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**FISCAL YEARS 2014 AND 2015**  
**EXECUTIVE BUDGET RECOMMENDATION**  
**EDUCATION BUDGET**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 18b, 19, 20, 20d, 22a, 22b, 22d,  
22f, 22i, 22j, 24, 24a, 24c, 25, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51a, 51b,  
51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 95, 98, 99, 101, 102, 104, 107, 147, 147a, 147b,  
147c, and 152a (MCL 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k,  
388.1611m, 388.1615, 388.1618, 388.1618b, 388.1619, 388.1620, 388.1620d, 388.1622a,  
388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c,  
388.1625, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d,  
388.1632p, 388.1639, 388.1639a, 388.1651a, 388.1651b, 388.1651c, 388.1651d, 388.1653a,  
388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1695, 388.1698,  
388.1699, 388.1701, 388.1702, 388.1704, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c,  
and 388.1752a), sections 6, 11, 25, and 26b as amended by 2012 PA 465, sections 11a, 11g 11j,  
11k, 11m, 18, 19, 20, 20d, 22a, 22b, 22d, 22f, 24, 24a, 24c, 26a, 31a, 31d, 31f, 32d, 39,

1 39a, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 102, 104, 107, 147, 147a,  
2 147b, and 152a, as amended and sections 22i, 22j, 26c, 32p, 95, and 147c as added by 2012 PA  
3 201, section 15 as amended by 2012 PA 286, section 18b as amended by 2008 PA 268, section 51b  
4 as added by 1996 PA 300, section 101 as amended by 2012 PA 516, and by adding sections 21f,  
5 22c, 22k, 201, 202, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210, 213, 217, 218, 219, 220,  
6 221, 222, 223, 224, 225, 226, 229, 230, 230a, 231, 236, 236b, 237, 237b, 238, 241, 242, 243,  
7 244, 245, 246, 251, 252, 253, 254, 255, 256a, 257, 258, 259, 263, 263a, 264, 265, 265a, 267,  
8 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 289, 291, 293a, and  
9 293b; and to repeal acts and parts of acts.

10  
11 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

12 **ARTICLE I**

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

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

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

1 (4) "Membership", except as otherwise provided in this article, means for a district,  
2 a public school academy, the education achievement system, or an intermediate district the  
3 sum of the product of .90 times the number of full-time equated pupils in grades K to 12  
4 actually enrolled and in regular daily attendance on the pupil membership count day for the  
5 current school year, plus the product of .10 times the final audited count from the  
6 supplemental count day for the immediately preceding school year. A district's, public school  
7 academy's, or intermediate district's membership shall be adjusted as provided under section  
8 25 for pupils who enroll in the district, public school academy, or intermediate district  
9 after the pupil membership count day. All pupil counts used in this subsection are as  
10 determined by the department and calculated by adding the number of pupils registered for  
11 attendance plus pupils received by transfer and minus pupils lost as defined by rules  
12 promulgated by the superintendent, and as corrected by a subsequent department audit. For the  
13 purposes of this section and section 6a, for a school of excellence that is a cyber school,  
14 as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with  
15 section 553a of the revised school code, MCL 380.553a, ~~or for the education achievement~~  
16 ~~system~~, a pupil's participation in the cyber school's educational program or, **FOR THE**  
17 **EDUCATION ACHIEVEMENT SYSTEM A PUPIL'S PARTICIPATION** in an online educational program of the  
18 education achievement system or of an achievement school, **OR FOR A DISTRICT THE PUPIL'S**  
19 **PARTICIPATION IN AN ONLINE COURSE AS DEFINED IN SECTION 21F** is considered regular daily  
20 attendance. The amount of the foundation allowance for a pupil in membership is determined  
21 under section 20. In making the calculation of membership, all of the following, as  
22 applicable, apply to determining the membership of a district, a public school academy, the  
23 education achievement system, or an intermediate district:

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

28 (b) If a pupil is educated in a district other than the pupil's district of residence,  
29 if the pupil is not being educated as part of a cooperative education program, if the pupil's  
30 district of residence does not give the educating district its approval to count the pupil in  
31 membership in the educating district, and if the pupil is not covered by an exception  
32 specified in subsection (6) to the requirement that the educating district must have the

1 approval of the pupil's district of residence to count the pupil in membership, the pupil  
2 shall not be counted in membership in any district.

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

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

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

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

15 (g) A pupil enrolled in a public school academy shall be counted in membership in the  
16 public school academy.

17 (h) A pupil enrolled in an achievement school shall be counted in membership in the  
18 education achievement system.

19 (i) For a new district or public school academy beginning its operation after December  
20 31, 1994, or for the education achievement system or an achievement school, membership for  
21 the first 2 full or partial fiscal years of operation shall be determined as follows:

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

31 (ii) If operations begin after the pupil membership count day for the fiscal year and  
32 not later than the supplemental count day for the fiscal year, membership is the final

1 audited count of the number of full-time equated pupils in grades K to 12 actually enrolled  
2 and in regular daily attendance on the supplemental count day for the current school year.

3 (j) If a district is the authorizing body for a public school academy, then, in the  
4 first school year in which pupils are counted in membership on the pupil membership count day  
5 in the public school academy, the determination of the district's membership shall exclude  
6 from the district's pupil count for the immediately preceding supplemental count day any  
7 pupils who are counted in the public school academy on that first pupil membership count day  
8 who were also counted in the district on the immediately preceding supplemental count day.

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

13 (l) To be counted in membership, a pupil shall meet the minimum age requirement to be  
14 eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or  
15 shall be enrolled under subsection (3) of that section, and shall be less than 20 years of  
16 age on September 1 of the school year except as follows:

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

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

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

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

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

28 (m) An individual who has obtained a high school diploma shall not be counted in  
29 membership. An individual who has obtained a general educational development (G.E.D.)  
30 certificate shall not be counted in membership unless the individual is a pupil with a  
31 disability as defined in R 340.1702 of the Michigan administrative code. An individual  
32 participating in a job training program funded under former section 107a or a jobs program

1 funded under former section 107b, administered by the Michigan strategic fund, or  
2 participating in any successor of either of those 2 programs, shall not be counted in  
3 membership.

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

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

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

31 (o) An individual less than 16 years of age as of September 1 of the current school  
32 year who is being educated in an alternative education program shall not be counted in

1 membership if there are also adult education participants being educated in the same program  
2 or classroom.

