHOOL FACILITY AWAY FROM HOME AND
2 PARTIALLY THROUGH COMPUTER-BASED AND INTERNET-CONNECTED LEARNING ENVIRONMENTS WITH SOME
3 DEGREE OF STUDENT CONTROL OVER TIME, LOCATION AND PACE OF INSTRUCTION.

4 (B) "CYBER SCHOOL" MEANS A FULL-TIME ONLINE INSTRUCTIONAL PROGRAM FOR STUDENTS THAT
5 MAY OR MAY NOT REQUIRE ATTENDANCE AT A PHYSICAL SCHOOL LOCATION.

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

13 Sec. 99. (1) From the ~~state school aid fund money~~ **FUNDS** appropriated in section 11,
14 there is allocated an amount not to exceed ~~\$2,515,000.00~~ **\$2,625,000.00 EACH FISCAL YEAR** for
15 ~~2011-2012~~ and from the general fund appropriation in section 11, there is allocated an amount
16 ~~not to exceed \$110,000.00 for 2011-2012~~ **2012-2013 AND 2013-2014** to support the activities and
17 programs of mathematics and science centers and for other purposes as described in this
18 section. In addition, from the federal funds appropriated in section 11, there is allocated
19 **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount estimated at \$5,249,300.00
20 from DED-OESE, title II, mathematics and science partnership grants.

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

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

32 (4) As part of the technical assistance process, the department shall provide minimum

1 standard guidelines that may be used by the mathematics and science center for providing fair
2 access for qualified pupils and professional staff as prescribed in this section.

3 (5) Allocations under this section to support the activities and programs of
4 mathematics and science centers shall be continuing support grants to all 33 established
5 mathematics and science centers. Each established mathematics and science center that was
6 funded in the immediately preceding fiscal year shall receive state funding in an amount
7 equal to 100% of the amount it was allocated under this subsection for the immediately
8 preceding fiscal year. If a center declines state funding or a center closes, the remaining
9 money available under this section shall be distributed to the remaining centers, as
10 determined by the department.

11 (6) From the funds allocated in subsection (1), there is allocated **EACH FISCAL YEAR**
12 for ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed \$750,000.00 in a form and
13 manner determined by the department to those centers able to provide curriculum and
14 professional development support to assist districts in implementing the Michigan merit
15 curriculum components for mathematics and science. Funding under this subsection is in
16 addition to funding allocated under subsection (5).

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

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

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

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

28 (11) Not later than July 1 of each year, a mathematics and science center that
29 receives funds under this section shall report to the department in a form and manner
30 prescribed by the department on the following performance measures:

31 (a) Statistical change in pre- and post-assessment scores for students who enrolled in
32 mathematics and science activities provided to districts by the mathematics and science

1 center.

2 (b) Statistical change in pre- and post-assessment scores for teachers who enrolled in
3 professional development activities provided by the mathematics and science center.

4 (12) As used in this section:

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

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

7 Sec. 101. (1) To be eligible to receive state aid under this act, not later than the
8 fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday
9 after the supplemental count day, each district superintendent shall submit to the center and
10 the intermediate superintendent, in the form and manner prescribed by the center, the number
11 of pupils enrolled and in regular daily attendance in the district as of the pupil membership
12 count day and as of the supplemental count day, as applicable, for the current school year.
13 In addition, a district maintaining school during the entire year, as provided under section
14 1561 of the revised school code, MCL 380.1561, shall submit to the center and the
15 intermediate superintendent, in the form and manner prescribed by the center, the number of
16 pupils enrolled and in regular daily attendance in the district for the current school year
17 pursuant to rules promulgated by the superintendent. Not later than the ~~seventh~~ **SIXTH**
18 Wednesday after the pupil membership count day and not later than the seventh Wednesday after
19 the supplemental count day, the district shall certify the data in a form and manner
20 prescribed by the center and file the certified data with the intermediate superintendent. If
21 a district fails to submit and certify the attendance data, as required under this
22 subsection, the center shall notify the department and state aid due to be distributed under
23 this ~~act~~ **ARTICLE** shall be withheld from the defaulting district immediately, beginning with
24 the next payment after the failure and continuing with each payment until the district
25 complies with this subsection. If a district does not comply with this subsection by the end
26 of the fiscal year, the district forfeits the amount withheld. A person who willfully
27 falsifies a figure or statement in the certified and sworn copy of enrollment shall be
28 punished in the manner prescribed by section 161.

29 (2) To be eligible to receive state aid under this ~~act~~ **ARTICLE**, not later than the
30 twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-
31 fourth Wednesday after the supplemental count day, an intermediate district shall submit to
32 the center, in a form and manner prescribed by the center, the audited enrollment and

1 attendance data for the pupils of its constituent districts and of the intermediate district.
2 If an intermediate district fails to submit the audited data as required under this
3 subsection, state aid due to be distributed under this ~~act~~ **ARTICLE** shall be withheld from the
4 defaulting intermediate district immediately, beginning with the next payment after the
5 failure and continuing with each payment until the intermediate district complies with this
6 subsection. If an intermediate district does not comply with this subsection by the end of
7 the fiscal year, the intermediate district forfeits the amount withheld.

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

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

17 (b) Except as otherwise provided in this ~~act~~ **ARTICLE**, a district failing to comply
18 with the required minimum hours and days of pupil instruction under this subsection shall
19 forfeit from its total state aid allocation an amount determined by applying a ratio of the
20 number of hours or days the district was in noncompliance in relation to the required minimum
21 number of hours and days under this subsection. Not later than August 1, the board of each
22 district shall certify to the department the number of hours and, beginning in 2010-2011,
23 days of pupil instruction in the previous school year. If the district did not provide at
24 least the required minimum number of hours and days of pupil instruction under this
25 subsection, the deduction of state aid shall be made in the following fiscal year from the
26 first payment of state school aid. A district is not subject to forfeiture of funds under
27 this subsection for a fiscal year in which a forfeiture was already imposed under subsection
28 (6).

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

31 (d) If a collective bargaining agreement that provides a complete school calendar is
32 in effect for employees of a district as of October 19, 2009, and if that school calendar is

1 not in compliance with this subsection, then this subsection does not apply to that district
2 until after the expiration of that collective bargaining agreement.

3 (e) Except as otherwise provided in subdivision (f), a district not having at least
4 75% of the district's membership in attendance on any day of pupil instruction shall receive
5 state aid in that proportion of 1/180 that the actual percent of attendance bears to the
6 specified percentage.

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

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

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

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

21 (g) The superintendent shall promulgate rules for the implementation of this
22 subsection.

23 (4) Except as otherwise provided in this subsection, the first 6 days or the
24 equivalent number of hours for which pupil instruction is not provided because of conditions
25 not within the control of school authorities, such as severe storms, fires, epidemics,
26 utility power unavailability, water or sewer failure, or health conditions as defined by the
27 city, county, or state health authorities, shall be counted as hours and days of pupil
28 instruction. With the approval of the superintendent of public instruction, the department
29 shall count as hours and days of pupil instruction for a fiscal year not more than 6
30 additional days or the equivalent number of additional hours for which pupil instruction is
31 not provided in a district after April 1 of the applicable school year due to unusual and
32 extenuating occurrences resulting from conditions not within the control of school

1 authorities such as those conditions described in this subsection. Subsequent such hours or
2 days shall not be counted as hours or days of pupil instruction.

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

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

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

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

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

25 (a) Except as otherwise provided in this subsection, a pupil must be scheduled for at
26 least the required minimum number of hours of instruction, excluding study halls, or at least
27 the sum of 90 hours plus the required minimum number of hours of instruction, including up to
28 2 study halls.

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

32 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for

1 whom a reduced schedule is determined to be in the individual pupil's best educational
2 interest must be scheduled for a number of hours equal to at least 80% of the required
3 minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A
4 pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule
5 under this subsection if the pupil is scheduled for a number of hours equal to at least 75%
6 of the required minimum number of hours of pupil instruction to be considered a full-time
7 equivalent pupil.

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

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

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

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

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

30 (9) Upon application by the district for a particular fiscal year, the superintendent
31 may waive for a district the minimum number of hours and days of pupil instruction
32 requirement of subsection (3) for a department-approved alternative education program or

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

11 (10) A district may count up to 38 hours of qualifying professional development for
12 teachers as hours of pupil instruction. Professional development provided online is allowable
13 and encouraged, as long as the instruction has been approved by the district. The department
14 shall issue a list of approved online professional development providers, which shall include
15 the Michigan virtual ~~university SCHOOL. However, if a collective bargaining agreement that~~
16 ~~provides more than 38 but not more than 51 hours of professional development for teachers is~~
17 ~~in effect for employees of a district as of October 1, 2006, then until the fiscal year that~~
18 ~~begins after the expiration of that collective bargaining agreement a district may count up~~
19 ~~to 51 hours of qualifying professional development for teachers as hours of pupil~~
20 ~~instruction. A district that elects to use this exception shall notify the department of its~~
21 ~~election.~~ As used in this subsection, "qualifying professional development" means
22 professional development that is focused on 1 or more of the following:

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

25 (b) Achieving accreditation or improving a school's accreditation status under section
26 1280 of the revised school code, MCL 380.1280.

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

29 (d) Integrating technology into classroom instruction.

30 (e) Maintaining teacher certification.

31 (11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber
32 school, as defined in section 551 of the revised school code, MCL 380.551, and is in

1 compliance with section 553a of the revised school code, MCL 380.553a.

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

9 Sec. 104. (1) In order to receive state aid under this article, a district shall
10 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,
11 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL
12 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money
13 appropriated in section 11, there is allocated **EACH FISCAL YEAR** for ~~2011-2012~~ **2012-2013 AND**
14 **2013-2014** an amount not to exceed ~~\$35,194,400.00~~ **\$26,694,400.00** for payments on behalf of
15 districts for costs associated with complying with those provisions of law. In addition, from
16 the federal funds appropriated in section 11, there is allocated **EACH FISCAL YEAR** for ~~2011-~~
17 ~~2012~~ **2012-2013 AND 2013-2014** an amount estimated at \$8,250,000.00, funded from **DED-OESE,**
18 **TITLE VI, STATE ASSESSMENTS FUNDS AND DED-OSERS,** section 504 of part B of the individuals
19 with disabilities education act, Public Law 94-142, plus any carryover federal funds from
20 previous year appropriations, for the purposes of complying with the federal no child left
21 behind act of 2001, Public Law 107-110.

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

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

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

32 (5) As used in this section:

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

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

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

4 Sec. 107. (1) From the appropriation in section 11, there is allocated **EACH FISCAL**
5 **YEAR** an amount not to exceed \$22,000,000.00 for ~~2011-2012~~ **2012-2013 AND 2013-2014** for adult
6 education programs authorized under this section. Funds allocated under this section are
7 restricted for adult education programs as authorized under this section only. A recipient of
8 funds under this section shall not use those funds for any other purpose.

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

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

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

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

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

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

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

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

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

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

1 (4) Except as otherwise provided in subsection (5), the money allocated under this
2 section shall be distributed as follows:

3 (a) For districts and consortia that received payments for ~~2010-2011~~ **THE IMMEDIATELY**
4 **PRECEDING FISCAL YEAR** under this section, the amount allocated to each for ~~2011-2012~~ **THE**
5 **CURRENT FISCAL YEAR** shall be based on the number of participants served by the district or
6 consortium for ~~2011-2012~~ **THE CURRENT FISCAL YEAR**, using the amount allocated per full-time
7 equated participant under subsection (7), up to a maximum total allocation under this
8 subsection in an amount equal to ~~100.9%~~ of the amount the district or consortium received for
9 ~~2010-2011~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under this section before any reallocations
10 made for ~~2010-2011~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under subsection (5).

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

20 ~~(c) If a district had a declaration of financial emergency in place under the local~~
21 ~~government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and that~~
22 ~~declaration was revoked during 2005, the district may operate a program under this section~~
23 ~~independently of a consortium or may join or form a consortium to operate a program under~~
24 ~~this section. The allocation for 2011-2012 to the district or the newly formed consortium~~
25 ~~under this subsection shall be determined by the department and shall be based on the~~
26 ~~proportion of the amounts that are attributable to the district or consortium that received~~
27 ~~funding in 2010-2011 or, for a district for which a declaration of financial emergency was~~
28 ~~revoked during 2005, based on the amount the district received under this section using a 3-~~
29 ~~year average of the 3 most recent fiscal years the district received funding under this~~
30 ~~section. A district or consortium described in this subdivision shall notify the department~~
31 ~~of its intention with regard to 2011-2012 by October 1, 2011.~~

32 (5) A district that operated an adult education program in ~~2010-2011~~ **THE IMMEDIATELY**

1 **PRECEDING FISCAL YEAR** and does not intend to operate a program in ~~2011-2012~~ **THE CURRENT**
2 **FISCAL YEAR** shall notify the department by October 1, ~~2011~~ **OF THE CURRENT FISCAL YEAR** of its
3 intention. The money intended to be allocated under this section to a district that does not
4 operate a program in ~~2011-2012~~ **THE CURRENT FISCAL YEAR** and the unspent money originally
5 allocated under this section to a district or consortium that subsequently operates a program
6 at less than the level of funding allocated under subsection (4) and any other unallocated
7 money under this section shall instead be proportionately reallocated to the other districts
8 described in subsection (4) (a) that are operating an adult education program in ~~2011-2012~~ **THE**
9 **CURRENT FISCAL YEAR** under this section.

10 (6) The amount allocated under this section per full-time equated participant is
11 \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program
12 offering less than 450 hours of instruction.

13 (7) An adult basic education program or an adult English as a second language program
14 operated on a year-round or school year basis may be funded under this section, subject to
15 all of the following:

16 (a) The program enrolls adults who are determined by a department-approved assessment,
17 in a form and manner prescribed by the department, to be below ninth grade level in reading
18 or mathematics, or both, or to lack basic English proficiency.

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

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

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

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

28 (d) A funding recipient enrolling a participant in an English as a second language
29 program is eligible for funding according to subsection (11) until the participant meets 1 of
30 the following:

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

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

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

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

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

13 (c) A funding recipient shall receive funding according to subsection (11) for a
14 participant, and a participant may be enrolled in the program until 1 of the following
15 occurs:

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

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

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

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

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

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

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

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

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

32 (a) The program enrolls adults referred by their employer who are less than 20 years

1 of age, have a high school diploma, are determined to be in need of remedial mathematics or
2 communication arts skills and are not attending an institution of higher education.

3 **(B) THE PROGRAM TESTS PARTICIPANTS DESCRIBED IN SUBDIVISION (A) BEFORE ENROLLMENT AND**
4 **UPON COMPLETION OF THE PROGRAM IN COMPLIANCE WITH THE DEPARTMENT-APPROVED ASSESSMENT POLICY.**

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

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

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

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

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

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

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

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

32 (14) An individual who is an inmate in a state correctional facility shall not be

1 counted as a participant under this section.

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

7 (16) A district or intermediate district receiving funds under this section may
8 establish a sliding scale of tuition rates based upon a participant's family income. A
9 district or intermediate district may charge a participant tuition to receive adult education
10 services under this section from that sliding scale of tuition rates on a uniform basis. The
11 amount of tuition charged per participant shall not exceed the actual operating cost per
12 participant minus any funds received under this section per participant. A district or
13 intermediate district may not charge a participant tuition under this section if the
14 participant's income is at or below 200% of the federal poverty guidelines published by the
15 United States department of health and human services.

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

22 (18) All intermediate district participant audits of adult education programs shall be
23 performed pursuant to the adult education participant auditing and accounting manuals
24 published by the department.

25 (19) As used in this section, "department" means the ~~workforce development agency~~
26 **MICHIGAN STRATEGIC FUND.**

27 Sec. 147. The allocation for ~~2010-2011~~ **2012-2013** for the public school employees'
28 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA
29 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method
30 and risk assumptions adopted by the public school employees retirement board and the
31 department of technology, management, and budget. For public school employees who first
32 worked for a public school reporting unit before July 1, 2010, the annual level percentage of

1 payroll contribution rate is estimated at ~~15.96%~~ **18.62%** for pension and at ~~8.50%~~ **8.75%** for
2 retiree health care for the ~~2011-2012~~ **2012-2013** fiscal year. For public school employees who
3 first worked for a public school reporting unit on or after July 1, 2010, the annual level
4 percentage of payroll contribution rate is estimated at ~~14.73%~~ **17.39%** for pension and ~~8.50%~~
5 **8.75%** for retiree health care for the ~~2011-2012~~ **2012-2013** fiscal year. For public school
6 employees who first worked for a public school reporting unit before July 1, 2010, the annual
7 level percentage of payroll contribution rate is estimated at ~~18.62%~~ **22.46%** for pension and
8 ~~8.75%~~ **8.75%** for retiree health care for the ~~2012-2013~~ **2013-2014** fiscal year. For public
9 school employees who first worked for a public school reporting unit on or after July 1,
10 2010, the annual level percentage of payroll contribution rate is estimated at ~~17.39%~~ **21.19%**
11 for pension and ~~8.75%~~ **8.75%** for retiree health care for the ~~2012-2013~~ **2013-2014** fiscal year.
12 The portion of the contribution rate assigned to districts and intermediate districts for
13 each fiscal year is all of the total percentage points. This contribution rate reflects an
14 amortization period of 26 years for ~~2011-2012~~ **2012-2013**. The public school employees'
15 retirement system board shall notify each district and intermediate district by February 28
16 of each fiscal year of the estimated contribution rate for the next fiscal year.