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

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

11 (r) Beginning in 2012-2013, full-time equated memberships for pupils in kindergarten  
12 shall be determined by dividing the number of instructional hours scheduled and provided per  
13 year per kindergarten pupil by the same number used for determining full-time equated  
14 memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law,  
15 for a district or public school academy that provides evidence satisfactory to the department  
16 that it used federal title I money in the 2 immediately preceding school fiscal years to fund  
17 full-time kindergarten, full-time equated memberships for pupils in kindergarten shall be  
18 determined by dividing the number of class hours scheduled and provided per year per  
19 kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated  
20 memberships for pupils in grades 1 to 12. ~~Not later than December 1, 2012, the department~~  
21 ~~shall seek a clarification from the federal department of education as to whether this is an~~  
22 ~~allowable use of federal title I money. The change in the counting of full-time equated~~  
23 ~~memberships for pupils in kindergarten that takes effect in 2012-2013 is not a mandate. Not~~  
24 ~~later than the fifth Wednesday after the pupil membership count day, each district or public~~  
25 ~~school academy and the education achievement system shall report to the department and the~~  
26 ~~center the number of instructional hours scheduled per kindergarten pupil for 2012-2013. If~~  
27 ~~the number of instructional hours scheduled per kindergarten pupil is not equal for all~~  
28 ~~kindergarten pupils in the district, the district or public school academy and the education~~  
29 ~~achievement system shall report the number of kindergarten pupils who were scheduled to~~  
30 ~~receive each of the different numbers of instructional hours scheduled.~~

31 (s) For a district, a public school academy, or the education achievement system that  
32 has pupils enrolled in a grade level that was not offered by the district, the public school

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

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

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

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

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

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

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

2 (v) A pupil enrolled in an alternative or disciplinary education program described in  
3 section 25 shall be counted in membership in the district, the public school academy, or the  
4 education achievement system that is educating the pupil.

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

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

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

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

1 membership figures by 3.

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

4 (z) If a public school academy that is not in its first or second year of operation  
5 closes at the end of a school year and does not reopen for the next school year, the  
6 department shall adjust the membership count of the district or the education achievement  
7 system in which a former pupil of the public school academy enrolls and is in regular daily  
8 attendance for the next school year to ensure that the district or the education achievement  
9 system receives the same amount of membership aid for the pupil as if the pupil were counted  
10 in the district or the education achievement system on the supplemental count day of the  
11 preceding school year.

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

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

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

30 (dd) A district, a public school academy, or the education achievement system that  
31 educates a pupil who attends a United States Olympic education center may count the pupil in  
32 membership regardless of whether or not the pupil is a resident of this state.

1 (ee) A pupil enrolled in a district other than the pupil's district of residence  
2 pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the  
3 educating district or the education achievement system.

4 (ff) For a pupil enrolled in a dropout recovery program that meets the requirements of  
5 section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each  
6 month that the district operating the program reports that the pupil was enrolled in the  
7 program and was in full attendance. The district operating the program shall report to the  
8 center the number of pupils who were enrolled in the program and were in full attendance for  
9 a month not later than the tenth day of the next month. A district shall not report a pupil  
10 as being in full attendance for a month unless both of the following are met:

11 (i) A personalized learning plan is in place on or before the first school day of the  
12 month for the first month the pupil participates in the program.

13 (ii) The pupil meets the district's definition under section 23a of satisfactory  
14 monthly progress for that month or, if the pupil does not meet that definition of  
15 satisfactory monthly progress for that month, the pupil did meet that definition of  
16 satisfactory monthly progress in the immediately preceding month and appropriate  
17 interventions are implemented within 10 school days after it is determined that the pupil  
18 does not meet that definition of satisfactory monthly progress.

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

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

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

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

27 (c) A pupil enrolled in a public school academy or the education achievement system.

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

32 (e) A pupil enrolled in a district other than the pupil's district of residence if the

1 pupil is enrolled in accordance with section 105 or 105c.

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

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

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

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

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

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

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

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

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

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

1 (i) A pupil enrolled in the Michigan virtual school, for the pupil's enrollment in the  
2 Michigan virtual school.

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

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

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

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

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

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

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

22 **(P) AN ONLINE LEARNING PUPIL ENROLLED IN A DISTRICT OTHER THAN THE PUPIL'S DISTRICT OF**  
23 **RESIDENCE AS AN ELIGIBLE PUPIL UNDER SECTION 21F.**

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

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

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

1 or building.

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

4 (i) Fourth Wednesday in July.

5 (ii) First Wednesday in October.

6 (iii) Second Wednesday in February.

7 (iv) Fourth Wednesday in April.

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

31 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of  
32 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

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

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

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

13 (16) "Tuition pupil" means a pupil of school age attending school in a district other  
14 than the pupil's district of residence for whom tuition may be charged **TO THE DISTRICT OF**  
15 **RESIDENCE**. Tuition pupil does not include a pupil who is a special education pupil ~~or~~, a  
16 pupil described in subsection (6)(c) to ~~(e)~~ **(P)**, **OR A PUPIL WHOSE PARENT OR GUARDIAN**  
17 **VOLUNTARILY ENROLLS THE PUPIL IN A DISTRICT THAT IS NOT THE PUPIL'S RESIDENT DISTRICT**. A  
18 pupil's district of residence shall not require a high school tuition pupil, as provided  
19 under section 111, to attend another school district after the pupil has been assigned to a  
20 school district.

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

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

25 (19) "Textbook" means a book, electronic book, or other instructional print or  
26 electronic resource that is selected and approved by the governing board of a district or,  
27 for an achievement school, by the chancellor of the achievement authority and that contains a  
28 presentation of principles of a subject, or that is a literary work relevant to the study of  
29 a subject required for the use of classroom pupils, or another type of course material that  
30 forms the basis of classroom instruction.

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

1 provisions of this article.

2           Sec. 11. (1) ~~Subject to subsection (3), for~~ **FOR** the fiscal year ending September 30,  
3 ~~2013~~ **2014**, there is appropriated for the public schools of this state and certain other state  
4 purposes relating to education the sum of ~~\$10,961,245,600.00~~ **\$11,090,813,500.00** from the  
5 state school aid fund, **THE SUM OF \$150,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION**  
6 **REFORM RESERVE FUND CREATED IN SECTION 147B OF THIS ARTICLE** and the sum of ~~\$282,400,000.00~~  
7 **\$230,000,000.00** from the general fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, THERE**  
8 **IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES**  
9 **RELATING TO EDUCATION THE SUM OF \$11,393,154,500.00 FROM THE STATE SCHOOL AID FUND AND THE**  
10 **SUM OF \$100,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED IN**  
11 **SECTION 147B AND THE SUM OF \$233,000,000.00 FROM THE GENERAL FUND.** In addition, all other  
12 available federal funds, ~~except those otherwise appropriated under section 11p,~~ are  
13 appropriated for the fiscal year ending September 30, ~~2013~~ **2014 AND THE FISCAL YEAR ENDING**  
14 **SEPTEMBER 30, 2015.**

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

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

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

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

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

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

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

32           (3) Money available in the school aid stabilization fund may not be expended without a

1 specific appropriation from the school aid stabilization fund. Money in the school aid  
2 stabilization fund shall be expended only for purposes for which state school aid fund money  
3 may be expended.