17 Sec. 147a. From the appropriation in section 11, there is allocated **EACH FISCAL YEAR**
18 for ~~2011-2012 only~~ **2012-2013 AND 2013-2014** an amount not to exceed ~~\$155,000,000.00~~
19 **\$179,000,000.00** for ~~1-time~~ payments to participating districts. ~~The money allocated in this~~
20 ~~section represents a portion of the year end state school aid fund balance for 2010-2011.~~ A
21 district that receives money under this section shall use that money solely for the purpose
22 of offsetting a portion of the retirement contributions owed by the district for **EACH OF** the
23 fiscal year **YEARS** ending September 30, ~~2012~~ **2013 AND SEPTEMBER 30, 2014**. The amount allocated
24 to each participating district under this section shall be based on each participating
25 district's percentage of the total statewide payroll for all participating districts for the
26 **IMMEDIATELY PRECEDING** state fiscal year ~~ending September 30, 2011~~. As used in this section,
27 "participating district" means a district that is a reporting unit of the Michigan public
28 school employees' retirement system under the public school employees retirement act of 1979,
29 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school
30 employees' retirement system for ~~September 2011~~ **THE APPLICABLE FISCAL YEAR**.

31 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v
32 State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state

1 school aid fund money appropriated in section 11 there is allocated **EACH FISCAL YEAR** for
2 ~~2011-2012~~ **2012-2013 AND 2013-2014** an amount not to exceed ~~\$34,064,500.00~~ **\$38,000,500.00** to be
3 used solely for the purpose of paying necessary costs related to the state-mandated
4 collection, maintenance, and reporting of data to this state.

5 (2) From the allocation in subsection (1), the department shall make payments to
6 districts and intermediate districts in an equal amount per pupil based on the total number
7 of pupils in membership in each district and intermediate district. The department shall not
8 make any adjustment to these payments after the final installment payment under section 17b
9 is made.

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ARTICLE II

STATE AID TO COMMUNITY COLLEGES

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsection (2)~~ **THIS SECTION** are appropriated for community colleges for the fiscal year ending September 30, ~~2012~~ **2013**, from the funds indicated in this section. The following is a summary of the appropriations in ~~subsection (2)~~ **THIS SECTION**:

(a) The gross appropriation is ~~\$283,880,500.00~~ **\$294,130,500.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$283,880,500.00~~ **\$294,130,500.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$195,880,500.00~~ **\$197,614,100.00**.

(v) State general fund/general purpose money, ~~\$88,000,000.00~~ **\$96,516,400.00**.

(2) Subject to subsection (3), the ~~amount~~ **AMOUNTS** appropriated for community college

1 operations is ~~\$283,880,500.00~~, allocated **ARE** as follows:

2 (a) Alpena Community College, ~~\$4,984,300.00~~ **\$5,152,700.00, INCLUDING \$168,400.00 FROM**

3 **PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

4 (b) Bay de Noc Community College, ~~\$5,040,200.00~~ **\$5,180,100.00, INCLUDING \$139,900.00**

5 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

6 (c) Delta College, ~~\$13,336,200.00~~ **\$13,919,300.00, INCLUDING \$583,100.00 FROM**

7 **PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

8 (d) Glen Oaks Community College, ~~\$2,320,900.00~~ **\$2,393,700.00, INCLUDING \$72,800.00**

9 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

10 (e) Gogebic Community College, ~~\$4,140,500.00~~ **\$4,243,900.00, INCLUDING \$103,400.00 FROM**

11 **PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

12 (f) Grand Rapids Community College, ~~\$16,649,700.00~~ **\$16,983,100.00, INCLUDING**

13 **\$333,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

14 (g) Henry Ford Community College, ~~\$20,145,000.00~~ **\$20,575,200.00, INCLUDING \$430,200.00**

15 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

16 (h) Jackson Community College, ~~\$11,219,700.00~~ **\$11,551,300.00, INCLUDING \$331,600.00**

17 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

18 (i) Kalamazoo Valley Community College, ~~\$11,522,700.00~~ **\$11,922,000.00, INCLUDING**

19 **\$399,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

20 (j) Kellogg Community College, ~~\$9,047,900.00~~ **\$9,327,100.00, INCLUDING \$279,200.00 FROM**

21 **PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

22 (k) Kirtland Community College, ~~\$2,872,900.00~~ **\$3,028,300.00, INCLUDING \$155,400.00**

23 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

24 (l) Lake Michigan College, ~~\$4,937,700.00~~ **\$5,037,900.00, INCLUDING \$100,200.00 FROM**

25 **PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

26 (m) Lansing Community College, ~~\$28,651,900.00~~ **\$29,571,700.00, INCLUDING \$919,800.00**

27 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

28 (n) Macomb Community College, ~~\$30,490,300.00~~ **\$31,184,100.00, INCLUDING \$693,800.00**

29 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

30 (o) Mid Michigan Community College, ~~\$4,266,800.00~~ **\$4,456,600.00, INCLUDING \$189,800.00**

31 **FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.**

32 (p) Monroe County Community College, ~~\$4,094,000.00~~ **\$4,212,500.00, INCLUDING**

1 \$118,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

2 (q) Montcalm Community College, ~~\$2,946,800.00~~ \$3,050,000.00, INCLUDING \$103,200.00
3 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

4 (r) C.S. Mott Community College, ~~\$14,526,400.00~~ \$14,942,700.00, INCLUDING \$416,300.00
5 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

6 (s) Muskegon Community College, ~~\$8,256,700.00~~ \$8,411,900.00, INCLUDING \$155,200.00
7 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

8 (t) North Central Michigan College, ~~\$2,886,500.00~~ \$2,963,100.00, INCLUDING \$76,600.00
9 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

10 (u) Northwestern Michigan College, ~~\$8,430,300.00~~ \$8,542,400.00, INCLUDING \$112,100.00
11 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

12 (v) Oakland Community College, ~~\$19,455,900.00~~ \$19,934,800.00, INCLUDING \$478,900.00
13 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

14 (w) St. Clair County Community College, ~~\$6,534,100.00~~ \$6,726,300.00, INCLUDING
15 \$192,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

16 (x) Schoolcraft College, ~~\$11,477,300.00~~ \$12,036,800.00, INCLUDING \$559,500.00 FROM
17 PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

18 (y) Southwestern Michigan College, ~~\$6,143,700.00~~ \$6,234,100.00, INCLUDING \$90,400.00
19 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

20 (z) Washtenaw Community College, ~~\$11,827,300.00~~ \$12,818,200.00, INCLUDING \$990,900.00
21 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

22 (aa) Wayne County Community College, ~~\$15,425,900.00~~ \$15,703,300.00, INCLUDING
23 \$277,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

24 (bb) West Shore Community College, ~~\$2,248,900.00~~ \$2,293,800.00, INCLUDING \$44,900.00
25 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 206B.

26 (3) The ~~amount~~ AMOUNTS appropriated in subsection (2) for community college operations
27 ~~is~~ COLLEGES ARE appropriated from the following:

28 (a) School aid fund, \$195,880,500.00.

29 (b) State general fund/general purpose money, ~~\$88,000,000.00~~ \$96,516,400.

30 (4) THERE IS APPROPRIATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED

31 \$1,733,600.00 FOR PAYMENTS TO COMMUNITY COLLEGES, FROM THE STATE SCHOOL AID FUND. A COMMUNITY

32 COLLEGE THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF

1 OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE FISCAL YEAR
2 ENDING SEPTEMBER 30, 2013. THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER
3 THIS SUBSECTION SHALL BE BASED ON EACH PARTICIPATING COLLEGE'S TOTAL PAYROLL COVERED BY THE
4 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IN PROPORTION TO THE TOTAL MICHIGAN
5 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR
6 THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. AS USED IN THIS SECTION, "PARTICIPATING COLLEGE"
7 MEANS A COMMUNITY COLLEGE THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
8 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
9 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
10 RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

11 Sec. 201a. ~~It is the intent of the legislature to provide appropriations for the~~
12 ~~fiscal year ending on September 30, 2013 for the items listed in section 201. The fiscal year~~
13 ~~2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012,~~
14 ~~except that the amounts will be adjusted for changes in caseload and related costs, federal~~
15 ~~fund match rates, economic factors, and available revenue. These adjustments will be~~
16 ~~determined after the January 2012 consensus revenue estimating conference.~~ (1) SUBJECT TO THE
17 CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN THIS SECTION ARE ANTICIPATED TO
18 BE APPROPRIATED FOR COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, FROM
19 THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE ANTICIPATED
20 APPROPRIATIONS IN THIS SECTION:

21 (A) THE GROSS APPROPRIATION IS \$294,130,500.00. AFTER DEDUCTING TOTAL
22 INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED
23 GROSS APPROPRIATION IS \$294,130,500.00.

24 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE
25 AS FOLLOWS:

26 (I) TOTAL FEDERAL REVENUES, \$0.00.

27 (II) TOTAL LOCAL REVENUES, \$0.00.

28 (III) TOTAL PRIVATE REVENUES, \$0.00.

29 (IV) TOTAL OTHER STATE RESTRICTED REVENUES, \$197,614,100.00.

30 (V) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$96,516,400.00.

31 (2) SUBJECT TO SUBSECTION (3), THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR COMMUNITY
32 COLLEGE OPERATIONS IS \$283,880,500.00, ALLOCATED AS FOLLOWS:

- 1 (A) ALPENA COMMUNITY COLLEGE, \$4,984,300.00.
- 2 (B) BAY DE NOC COMMUNITY COLLEGE, \$5,040,200.00.
- 3 (C) DELTA COLLEGE, \$13,336,200.00.
- 4 (D) GLEN OAKS COMMUNITY COLLEGE, \$2,320,900.00.
- 5 (E) GOGEBIC COMMUNITY COLLEGE, \$4,140,500.00.
- 6 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$16,649,700.00.
- 7 (G) HENRY FORD COMMUNITY COLLEGE, \$20,145,000.00.
- 8 (H) JACKSON COMMUNITY COLLEGE, \$11,219,700.00.
- 9 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$11,522,700.00.
- 10 (J) KELLOGG COMMUNITY COLLEGE, \$9,047,900.00.
- 11 (K) KIRTLAND COMMUNITY COLLEGE, \$2,872,900.00.
- 12 (L) LAKE MICHIGAN COLLEGE, \$4,937,700.00.
- 13 (M) LANSING COMMUNITY COLLEGE, \$28,651,900.00.
- 14 (N) MACOMB COMMUNITY COLLEGE, \$30,490,300.00.
- 15 (O) MID MICHIGAN COMMUNITY COLLEGE, \$4,266,800.00.
- 16 (P) MONROE COUNTY COMMUNITY COLLEGE, \$4,094,000.00.
- 17 (Q) MONTCALM COMMUNITY COLLEGE, \$2,946,800.00.
- 18 (R) C.S. MOTT COMMUNITY COLLEGE, \$14,526,400.00.
- 19 (S) MUSKEGON COMMUNITY COLLEGE, \$8,256,700.00.
- 20 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$2,886,500.00.
- 21 (U) NORTHWESTERN MICHIGAN COLLEGE, \$8,430,300.00.
- 22 (V) OAKLAND COMMUNITY COLLEGE, \$19,455,900.00.
- 23 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$6,534,100.00.
- 24 (X) SCHOOLCRAFT COLLEGE, \$11,477,300.00.
- 25 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$6,143,700.00.
- 26 (Z) WASHTENAW COMMUNITY COLLEGE, \$11,827,300.00.
- 27 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$15,425,900.00.
- 28 (BB) WEST SHORE COMMUNITY COLLEGE, \$2,248,900.00.
- 29 (3) THE AMOUNT ANTICIPATED TO BE APPROPRIATED IN SUBSECTION (2) FOR COMMUNITY COLLEGE
- 30 OPERATIONS IS APPROPRIATED FROM THE FOLLOWING:
- 31 (A) SCHOOL AID FUND, \$195,880,500.00.
- 32 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$88,000,000.00.

1 (4) THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR PERFORMANCE BASED FUNDING IS
2 \$8,516,400.00, APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY, PURSUANT TO
3 SECTION 206B.

4 (5) THERE IS ANTICIPATED TO BE APPROPRIATED FOR FISCAL YEAR 2013-2014 AN AMOUNT NOT TO
5 EXCEED \$1,733,600.00 FOR PAYMENTS TO COMMUNITY COLLEGES, FROM THE STATE SCHOOL AID FUND. A
6 COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE
7 PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE
8 FISCAL YEAR ENDING SEPTEMBER 30, 2014. THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY
9 COLLEGE UNDER THIS SUBSECTION SHALL BE BASED ON EACH PARTICIPATING COLLEGE'S TOTAL PAYROLL
10 COVERED BY THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IN PROPORTION TO THE TOTAL
11 COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR THE IMMEDIATELY PRECEDING STATE FISCAL
12 YEAR. AS USED IN THIS SECTION, "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS A
13 REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC
14 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT
15 REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE
16 FISCAL YEAR.

17 SEC. 202A. AS USED IN ARTICLE II OF THIS ACT, THE TERM "WORKFORCE DEVELOPMENT AGENCY"
18 SHALL REFER TO THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC FUND.

19 Sec. 203. Unless otherwise specified, a community college receiving appropriations in
20 section 201 ~~and the workforce development agency~~ shall use the Internet to fulfill the
21 reporting requirements of this article. This requirement may include transmission of reports
22 via electronic mail to the recipients identified for each reporting requirement or it may
23 include placement of reports on an Internet or Intranet site.

24 Sec. 206. The funds appropriated in section 201 are appropriated for community
25 colleges with fiscal years ending June 30, ~~2012~~ 2013 and shall be paid out of the state
26 treasury and distributed by the state treasurer to the respective community colleges in 11
27 monthly installments on the sixteenth of each month, or the next succeeding business day,
28 beginning with October 16, ~~2011~~ 2012. Each community college shall accrue its July and
29 August ~~2012~~ 2013 payments to its institutional fiscal year ending June 30, ~~2012~~ 2013.
30 However, if a community college fails to submit all verified Michigan community colleges
31 activities classification structure data for school year ~~2010-2011~~ 2011-2012 to the workforce
32 development agency by November 1, ~~2011~~ 2012, OR FAILS TO SUBMIT BY JUNE 30, 2012 THE ANNUAL

1 P-20 LONGITUDINAL DATA SYSTEM DATA SETS TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND
2 INFORMATION AS DESCRIBED IN SECTION 219, the monthly installments shall be withheld from that
3 community college until those data are submitted. THE STATE BUDGET DIRECTOR SHALL HAVE THE
4 AUTHORITY TO DETERMINE IF A COMMUNITY COLLEGE IS IN COMPLIANCE WITH THE PROVISIONS OF THIS
5 SECTION.

6 SEC. 206B. (1) THE AMOUNTS APPROPRIATED TO EACH COMMUNITY COLLEGE IN SECTION 201 FOR
7 PERFORMANCE FUNDING WERE DERIVED FROM THE FOLLOWING CALCULATIONS:

8 (A) FOR EACH COMMUNITY COLLEGE, THE AVERAGE NUMBER OF COMPLETIONS OF ASSOCIATE DEGREES
9 AND CERTIFICATES BELOW THE BACCALAUREATE IN CRITICAL SKILLS AREAS WERE SUMMED FOR ACADEMIC
10 YEARS 2008-2009, 2009-2010, AND 2010-2011, AND DIVIDED BY 3.

11 (B) A PER DEGREE ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT AVAILABLE FOR
12 PERFORMANCE FUNDING BY THE SUM OF THE AVERAGE COMPLETIONS CALCULATED IN SUBDIVISION (A).

13 (C) EACH COMMUNITY COLLEGE'S NUMBER OF AVERAGE COMPLETIONS CALCULATED IN SUBDIVISION
14 (A) WAS MULTIPLIED BY THE PER DEGREE ADJUSTMENT CALCULATED IN SUBDIVISION (B).

15 (2) THE SOURCE OF DATA USED IN THIS SECTION IS THE UNITED STATES DEPARTMENT OF
16 EDUCATION INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM. FOR THE PURPOSES OF THIS
17 SUBSECTION, CRITICAL SKILLS AREAS ARE DEFINED AS THOSE DEGREES AND CERTIFICATES REPORTED BY
18 EACH COMMUNITY COLLEGE IN THE UNITED STATES DEPARTMENT OF EDUCATION 2010 CLASSIFICATION OF
19 INSTRUCTIONAL PROGRAM CODES 01, 03, 04, 10, 11, 14, 15, 26, 27, 29, 40, 41, 46, 47, 48, 49
20 AND 51.

21 (3) BEGINNING IN FISCAL YEAR 2012-2013, COMMUNITY COLLEGES SHALL REPORT TO THE CENTER
22 FOR EDUCATIONAL PERFORMANCE AND INFORMATION BY AUGUST 31 OF EACH YEAR THE STUDENTS IN THE
23 MOST RECENTLY COMPLETED ACADEMIC YEAR THAT TRANSFERRED TO A 4-YEAR COLLEGE OR UNIVERSITY.
24 BEGINNING IN FISCAL YEAR 2013-2014, THESE DATA WILL BE USED IN THE CALCULATIONS OF COMMUNITY
25 COLLEGE PERFORMANCE FUNDING.