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

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

10 (6) If the maximum amount appropriated under section 11 from the state school aid fund  
11 for a fiscal year exceeds the amount available for expenditure from the state school aid fund  
12 for that fiscal year, there is appropriated from the school aid stabilization fund to the  
13 state school aid fund an amount equal to the projected shortfall as determined by the  
14 department of treasury, but not to exceed available money in the school aid stabilization  
15 fund. If the money in the school aid stabilization fund is insufficient to fully fund an  
16 amount equal to the projected shortfall, the state budget director shall notify the  
17 legislature as required under section ~~11(3)~~ **296(2)** and state payments in an amount equal to  
18 the remainder of the projected shortfall shall be prorated in the manner provided under  
19 section ~~11(4)~~ **296(3)**.

20 (7) For ~~2012-2013~~ **2013-2014 AND 2014-2015**, in addition to the appropriations in  
21 section 11, there is appropriated from the school aid stabilization fund to the state school  
22 aid fund the amount necessary to fully fund the allocations under this article.

23 ~~(8) Effective February 24, 2012, in addition to any amounts otherwise deposited into~~  
24 ~~the school aid stabilization fund, there is transferred from the state school aid fund to the~~  
25 ~~school aid stabilization fund an amount equal to \$100,000,000.00.~~

26 Sec. 11g. (1) From the appropriation in section 11, there is allocated for this  
27 section an amount not to exceed ~~\$39,000,000.00~~ **\$39,500,000.00** for the fiscal year ending  
28 September 30, ~~2013~~ **2014**, and for ~~each succeeding fiscal year through~~ the fiscal year ending  
29 September 30, 2015, after which these payments will cease. These allocations are for paying  
30 the amounts described in subsection (3) to districts and intermediate districts, other than  
31 those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the  
32 consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no.

1 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver  
2 resolution described in section 11f. The amounts paid under this section represent offers of  
3 settlement and compromise of any claim or claims that were or could have been asserted by  
4 these districts and intermediate districts, as described in this section.

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

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

13 (a) If the district or intermediate district does not borrow money and issue bonds  
14 under section 11i, 1/30 of the total amount listed in section 11h for the district or  
15 intermediate district through the fiscal year ending September 30, ~~2013~~ **2015**.

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

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

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

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

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

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

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

10 Sec. 11j. From the appropriation in section 11, there is allocated **EACH FISCAL YEAR** an  
11 amount not to exceed ~~\$120,390,000.00~~ **\$131,660,000.00** for ~~2012-2013~~ **2013-2014 AND**  
12 **\$139,900,000.00 FOR 2014-2015** for payments to the school loan bond redemption fund in the  
13 department of treasury on behalf of districts and intermediate districts. Notwithstanding  
14 section ~~44~~ **296** or any other provision of this act, funds allocated under this section are not  
15 subject to proration and shall be paid in full.

16 Sec. 11k. For ~~2012-2013~~ **2013-2014 AND 2014-2015**, there is appropriated from the  
17 general fund to the school loan revolving fund an amount equal to the amount of school bond  
18 loans assigned to the Michigan finance authority, not to exceed the total amount of school  
19 bond loans held in reserve as long-term assets. As used in this section, "school loan  
20 revolving fund" means that fund created in section 16c of the shared credit rating act, 1985  
21 PA 227, MCL 141.1066c.

22 Sec. 11m. From the appropriations in section 11, there is allocated for ~~2011-2012~~  
23 **2013-2014** an amount not to exceed ~~\$2,100,000.00~~ **\$6,000,000.00** and there is allocated for  
24 ~~2012-2013~~ **2014-2015** an amount not to exceed ~~\$3,200,000.00~~ **\$8,000,000.00** for fiscal year cash-  
25 flow borrowing costs solely related to the state school aid fund established by section 11 of  
26 article IX of the state constitution of 1963.

27 Sec. 15. (1) If a district or intermediate district fails to receive its proper  
28 apportionment, the department, upon satisfactory proof that the district or intermediate  
29 district was entitled justly, shall apportion the deficiency in the next apportionment.  
30 Subject to subsections (2) and (3), if a district or intermediate district has received more  
31 than its proper apportionment, the department, upon satisfactory proof, shall deduct the  
32 excess in the next apportionment. Notwithstanding any other provision in this article, state

1 aid overpayments to a district, other than overpayments in payments for special education or  
2 special education transportation, may be recovered from any payment made under this article  
3 other than a special education or special education transportation payment, from the proceeds  
4 of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to  
5 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised  
6 school code, MCL 380.1211. State aid overpayments made in special education or special  
7 education transportation payments may be recovered from subsequent special education or  
8 special education transportation payments, from the proceeds of a loan to the district under  
9 the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds  
10 of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211.

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

21 (3) If, because of the receipt of new or updated data, the department determines  
22 during a fiscal year that the amount paid to a district or intermediate district under this  
23 article for a prior fiscal year was incorrect under the law in effect for that year, the  
24 department may make the appropriate deduction or payment in the district's or intermediate  
25 district's allocation for the fiscal year in which the determination is made. The deduction  
26 or payment shall be calculated according to the law in effect in the fiscal year in which the  
27 improper amount was paid. If the district does not receive an allocation for the fiscal year  
28 or if the allocation is not sufficient to pay the amount of any deduction, the amount of any  
29 deduction otherwise applicable shall be satisfied from the proceeds of a loan to the district  
30 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the  
31 proceeds of millage levied or pledged under section 1211 of the revised school code, MCL  
32 380.1211, as determined by the department.

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

4 (5) In addition to funds appropriated in section 11 for all programs and services,  
5 there is appropriated for ~~2012-2013~~ **2013-2014 AND 2014-2015** for obligations in excess of  
6 applicable appropriations an amount equal to the collection of overpayments, but not to  
7 exceed amounts available from overpayments.

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

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

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

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

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

29 (A) Salaries and wages.

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

32 (C) Retirement benefit costs.

1 (D) All other personnel costs.

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

3 (A) Instruction.

4 (B) Support services.

5 (C) Business and administration.

6 (D) Operations and maintenance.

7 (c) Links to all of the following:

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

9 (ii) Each health care benefits plan, including, but not limited to, medical, dental,

10 vision, disability, long-term care, or any other type of benefits that would constitute

11 health care services, offered to any bargaining unit or employee in the district.

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

13 fiscal year for which it is available.

14 (iv) The bids required under section 5 of the public employee health benefits act,

15 2007 PA 106, MCL 124.75.

16 (d) The total salary and a description and cost of each fringe benefit included in the

17 compensation package for the superintendent of the district and for each employee of the

18 district whose salary exceeds \$100,000.00.

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

20 (f) The annual amount spent on lobbying or lobbying services. As used in this

21 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

22 (3) For the information required under subsection (2) (a), (2) (b) (i), and (2) (c), an

23 intermediate district shall provide the same information in the same manner as required for a

24 district under subsection (2).

25 (4) For the purpose of determining the reasonableness of expenditures and whether a

26 violation of this article has occurred, all of the following apply:

27 (a) The department shall require that each district and intermediate district have an

28 audit of the district's or intermediate district's financial and pupil accounting records

29 conducted at least annually at the expense of the district or intermediate district, as

30 applicable, by a certified public accountant or by the intermediate district superintendent,

31 as may be required by the department, or in the case of a district of the first class by a

32 certified public accountant, the intermediate superintendent, or the auditor general of the

1 city.

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

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

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

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

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

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

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

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

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

32 (5) By November 15 of each year, each district and intermediate district shall submit

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

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

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

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

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

27 (10) If a district or intermediate district does not comply with subsections (4), (5),  
28 (6), and (7), the department shall withhold all state school aid due to the district or  
29 intermediate district under this article, beginning with the next payment due to the district  
30 or intermediate district, until the district or intermediate district complies with  
31 subsections (4), (5), (6), and (7). If the district or intermediate district does not comply  
32 with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or

1 intermediate district forfeits the amount withheld.

2 ~~(11) Not later than October 1, 2012, if a district or intermediate district offers~~  
3 ~~online learning, the district or intermediate district shall submit to the department a~~  
4 ~~report that details the per-pupil costs of operating the online learning. The report shall~~  
5 ~~include, on a per pupil basis, at least all of the following costs:~~

6 ~~(a) Textbooks, instructional materials, and supplies, including electronic~~  
7 ~~instructional material.~~

8 ~~(b) Computer and other electronic equipment, including internet and telephone access.~~

9 ~~(c) Salaries and benefits for the online learning employees.~~

10 ~~(d) Purchased courses and curricula.~~

11 ~~(e) Fees associated with oversight and regulation.~~

12 ~~(f) Travel costs associated with school activities and testing.~~

13 ~~(g) Facilities costs.~~

14 ~~(h) Costs associated with special education.~~

15 ~~(12) Not later than December 31, 2012, the department shall issue a report to the~~  
16 ~~legislature including the following:~~

17 ~~(a) A review of the data submitted under subsection (11).~~

18 ~~(b) A comparison with costs of substantially similar programs in other states and~~  
19 ~~relevant national research on the costs of online learning.~~

20 ~~(c) Any conclusions concerning factors or characteristics of online learning programs~~  
21 ~~that make a difference in the costs of operating the programs.~~

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

25 (a) The public school academy has been ineligible to receive funding under this ~~act~~  
26 **ARTICLE** for 18 consecutive months.

27 (b) The public school academy's contract has been revoked or terminated for any  
28 reason.

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

31 **(2) A PUBLIC SCHOOL ACADEMY CORPORATION MUST INITIATE A DISSOLUTION PROCESS WITHIN 30**  
32 **DAYS AFTER ITS CONTRACT'S EXPIRATION.**

1           (3) ~~(2)~~ Property required to be transferred to this state under this section includes  
2 title to all real and personal property, interests in real or personal property, and other  
3 assets owned by the public school academy corporation that were substantially acquired with  
4 funds appropriated under this ~~act~~ **ARTICLE**.

5           (4) ~~(3)~~ The state treasurer, or his or her designee, is authorized to dispose of  
6 property transferred to this state under this section. Except as otherwise provided in this  
7 section, the state treasurer shall deposit in the state school aid fund any money included in  
8 that property and the net proceeds from the sale of the property or interests in property,  
9 after payment by the state treasurer of any public school academy debt secured by the  
10 property or interest in property.

11           (5) ~~(4)~~ This section does not impose any liability on this state, any agency of this  
12 state, or an authorizing body for any debt incurred by a public school academy.

13           (6) ~~(5)~~ As used in this section and section 18c, "authorizing body" means an  
14 authorizing body defined under section 501 or 1311b of the revised school code, MCL 380.501  
15 and 380.1311b.

16           Sec. 19. (1) A district or intermediate district shall comply with all applicable  
17 reporting requirements specified in state and federal law. Data provided to the center, in a  
18 form and manner prescribed by the center, shall be aggregated and disaggregated as required  
19 by state and federal law. In addition, a district or intermediate district shall cooperate  
20 with all measures taken by the center to establish and maintain a statewide P-20 longitudinal  
21 data system.

22           (2) Each district shall furnish to the center not later than 5 weeks after the pupil  
23 membership count day and by June 30 of the school fiscal year ending in the fiscal year, in a  
24 manner prescribed by the center, the information necessary for the preparation of the  
25 district and high school graduation report. This information shall meet requirements  
26 established in the pupil auditing manual approved and published by the department. The center  
27 shall calculate an annual graduation and pupil dropout rate for each high school, each  
28 district, and this state, in compliance with nationally recognized standards for these  
29 calculations. The center shall report all graduation and dropout rates to the senate and  
30 house education committees and appropriations committees, the state budget director, and the  
31 department not later than 30 days after the publication of the list described in subsection  
32 (6).

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

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

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

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

20 ~~(7) It is the intent of the legislature to implement not later than 2014-2015~~  
21 ~~statewide standard reporting requirements for education data approved by the department in~~  
22 ~~conjunction with the center. The department shall work with the center, intermediate~~  
23 ~~districts, districts, and other interested stakeholders to develop recommendations on the~~  
24 ~~implementation of this policy change. A district or intermediate district shall implement the~~  
25 ~~statewide standard reporting requirements not later than 2014-2015 or when a district or~~  
26 ~~intermediate district updates its education data reporting system, whichever is later.~~

27 Sec. 20. (1) For ~~2011-2012, and for 2012-2013~~ **2013-2014 AND FOR 2014-2015**, the basic  
28 foundation allowance is \$8,019.00.

29 (2) The amount of each district's foundation allowance shall be calculated as provided  
30 in this section, using a basic foundation allowance in the amount specified in subsection  
31 (1).