26 Sec. 208. Money appropriated in section 201 shall not be used to pay for the
27 construction or maintenance of a self-liquidating project. ~~A community college shall comply~~
28 ~~with the current use and finance requirements of the joint capital outlay subcommittee (JCOS)~~
29 ~~for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.~~
30 ~~The appropriation in section 201 for a community college that fails to comply with JCOS~~
31 ~~requirements shall be reduced by 1% for each violation.~~

32 Sec. 213. ~~It is the intent of the legislature that community~~ **COMMUNITY** colleges **ARE**

1 **ENCOURAGED TO** work with public universities in the state to implement statewide reverse
2 transfer agreements to increase the number of students that are awarded credentials of value
3 upon completion of the necessary credits. ~~In doing so, the institutions should work~~
4 ~~collaboratively and cooperatively to remove administrative barriers that result in~~
5 ~~understating the academic attainment of Michigan's citizens. It is the intent of the~~
6 ~~legislature that by August 1, 2012, THESE~~ statewide agreements ~~be in place between community~~
7 ~~colleges and public universities that~~ **SHALL** enable students who have earned a significant
8 number of credits at a community college and ~~transfer~~ **TRANSFERRED** to a baccalaureate-granting
9 institution before completing a degree to transfer the credits earned at the baccalaureate
10 institution back to the community college in order to be awarded a credential of value.

11 Sec. 219. A community college receiving funds in section 201 shall ~~cooperate~~ **COMPLY**
12 with the state's efforts to establish **AND MAINTAIN** a ~~statewide~~ P-20 ~~education~~ longitudinal
13 data system to ~~comply with the state fiscal stabilization fund provisions of the American~~
14 ~~recovery and reinvestment act of 2009, Public Law 111-5.~~ **INFORM THE SCHOOL DISTRICTS AND**
15 **CITIZENS OF THIS STATE ABOUT THE OVERALL PERFORMANCE OF THEIR INVESTMENT IN PUBLIC EDUCATION.**

16 Sec. 222. Each community college shall have an annual audit of all income and
17 expenditures performed by an independent auditor and shall furnish the independent auditor's
18 management letter and an annual audited accounting of all general and current funds income
19 and expenditures including audits of college foundations to the members of the senate and
20 house appropriations subcommittees on community colleges, the senate and house fiscal
21 agencies, the auditor general, the workforce development agency, and the state budget
22 director before November 15, ~~2011.~~ **OF EACH YEAR.** If a community college fails to furnish the
23 audit materials, the monthly state aid installments shall be withheld from that college until
24 the information is submitted. All reporting shall conform to the requirements set forth in
25 the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". It is
26 ~~the intent of the legislature~~ **EXPECTED** that a community college shall make the information
27 the community college is required to provide under this section available to the public on
28 its Internet website.

29 Sec. 223. Each community college shall report the following to the workforce
30 development agency no later than November 1, ~~2011~~ **OF EACH YEAR:**

31 (a) The number of North American Indian students enrolled each term for the previous
32 fiscal year, using guidelines and procedures developed by the workforce development agency

1 and the Michigan ~~commission on Indian affairs~~ **DEPARTMENT OF CIVIL RIGHTS.**

2 (b) The number of North American Indian tuition waivers granted each term, and the
3 monetary value of the waivers for the previous fiscal year.

4 Sec. 224. Upon request, a community college shall inform interested Michigan high
5 schools of the aggregate academic status of its students for the prior academic year, in a
6 manner prescribed by the Michigan community college association and in cooperation with the
7 Michigan association of secondary school principals. **THE COMMUNITY COLLEGES SHALL COOPERATE**
8 **WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A**
9 **SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS WORK.**

10 Sec. 225. Each community college shall report to the house and senate fiscal agencies,
11 the state budget director, and the workforce development agency by August 31, ~~2011,~~ **2012**, the
12 tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-
13 district student as established by the college governing board for the ~~2010-2011~~ **2011-2012**
14 academic year. This report should also include the annual cost of attendance based on a full-
15 time course load of 30 credits. Each community college shall also report any revisions to the
16 reported ~~2010-2011~~ **2011-2012** academic year tuition and mandatory fees adopted by the college
17 governing board to the house and senate fiscal agencies, the state budget director, and the
18 workforce development agency within 15 days of being adopted.

19 Sec. 226. Each community college shall report to the workforce development agency the
20 numbers and type of associate degrees and other certificates awarded during the previous
21 fiscal year. The report shall be made not later than November 15, ~~2011,~~ **OF EACH YEAR.**

22 Sec. 229. It is ~~the intent of the legislature~~ **EXPECTED** that each community college
23 receiving an appropriation in section 201 include in its admission application process a
24 specific question as to whether an applicant for admission is a veteran, an active member of
25 the military, a member of the national guard or military reserves, or the spouse or dependent
26 of a veteran, active member of the military, or member of the national guard or military
27 reserves, in order to more quickly identify potential educational assistance available to
28 that applicant. As used in this section, "veteran" means an honorably discharged veteran
29 entitled to educational assistance under the provisions of section 5003 of the post-911
30 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to
31 3324.

32 **SEC. 231. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL YEAR 2012-2013 IN SECTION**

1 201 OF THIS ARTICLE, APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
2 FOR STATE BUILDING AUTHORITY RENT PROVIDE FUNDING FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY
3 CONSTRUCTED CAPITAL PROJECTS FOR COMMUNITY COLLEGES. THESE STATE BUILDING AUTHORITY RENT
4 APPROPRIATIONS REPRESENT ADDITIONAL STATE GENERAL FUND SUPPORT PROVIDED TO COMMUNITY COLLEGES
5 ACCORDING TO THE FOLLOWING ESTIMATED SCHEDULE:

- 6 (1) ALPENA COMMUNITY COLLEGE, \$428,100.00
- 7 (2) BAY DE NOC COMMUNITY COLLEGE, \$618,000.00
- 8 (3) DELTA COLLEGE, \$2,610,000.00
- 9 (4) GLEN OAKS COMMUNITY COLLEGE, \$123,000.00
- 10 (5) GOGEBIC COMMUNITY COLLEGE, \$60,000.00
- 11 (6) GRAND RAPIDS COMMUNITY COLLEGE, \$1,675,000.00
- 12 (7) HENRY FORD COMMUNITY COLLEGE, \$1,110,000.00
- 13 (8) JACKSON COMMUNITY COLLEGE, \$1,563,000.00
- 14 (9) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,467,000.00
- 15 (10) KELLOGG COMMUNITY COLLEGE, \$520,000.00
- 16 (11) KIRTLAND COMMUNITY COLLEGE, \$363,300.00
- 17 (12) LAKE MICHIGAN COLLEGE, \$340,000.00
- 18 (13) LANSING COMMUNITY COLLEGE, \$384,000.00
- 19 (14) MACOMB COMMUNITY COLLEGE, \$1,313,100.00
- 20 (15) MID MICHIGAN COMMUNITY COLLEGE, \$915,000.00
- 21 (16) MONROE COUNTY COMMUNITY COLLEGE, \$1,355,000.00
- 22 (17) MONTCALM COMMUNITY COLLEGE, \$756,000.00
- 23 (18) C.S. MOTT COMMUNITY COLLEGE, \$1,803,000.00
- 24 (19) MUSKEGON COMMUNITY COLLEGE, \$198,000.00
- 25 (20) NORTHWESTERN MICHIGAN COLLEGE, \$1,305,000.00
- 26 (21) OAKLAND COMMUNITY COLLEGE, \$465,000.00
- 27 (22) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$356,100.00
- 28 (23) SCHOOLCRAFT COLLEGE, \$1,546,100.00
- 29 (24) SOUTHWESTERN MICHIGAN COLLEGE, \$530,600.00
- 30 (25) WASHTENAW COMMUNITY COLLEGE, \$1,993,000.00
- 31 (26) WAYNE COUNTY COMMUNITY COLLEGE, \$1,890,000.00
- 32 (27) WEST SHORE COMMUNITY COLLEGE, \$577,000.00

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ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsections (2) to (5)~~ **THIS SECTION** are appropriated for higher education for the fiscal year ending September 30, ~~2012~~ **2013**, from the funds indicated in this section. The following is a summary of the appropriations in ~~subsections (2) to (5)~~ **THIS SECTION**:

(a) The gross appropriation is ~~\$1,362,278,400.00~~ **\$1,399,981,500.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,362,278,400.00~~ **\$1,399,981,500.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, ~~\$98,326,400.00~~ **\$97,026,400.00**.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$200,219,500.00~~ **\$200,565,700.00**.

(v) State general fund/general purpose money, ~~\$1,063,732,500.00~~ **\$1,102,389,400.00**.

(2) Amounts appropriated for public universities are as follows:

1 (a) The appropriation for Central Michigan University is ~~\$68,108,900.00,~~
2 ~~\$61,431,100.00~~ for operations, ~~and \$6,677,800.00 for tuition restraint incentive IS~~
3 **\$70,680,700.00, INCLUDING \$2,571,800.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
4 appropriated from the following:

5 (i) State school aid fund, \$11,284,600.00.
6 (ii) State general fund/general purpose money, ~~\$56,824,300.00~~ **\$59,396,100.00.**

7 (b) The appropriation for Eastern Michigan University is ~~\$64,619,100.00,~~
8 ~~\$61,319,900.00~~ for operations, ~~and \$3,299,200.00 for tuition restraint incentive IS~~
9 **\$66,118,400.00, INCLUDING \$1,499,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
10 appropriated from the following:

11 (i) State school aid fund, \$10,706,400.00.
12 (ii) State general fund/general purpose money, ~~\$53,912,700.00~~ **\$55,412,000.00.**

13 (c) The appropriation for Ferris State University is ~~\$41,324,300.00, \$37,971,600.00~~
14 ~~for operations, and \$3,352,700.00 for tuition restraint incentive IS~~ **\$43,906,600.00,**
15 **INCLUDING \$2,582,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,** appropriated from
16 the following:

17 (i) State school aid fund, \$6,846,800.00.
18 (ii) State general fund/general purpose money, ~~\$34,477,500.00~~ **\$37,059,800.00.**

19 (d) The appropriation for Grand Valley State University is ~~\$52,677,400.00,~~
20 ~~\$48,431,500.00~~ for operations, ~~and \$4,245,900.00 for tuition restraint incentive IS~~
21 **\$56,673,500.00, INCLUDING \$3,996,100.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
22 appropriated from the following:

23 (i) State school aid fund, \$8,727,800.00.
24 (ii) State general fund/general purpose money, ~~\$43,949,600.00~~ **\$47,945,700.00.**

25 (e) The appropriation for Lake Superior State University is ~~\$10,789,500.00,~~
26 ~~\$10,055,100.00~~ for operations, ~~and \$734,400.00 for tuition restraint incentive IS~~
27 **\$11,036,700.00, INCLUDING \$247,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
28 appropriated from the following:

29 (i) State school aid fund, \$1,787,600.00.
30 (ii) State general fund/general purpose money, ~~\$9,001,900.00~~ **\$9,249,100.00.**

31 (f) The appropriation for Michigan State University is ~~\$293,746,600.00,~~
32 **\$299,384,300.00, ALLOCATED AS FOLLOWS: \$222,796,200.00 \$244,418,600.00** for operations,

1 ~~\$18,324,600.00 for tuition restraint incentive, INCLUDING \$3,297,800.00 FROM PERFORMANCE~~
2 **FUNDING PURSUANT TO SECTION 265A; \$2,339,900.00 FOR THE FACILITY FOR RARE ISOTOPE BEAMS;** and
3 \$52,625,800.00 for agricultural experiment and cooperative extension activities, appropriated
4 from the following:

5 (i) State school aid fund, \$39,949,900.00.
6 (ii) State general fund/general purpose money, ~~\$253,796,700.00~~ **\$259,434,400.00.**

7 (g) The appropriation for Michigan Technological University is ~~\$40,733,600.00,~~
8 ~~\$37,409,700.00 for operations, and \$3,323,900.00 for tuition restraint incentive IS~~
9 **\$41,536,100.00, INCLUDING \$802,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
10 appropriated from the following:

11 (i) State school aid fund, \$6,748,900.00.
12 (ii) State general fund/general purpose money, ~~\$33,984,700.00~~ **\$34,787,200.00.**

13 (h) The appropriation for Northern Michigan University is ~~\$38,367,400.00,~~
14 ~~\$36,225,200.00 for operations, and \$2,142,200.00 for tuition restraint incentive IS~~
15 **\$39,659,700.00, INCLUDING \$1,292,300.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
16 appropriated from the following:

17 (i) State school aid fund, \$6,356,900.00.
18 (ii) State general fund/general purpose money, ~~\$32,010,500.00~~ **\$33,302,800.00.**

19 (i) The appropriation for Oakland University is ~~\$43,145,000.00, \$39,313,500.00 for~~
20 ~~operations, and \$3,831,500.00 for tuition restraint incentive IS~~ **\$44,744,600.00, INCLUDING**
21 **\$1,599,600.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,** appropriated from the
22 following:

23 (i) State school aid fund, \$7,148,400.00.
24 (ii) State general fund/general purpose money, ~~\$35,996,600.00~~ **\$37,596,200.00.**

25 (j) The appropriation for Saginaw Valley State University is ~~\$23,561,500.00,~~
26 ~~\$21,969,300.00 for operations, and \$1,592,200.00 for tuition restraint incentive IS~~
27 **\$24,682,500.00, INCLUDING \$1,121,000.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,**
28 appropriated from the following:

29 (i) State school aid fund, \$3,903,800.00.
30 (ii) State general fund/general purpose money, ~~\$19,657,700.00~~ **\$20,778,700.00.**

31 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$268,803,300.00,~~
32 ~~\$254,931,800.00 for operations, and \$13,871,500.00 for tuition restraint incentive IS~~

1 \$272,695,500.00, INCLUDING \$3,892,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,
2 appropriated from the following:

3 (i) State school aid fund, \$44,536,300.00.

4 (ii) State general fund/general purpose money, ~~\$224,267,000.00~~ \$228,159,200.00.

5 (l) The appropriation for University of Michigan - Dearborn ~~is \$21,016,300.00,~~
6 ~~\$19,627,400.00~~ for operations, ~~and \$1,388,900.00~~ for tuition restraint incentive IS
7 \$21,587,800.00, INCLUDING \$571,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,
8 appropriated from the following:

9 (i) State school aid fund, \$3,482,100.00.

10 (ii) State general fund/general purpose money, ~~\$17,534,200.00~~ \$18,105,700.00.

11 (m) The appropriation for University of Michigan - Flint ~~is \$17,762,400.00,~~
12 ~~\$16,679,400.00~~ for operations, ~~and \$1,083,000.00~~ for tuition restraint incentive IS
13 \$18,330,900.00, INCLUDING \$568,500.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,
14 appropriated from the following:

15 (i) State school aid fund, \$2,942,900.00.

16 (ii) State general fund/general purpose money, ~~\$14,819,500.00~~ \$15,388,000.00.

17 (n) The appropriation for Wayne State University ~~is \$182,036,900.00,~~ ~~\$169,209,400.00~~
18 ~~for operations,~~ ~~and \$12,827,500.00~~ for tuition restraint incentive IS \$183,719,300.00,
19 INCLUDING \$1,682,400.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A, appropriated from
20 the following:

21 (i) State school aid fund, \$30,160,600.00.

22 (ii) State general fund/general purpose money, ~~\$151,876,300.00~~ \$153,558,700.00.

23 (o) The appropriation for Western Michigan University ~~is \$93,168,300.00,~~
24 ~~\$86,866,700.00~~ for operations, ~~and \$6,301,600.00~~ for tuition restraint incentive IS
25 \$94,606,500.00, INCLUDING \$1,438,200.00 FROM PERFORMANCE FUNDING PURSUANT TO SECTION 265A,
26 appropriated from the following:

27 (i) State school aid fund, \$15,436,500.00.

28 (ii) State general fund/general purpose money, ~~\$77,731,800.00~~ \$79,170,000.00.

29 (3) THE AMOUNT APPROPRIATED FOR TUITION RESTRAINT INCENTIVE FUNDING IS \$9,054,300.00,
30 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY, AND ALLOCATED TO EACH UNIVERSITY
31 PURSUANT TO SECTION 265.

32 (4) THERE IS APPROPRIATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED

1 \$446,200.00 FOR PAYMENTS TO PUBLIC UNIVERSITIES, FROM THE STATE SCHOOL AID FUND. A PUBLIC
2 UNIVERSITY THAT RECEIVES MONEY UNDER THIS SUBDIVISION SHALL USE THAT MONEY SOLELY FOR THE
3 PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE UNIVERSITY FOR
4 THE FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE AMOUNT ALLOCATED TO EACH PARTICIPATING PUBLIC
5 UNIVERSITY UNDER THIS SUBDIVISION SHALL BE BASED ON EACH PARTICIPATING PUBLIC UNIVERSITY'S
6 TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
7 SYSTEM RETIRANTS IN PROPORTION TO THE TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN
8 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC
9 UNIVERSITIES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. PAYMENTS SHALL BE MADE IN A
10 FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT SERVICES. AS USED IN THIS SECTION,
11 "PARTICIPATING PUBLIC UNIVERSITY" MEANS A PUBLIC UNIVERSITY THAT IS A REPORTING UNIT OF THE
12 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
13 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT PAYS RETIREE HEALTH
14 CARE PREMIUMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL
15 YEAR.