32 (3) Except as otherwise provided in this section, the amount of a district's

1 foundation allowance shall be calculated as follows, using in all calculations the total  
2 amount of the district's foundation allowance as calculated before any proration:

3 (a) For a district that had a foundation allowance for the immediately preceding state  
4 fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of  
5 all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the  
6 lowest foundation allowance among all districts, but less than the basic foundation allowance  
7 for the immediately preceding state fiscal year, the district shall receive a foundation  
8 allowance in an amount equal to the sum of the district's foundation allowance for the  
9 immediately preceding state fiscal year plus the difference between twice the dollar amount  
10 of the adjustment from the immediately preceding state fiscal year to the current state  
11 fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment  
12 from the immediately preceding state fiscal year to the current state fiscal year made in the  
13 basic foundation allowance minus \$20.00) times (the difference between the district's  
14 foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00  
15 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately  
16 preceding state fiscal year in the lowest foundation allowance among all districts) divided  
17 by the difference between the basic foundation allowance for the current state fiscal year  
18 and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007  
19 to the immediately preceding state fiscal year in the lowest foundation allowance among all  
20 districts]. For 2011-2012, for a district that had a foundation allowance for the immediately  
21 preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total  
22 dollar amount of all adjustments made from 2006-2007 to the immediately preceding state  
23 fiscal year in the lowest foundation allowance among all districts, but less than the basic  
24 foundation allowance for the immediately preceding state fiscal year, the district shall  
25 receive a foundation allowance in an amount equal to the district's foundation allowance for  
26 2010-2011, minus \$470.00. Except as otherwise provided in subdivision (h), for ~~2012-2013~~  
27 **2013-14 AND 2014-2015**, for a district that had a foundation allowance for the immediately  
28 preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total  
29 dollar amount of all adjustments made from 2006-2007 to the immediately preceding state  
30 fiscal year in the lowest foundation allowance among all districts, but less than the basic  
31 foundation allowance for the immediately preceding state fiscal year, the district shall  
32 receive a foundation allowance in an amount equal to the district's foundation allowance for

1 the immediately preceding state fiscal year. However, the foundation allowance for a district  
2 that had less than the basic foundation allowance for the immediately preceding state fiscal  
3 year shall not exceed the 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 in an amount  
8 equal to the district's foundation allowance for 2010-2011, minus \$470.00. For ~~2012-2013~~  
9 **2013-2014 AND 2014-2015**, except as otherwise provided in this subsection, for a district that  
10 in the immediately preceding state fiscal year had a foundation allowance in an amount at  
11 least equal to the amount of the basic foundation allowance for the immediately preceding  
12 state fiscal year, the district shall receive a foundation allowance for ~~2012-2013~~ **2013-2014**  
13 **AND 2014-2015** in an amount equal to the district's foundation allowance for the immediately  
14 preceding state fiscal year.

15 (c) Except as otherwise provided in subdivision (d), for a district that in the 1994-  
16 1995 state fiscal year had a foundation allowance greater than \$6,500.00, the district's  
17 foundation allowance is an amount equal to the sum of the district's foundation allowance for  
18 the immediately preceding state fiscal year plus the lesser of the increase in the basic  
19 foundation allowance for the current state fiscal year, as compared to the immediately  
20 preceding state fiscal year, or the product of the district's foundation allowance for the  
21 immediately preceding state fiscal year times the percentage increase in the United States  
22 consumer price index in the calendar year ending in the immediately preceding fiscal year as  
23 reported by the May revenue estimating conference conducted under section 367b of the  
24 management and budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided in  
25 subdivision (d), for 2011-2012, for a district that in the 1994-1995 state fiscal year had a  
26 foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount  
27 equal to the district's foundation allowance for the 2010-2011 fiscal year minus \$470.00. For  
28 ~~2012-2013~~ **2013-2014 AND 2014-2015**, except as otherwise provided in subdivision (d), for a  
29 district that in the 1994-1995 state fiscal year had a foundation allowance greater than  
30 \$6,500.00, the district's foundation allowance is an amount equal to the district's  
31 foundation allowance for the immediately preceding state fiscal year.

32 (d) For a district that in the 1994-95 state fiscal year had a foundation allowance

1 greater than \$6,500.00 and that had a foundation allowance for the 2009-2010 state fiscal  
2 year, as otherwise calculated under this section, that was less than the basic foundation  
3 allowance, the district's foundation allowance for 2011-2012 and each succeeding fiscal year  
4 shall be considered to be an amount equal to the basic foundation allowance.

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

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

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

17 (h) For 2012-2013, for a district that had a foundation allowance for the 2011-2012  
18 state fiscal year of less than \$6,966.00, the district's foundation allowance is an amount  
19 equal to \$6,966.00.

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

1 product of the taxable value per membership pupil of all property in the district that is  
2 nonexempt property times the district's certified mills and, for a district with certified  
3 mills exceeding 12, the product of the taxable value per membership pupil of property in the  
4 district that is commercial personal property times the certified mills minus 12 mills and  
5 the quotient of the ad valorem property tax revenue of the district captured under tax  
6 increment financing acts divided by the district's membership excluding special education  
7 pupils. For a district that has a millage reduction required under section 31 of article IX  
8 of the state constitution of 1963, the state portion of the district's foundation allowance  
9 shall be calculated as if that reduction did not occur.

10 (5) The allocation calculated under this section for a pupil shall be based on the  
11 foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to  
12 section 105 or 105c in a district other than the pupil's district of residence, the  
13 allocation calculated under this section shall be based on the lesser of the foundation  
14 allowance of the pupil's district of residence or the foundation allowance of the educating  
15 district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another  
16 district in a grade not offered by the pupil's district of residence, the allocation  
17 calculated under this section shall be based on the foundation allowance of the educating  
18 district if the educating district's foundation allowance is greater than the foundation  
19 allowance of the pupil's district of residence.

20 (6) Except as otherwise provided in this subsection, for pupils in membership, other  
21 than special education pupils, in a public school academy, the allocation calculated under  
22 this section is an amount per membership pupil other than special education pupils in the  
23 public school academy equal to the foundation allowance of the district in which the public  
24 school academy is located or the state maximum public school academy allocation, whichever is  
25 less. However, a public school academy that had an allocation under this subsection before  
26 2009-2010 that was equal to the sum of the local school operating revenue per membership  
27 pupil other than special education pupils for the district in which the public school academy  
28 is located and the state portion of that district's foundation allowance shall not have that  
29 allocation reduced as a result of the 2010 amendment to this subsection. Notwithstanding  
30 section 101, for a public school academy that begins operations after the pupil membership  
31 count day, the amount per membership pupil calculated under this subsection shall be adjusted  
32 by multiplying that amount per membership pupil by the number of hours of pupil instruction

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

5 (7) Except as otherwise provided in this subsection, for pupils attending an  
6 achievement school and in membership in the education achievement system, other than special  
7 education pupils, the allocation calculated under this section is an amount per membership  
8 pupil other than special education pupils equal to the foundation allowance of the district  
9 in which the achievement school is located, not to exceed the basic foundation allowance.  
10 Notwithstanding section 101, for an achievement school that begins operation after the pupil  
11 membership count day, the amount per membership pupil calculated under this subsection shall  
12 be adjusted by multiplying that amount per membership pupil by the number of hours of pupil  
13 instruction provided by the achievement school after it begins operations, as determined by  
14 the department, divided by the minimum number of hours of pupil instruction required under  
15 section 101(3). The result of this calculation shall not exceed the amount per membership  
16 pupil otherwise calculated under this subsection. For the purposes of this subsection, if a  
17 public school is transferred from a district to the state school reform/redesign district or  
18 the achievement authority under section 1280c of the revised school code, that public school  
19 is considered to be an achievement school within the education achievement system and not a  
20 school that is part of a district, and a pupil attending that public school is considered to  
21 be in membership in the education achievement system and not in membership in the district  
22 that operated the school before the transfer.