16 (5) ~~(3)~~ The amount appropriated for state and regional programs is \$200,000.00,
17 appropriated from general fund/general purpose money and allocated as follows:

- 18 (a) Higher education database modernization and conversion, \$105,000.00.
19 (b) Midwestern higher education compact, \$95,000.00.

20 (6) ~~(4)~~ The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa
21 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and
22 allocated as follows:

- 23 (a) Select student support services, \$1,956,100.00.
24 (b) Michigan college/university partnership program, \$586,800.00.
25 (c) Morris Hood, Jr. educator development program, \$148,600.00.

26 (7) ~~(5)~~ Subject to subsection ~~(6)~~ (8), the amount appropriated for grants and
27 financial aid is ~~\$99,526,400.00~~ **\$98,226,400.00**, allocated as follows:

- 28 (a) State competitive scholarships, ~~\$19,861,700.00~~ **\$20,361,700.00**.
29 (b) Tuition grants, ~~\$31,664,700.00~~ **\$30,664,700.00**.
30 (c) Tuition incentive program, ~~\$43,800,000.00~~ **\$42,800,000.00**.
31 ~~(d) Robert C. Byrd honors scholarship program, \$1,500,000.00.~~

32 (D) ~~(e)~~ Children of veterans and officer's survivor tuition grant programs,

1 \$1,200,000.00.

2 (E) ~~(f)~~ Project GEAR-UP, ~~\$1,500,000.00~~ **\$3,200,000.00.**

3 (8) ~~(6)~~ The money appropriated in subsection ~~(5)~~ (7) for grants and financial aid is
4 appropriated from the following:

5 ~~(a) Federal revenues under subpart 4 of part A of title IV of the higher education act~~
6 ~~of 1965, Public Law 89-329, 79 Stat. 1232, \$1,500,000.00.~~

7 ~~(b) Federal revenues under subpart 6 of part A of title IV of the higher education act~~
8 ~~of 1965, Public Law 89-329, 79 Stat. 1232, \$1,500,000.00.~~

9 (A) ~~(c)~~ Federal revenues under the United States department of education, office of
10 elementary and secondary education, GEAR-UP program, ~~\$1,500,000.00~~ **\$3,200,000.00.**

11 (B) ~~(d)~~ Federal revenues under the social security act, temporary assistance for needy
12 families, \$93,826,400.00.

13 (C) ~~(e)~~ Contributions to children of veterans tuition grant program, ~~\$200,000.00~~
14 **\$100,000.00.**

15 (D) ~~(f)~~ State general fund/general purpose money, ~~\$1,000,000.00~~ **\$1,100,000.00.**

16 Sec. 236a. ~~It is the intent of the legislature to provide appropriations for the~~
17 ~~fiscal year ending on September 30, 2013 for the items listed in section 236. The fiscal year~~
18 ~~2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012,~~
19 ~~except that the amounts will be adjusted for changes in caseload and related costs, federal~~
20 ~~fund match rates, economic factors, and available revenue. These adjustments will be~~
21 ~~determined after the January 2012 consensus revenue estimating conference. (1) SUBJECT TO THE~~

22 **CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN THIS SECTION ARE ANTICIPATED TO**
23 **BE APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, FROM THE**
24 **FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN THIS**
25 **SECTION:**

26 (A) **THE GROSS APPROPRIATION IS \$1,402,689,300.00. AFTER DEDUCTING TOTAL**
27 **INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED**
28 **GROSS APPROPRIATION IS \$1,402,689,300.00.**

29 (B) **THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE**
30 **AS FOLLOWS:**

31 (I) **TOTAL FEDERAL REVENUES, \$97,026,400.00.**

32 (II) **TOTAL LOCAL REVENUES, \$0.00.**

1 (III) TOTAL PRIVATE REVENUES, \$0.00.

2 (IV) TOTAL OTHER STATE RESTRICTED REVENUES, \$200,565,700.00.

3 (V) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,105,097,200.00.

4 (2) AMOUNTS ANTICIPATED TO BE APPROPRIATED FOR PUBLIC UNIVERSITIES ARE AS FOLLOWS:

5 (A) THE APPROPRIATION FOR CENTRAL MICHIGAN UNIVERSITY IS \$68,108,900.00, APPROPRIATED

6 FROM THE FOLLOWING:

7 (I) STATE SCHOOL AID FUND, \$11,284,600.00.

8 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,824,300.00.

9 (B) THE APPROPRIATION FOR EASTERN MICHIGAN UNIVERSITY IS \$64,619,100.00, APPROPRIATED

10 FROM THE FOLLOWING:

11 (I) STATE SCHOOL AID FUND, \$10,706,400.00.

12 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$53,912,700.00.

13 (C) THE APPROPRIATION FOR FERRIS STATE UNIVERSITY IS \$41,324,300.00, APPROPRIATED FROM

14 THE FOLLOWING:

15 (I) STATE SCHOOL AID FUND, \$6,846,800.00.

16 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$34,477,500.00.

17 (D) THE APPROPRIATION FOR GRAND VALLEY STATE UNIVERSITY IS \$52,677,400.00,

18 APPROPRIATED FROM THE FOLLOWING:

19 (I) STATE SCHOOL AID FUND, \$8,727,800.00.

20 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$43,949,600.00.

21 (E) THE APPROPRIATION FOR LAKE SUPERIOR STATE UNIVERSITY IS \$10,789,500.00,

22 APPROPRIATED FROM THE FOLLOWING:

23 (I) STATE SCHOOL AID FUND, \$1,787,600.00.

24 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,001,900.00.

25 (F) THE APPROPRIATION FOR MICHIGAN STATE UNIVERSITY IS \$298,794,300.00, ALLOCATED AS

26 FOLLOWS: \$241,120,800.00 FOR OPERATIONS; \$5,047,700.00 FOR THE FACILITY FOR RARE ISOTOPE

27 BEAMS; AND \$52,625,800.00 FOR AGRICULTURAL EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES,

28 APPROPRIATED FROM THE FOLLOWING:

29 (I) STATE SCHOOL AID FUND, \$39,949,900.00.

30 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$258,844,400.00.

31 (G) THE APPROPRIATION FOR MICHIGAN TECHNOLOGICAL UNIVERSITY IS \$40,733,600.00,

32 APPROPRIATED FROM THE FOLLOWING:

1 (I) STATE SCHOOL AID FUND, \$6,748,900.00.
2 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$33,984,700.00.
3 (H) THE APPROPRIATION FOR NORTHERN MICHIGAN UNIVERSITY IS \$38,367,400.00, APPROPRIATED
4 FROM THE FOLLOWING:
5 (I) STATE SCHOOL AID FUND, \$6,356,900.00.
6 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$32,010,500.00.
7 (I) THE APPROPRIATION FOR OAKLAND UNIVERSITY IS \$43,145,000.00, APPROPRIATED FROM THE
8 FOLLOWING:
9 (I) STATE SCHOOL AID FUND, \$7,148,400.00.
10 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$35,996,600.00.
11 (J) THE APPROPRIATION FOR SAGINAW VALLEY STATE UNIVERSITY IS \$23,561,500.00,
12 APPROPRIATED FROM THE FOLLOWING:
13 (I) STATE SCHOOL AID FUND, \$3,903,800.00.
14 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$19,657,700.00.
15 (K) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - ANN ARBOR IS \$268,803,300.00,
16 APPROPRIATED FROM THE FOLLOWING:
17 (I) STATE SCHOOL AID FUND, \$44,536,300.00.
18 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$224,267,000.00.
19 (L) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - DEARBORN IS \$21,016,300.00,
20 APPROPRIATED FROM THE FOLLOWING:
21 (I) STATE SCHOOL AID FUND, \$3,482,100.00.
22 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$17,534,200.00.
23 (M) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - FLINT IS \$17,762,400.00,
24 APPROPRIATED FROM THE FOLLOWING:
25 (I) STATE SCHOOL AID FUND, \$2,942,900.00.
26 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$14,819,500.00.
27 (N) THE APPROPRIATION FOR WAYNE STATE UNIVERSITY IS \$182,036,900.00, APPROPRIATED FROM
28 THE FOLLOWING:
29 (I) STATE SCHOOL AID FUND, \$30,160,600.00.
30 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$151,876,300.00.
31 (O) THE APPROPRIATION FOR WESTERN MICHIGAN UNIVERSITY IS \$93,168,300.00, APPROPRIATED
32 FROM THE FOLLOWING:

1 (I) STATE SCHOOL AID FUND, \$15,436,500.00.

2 (II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$77,731,800.00.

3 (3) THE AMOUNT APPROPRIATED FOR PERFORMANCE BASED FUNDING IS \$36,217,000.00,
4 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY, PURSUANT TO SECTIONS 265 AND 265A.

5 (4) THERE IS ANTICIPATED TO BE APPROPRIATED FOR FISCAL YEAR 2013-2014 AN AMOUNT NOT TO
6 EXCEED \$446,200.00 FOR PAYMENTS TO PUBLIC UNIVERSITIES, FROM THE STATE SCHOOL AID FUND. A
7 PUBLIC UNIVERSITY THAT RECEIVES MONEY UNDER THIS SUBDIVISION SHALL USE THAT MONEY SOLELY FOR
8 THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE UNIVERSITY
9 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014. THE AMOUNT ALLOCATED TO EACH PARTICIPATING
10 PUBLIC UNIVERSITY UNDER THIS SUBDIVISION SHALL BE BASED ON EACH PARTICIPATING PUBLIC
11 UNIVERSITY'S TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES'
12 RETIREMENT SYSTEM RETIRANTS IN PROPORTION TO THE TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR
13 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC
14 UNIVERSITIES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. PAYMENTS SHALL BE MADE IN A
15 FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT SERVICES. AS USED IN THIS SECTION,
16 "PARTICIPATING PUBLIC UNIVERSITY" MEANS A PUBLIC UNIVERSITY THAT IS A REPORTING UNIT OF THE
17 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
18 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT PAYS RETIREE HEALTH
19 CARE PREMIUMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL
20 YEAR.

21 (5) THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR STATE AND REGIONAL PROGRAMS IS
22 \$200,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:

23 (A) HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION, \$105,000.00.

24 (B) MIDWESTERN HIGHER EDUCATION COMPACT, \$95,000.00.

25 (6) THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR THE MARTIN LUTHER KING, JR. - CESAR
26 CHAVEZ - ROSA PARKS PROGRAM IS \$2,691,500.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE
27 MONEY AND ALLOCATED AS FOLLOWS:

28 (A) SELECT STUDENT SUPPORT SERVICES, \$1,956,100.00.

29 (B) MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM, \$586,800.00.

30 (C) MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM, \$148,600.00.

31 (7) SUBJECT TO SUBSECTION (8), THE AMOUNT ANTICIPATED TO BE APPROPRIATED FOR GRANTS
32 AND FINANCIAL AID IS \$98,226,400.00, ALLOCATED AS FOLLOWS:

1 (A) STATE COMPETITIVE SCHOLARSHIPS, \$20,361,700.00.

2 (B) TUITION GRANTS, \$30,664,700.00.

3 (C) TUITION INCENTIVE PROGRAM, \$42,800,000.00.

4 (D) CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS, \$1,200,000.00.

5 (E) PROJECT GEAR-UP, \$3,200,000.00.

6 (8) THE MONEY ANTICIPATED TO BE APPROPRIATED IN SUBSECTION (7) FOR GRANTS AND
7 FINANCIAL AID IS APPROPRIATED FROM THE FOLLOWING:

8 (A) FEDERAL REVENUES UNDER THE UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF
9 ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM, \$3,200,000.00.

10 (B) FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY
11 FAMILIES, \$93,826,400.00.

12 (C) CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT PROGRAM, \$100,000.00.

13 (D) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,100,000.00.

14 SEC. 236B. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION 236, THERE IS APPROPRIATED
15 FOR GRANTS AND FINANCIAL AID IN FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED \$6,000,000.00
16 FOR FEDERAL CONTINGENCY FUNDS. THESE FUNDS ARE NOT AVAILABLE FOR EXPENDITURE UNTIL THEY HAVE
17 BEEN TRANSFERRED TO ANOTHER LINE ITEM IN THIS ACT UNDER SECTION 393(2) OF THE MANAGEMENT AND
18 BUDGET ACT, 1984 PA 431, MCL 18.1393.

19 SEC. 237B. AS USED IN ARTICLE III OF THIS ACT, THE TERM "WORKFORCE DEVELOPMENT AGENCY"
20 SHALL REFER TO THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC FUND.

21 Sec. 241. (1) The funds appropriated in section 236 to public universities shall be
22 paid out of the state treasury and distributed by the state treasurer to the respective
23 institutions in 11 equal monthly installments on the sixteenth of each month, or the next
24 succeeding business day, beginning with October 16, ~~2011~~ 2012. Except for Wayne State
25 University, each institution shall accrue its July and August ~~2012~~ 2013 payments to its
26 institutional fiscal year ending June 30, ~~2012~~ 2013.

27 (2) All public universities shall submit higher education institutional data inventory
28 (HEIDI) data and associated financial and program information requested by and in a manner
29 prescribed by the state budget director. For public universities with fiscal years ending
30 June 30, ~~2011~~ 2012, these data shall be submitted to the state budget director by October 15,
31 ~~2011~~ 2012. Public universities with a fiscal year ending September 30, ~~2011~~ 2012 shall submit
32 preliminary HEIDI data by November 15, ~~2011~~ 2012 and final data by December 15, ~~2011~~ 2012. If

1 a public university fails to submit HEIDI data and associated financial aid program
2 information in accordance with this reporting schedule, the state treasurer ~~shall~~ **MAY**
3 withhold the monthly installments under subsection (1) to the public university until those
4 data are submitted.

5 Sec. 242. Funds received by the state from the federal government or private sources
6 for the use of a college or university are appropriated for the purposes for which they are
7 provided. ~~The acceptance and use of federal or private funds do not place an obligation upon~~
8 ~~the legislature to continue the purposes for which the funds are made available.~~

9 Sec. 244. A public university receiving funds in section 236 shall cooperate with all
10 measures taken by the state to ~~establish a statewide~~ **DEVELOP, OPERATE, AND MAINTAIN A** P-20
11 ~~education longitudinal data system to comply with the state fiscal stabilization fund~~
12 ~~provisions of the American recovery and reinvestment act of 2009, Public Law 111-5. IF A~~
13 **UNIVERSITY IS FOUND TO BE IN NONCOMPLIANCE OF THIS SECTION BY THE STATE BUDGET DIRECTOR, THE**
14 **STATE BUDGET DIRECTOR IS AUTHORIZED TO WITHHOLD THE MONTHLY INSTALLMENTS PROVIDED TO THAT**
15 **UNIVERSITY UNDER SECTION 236 UNTIL THAT UNIVERSITY IS FOUND TO BE IN COMPLIANCE WITH THIS**
16 **SECTION.**

17 Sec. 245. From the funds appropriated in section 236, each public university shall
18 develop, post, and maintain, on a user-friendly and publicly accessible Internet site, a
19 comprehensive report categorizing all institutional general fund expenditures made by the
20 university within a fiscal year. The report shall include institutional general fund
21 expenditure amounts categorized both by each academic unit, administrative unit, or external
22 initiative within the university and by major expenditure category, including faculty and
23 staff salaries and fringe benefits, facility-related costs, supplies and equipment,
24 contracts, and transfers to and from other university funds. ~~The report shall also include a~~
25 ~~list of all employee positions funded partially or wholly through institutional general fund~~
26 ~~revenue that includes the position title, name, and annual salary or wage amount for each~~
27 ~~position.~~ The university shall not provide financial information on its website under this
28 section if doing so would violate a federal or state law, rule, regulation, or guideline that
29 establishes privacy or security standards applicable to that financial information.

30 Sec. 251. (1) Payments of the amounts included in section 236 for the state
31 competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to
32 390.981.

1 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury
2 shall determine an actual maximum state competitive scholarship award per student, which
3 shall be no less than ~~\$600.00~~ **\$575.00**, that ensures that the aggregate payments for the state
4 competitive scholarship program do not exceed the appropriation contained in section 236 for
5 the state competitive scholarship program. If the department determines that insufficient
6 funds are available to establish a maximum award amount equal to at least ~~\$600.00~~ **\$575.00**,
7 the department shall immediately report to the house and senate appropriations subcommittees
8 on higher education, the house and senate fiscal agencies, and the state budget director
9 regarding the estimated amount of additional funds necessary to establish a ~~\$600.00~~ **\$575.00**
10 maximum award amount.

11 (3) The department of treasury shall implement a proportional competitive scholarship
12 maximum award level for recipients enrolled less than full-time in a given semester or term.

13 (4) If a student who receives an award under this section has his or her tuition and
14 fees paid under the Michigan educational trust program, pursuant to the Michigan education
15 trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds
16 awarded under this section may be used for educational expenses other than tuition and fees.

17 (5) If the department of treasury increases the maximum award per eligible student
18 from that provided in the previous fiscal year, it shall not have the effect of reducing the
19 number of eligible students receiving awards in relation to the total number of eligible
20 applicants. Any increase in the maximum grant shall be proportional for all eligible students
21 receiving awards.

22 (6) Veterans administration benefits shall not be considered in determining
23 eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

24 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant
25 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

26 (2) **SUBJECT TO SUBSECTION (7),** ~~Tuition~~ **TUITION** grant awards shall be made to all
27 eligible Michigan residents enrolled in undergraduate degree programs ~~who apply before July~~
28 ~~1, 2011~~ **WHOSE APPLICATIONS ARE RECEIVED BEFORE JULY 1, 2012 FOR THE 2012-2013 FISCAL YEAR AND**
29 **BY MARCH 1 OF EACH YEAR FOR ALL SUBSEQUENT FISCAL YEARS** and who are qualified.

30 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsection ~~(7)~~
31 **(6)**, the department of treasury shall determine an actual maximum tuition grant award per
32 student, which shall be no less than \$1,512.00, that ensures that the aggregate payments for

1 the tuition grant program do not exceed the appropriation contained in section 236 for the
2 state tuition grant program. If the department determines that insufficient funds are
3 available to establish a maximum award amount equal to at least \$1,512.00, the department
4 shall immediately report to the house and senate appropriations subcommittees on higher
5 education, the house and senate fiscal agencies, and the state budget director regarding the
6 estimated amount of additional funds necessary to establish a \$1,512.00 maximum award amount.
7 By December 15, ~~2011~~, **2012**, and again by February ~~1, 2012~~, **18, 2013**, the department shall
8 analyze the status of award commitments, shall make any necessary adjustments, and shall
9 confirm that those award commitments will not exceed the appropriation contained in section
10 236 for the tuition grant program. The determination and actions shall be reported to the
11 state budget director and the house and senate fiscal agencies no later than **THE FINAL DAY OF**
12 February ~~15, 2012~~. **OF EACH YEAR**. If award adjustments are necessary, the students shall be
13 notified of the adjustment by ~~the third Monday in February~~. **MARCH 4 OF EACH YEAR**.

14 ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2012 from the~~
15 ~~amounts appropriated in section 236 for the tuition grant program shall not lapse on~~
16 ~~September 30, 2012, but shall continue to be available for expenditure for tuition grants~~
17 ~~provided in the 2012-2013 fiscal year under a work project account. The use of these~~
18 ~~unexpended fiscal year 2011-2012 funds shall terminate at the end of the 2012-2013 fiscal~~
19 ~~year.~~

20 **(4)** ~~(5)~~ The department of treasury shall continue a proportional tuition grant maximum
21 award level for recipients enrolled less than full-time in a given semester or term.

22 **(5)** ~~(6)~~ If the department of treasury increases the maximum award per eligible student
23 from that provided in the previous fiscal year, it shall not have the effect of reducing the
24 number of eligible students receiving awards in relation to the total number of eligible
25 applicants. Any increase in the maximum grant shall be proportional for all eligible students
26 receiving awards for fiscal year ~~2011-2012~~ **2012-2013**.

27 **(6)** ~~(7)~~ The department of treasury shall not award more than \$3,000,000.00 in tuition
28 grants to eligible students enrolled in the same independent nonprofit college or university
29 in this state. Any decrease in the maximum grant shall be proportional for all eligible
30 students enrolled in that college or university, as determined by the department.

31 **(7) THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO ELIGIBLE STUDENTS**
32 **ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT MEET THE FOLLOWING**

1 REQUIREMENTS IN A MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY:

2 (A) THE INDEPENDENT COLLEGE OR UNIVERSITY MUST SUBMIT AS DIRECTED BY THE DEPARTMENT OF
3 TREASURY BY JUNE 30 OF EACH YEAR THE ANNUAL P-20 LONGITUDINAL DATA SYSTEM DATA SETS TO THE
4 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION, AS VERIFIED BY THE CENTER.

5 (B) THE INDEPENDENT COLLEGE OR UNIVERSITY MUST REPORT IN A FORM AND MANNER AS DIRECTED
6 BY THE DEPARTMENT OF TREASURY BY AUGUST 31 OF EACH YEAR THE FOLLOWING:

7 (I) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED
8 STATE TUITION GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

9 (II) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED
10 STATE TUITION GRANTS AND TOOK REMEDIAL EDUCATION CLASSES.

11 (III) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT
12 RECEIVED PELL GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

13 Sec.254. The sums appropriated in section 236 for the state competitive scholarship,
14 tuition incentive, **AND** tuition grant,~~and Robert C. Byrd honors scholarship~~ programs shall be
15 paid out of the state treasury and shall be distributed to the respective institutions under
16 a quarterly payment system as follows: 50% shall be paid at the beginning of the state's
17 first fiscal quarter, ~~and 50% at the beginning of the state's second fiscal quarter.~~ **30%**
18 **DURING THE STATE'S SECOND FISCAL QUARTER, 10% DURING THE STATE'S THIRD FISCAL QUARTER, AND**
19 **10% DURING THE STATE'S FOURTH FISCAL QUARTER.**

20 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program
21 shall be distributed as provided in this section and pursuant to the administrative
22 procedures for the tuition incentive program of the department of treasury.

23 (2) As used in this section:

24 (a) "Phase I" means the first part of the tuition incentive assistance program defined
25 as the academic period of 80 semester or 120 term credits, or less, leading to an associate
26 degree or certificate.

27 (b) "Phase II" means the second part of the tuition incentive assistance program which
28 provides assistance in the third and fourth year of 4-year degree programs.

29 (c) "Department" means the department of treasury.

30 (3) A person shall meet the following basic criteria and financial thresholds to be
31 eligible for tuition incentive benefits:

32 (a) To be eligible for phase I, a person shall meet all of the following criteria:

- 1 (i) Apply for certification to the department before graduating from high school or
2 completing the general education development (GED) certificate.
- 3 (ii) Be less than 20 years of age at the time of high school graduation **WITH DIPLOMA**
4 **OR CERTIFICATE OF COMPLETION** or GED completion.
- 5 (iii) Be a United States citizen and a resident of Michigan according to institutional
6 criteria.
- 7 (iv) Be at least a half-time student, earning less than 80 semester or 120 term
8 credits at a participating educational institution within 4 years of high school graduation
9 or GED certificate completion.
- 10 (v) Request information on filing a FAFSA.
- 11 (b) To be eligible for phase II, a person shall meet either of the following criteria
12 in addition to the criteria in subdivision (a):
- 13 (i) Complete at least 56 transferable semester or 84 transferable term credits.
- 14 (ii) Obtain an associate degree or certificate at a participating institution.
- 15 (c) To be eligible for phase I or phase II, a person must not be incarcerated and must
16 be financially eligible as determined by the department. A person is financially eligible for
17 the tuition incentive program if that person was ~~Medicaid~~ eligible **FOR MEDICAID FROM THE**
18 **STATE OF MICHIGAN** for 24 months within the 36 months before application. **THE DEPARTMENT SHALL**
19 **ACCEPT CERTIFICATION OF MEDICAID ELIGIBILITY ONLY FROM THE MICHIGAN DEPARTMENT OF HUMAN**
20 **SERVICES FOR THE PURPOSES OF VERIFYING IF A PERSON IS MEDICAID ELIGIBLE FOR 24 MONTHS WITHIN**
21 **THE 36 MONTHS BEFORE APPLICATION.** Certification of eligibility may begin in the sixth grade.
- 22 (4) For phase I, the department shall provide payment on behalf of a person eligible
23 under subsection (3). The department shall reject billings that are excessive or outside the
24 guidelines for the type of educational institution.
- 25 (5) For phase I, all of the following apply:
- 26 (a) Payments for associate degree or certificate programs shall not be made for more
27 than 80 semester or 120 term credits for any individual student at any participating
28 institution.
- 29 (b) For persons enrolled at a Michigan community college, the department shall pay the
30 current in-district tuition and mandatory fees. For persons residing in an area that is not
31 included in any community college district, the out-of-district tuition rate may be
32 authorized.

1 (c) For persons enrolled at a Michigan public university, the department shall pay
2 lower division resident tuition and mandatory fees for the current year.

3 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college
4 or university, or a Michigan federal tribally controlled community college, or Focus: HOPE,
5 the department shall pay mandatory fees for the current year and a per-credit payment that
6 does not exceed the average community college in-district per-credit tuition rate as reported
7 on August 1, for the immediately preceding academic year.

8 (6) A person participating in phase II may be eligible for additional funds not to
9 exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the
10 following conditions:

11 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year
12 college or university.

13 (b) The tuition reimbursement is for coursework completed within 30 months of
14 completion of the phase I requirements.

15 (7) The department shall work closely with participating institutions to develop an
16 application and eligibility determination process that will provide the highest level of
17 participation and ensure that all requirements of the program are met.

18 (8) Applications for the tuition incentive program may be approved at any time after
19 the student begins the sixth grade. If a determination of financial eligibility is made, that
20 determination is valid as long as the student meets all other program requirements and
21 conditions.

22 (9) Each institution shall ensure that all known available restricted grants for
23 tuition and fees are used prior to billing the tuition incentive program for any portion of a
24 student's tuition and fees.

25 (10) The department shall ensure that the tuition incentive program is well publicized
26 and that eligible Medicaid clients are provided information on the program. The department
27 shall provide the necessary funding and staff to fully operate the program.

28 Sec. 258. By February 15 of each year, the department of treasury shall ~~submit~~ **POST** a
29 report ~~to the state budget director, the house and senate appropriations subcommittees on~~
30 ~~higher education, and the house and senate fiscal agencies~~ **TO ITS PUBLICLY ACCESSIBLE WEBSITE**
31 for the preceding fiscal year on all student financial aid programs for which funds are
32 appropriated in section 236. For each student financial aid program, the report shall

1 include, but is not limited to, the total number of awards paid in the preceding fiscal year,
2 the total dollar amount of those awards, and the number of students receiving awards and the
3 total amount of those awards at each eligible postsecondary institution. To the extent
4 information is available, the report shall also include information on ~~the average exam~~
5 ~~performance,~~ household income, and other demographic characteristics of students receiving
6 awards under each program and historical information on the number of awards and total award
7 amounts for each program.

8 Sec. 263. (1) Included in the appropriation in section 236 for agricultural experiment
9 and cooperative extension activities is \$5,628,100.00 for project GREEN. Project GREEN is
10 intended to address critical regulatory, food safety, economic, and environmental problems
11 faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN"
12 is an acronym for generating research and extension to meet environmental and economic needs.

13 (2) The department of agriculture and rural development and Michigan State University,
14 in consultation with agricultural commodity groups and other interested parties, shall
15 develop project GREEN and its program priorities.

16 (3) By September 30, ~~2012~~ **2013**, Michigan State University shall submit a report to the
17 house and senate appropriations subcommittees on agriculture and on higher education, the
18 house and senate standing committees on agriculture, the house and senate fiscal agencies,
19 and the state budget director for the preceding school fiscal year regarding expenditures and
20 programmatic outcomes of the agricultural experiment station and cooperative extension
21 service. The report shall include, but is not limited to:

22 (a) Total funds expended by the agricultural experiment station and cooperative
23 extension service identified by state, local, private, federal, and university fund sources.

24 (b) The dollar amount of each project GREEN project and a review of each project's
25 performance and accomplishments.

26 (c) The dollar amount of each bioeconomy research and development project and a review
27 of each project's performance and accomplishments.

28 (d) The dollar amount and description of all other individual programs and services
29 provided by the agricultural experiment station and cooperative extension service and a
30 review of each project's performance and accomplishments.

31 (e) The number of businesses created or that had increased employment and the number
32 of patents generated as a result of work conducted by the agricultural experiment station and

1 cooperative extension service.

2 Sec. 265. (1) ~~The amounts~~ **PAYMENTS FROM THE AMOUNT** appropriated in section 236 for
3 public university tuition restraint incentives shall only be ~~paid~~ **MADE** to a public university
4 that certifies to the state budget director by August 31, ~~2011~~ **2012** that its board did not
5 adopt an increase in tuition and fee rates for resident undergraduate students after February
6 1, ~~2011~~ **2012** for the ~~2010-2011~~ **2011-2012** academic year and that its board will not adopt an
7 increase in tuition and fee rates for resident undergraduate students for the ~~2011-2012~~ **2012-**
8 **2013** academic year that is greater than ~~the calculated average of annual statewide changes in~~
9 ~~tuition and fee rates for academic years 2006-2007 through 2010-2011, as determined by the~~
10 ~~state budget director~~ **4.0%**. As used in this subsection:

11 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all
12 resident undergraduate students at least once during their enrollment at a public university.
13 A university increasing a fee that applies to a specific subset of students or courses shall
14 provide sufficient information to prove that the increase applied to that subset will not
15 cause the increase in the average amount of board-authorized total tuition and fees paid by
16 resident undergraduate students in the ~~2011-2012~~ **2012-2013** academic year to exceed the limit
17 established in this subsection.

18 (b) "Tuition and fee rate" means the average of **FULL-TIME** rates for all undergraduate
19 classes, based on ~~the highest board-authorized rate for any semester during the academic~~
20 ~~year.~~ **AN AVERAGE OF THE RATES AUTHORIZED BY THE UNIVERSITY BOARD AND ACTUALLY CHARGED TO**
21 **STUDENTS, NET OF ANY UNIFORMLY-REBATED OR REFUNDED AMOUNTS, FOR THE TWO SEMESTERS WITH THE**
22 **HIGHEST LEVELS OF FULL-TIME EQUATED RESIDENT UNDERGRADUATE ENROLLMENT DURING THE ACADEMIC**
23 **YEAR.**

24 (2) **EACH UNIVERSITY'S ALLOCATION FOR TUITION RESTRAINT INCENTIVE SHALL BE CALCULATED**
25 **AS FOLLOWS:**

26 (A) **CALCULATE AN ADJUSTMENT FOR EACH UNIVERSITY BY SUBTRACTING EACH UNIVERSITY'S**
27 **REPORTED PERCENT CHANGE IN TUITION AND FEE RATES FOR ACADEMIC YEAR 2012-2013 FROM 4.1%. IF**
28 **THE RESULT OF THE CALCULATION IN THIS SUBDIVISION IS LESS THAN 0.1%, THE UNIVERSITY IS NOT**
29 **QUALIFIED TO RECEIVE AN ALLOCATION UNDER THIS SECTION. ALL CALCULATIONS UNDER THIS**
30 **SUBDIVISION SHALL BE ROUNDED TO THE FIRST DECIMAL PLACE.**

31 (B) **FOR EACH QUALIFIED UNIVERSITY, DIVIDE THE UNIVERSITY'S ADJUSTMENT AS CALCULATED**
32 **UNDER SUBDIVISION (A) BY THE SUM OF ALL ADJUSTMENTS FOR QUALIFYING UNIVERSITIES UNDER**

1 SUBDIVISION (A) AND THEN MULTIPLY THE RESULTING CALCULATION FOR EACH UNIVERSITY BY THE TOTAL
2 AMOUNT AVAILABLE FOR TUITION RESTRAINT INCENTIVE FUNDING, ROUNDED TO THE NEAREST HUNDRED
3 DOLLARS.

4 (3) ~~(2)~~ The state budget director shall implement uniform reporting requirements to
5 ensure that a public university receiving an appropriation under section 236 has satisfied
6 the tuition restraint requirements of this section. The state budget director shall have the
7 sole authority to determine if a public university has met the requirements of this section.
8 Information reported by a public university to the state budget director under this
9 subsection shall also be reported to the house and senate appropriations subcommittees on
10 higher education and the house and senate fiscal agencies.

11 ~~(3) In conjunction with the uniform reporting requirements established under
12 subsection (2), each public university shall also report the following information to the
13 house and senate appropriations subcommittees on higher education, the house and senate
14 fiscal agencies, and the state budget director by August 31, 2011:~~

15 ~~(a) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total general fund
16 tuition and fee revenue.~~

17 ~~(b) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total general fund
18 revenue.~~

19 ~~(c) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 general fund
20 expenditures for student financial aid.~~

21 ~~(d) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total general fund
22 expenditures.~~

23 ~~(e) Actual fiscal year 2010-2011 and budgeted fiscal year 2011-2012 total fiscal year
24 equated student enrollment.~~

25 SEC. 265A. (1) A PUBLIC UNIVERSITY IS ELIGIBLE FOR THE FUNDS APPROPRIATED IN SECTION
26 236 AND ANTICIPATED TO BE APPROPRIATED IN SECTION 236A FOR PERFORMANCE FUNDING ONLY IF THE
27 PUBLIC UNIVERSITY CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 31, 2012 THAT THE
28 UNIVERSITY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK AS PART OF THE MICHIGAN ASSOCIATION
29 OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS TRANSFER AGREEMENT. IF A PUBLIC UNIVERSITY
30 DOES NOT PARTICIPATE IN THE MICHIGAN TRANSFER NETWORK, THE FUNDS APPROPRIATED IN SECTION 236
31 FROM PERFORMANCE FUNDING FOR THAT UNIVERSITY SHALL LAPSE TO THE GENERAL FUND.