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

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

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

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

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

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

29 (c) The index shall be calculated by multiplying the pupil membership factor by the  
30 revenue adjustment factor. However, for ~~2011-2012, the index shall be 0.93575 and for 2012-~~  
31 ~~2013~~ **2013-2014 AND 2014-2015**, the index shall be 1.00. If a consensus index is not determined  
32 at the revenue estimating conference, the principals of the revenue estimating conference

1 shall report their estimates to the house and senate subcommittees responsible for school aid  
2 appropriations not later than 7 days after the conclusion of the revenue conference.

3 ~~(12) For a district in which 7.75 mills levied in 1992 for school operating purposes~~  
4 ~~in the 1992-93 school year were not renewed in 1993 for school operating purposes in the~~  
5 ~~1993-94 school year, the district's combined state and local revenue per membership pupil~~  
6 ~~shall be recalculated as if that millage reduction did not occur and the district's~~  
7 ~~foundation allowance shall be calculated as if its 1994-95 foundation allowance had been~~  
8 ~~calculated using that recalculated 1993-94 combined state and local revenue per membership~~  
9 ~~pupil as a base. A district is not entitled to any retroactive payments for fiscal years~~  
10 ~~before 2000-2001 due to this subsection. A district receiving an adjustment under this~~  
11 ~~subsection shall not receive as a result of this adjustment an amount that exceeds 50% of the~~  
12 ~~amount the district received as a result of this adjustment for 2010-2011. This adjustment~~  
13 ~~shall not be made after 2011-2012.~~

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

24 **(12)** ~~(14)~~ For a district that received a grant under former section 32e for 2001-2002,  
25 the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be  
26 adjusted to be an amount equal to the sum of the district's foundation allowance, as  
27 otherwise calculated under this section, plus the quotient of 100% of the amount of the grant  
28 award to the district for 2001-2002 under former section 32e divided by the number of pupils  
29 in the district's membership for 2001-2002 who were residents of and enrolled in the  
30 district. Except as otherwise provided in this subsection, a district qualifying for a  
31 foundation allowance adjustment under this subsection shall use the funds resulting from this  
32 adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as

1 in effect for 2001-2002. For an individual school or schools operated by a district  
2 qualifying for a foundation allowance under this subsection that have been determined by the  
3 department to meet the adequate yearly progress standards of the federal no child left behind  
4 act of 2001, Public Law 107-110, in both mathematics and English language arts at all  
5 applicable grade levels for all applicable subgroups, the district may submit to the  
6 department an application for flexibility in using the funds resulting from this adjustment  
7 that are attributable to the pupils in the school or schools. The application shall identify  
8 the affected school or schools and the affected funds and shall contain a plan for using the  
9 funds for specific purposes identified by the district that are designed to reduce class  
10 size, but that may be different from the purposes otherwise allowable under this subsection.  
11 The department shall approve the application if the department determines that the purposes  
12 identified in the plan are reasonably designed to reduce class size. If the department does  
13 not act to approve or disapprove an application within 30 days after it is submitted to the  
14 department, the application is considered to be approved. If an application for flexibility  
15 in using the funds is approved, the district may use the funds identified in the application  
16 for any purpose identified in the plan. A district receiving an adjustment under this  
17 subsection shall not receive as a result of this adjustment an amount that exceeds 68.5% of  
18 the amount the district received as a result of this adjustment for 2010-2011. **FOR 2013-2014,**  
19 **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION THAT HAS A FOUNDATION ALLOWANCE, AS**  
20 **CALCULATED UNDER SECTION 20, THAT IS LESS THAN \$7,500.00 SHALL RECEIVE THE LESSER OF THE**  
21 **ADJUSTMENT CALCULATED UNDER THIS SUBSECTION OR \$100.00 PER PUPIL, AND A DISTRICT RECEIVING AN**  
22 **ADJUSTMENT UNDER THIS SUBSECTION THAT HAS A FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION**  
23 **20, THAT IS GREATER THAN OR EQUAL TO \$7,500.00 SHALL RECEIVE THE LESSER OF THE ADJUSTMENT**  
24 **CALCULATED UNDER THIS SUBSECTION OR \$50.00 PER PUPIL.**

25 ~~(15) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the~~  
26 ~~district's foundation allowance shall be calculated as if those mills were included as~~  
27 ~~operating mills in the calculation of the district's 1994-1995 foundation allowance. A~~  
28 ~~district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to~~  
29 ~~this subsection. A district receiving an adjustment under this subsection shall not receive~~  
30 ~~more than \$800,000.00 for a fiscal year as a result of this adjustment. A district receiving~~  
31 ~~an adjustment under this subsection shall not receive as a result of this adjustment an~~  
32 ~~amount that exceeds 50% of the amount the district received as a result of this adjustment~~

1 ~~for 2010-2011. This adjustment shall not be made after 2011-2012.~~

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

11 **(13)** ~~(17)~~ Payments to districts, public school academies, or the education achievement  
12 system shall not be made under this section. Rather, the calculations under this section  
13 shall be used to determine the amount of state payments under section 22b.

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

18 **(15)** ~~(19)~~ As used in this section:

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

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

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

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

29 (e) "Immediately preceding state fiscal year" means the state fiscal year immediately  
30 preceding the current state fiscal year.

31 (f) "Local school operating revenue" means school operating taxes levied under section  
32 1211 of the revised school code, MCL 380.1211.

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

4 (h) "Maximum public school academy allocation", except as otherwise provided in this  
5 subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-  
6 pupil allocation among all public school academies for the immediately preceding state fiscal  
7 year plus the difference between twice the dollar amount of the adjustment from the  
8 immediately preceding state fiscal year to the current state fiscal year made in the basic  
9 foundation allowance and [(the dollar amount of the adjustment from the immediately preceding  
10 state fiscal year to the current state fiscal year made in the basic foundation allowance  
11 minus \$20.00) times (the difference between the highest per-pupil allocation among all public  
12 school academies for the immediately preceding state fiscal year and the sum of \$7,108.00  
13 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately  
14 preceding state fiscal year in the lowest per-pupil allocation among all public school  
15 academies) divided by the difference between the basic foundation allowance for the current  
16 state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments  
17 made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil  
18 allocation among all public school academies]. For ~~2011-2012 and 2012-2013~~ **2013-2014 AND**  
19 **2014-2015**, maximum public school academy allocation means \$7,110.00.