32 (2) THE AMOUNTS ALLOCATED TO EACH PUBLIC UNIVERSITY FOR PERFORMANCE FUNDING IN SECTION

1 236 ARE DERIVED FROM THE SUM OF THE FOLLOWING CALCULATIONS:

2 (A) THE CALCULATION FOR EACH UNIVERSITY'S ADJUSTMENT UNDER THIS SUBDIVISION IS AS
3 FOLLOWS:

4 (I) THE DIFFERENCE IN THE NUMBER OF UNDERGRADUATE DEGREE COMPLETIONS BETWEEN ACADEMIC
5 YEAR 2007-2008 AND ACADEMIC YEAR 2010-2011 WAS CALCULATED, AND DIVIDED BY 3. IF THIS
6 CALCULATION RESULTS IN A NEGATIVE ADJUSTMENT, THERE IS NO PAYMENT FOR A PUBLIC UNIVERSITY
7 UNDER THIS SUBDIVISION.

8 (II) A PER DEGREE ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT AVAILABLE FOR
9 PERFORMANCE FUNDING UNDER THIS SUBDIVISION BY THE SUM OF ALL AVERAGE DIFFERENCES CALCULATED
10 IN SUBDIVISION (A) (I), OMITTING ANY NEGATIVE VALUES.

11 (III) EACH UNIVERSITY WITH A POSITIVE AVERAGE DIFFERENCE CALCULATED UNDER SUBDIVISION
12 (A) (I) RECEIVES AN ALLOCATION EQUAL TO THAT UNIVERSITY'S AVERAGE DIFFERENCE CALCULATED UNDER
13 SUBDIVISION (A) (I) MULTIPLIED BY THE PER DEGREE ADJUSTMENT CALCULATED UNDER SUBDIVISION
14 (A) (II).

15 (B) THE CALCULATION FOR EACH UNIVERSITY'S ADJUSTMENT UNDER THIS SUBDIVISION IS AS
16 FOLLOWS:

17 (I) THE SUM OF THE NUMBER OF UNDERGRADUATE DEGREE COMPLETIONS IN CRITICAL SKILLS
18 AREAS, WITH THE NUMBER OF ASSOCIATE DEGREES MULTIPLIED BY 0.5, FOR ACADEMIC YEARS 2008-2009,
19 2009-2010, AND 2010-2011 WAS CALCULATED, AND DIVIDED BY 3.

20 (II) A PER DEGREE ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT AVAILABLE FOR
21 PERFORMANCE FUNDING UNDER THIS SUBDIVISION BY THE SUM OF ALL COMPLETIONS CALCULATED IN
22 SUBDIVISION (B) (I).

23 (III) EACH UNIVERSITY'S NUMBER OF AVERAGE COMPLETIONS CALCULATED IN SUBDIVISION (B) (I)
24 WAS MULTIPLIED BY THE PER DEGREE ADJUSTMENT CALCULATED IN SUBDIVISION (B) (II).

25 (C) THE CALCULATION FOR EACH UNIVERSITY'S ADJUSTMENT UNDER THIS SUBDIVISION IS AS
26 FOLLOWS:

27 (I) THE SUM OF THE NUMBER OF UNDERGRADUATE STUDENTS RECEIVING PELL GRANTS IN ACADEMIC
28 YEARS 2007-2008, 2008-2009 AND 2009-2010 WAS CALCULATED, AND DIVIDED BY 3.

29 (II) A PER STUDENT ADJUSTMENT WAS CALCULATED BY DIVIDING THE TOTAL AMOUNT AVAILABLE
30 FOR PERFORMANCE FUNDING UNDER THIS SUBDIVISION BY THE SUM OF ALL AVERAGED STUDENTS CALCULATED
31 IN SUBDIVISION (C) (I).

32 (III) EACH UNIVERSITY'S NUMBER OF AVERAGE STUDENTS CALCULATED IN SUBDIVISION (C) (I)

1 WAS MULTIPLIED BY THE PER STUDENT ADJUSTMENT CALCULATED IN SUBDIVISION (C) (II) .

2 (3) THE SOURCES OF DATA USED IN THIS SECTION ARE THE UNITED STATES DEPARTMENT OF
3 EDUCATION INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM AND THE STATE OF MICHIGAN HIGHER
4 EDUCATION INSTITUTIONAL DATA INVENTORY. FOR THE PURPOSES OF SUBSECTION 2(B) , CRITICAL SKILLS
5 AREAS ARE DEFINED AS THOSE DEGREES REPORTED BY EACH UNIVERSITY IN THE UNITED STATES
6 DEPARTMENT OF EDUCATION 2010 CLASSIFICATION OF INSTRUCTIONAL PROGRAM CODES 01, 03, 04, 10,
7 11, 14, 15, 26, 27, 29, 40, 41, 46, 47, 48, 49 AND 51. BEGINNING WITH FISCAL YEAR 2013-2014,
8 DATA FROM THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION P-20 LONGITUDINAL DATA
9 SYSTEM WILL BE USED WHERE APPLICABLE.

10 (4) BEGINNING IN FISCAL YEAR 2012-2013, UNIVERSITIES SHALL REPORT TO THE CENTER FOR
11 EDUCATIONAL PERFORMANCE AND INFORMATION THE TOTAL NUMBER OF STUDENTS RECEIVING PELL GRANTS
12 DURING THEIR ENROLLMENT AT THAT PUBLIC UNIVERSITY AND THE NUMBER OF THOSE STUDENTS THAT
13 GRADUATE FROM THAT UNIVERSITY. BEGINNING IN FISCAL YEAR 2013-2014, THESE DATA WILL BE USED IN
14 THE CALCULATIONS OF HIGHER EDUCATION PERFORMANCE FUNDING IN PLACE OF THE DATA USED IN
15 SUBSECTION 2(C) OF THIS SECTION.

16 Sec. 267. All public universities shall submit the amount of tuition and fees actually
17 charged to a full-time resident undergraduate student for academic year ~~2011-2012~~ **2012-2013**
18 as part of their higher education institutional data inventory (HEIDI) data by August 31~~7~~
19 ~~2011~~ **OF EACH YEAR**. A public university shall report any revisions for any semester of the
20 reported academic year ~~2011-2012~~ **2012-2013** tuition and fee charges to HEIDI within 15 days of
21 being adopted.

22 Sec. 269. ~~From~~ **FOR FISCAL YEAR 2012-2013, FROM** the amount appropriated in section 236
23 to Central Michigan University for operations, \$29,700.00 shall be paid to Saginaw Chippewa
24 Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174,
25 MCL 390.1251 to 390.1253.

26 Sec. 270. ~~From~~ **FOR FISCAL YEAR 2012-2013, FROM** the amount appropriated in section 236
27 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills
28 Community College for the costs of waiving tuition for North American Indians under 1976 PA
29 174, MCL 390.1251 to 390.1253.

30 Sec. 275. (1) ~~It is the intent of the legislature that each~~ **EACH** public university
31 receiving an appropriation in section 236 **IS ENCOURAGED TO** do all of the following:

32 (a) Meet the provisions of section 5003 of the post-911 veterans educational

1 assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324, including
2 voluntary participation in the yellow ribbon GI education enhancement program established in
3 that act in 38 USC 3317. ~~By October 1 of each year, each public university shall report to~~
4 ~~the house and senate appropriations subcommittees on higher education, the house and senate~~
5 ~~fiscal agencies, and the presidents council, state universities of Michigan on whether or not~~
6 ~~it has chosen to participate in the yellow ribbon GI education enhancement program. If at any~~
7 ~~time during the fiscal year a university participating in the yellow ribbon program chooses~~
8 ~~to leave the yellow ribbon program, it shall notify the house and senate appropriations~~
9 ~~subcommittees on higher education, the house and senate fiscal agencies, and the presidents~~
10 ~~council, state universities of Michigan.~~

11 (b) Establish an on-campus veterans' liaison to provide information and assistance to
12 all student veterans.

13 (c) Provide flexible enrollment application deadlines for all veterans.

14 (d) Include in its admission application process a specific question as to whether an
15 applicant for admission is a veteran, an active member of the military, a member of the
16 national guard or military reserves, or the spouse or dependent of a veteran, active member
17 of the military, or member of the national guard or military reserves, in order to more
18 quickly identify potential educational assistance available to that applicant.

19 (2) As used in this section, "veteran" means an honorably discharged veteran entitled
20 to educational assistance under the provisions of section 5003 of the post-911 veterans
21 educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324.

22 Sec. 275a. Funds appropriated in section 236 shall not be used to pay for the
23 construction or maintenance of a self-liquidating project. ~~A public university shall comply~~
24 ~~with the current use and finance requirements of the joint capital outlay subcommittee (JCOS)~~
25 ~~for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.~~
26 ~~The appropriation in section 236 for a public university that fails to comply with JCOS~~
27 ~~reporting requirements shall be reduced by 1% for each violation.~~

28 Sec. 276. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** for each public
29 university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa
30 Parks future faculty program that is intended to increase the pool of academically or
31 economically disadvantaged candidates pursuing faculty teaching careers in postsecondary
32 education. Preference may not be given to applicants on the basis of race, color, ethnicity,

1 gender, or national origin. Institutions should encourage applications from applicants who
2 would otherwise not adequately be represented in the graduate student and faculty
3 populations. Each public university shall apply the percentage change applicable to every
4 public university in the calculation of appropriations in section 236 to the amount of funds
5 allocated to the future faculty program.

6 (2) The program shall be administered by each public university in a manner prescribed
7 by the workforce development agency. The workforce development agency shall use a good faith
8 effort standard to evaluate whether a fellowship is in default.

9 Sec. 277. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** for each public
10 university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa
11 Parks college day program that is intended to introduce academically or economically
12 disadvantaged schoolchildren to the potential of a college education. Preference may not be
13 given to participants on the basis of race, color, ethnicity, gender, or national origin.
14 Public universities should encourage participation from those who would otherwise not
15 adequately be represented in the student population.

16 (2) Individual program plans of each public university shall include a budget of equal
17 contributions from this program, the participating public university, the participating
18 school district, and the participating independent degree-granting college. College day funds
19 shall not be expended to cover indirect costs. Not more than 20% of the university match
20 shall be attributable to indirect costs. Each public university shall apply the percentage
21 change applicable to every public university in the calculation of appropriations in section
22 236 to the amount of funds allocated to the college day program.

23 (3) The program described in this section shall be administered by each public
24 university in a manner prescribed by the workforce development agency.

25 Sec. 278. (1) Included in section 236 **FOR FISCAL YEAR 2012-2013** is funding for the
26 Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program
27 for developing academically or economically disadvantaged student retention programs for 4-
28 year public and independent educational institutions in this state. Preference may not be
29 given to participants on the basis of race, color, ethnicity, gender, or national origin.
30 Institutions should encourage participation from those who would otherwise not adequately be
31 represented in the student population.

32 (2) An award made under this program to any 1 institution shall not be greater than

1 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or
2 university basis.

3 (3) The program described in this section shall be administered by the workforce
4 development agency.

5 Sec. 279. (1) Included in section 236 **FOR FISCAL YEAR 2012-2013** is funding for the
6 Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program
7 between 4-year public and independent colleges and universities and public community
8 colleges, which is intended to increase the number of academically or economically
9 disadvantaged students who transfer from community colleges into baccalaureate programs.
10 Preference may not be given to participants on the basis of race, color, ethnicity, gender,
11 or national origin. Institutions should encourage participation from those who would
12 otherwise not adequately be represented in the transfer student population.

13 (2) The grants shall be made under the program described in this section to Michigan
14 public and independent colleges and universities. An award to any 1 institution shall not be
15 greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college
16 or university basis.

17 (3) The program described in this section shall be administered by the workforce
18 development agency.

19 Sec. 280. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** for each public
20 university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa
21 Parks visiting professors program which is intended to increase the number of instructors in
22 the classroom to provide role models for academically or economically disadvantaged students.
23 Preference may not be given to participants on the basis of race, color, ethnicity, gender,
24 or national origin. Public universities should encourage participation from those who would
25 otherwise not adequately be represented in the student population.

26 (2) The program described in this section shall be administered by the workforce
27 development agency.

28 Sec. 281. (1) Included in the appropriation **FOR FISCAL YEAR 2012-2013** in section 236
29 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
30 Morris Hood, Jr. educator development program which is intended to increase the number of
31 academically or economically disadvantaged students who enroll in and complete K-12 teacher
32 education programs at the baccalaureate level. Preference may not be given to participants on

1 the basis of race, color, ethnicity, gender, or national origin. Institutions should
2 encourage participation from those who would otherwise not adequately be represented in the
3 teacher education student population.

4 (2) The program described in this section shall be administered by each state-approved
5 teacher education institution in a manner prescribed by the workforce development agency.

6 (3) Approved teacher education institutions may and are encouraged to use student
7 support services funding in coordination with the Morris Hood, Jr. funding to achieve the
8 goals of the program described in this section.

9 Sec. 282. Each institution receiving funds under section 278, 279, or 281 shall
10 notify the workforce development agency by April 15, ~~2012~~ 2013 as to whether it will expend
11 by the end of its fiscal year the funds received under section 278, 279, or 281.
12 Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported
13 as not being expended will be reallocated to the institutions that intend to expend all
14 funding received under section 278, 279, or 281.

15 Sec. 283. (1) From the amount appropriated in section 236, the public universities
16 shall systematically inform Michigan high schools regarding the academic status of students
17 from each high school in a manner prescribed by the presidents council, state universities of
18 Michigan in cooperation with the Michigan association of secondary school principals. **PUBLIC**
19 **UNIVERSITIES SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO**
20 **DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.**

21 (2) The Michigan high schools shall systematically inform the public universities
22 about the use of information received under this section in a manner prescribed by the
23 Michigan association of secondary school principals in cooperation with the presidents
24 council, state universities of Michigan.

25 Sec. 284. From the amount appropriated in section 236, the public universities shall
26 inform Michigan community colleges regarding the academic status of community college
27 transfer students in a manner prescribed by the presidents council, state universities of
28 Michigan in cooperation with the Michigan community college association. **PUBLIC UNIVERSITIES**
29 **SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND**
30 **IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.**

31 Sec. 286. ~~It is the intent of the legislature that public~~ **PUBLIC** universities **ARE**
32 **ENCOURAGED TO** work with community colleges in the state to implement statewide reverse

1 transfer agreements to increase the number of students that are awarded credentials of value
2 upon completion of the necessary credits. ~~In doing so, the institutions should work~~
3 ~~collaboratively and cooperatively to remove administrative barriers that result in~~
4 ~~understating the academic attainment of Michigan's citizens. It is the intent of the~~
5 ~~legislature that by August 1, 2012, THESE~~ statewide agreements ~~are in place between community~~
6 ~~colleges and public universities that SHALL~~ enable students who have earned a significant
7 number of credits at a community college and transfer to a baccalaureate granting institution
8 before completing a degree to transfer the credits earned at the baccalaureate institution
9 back to the community college in order to be awarded a credential of value.

10 Sec. 289. (1) The auditor general shall review higher education institutional data
11 inventory (HEIDI) enrollment data submitted by all public universities and may perform audits
12 of selected public universities if determined necessary. The review and audits shall be based
13 upon the definitions, requirements, and uniform reporting categories established by the state
14 budget director in consultation with the HEIDI advisory committee. The auditor general shall
15 submit a report of findings to the house and senate appropriations committees and the state
16 budget director no later than July 1, ~~2012~~ **OF EACH YEAR.**

17 (2) Student credit hours reports shall not include the following:

18 (a) Student credit hours generated through instructional activity by faculty or staff
19 in classrooms located outside Michigan, with the exception of instructional activity related
20 to study-abroad programs or field programs.

21 (b) Student credit hours generated through distance learning instruction for students
22 not eligible for the public university's in-state main campus resident tuition rate. However,
23 in instances where a student is enrolled in distance education and non-distance education
24 credit hours in a given term and the student's non-distance education enrollment is at a
25 campus or site located within Michigan, student credit hours per the student's eligibility
26 for in-state or out-of-state tuition rates may be reported.

27 (c) Student credit hours generated through credit by examination.

28 (d) Student credit hours generated through inmate prison programs regardless of
29 teaching location.

30 (e) Student credit hours generated in new degree programs after January 1, 1975, that
31 have not been specifically authorized for funding by the legislature, except spin-off
32 programs converted from existing core programs that do all of the following:

1 (i) Represent new options, fields, or concentrations within existing programs.

2 (ii) Are consistent with the current institutional role and mission.

3 (iii) Are accommodated within the continuing funding base of the public university.

4 (iv) Do not require a new degree level beyond that which the public university is
5 currently authorized to grant within that discipline or field.

6 (v) Do not require funding from the state other than that provided by the student
7 credit hours generated within the program, either before program initiation or within the
8 first 3 years of program operation.

9 (3) The auditor general shall periodically audit higher education institutional data
10 inventory (HEIDI) data as submitted by the public universities for compliance with the
11 definitions established by the state budget director in consultation with the HEIDI advisory
12 committee for the HEIDI database.

13 (4) "Distance learning instruction" as used in subsection (2) means instruction that
14 occurs solely in other than a traditional classroom setting where the student and instructor
15 are in the same physical location and for which a student receives course credits and is
16 charged tuition and fees. Examples of distance learning instruction are instruction delivered
17 solely through the Internet, cable television, teleconference, or mail.

18 Sec. 291. The auditor general may conduct performance audits of public universities
19 receiving funds in section 236 ~~during the fiscal year ending September 30, 2012~~ as the
20 auditor general considers necessary.

21 **SEC. 294A. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL YEAR 2012-2013 IN SECTION**
22 **236 OF THIS ARTICLE, APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**
23 **FOR STATE BUILDING AUTHORITY RENT PROVIDE FUNDING FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY**
24 **CONSTRUCTED CAPITAL PROJECTS FOR STATE UNIVERSITIES. THESE STATE BUILDING AUTHORITY RENT**
25 **APPROPRIATIONS REPRESENT ADDITIONAL STATE GENERAL FUND SUPPORT PROVIDED TO STATE UNIVERSITIES**
26 **ACCORDING TO THE FOLLOWING ESTIMATED SCHEDULE:**

27 (1) CENTRAL MICHIGAN UNIVERSITY, \$9,100,100.00.

28 (2) EASTERN MICHIGAN UNIVERSITY, \$5,203,100.00.

29 (3) FERRIS STATE UNIVERSITY, \$6,322,100.00.

30 (4) GRAND VALLEY STATE UNIVERSITY, \$4,251,000.00.

31 (5) LAKE SUPERIOR STATE UNIVERSITY, \$910,000.00.

32 (6) MICHIGAN STATE UNIVERSITY, \$16,096,000.00.

- 1 (7) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,645,600.00.
- 2 (8) NORTHERN MICHIGAN UNIVERSITY, \$7,450,000.00.
- 3 (9) OAKLAND UNIVERSITY, \$10,726,000.00.
- 4 (10) SAGINAW VALLEY STATE UNIVERSITY, \$9,774,000.00.
- 5 (11) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,156,100.00.
- 6 (12) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,294,000.00.
- 7 (13) UNIVERSITY OF MICHIGAN - FLINT, \$2,854,100.00.
- 8 (14) WAYNE STATE UNIVERSITY, \$13,000,100.00.
- 9 (15) WESTERN MICHIGAN UNIVERSITY, \$15,264,000.00.

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ARTICLE IV

GENERAL PROVISIONS

Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(2) If the total maximum amount appropriated under all articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a~~(12)~~ **(11)**, 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being

1 subject to the proration otherwise provided under this subsection and subsection (3). If
2 proration is necessary, state payments under each of the other sections of article I from all
3 state funding sources, and state appropriations to community colleges and public universities
4 under articles II and III from the state school aid fund, shall be prorated in the manner
5 prescribed in subsection (3) as necessary to reflect the amount available for expenditure
6 from the state school aid fund for the affected fiscal year. However, if the department of
7 treasury determines that proration will be required under this subsection, or if the
8 department of treasury determines that further proration is required under this subsection
9 after an initial proration has already been made for a fiscal year, the department of
10 treasury shall notify the state budget director, and the state budget director shall notify
11 the legislature at least 30 calendar days or 6 legislative session days, whichever is more,
12 before the department reduces any payments under this act because of the proration. During
13 the 30-calendar-day or 6-legislative-session-day period after that notification by the state
14 budget director, the department shall not reduce any payments under this act because of
15 proration under this subsection. The legislature may prevent proration from occurring by,
16 within the 30-calendar-day or 6-legislative-session-day period after that notification by the
17 state budget director, enacting legislation appropriating additional funds from the general
18 fund, countercyclical budget and economic stabilization fund, state school aid fund balance,
19 or another source to fund the amount of the projected shortfall.

20 (3) If proration is necessary under subsection (2), the department shall calculate the
21 proration in district and intermediate district payments under article I that is required
22 under subsection (2), and the department of treasury shall calculate the proration in
23 community college and public university payments under articles II and III that is required
24 under subsection (2), as follows:

25 (a) The department and the department of treasury shall calculate the percentage of
26 total state school aid fund money that is appropriated and allocated under this act for the
27 affected fiscal year for each of the following:

28 (i) Districts.

29 (ii) Intermediate districts.

30 (iii) Entities receiving funding from the state school aid fund under article I other
31 than districts or intermediate districts.

32 (iv) Community colleges and public universities that receive funding from the state

1 school aid fund.

2 (b) The department shall recover a percentage of the proration amount required under
3 subsection (2) that is equal to the percentage calculated under subdivision (a) (i) for
4 districts by reducing payments to districts. This reduction shall be made by calculating an
5 equal dollar amount per pupil as necessary to recover this percentage of the proration amount
6 and reducing each district's total state school aid from state sources, other than payments
7 under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a~~(12)~~ (11), 51c, 53a, and
8 152a, by that amount.

9 (c) The department shall recover a percentage of the proration amount required under
10 subsection (2) that is equal to the percentage calculated under subdivision (a) (ii) for
11 intermediate districts by reducing payments to intermediate districts. This reduction shall
12 be made by reducing the payments to each intermediate district, other than payments under
13 sections 11f, 11g, 26a, 26b, 51a(2), 51a~~(12)~~ (11), 53a, 56, and 152a, on an equal percentage
14 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 receiving funding from the state school aid fund under article I other than
18 districts and intermediate districts by reducing payments to these entities. This reduction
19 shall be made by reducing the payments to each of these entities, other than payments under
20 sections 11j, 26a, and 26b, on an equal percentage basis.

21 (e) The department of treasury shall recover a percentage of the proration amount
22 required under subsection (2) that is equal to the percentage calculated under subdivision
23 (a) (iv) for community colleges and public universities that receive funding from the state
24 school aid fund by reducing that portion of the payments under articles II and III to these
25 community colleges and public universities that is from the state school aid fund on an equal
26 percentage basis.

27 **SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN**
28 **THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND**
29 **PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE**
30 **A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2013,**
31 **AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, FROM THE FUNDS**
32 **INDICATED IN THIS ACT:**

1	(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS		
2	GROSS APPROPRIATION	\$ 14,381,126,800	\$ 14,300,454,600
3	TOTAL INTERDEPARTMENTAL GRANTS AND		
4	INTRADEPARTMENTAL TRANSFERS.....	0	0
5	ADJUSTED GROSS APPROPRIATION	\$ 14,381,126,800	\$ 14,300,454,600
6	TOTAL FEDERAL REVENUES	1,798,067,800	1,798,067,800
7	TOTAL LOCAL REVENUES	0	0
8	TOTAL PRIVATE REVENUES	0	0
9	TOTAL OTHER STATE RESTRICTED REVENUES	11,184,153,200	11,282,130,800
10	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,398,905,800	\$ 1,220,256,000
11	SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)		
12	APPROPRIATION SUMMARY		
13	GROSS APPROPRIATION	\$ 12,687,014,800	\$ 12,603,634,800
14	TOTAL INTERDEPARTMENTAL GRANTS AND		
15	INTRADEPARTMENTAL TRANSFERS.....	0	0
16	ADJUSTED GROSS APPROPRIATION	\$ 12,687,014,800	\$ 12,603,634,800
17	TOTAL FEDERAL REVENUES	1,701,041,400	1,701,041,400
18	TOTAL LOCAL REVENUES	0	0
19	TOTAL PRIVATE REVENUES	0	0
20	TOTAL OTHER STATE RESTRICTED REVENUES	10,785,973,400	10,883,951,000
21	STATE GENERAL FUND/GENERAL PURPOSE	\$ 200,000,000	\$ 18,642,400
22	(2) BASIC OPERATIONS		
23	BASIC OPERATIONS	\$ <u>9,177,133,000</u>	\$ <u>9,041,133,000</u>
24	GROSS APPROPRIATION	\$ 9,177,133,000	\$ 9,041,133,000
25	APPROPRIATED FROM:		
26	STATE RESTRICTED REVENUES	8,992,343,200	9,037,700,800
27	STATE GENERAL FUND/GENERAL PURPOSE	\$ 184,789,800	\$ 3,432,200
28	SCHEDULE OF PROGRAMS:		
29	PROPOSAL A OBLIGATION PAYMENT	5,707,000,000	5,592,000,000
30	DISCRETIONARY PAYMENT	3,027,000,000	3,106,000,000
31	ISD GENERAL OPERATIONS	62,108,000	62,108,000
32	PERFORMANCE BASED FUNDING	190,000,000	100,000,000

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014	
1	CONSOLIDATION INNOVATION GRANTS	10,000,000	0
2	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM .	179,000,000	179,000,000
3	ISOLATED DISTRICT FUNDING	2,025,000	2,025,000
4	(3) SPECIAL EDUCATION		
5	SPECIAL EDUCATION	\$ 1,429,269,100	\$ 1,461,869,100
6	GROSS APPROPRIATION	\$ 1,429,269,100	\$ 1,461,869,100
7	APPROPRIATED FROM:		
8	FEDERAL REVENUES	439,000,000	439,000,000
9	STATE RESTRICTED REVENUES	990,269,100	1,022,869,100
10	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
11	SCHEDULE OF PROGRAMS:		
12	SPECIAL EDUCATION HEADLEE OBLIGATION	672,900,000	698,000,000
13	SPECIAL EDUCATION FOUNDATIONS	257,300,000	264,800,000
14	SPECIAL EDUCATION HOLD HARMLESS PAYMENT	1,000,000	1,000,000
15	SPECIAL EDUCATION NON-SEC. 52 PAYMENT	4,800,000	4,800,000
16	SPECIAL EDUCATION RULE CHANGE	2,200,000	2,200,000
17	SPECIAL EDUCATION COURT PLACED FTES	13,500,000	13,500,000
18	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	1,688,000	1,688,000
19	SPECIAL EDUCATION MILLAGE EQUALIZATION	36,881,100	36,881,100
20	SPECIAL EDUCATION FEDERAL PROGRAMS	439,000,000	439,000,000
21	(4) SUPPORT SERVICES		
22	SUPPORT SERVICES	\$ 1,188,005,600	\$ 1,188,005,600
23	GROSS APPROPRIATION	\$ 1,188,005,600	\$ 1,188,005,600
24	APPROPRIATED FROM:		
25	FEDERAL REVENUES	851,091,900	851,091,900
26	STATE RESTRICTED REVENUES	331,221,900	331,221,900
27	STATE GENERAL FUND/GENERAL PURPOSE	\$ 5,691,800	\$ 5,691,800
28	SCHEDULE OF PROGRAMS:		
29	COURT-PLACED CHILDREN	8,000,000	8,000,000
30	JUVENILE DETENTION FACILITIES	2,135,800	2,135,800
31	YOUTH CHALLENGE PROGRAM	765,600	765,600
32	AT-RISK PROGRAM	308,988,200	308,988,200

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014	
1	<i>CHILD AND ADOLESCENT HEALTH CENTERS</i>	3,557,300	3,557,300
2	<i>HEARING AND VISION SCREENING</i>	5,150,000	5,150,000
3	<i>MICHIGAN VIRTUAL HIGH SCHOOL</i>	4,387,500	4,387,500
4	<i>MATH AND SCIENCE CENTERS</i>	7,874,300	7,874,300
5	<i>STATE AID TO LIBRARIES</i>	1,304,300	1,304,300
6	<i>FEDERAL PROGRAMS</i>	845,842,600	845,842,600
7	(5) SCHOOL MEAL PROGRAMS		
8	SCHOOL MEAL PROGRAMS	\$ <u>434,626,100</u>	\$ <u>434,626,100</u>
9	GROSS APPROPRIATION	\$ 434,626,100	\$ 434,626,100
10	APPROPRIATED FROM:		
11	FEDERAL REVENUES	402,506,000	402,506,000
12	STATE RESTRICTED REVENUES	32,120,100	32,120,100
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
14	<i>SCHEDULE OF PROGRAMS:</i>		
15	<i>SCHOOL LUNCH</i>	425,001,100	425,001,100
16	<i>SCHOOL BREAKFAST</i>	9,625,000	9,625,000
17	(6) EARLY CHILDHOOD EDUCATION		
18	EARLY CHILDHOOD EDUCATION	\$ <u>115,475,000</u>	\$ <u>115,475,000</u>
19	GROSS APPROPRIATION	\$ 115,475,000	\$ 115,475,000
20	APPROPRIATED FROM:		
21	STATE RESTRICTED REVENUES	115,175,000	115,175,000
22	STATE GENERAL FUND/GENERAL PURPOSE	\$ 300,000	\$ 300,000
23	<i>SCHEDULE OF PROGRAMS:</i>		
24	<i>GREAT START LOCAL COLLABORATIVE GRANTS</i>	5,900,000	5,900,000
25	<i>GREAT START READINESS PROGRAM: SCHOOL-BASED</i>	95,700,000	95,700,000
26	<i>GREAT START READINESS PROGRAM: COMPETITIVE</i>	8,875,000	8,875,000
27	<i>GREAT PARENTS, GREAT START ISD PROGRAM</i>	5,000,000	5,000,000
28	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
29	STUDENT ASSESSMENT AND ACCOUNTABILITY	\$ <u>84,106,800</u>	\$ <u>82,856,800</u>
30	GROSS APPROPRIATION	\$ 84,106,800	\$ 82,856,800
31	APPROPRIATED FROM:		
32	FEDERAL REVENUES	8,443,500	8,443,500

		For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1	STATE RESTRICTED REVENUES	66,444,900	65,194,900
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,218,400	\$ 9,218,400
3	<i>SCHEDULE OF PROGRAMS:</i>		
4	PRINCIPAL EDUCATOR EVALUATION TRAINING	1,750,000	500,000
5	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION	9,411,900	9,411,900
6	STUDENT ASSESSMENTS	34,944,400	34,944,400
7	DATA COLLECTION AND REPORTING COSTS	38,000,500	38,000,500
8	(8) CAREER PREPARATION AND VOCATIONAL EDUCATION		
9	CAREER PREPARATION AND VOCATIONAL EDUCATION	\$ <u>35,611,300</u>	\$ <u>35,611,300</u>
10	GROSS APPROPRIATION	\$ 35,611,300	\$ 35,611,300
11	APPROPRIATED FROM:		
12	STATE RESTRICTED REVENUES	35,611,300	35,611,300
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
14	<i>SCHEDULE OF PROGRAMS:</i>		
15	VOCATIONAL EDUCATION	26,611,300	26,611,300
16	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT	9,000,000	9,000,000
17	(9) ADULT EDUCATION		
18	ADULT EDUCATION	\$ <u>22,000,000</u>	\$ <u>22,000,000</u>
19	GROSS APPROPRIATION	\$ 22,000,000	\$ 22,000,000
20	APPROPRIATED FROM:		
21	STATE RESTRICTED REVENUES	22,000,000	22,000,000
22	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
23	<i>SCHEDULE OF PROGRAMS:</i>		
24	ADULT EDUCATION	22,000,000	22,000,000
25	(10) TRANSPORTATION SAFETY		
26	TRANSPORTATION SAFETY	\$ <u>3,259,900</u>	\$ <u>3,259,900</u>
27	GROSS APPROPRIATION	\$ 3,259,900	\$ 3,259,900
28	APPROPRIATED FROM:		
29	STATE RESTRICTED REVENUES	3,259,900	3,259,900
30	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
31	<i>SCHEDULE OF PROGRAMS:</i>		
32	BUS DRIVER SAFETY	1,625,000	1,625,000

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014	
1	<i>SCHOOL BUS INSPECTIONS</i>	1,634,900	1,634,900
2	(11) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
3	DEBT SERVICE AND OTHER REQUIRED PAYMENTS	\$ 197,528,000	\$ 218,798,000
4	GROSS APPROPRIATION	\$ 197,528,000	\$ 218,798,000
5	APPROPRIATED FROM:		
6	STATE RESTRICTED REVENUES	197,528,000	218,798,000
7	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
8	SCHEDULE OF PROGRAMS:		
9	DEBT SERVICE ON NON-DURANT DISTRICT BONDS	39,000,000	39,000,000
10	SCHOOL BOND LOAN REDEMPTION FUND	120,390,000	131,660,000
11	SCHOOL AID FUND BORROWING COSTS	10,000,000	20,000,000
12	RENAISSANCE ZONE REIMBURSEMENT	26,300,000	26,300,000
13	PAYMENT IN LIEU OF TAXES REIMBURSEMENT	1,838,000	1,838,000
14	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
15	APPROPRIATION SUMMARY		
16	GROSS APPROPRIATION	\$ 294,130,500	\$ 294,130,500
17	TOTAL INTERDEPARTMENTAL GRANTS AND		
18	INTRADPARTMENTAL TRANSFERS	0	0
19	ADJUSTED GROSS APPROPRIATION	\$ 294,130,500	\$ 294,130,500
20	TOTAL FEDERAL REVENUES	0	0
21	TOTAL LOCAL REVENUES	0	0
22	TOTAL PRIVATE REVENUES	0	0
23	TOTAL OTHER STATE RESTRICTED REVENUES	197,614,100	197,614,100
24	STATE GENERAL FUND/GENERAL PURPOSE	\$ 96,516,400	\$ 96,516,400
25	(2) OPERATIONS, INCLUDING PERFORMANCE FUNDING		
26	ALPENA COMMUNITY COLLEGE	\$ 5,152,700	\$ 4,984,300
27	BAY DE NOC COMMUNITY COLLEGE	5,180,100	5,040,200
28	DELTA COLLEGE	13,919,300	13,336,200
29	GLEN OAKS COMMUNITY COLLEGE	2,393,700	2,320,900
30	GOGEBIC COMMUNITY COLLEGE	4,243,900	4,140,500
31	GRAND RAPIDS COMMUNITY COLLEGE	16,983,100	16,649,700
32	HENRY FORD COMMUNITY COLLEGE	20,575,200	20,145,000