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

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

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

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

31 (m) "School operating taxes" means local ad valorem property taxes levied under  
32 section 1211 of the revised school code, MCL 380.1211, and retained for school operating

1 purposes.

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

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

11 Sec. 20d. In making the final determination required under former section 20a of a  
12 district's combined state and local revenue per membership pupil in 1993-94 and in making  
13 calculations under section 20 for ~~2012-2013~~ **2013-2014 AND 2014-2015**, the department and the  
14 department of treasury shall comply with all of the following:

15 (a) For a district that had combined state and local revenue per membership pupil in  
16 the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state  
17 board designated area vocational education center in the 1993-94 school year, total state  
18 school aid received by or paid on behalf of the district pursuant to this act in 1993-94  
19 shall exclude payments made under former section 146 and under section 147 on behalf of the  
20 district's employees who provided direct services to the area vocational education center.  
21 Not later than June 30, 1996, the department shall make an adjustment under this subdivision  
22 to the district's combined state and local revenue per membership pupil in the 1994-95 state  
23 fiscal year and the department of treasury shall make a final certification of the number of  
24 mills that may be levied by the district under section 1211 of the revised school code, MCL  
25 380.1211, as a result of the adjustment under this subdivision.

26 (b) If a district had an adjustment made to its 1993-1994 total state school aid that  
27 excluded payments made under former section 146 and under section 147 on behalf of the  
28 district's employees who provided direct services for intermediate district center programs  
29 operated by the district under article 5, if nonresident pupils attending the center programs  
30 were included in the district's membership for purposes of calculating the combined state and  
31 local revenue per membership pupil for 1993-1994, and if there is a signed agreement by all  
32 constituent districts of the intermediate district that an adjustment under this subdivision

1 shall be made, the foundation allowances for 1995-1996 and 1996-1997 of all districts that  
2 had pupils attending the intermediate district center program operated by the district that  
3 had the adjustment shall be calculated as if their combined state and local revenue per  
4 membership pupil for 1993-1994 included resident pupils attending the center program and  
5 excluded nonresident pupils attending the center program.

6 SEC. 21F. (1) A PUPIL ENROLLED IN A DISTRICT IN ANY OF GRADES 5 TO 12 IS ELIGIBLE TO  
7 ENROLL IN ONLINE COURSES AS PROVIDED FOR IN THIS SECTION. THIS SECTION DOES NOT APPLY TO A  
8 PUPIL ENROLLED IN A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF  
9 THE REVISED SCHOOL CODE, MCL 380.551.

10 (2) WITH THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN, A PUBLIC SCHOOL SHALL  
11 ENROLL AN ELIGIBLE PUPIL IN UP TO 2 ONLINE COURSES AS REQUESTED BY THE PUPIL DURING AN  
12 ACADEMIC TERM, SEMESTER, OR TRIMESTER. HOWEVER, IF A PUPIL HAS DEMONSTRATED PREVIOUS SUCCESS  
13 WITH ONLINE COURSES AND THE DISTRICT AND THE PUPIL'S PARENT OR GUARDIAN DETERMINE THAT IT IS  
14 IN THE BEST INTEREST OF THE PUPIL, A PUPIL MAY BE ENROLLED IN MORE THAN 2 ONLINE COURSES IN  
15 AN ACADEMIC TERM, SEMESTER, OR TRIMESTER.

16 (3) AN ELIGIBLE PUPIL AS DETERMINED IN SUBSECTION (1) MAY ENROLL IN ONLINE COURSES  
17 PUBLISHED IN THE PUPIL'S EDUCATING DISTRICT CATALOG OF ONLINE COURSES DESCRIBED IN SUBSECTION  
18 (6) (A), OR THE STATEWIDE CATALOG OF ONLINE COURSES MAINTAINED BY THE MICHIGAN VIRTUAL  
19 UNIVERSITY PURSUANT TO SECTION 98.

20 (4) A DISTRICT SHALL DETERMINE WHETHER OR NOT IT HAS CAPACITY TO ACCEPT APPLICATIONS  
21 FOR ENROLLMENT FROM NONRESIDENT APPLICANTS IN ONLINE COURSES AND MAY USE THAT LIMIT AS THE  
22 REASON FOR REFUSAL TO ENROLL AN APPLICANT. IF THE NUMBER OF NONRESIDENT APPLICANTS ELIGIBLE  
23 FOR ACCEPTANCE IN AN ONLINE COURSE DOES NOT EXCEED THE CAPACITY OF THE DISTRICT TO PROVIDE  
24 THE ONLINE COURSE, THE DISTRICT SHALL ACCEPT FOR ENROLLMENT ALL OF THE NONRESIDENT APPLICANTS  
25 ELIGIBLE FOR ACCEPTANCE. IF THE NUMBER OF NONRESIDENT APPLICANTS EXCEEDS THE DISTRICT'S  
26 CAPACITY TO PROVIDE THE ONLINE COURSE, THE DISTRICT SHALL USE A RANDOM DRAW SYSTEM, SUBJECT  
27 TO THE NEED TO ABIDE BY STATE AND FEDERAL ANTIDISCRIMINATION LAWS AND COURT ORDERS.

28 (5) AN EDUCATING DISTRICT MAY PROHIBIT PUPIL ENROLLMENT IN ONLINE COURSES IF ANY OF  
29 THE FOLLOWING APPLY, AS DETERMINED BY THE DISTRICT:

30 (A) THE PUPIL HAS PREVIOUSLY GAINED THE CREDITS PROVIDED FROM THE COMPLETION OF THE  
31 ONLINE COURSE,

32 (B) THE ONLINE COURSE IS NOT CAPABLE OF GENERATING ACADEMIC CREDIT,

1 (C) THE ONLINE COURSE IS INCONSISTENT WITH THE REMAINING GRADUATION REQUIREMENTS OR  
2 CAREER INTERESTS OF THE PUPIL, OR

3 (D) THE PUPIL DOES NOT POSSESS THE PREREQUISITE KNOWLEDGE AND SKILLS TO BE SUCCESSFUL  
4 IN THE ONLINE COURSE.