		For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1	JACKSON COMMUNITY COLLEGE	11,551,300	11,219,700
2	KALAMAZOO VALLEY COMMUNITY COLLEGE	11,922,000	11,522,700
3	KELLOGG COMMUNITY COLLEGE	9,327,100	9,047,900
4	KIRTLAND COMMUNITY COLLEGE	3,028,300	2,872,900
5	LAKE MICHIGAN COLLEGE	5,037,900	4,937,700
6	LANSING COMMUNITY COLLEGE	29,571,700	28,651,900
7	MACOMB COMMUNITY COLLEGE	31,184,100	30,490,300
8	MID MICHIGAN COMMUNITY COLLEGE	4,456,600	4,266,800
9	MONROE COUNTY COMMUNITY COLLEGE	4,212,500	4,094,000
10	MONTCALM COMMUNITY COLLEGE	3,050,000	2,946,800
11	C.S. MOTT COMMUNITY COLLEGE	14,942,700	14,526,400
12	MUSKEGON COMMUNITY COLLEGE	8,411,900	8,256,700
13	NORTH CENTRAL MICHIGAN COLLEGE	2,963,100	2,886,500
14	NORTHWESTERN MICHIGAN COLLEGE	8,542,400	8,430,300
15	OAKLAND COMMUNITY COLLEGE	19,934,800	19,455,900
16	ST. CLAIR COUNTY COMMUNITY COLLEGE	6,726,300	6,534,100
17	SCHOOLCRAFT COLLEGE	12,036,800	11,477,300
18	SOUTHWESTERN MICHIGAN COLLEGE	6,234,100	6,143,700
19	WASHTENAW COMMUNITY COLLEGE	12,818,200	11,827,300
20	WAYNE COUNTY COMMUNITY COLLEGE	15,703,300	15,425,900
21	WEST SHORE COMMUNITY COLLEGE	<u>2,293,800</u>	<u>2,248,900</u>
22	GROSS APPROPRIATION	\$ 292,396,900	\$ 283,880,500
23	APPROPRIATED FROM:		
24	STATE RESTRICTED REVENUES	195,880,500	195,880,500
25	STATE GENERAL FUND/GENERAL PURPOSE	\$ 96,516,400	\$ 88,000,000
26	(3) PERFORMANCE FUNDING		
27	PERFORMANCE BASED FUNDING	\$ <u>0</u>	\$ <u>8,516,400</u>
28	GROSS APPROPRIATION	\$ 0	\$ 8,516,400
29	APPROPRIATED FROM:		
30	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 8,516,400
31	(4) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS)		
32	CONTRIBUTIONS TO MPSERS RETIREE HEALTH CARE	\$ <u>1,733,600</u>	\$ <u>1,733,600</u>

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1 GROSS APPROPRIATION	\$ 1,733,600	\$ 1,733,600
2 APPROPRIATED FROM:		
3 STATE RESTRICTED REVENUES	1,733,600	1,733,600
4 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
5 SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR HIGHER EDUCATION (ARTICLE III)		
6 APPROPRIATION SUMMARY		
7 GROSS APPROPRIATION	\$ 1,399,981,500	\$ 1,402,689,300
8 TOTAL INTERDEPARTMENTAL GRANTS AND		
9 INTRADEPARTMENTAL TRANSFERS.....	0	0
10 ADJUSTED GROSS APPROPRIATION	\$ 1,399,981,500	\$ 1,402,689,300
11 TOTAL FEDERAL REVENUES	97,026,400	97,026,400
12 TOTAL LOCAL REVENUES	0	0
13 TOTAL PRIVATE REVENUES	0	0
14 TOTAL OTHER STATE RESTRICTED REVENUES	200,565,700	200,565,700
15 STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,102,389,400	\$ 1,105,097,200
16 (2) OPERATIONS FUNDING, INCLUDING PERFORMANCE FUNDING		
17 (A) CENTRAL MICHIGAN UNIVERSITY		
18 OPERATIONS	\$ <u>70,680,700</u>	\$ <u>68,108,900</u>
19 GROSS APPROPRIATION	\$ 70,680,700	\$ 68,108,900
20 APPROPRIATED FROM:		
21 STATE RESTRICTED REVENUES	11,284,600	11,284,600
22 STATE GENERAL FUND/GENERAL PURPOSE	\$ 59,396,100	\$ 56,824,300
23 (B) EASTERN MICHIGAN UNIVERSITY		
24 OPERATIONS	\$ <u>66,118,400</u>	\$ <u>64,619,100</u>
25 GROSS APPROPRIATION	\$ 66,118,400	\$ 64,619,100
26 APPROPRIATED FROM:		
27 STATE RESTRICTED REVENUES	10,706,400	10,706,400
28 STATE GENERAL FUND/GENERAL PURPOSE	\$ 55,412,000	\$ 53,912,700
29 (C) FERRIS STATE UNIVERSITY		
30 OPERATIONS	\$ <u>43,906,600</u>	\$ <u>41,324,300</u>
31 GROSS APPROPRIATION	\$ 43,906,600	\$ 41,324,300
32 APPROPRIATED FROM:		

		For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1	STATE RESTRICTED REVENUES	6,846,800	6,846,800
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 37,059,800	\$ 34,477,500
3	(D) GRAND VALLEY STATE UNIVERSITY		
4	OPERATIONS	\$ <u>56,673,500</u>	\$ <u>52,677,400</u>
5	GROSS APPROPRIATION	\$ 56,673,500	\$ 52,677,400
6	APPROPRIATED FROM:		
7	STATE RESTRICTED REVENUES	8,727,800	8,727,800
8	STATE GENERAL FUND/GENERAL PURPOSE	\$ 47,945,700	\$ 43,949,600
9	(E) LAKE SUPERIOR STATE UNIVERSITY		
10	OPERATIONS	\$ <u>11,036,700</u>	\$ <u>10,789,500</u>
11	GROSS APPROPRIATION	\$ 11,036,700	\$ 10,789,500
12	APPROPRIATED FROM:		
13	STATE RESTRICTED REVENUES	1,787,600	1,787,600
14	STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,249,100	\$ 9,001,900
15	(F) MICHIGAN STATE UNIVERSITY		
16	OPERATIONS	\$ 244,418,600	\$ 241,120,800
17	FACILITY FOR RARE ISOTOPE BEAMS	2,339,900	5,047,700
18	AGRICULTURAL EXPERIMENT AND COOPERATIVE		
19	EXTENSION ACTIVITIES	<u>52,625,800</u>	<u>52,625,800</u>
20	GROSS APPROPRIATION	\$ 299,384,300	\$ 298,794,300
21	APPROPRIATED FROM:		
22	STATE RESTRICTED REVENUES	39,949,900	39,949,900
23	STATE GENERAL FUND/GENERAL PURPOSE	\$ 259,434,400	\$ 258,844,400
24	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
25	OPERATIONS	\$ <u>41,536,100</u>	\$ <u>40,733,600</u>
26	GROSS APPROPRIATION	\$ 41,536,100	\$ 40,733,600
27	APPROPRIATED FROM:		
28	STATE RESTRICTED REVENUES	\$ 6,748,900	\$ 6,748,900
29	STATE GENERAL FUND/GENERAL PURPOSE	\$ 34,787,200	\$ 33,984,700
30	(H) NORTHERN MICHIGAN UNIVERSITY		
31	OPERATIONS	\$ <u>39,659,700</u>	\$ <u>38,367,400</u>
32	GROSS APPROPRIATION	\$ 39,659,700	\$ 38,367,400

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1	APPROPRIATED FROM:	
2	STATE RESTRICTED REVENUES	6,356,900 6,356,900
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 33,302,800 \$ 32,010,500
4	(I) OAKLAND UNIVERSITY	
5	OPERATIONS	\$ <u>44,744,600</u> \$ <u>43,145,000</u>
6	GROSS APPROPRIATION	\$ 44,744,600 \$ 43,145,000
7	APPROPRIATED FROM:	
8	STATE RESTRICTED REVENUES	7,148,400 7,148,400
9	STATE GENERAL FUND/GENERAL PURPOSE	\$ 37,596,200 \$ 35,996,600
10	(J) SAGINAW VALLEY STATE UNIVERSITY	
11	OPERATIONS	\$ <u>24,682,500</u> \$ <u>23,561,500</u>
12	GROSS APPROPRIATION	\$ 24,682,500 \$ 23,561,500
13	APPROPRIATED FROM:	
14	STATE RESTRICTED REVENUES	3,903,800 3,903,800
15	STATE GENERAL FUND/GENERAL PURPOSE	\$ 20,778,700 \$ 19,657,700
16	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR	
17	OPERATIONS	\$ <u>272,695,500</u> \$ <u>268,803,300</u>
18	GROSS APPROPRIATION	\$ 272,695,500 \$ 268,803,300
19	APPROPRIATED FROM:	
20	STATE RESTRICTED REVENUES	44,536,300 44,536,300
21	STATE GENERAL FUND/GENERAL PURPOSE	\$ 228,159,200 \$ 224,267,000
22	(L) UNIVERSITY OF MICHIGAN - DEARBORN	
23	OPERATIONS	\$ <u>21,587,800</u> \$ <u>21,016,300</u>
24	GROSS APPROPRIATION	\$ 21,587,800 \$ 21,016,300
25	APPROPRIATED FROM:	
26	STATE RESTRICTED REVENUES	3,482,100 3,482,100
27	STATE GENERAL FUND/GENERAL PURPOSE	\$ 18,105,700 \$ 17,534,200
28	(M) UNIVERSITY OF MICHIGAN - FLINT	
29	OPERATIONS	\$ <u>18,330,900</u> \$ <u>17,762,400</u>
30	GROSS APPROPRIATION	\$ 18,330,900 \$ 17,762,400
31	APPROPRIATED FROM:	
32	STATE RESTRICTED REVENUES	2,942,900 2,942,900

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1 STATE GENERAL FUND/GENERAL PURPOSE	\$ 15,388,000	\$ 14,819,500
2 (N) WAYNE STATE UNIVERSITY		
3 OPERATIONS	<u>\$ 183,719,300</u>	<u>\$ 182,036,900</u>
4 GROSS APPROPRIATION	\$ 183,719,300	\$ 182,036,900
5 APPROPRIATED FROM:		
6 STATE RESTRICTED REVENUES	30,160,600	30,160,600
7 STATE GENERAL FUND/GENERAL PURPOSE	\$ 153,558,700	\$ 151,876,300
8 (O) WESTERN MICHIGAN UNIVERSITY		
9 OPERATIONS	<u>\$ 94,606,500</u>	<u>\$ 93,168,300</u>
10 GROSS APPROPRIATION	\$ 94,606,500	\$ 93,168,300
11 APPROPRIATED FROM:		
12 STATE RESTRICTED REVENUES	15,436,500	15,436,500
13 STATE GENERAL FUND/GENERAL PURPOSE	\$ 79,170,000	\$ 77,731,800
14 (3) PERFORMANCE FUNDING, INCLUDING TUITION RESTRAINT		
15 PERFORMANCE BASED FUNDING	<u>\$ 9,054,300</u>	<u>\$ 36,217,000</u>
16 GROSS APPROPRIATION	\$ 9,054,300	\$ 36,217,000
17 APPROPRIATED FROM:		
18 STATE GENERAL FUND/GENERAL PURPOSE	\$ 9,054,300	\$ 36,217,000
19 (4) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS)		
20 CONTRIBUTIONS TO MPSERS RETIREE HEALTH CARE	<u>\$ 446,200</u>	<u>\$ 446,200</u>
21 GROSS APPROPRIATION	\$ 446,200	\$ 446,200
22 APPROPRIATED FROM:		
23 STATE RESTRICTED REVENUES	446,200	446,200
24 STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
25 (5) STATE AND REGIONAL PROGRAMS		
26 STATE AND REGIONAL PROGRAMS	<u>\$ 200,000</u>	<u>\$ 200,000</u>
27 GROSS APPROPRIATION	\$ 200,000	\$ 200,000
28 APPROPRIATED FROM:		
29 STATE GENERAL FUND/GENERAL PURPOSE	\$ 200,000	\$ 200,000
30 SCHEDULE OF PROGRAMS:		
31 HIGHER EDUCATION DATABASE MODERNIZATION AND		
32 CONVERSION	105,000	105,000

1	MIDWESTERN HIGHER EDUCATION COMPACT	95,000		95,000
2	(6) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM			
3	MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS			
4	PROGRAM	\$ 2,691,500	\$	<u>2,691,500</u>
5	GROSS APPROPRIATION	\$ 2,691,500	\$	2,691,500
6	APPROPRIATED FROM:			
7	STATE GENERAL FUND/GENERAL PURPOSE	\$ 2,691,500	\$	2,691,500
8	SCHEDULE OF PROGRAMS:			
9	SELECT STUDENT SUPPORT SERVICES	1,956,100		1,956,100
10	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM	586,800		586,800
11	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM	148,600		148,600
12	(7) GRANTS AND FINANCIAL AID			
13	STUDENT FINANCIAL AID	\$ 98,226,400	\$	<u>98,226,400</u>
14	GROSS APPROPRIATION	\$ 98,226,400	\$	98,226,400
15	APPROPRIATED FROM:			
16	FEDERAL REVENUES	97,026,400		97,026,400
17	STATE RESTRICTED REVENUES	100,000		100,000
18	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,100,000	\$	1,100,000
19	SCHEDULE OF PROGRAMS:			
20	STATE COMPETITIVE SCHOLARSHIPS	20,361,700		20,361,700
21	TUITION GRANTS	30,664,700		30,664,700
22	TUITION INCENTIVE PROGRAM	42,800,000		42,800,000
23	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR			
24	TUITION PROGRAM	1,200,000		1,200,000
25	PROJECT GEAR-UP	3,200,000		3,200,000

26 Enacting section 1. (1) In accordance with section 30 of article I of the state
27 constitution of 1963, total state spending on school aid under article I as amended by this
28 amendatory act from state sources for fiscal year 2012-2013 is estimated at
29 \$10,985,973,400.00 and state appropriations for school aid to be paid to local units of
30 government for fiscal year 2012-2013 are estimated at \$10,841,677,500.00; and total state
31 spending on school aid under article I as amended by this amendatory act from state sources
32 for fiscal year 2013-2014 is estimated at \$10,902,593,400.00 and state appropriations for

1 school aid to be paid to local units of government for fiscal year 2013-2014 are
2 estimated at \$10,737,027,500.00.

3 (2) In accordance with section 30 of article IX of the state constitution of
4 1963, total state spending from state sources for community colleges for fiscal year
5 2012-2013 under article II as amended by this amendatory act is estimated at
6 \$294,130,500.00 and the amount of that state spending from state sources to be paid to
7 local units of government for fiscal year 2012-2013 is estimated at \$294,130,500.00;
8 and total state spending from state sources for community colleges for fiscal year
9 2013-2014 under article II as amended by this amendatory act is estimated at
10 \$294,130,500.00 and the amount of that state spending from state sources to be paid to
11 local units of government for fiscal year 2013-2014 is estimated at \$294,130,500.00.

12 (3) In accordance with section 30 of article IX of the state constitution of
13 1963, total state spending from state sources for higher education for fiscal year
14 2012-2013 under article III as amended by this amendatory act is estimated at
15 \$1,302,955,100.00 and the amount of that state spending from state sources to be paid
16 to local units of government for fiscal year 2012-2013 is estimated at \$0; and total
17 state spending from state sources for higher education for fiscal year 2013-2014 under
18 article III as amended by this amendatory act is estimated at \$1,305,662,900.00 and
19 the amount of that state spending from state sources to be paid to local units of
20 government for fiscal year 2013-2014 is estimated at \$0.

21 Enacting Section 2. Sections 12, 22e, 23, 40, 147b, 164c, 204, 205, 209, 210,
22 210a, 211, 212, 214, 216, 227, 228, 230, 237a, 239, 239a, 240, 261, 262, 263a, 266,
23 268, 270a, 271, 272, 273, 274, 274a, 290, 292, 293, and 294 of the state school aid
24 act of 1979, 1979 PA 94, MCL 388.1612, 388.1622e, 388.1623, 388.1640, 388.1747b,
25 388.1764c, 388.1804, 388.1805, 388.1809, 388.1810, 388.1810a, 388.1811, 388.1812,
26 388.1814, 388.1816, 388.1827, 388.1828, 388.1830, 388.1837a, 388.1839, 388.1839a,
27 388.1840, 388.1861, 388.1862, 388.1863a, 388.1866, 388.1868, 388.1870a, 388.1871,
28 388.1872, 388.1873, 388.1874, 388.1874a, 388.1890, 388.1892, 388.1893, and 388.1894
29 are repealed effective October 1, 2012.