5 (E) IF A PUPIL IS DENIED ENROLLMENT IN AN ONLINE COURSE BY A DISTRICT, THE PUPIL MAY  
6 APPEAL THE DENIAL BY SUBMITTING A LETTER TO THE SUPERINTENDENT OF THE INTERMEDIATE DISTRICT  
7 OF RESIDENCE, CITING THE REASON PROVIDED BY THE DISTRICT FOR NOT ENROLLING THE PUPIL AND THE  
8 REASON WHY THE ENROLLMENT SHOULD BE APPROVED. THE INTERMEDIATE DISTRICT SUPERINTENDENT OR  
9 DESIGNEE SHALL RESPOND TO THE APPEAL WITHIN FIVE DAYS AFTER IT IS RECEIVED. IF THE  
10 INTERMEDIATE DISTRICT SUPERINTENDENT OR DESIGNEE DETERMINES THE DENIAL OF ENROLLMENT DOES NOT  
11 MEET ONE OR MORE OF THE REASONS SPECIFIED IN THIS SUBSECTION, THE PUPIL MUST BE ALLOWED TO  
12 ENROLL IN THE ONLINE COURSE.

13 (6) IN ORDER TO OFFER OR PROVIDE AN ONLINE COURSE, A DISTRICT SHALL DO ALL OF THE  
14 FOLLOWING:

15 (A) FOR ALL ONLINE COURSES OFFERED BY THE DISTRICT, PROVIDE THE MICHIGAN VIRTUAL  
16 UNIVERSITY WITH THE COURSE SYLLABI IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL  
17 UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG. DISTRICTS SHALL ALSO PROVIDE A  
18 LINK TO ITS COURSE SYLLABI AND A LINK TO THE STATEWIDE CATALOG OF ONLINE COURSES MAINTAINED  
19 BY MICHIGAN VIRTUAL UNIVERSITY AS DESCRIBED IN SECTION 98 ON ITS PUBLICALLY-ACCESSIBLE  
20 WEBSITE.

21 (B) OFFER ONLINE COURSES ON AN OPEN ENTRY AND EXIT METHOD, OR ALIGNED TO A SEMESTER,  
22 TRIMESTER, OR ACCELERATED ACADEMIC TERM FORMAT.

23 (7) FOR A PUPIL ENROLLED IN ONE OR MORE ONLINE COURSES PUBLISHED IN THE PUPIL'S  
24 EDUCATING DISTRICT CATALOG OF ONLINE COURSES, OR THE STATEWIDE CATALOG OF ONLINE COURSES  
25 MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY, THE DISTRICT SHALL USE FOUNDATION ALLOWANCE  
26 FUNDS CALCULATED UNDER SECTION 20 TO PAY FOR THE EXPENSES ASSOCIATED WITH THE ONLINE COURSE  
27 OR COURSES.

28 (8) ONLINE LEARNING PUPILS SHALL HAVE THE SAME RIGHTS AND ACCESS TO TECHNOLOGY IN  
29 THEIR EDUCATING DISTRICT SCHOOL FACILITIES AS ALL OTHER PUPILS ENROLLED IN THE EDUCATING  
30 DISTRICT.

31 (9) IF A PUPIL SUCCESSFULLY COMPLETES AN ONLINE COURSE, THE PUPIL'S EDUCATING DISTRICT  
32 SHALL GRANT APPROPRIATE ACADEMIC CREDIT FOR COMPLETION OF THE COURSE AND SHALL COUNT THAT

1 CREDIT TOWARD COMPLETION OF GRADUATION AND SUBJECT AREA REQUIREMENTS. A PUPIL'S SCHOOL RECORD  
2 AND TRANSCRIPT SHALL IDENTIFY THE ONLINE COURSE TITLE AS IT APPEARS IN THE COURSE SYLLABUS  
3 DEFINED IN SUBSECTION (10).

4 (10) AS USED IN THIS SECTION:

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

12 (B) "ONLINE COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES ALL OF THE FOLLOWING:

13 (I) THE STATE ACADEMIC STANDARDS ADDRESSED IN AN ONLINE COURSE.

14 (II) THE ONLINE COURSE CONTENT OUTLINE.

15 (III) THE ONLINE COURSE REQUIRED ASSESSMENTS.

16 (IV) THE ONLINE COURSE PREREQUISITES.

17 (V) EXPECTATIONS FOR ACTUAL INSTRUCTOR CONTACT TIME WITH THE ONLINE LEARNING PUPIL AND  
18 OTHER PUPIL-TO-INSTRUCTOR COMMUNICATIONS.

19 (VI) ACADEMIC SUPPORT AVAILABLE TO THE ONLINE LEARNING PUPIL.

20 (VII) THE ONLINE COURSE LEARNING OUTCOMES AND OBJECTIVES.

21 (VIII) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE ONLINE CONTENT.

22 (IX) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE ONLINE INSTRUCTOR.

23 (X) THE COURSE TITLES ASSIGNED BY THE DISTRICT AND THE COURSE TITLES AND COURSE CODES  
24 FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF  
25 DATA (SCED).

26 (XI) THE NUMBER OF ELIGIBLE NONRESIDENT PUPILS THAT WILL BE ACCEPTED BY THE DISTRICT  
27 IN THE ONLINE COURSE.

28 (C) "ONLINE LEARNING PUPIL" MEANS A PUPIL ENROLLED IN ONE OR MORE ONLINE COURSES.

29 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not  
30 to exceed ~~\$5,776,000,000.00~~ \$5,558,000,000.00 for ~~2011-2012~~ 2013-2014 and there is allocated  
31 an amount not to exceed ~~\$5,712,000,000.00~~ \$5,464,000,000.00 for ~~2012-2013~~ 2014-2015 for  
32 payments to districts and qualifying public school academies to guarantee each district and

1 qualifying public school academy an amount equal to its 1994-1995 total state and local per  
2 pupil revenue for school operating purposes under section 11 of article IX of the state  
3 constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963,  
4 this guarantee does not apply to a district in a year in which the district levies a millage  
5 rate for school district operating purposes less than it levied in 1994. However, subsection  
6 (2) applies to calculating the payments under this section. Funds allocated under this  
7 section that are not expended in the state fiscal year for which they were allocated, as  
8 determined by the department, may be used to supplement the allocations under sections 22b  
9 and 51c in order to fully fund those calculated allocations for the same fiscal year.

10 (2) To ensure that a district receives an amount equal to the district's 1994-1995  
11 total state and local per pupil revenue for school operating purposes, there is allocated to  
12 each district a state portion of the district's 1994-1995 foundation allowance in an amount  
13 calculated as follows:

14 (a) Except as otherwise provided in this subsection, the state portion of a district's  
15 1994-95 foundation allowance is an amount equal to the district's 1994-1995 foundation  
16 allowance or \$6,500.00, whichever is less, minus the difference between the sum of the  
17 product of the taxable value per membership pupil of all property in the district that is  
18 nonexempt property times the district's certified mills and, for a district with certified  
19 mills exceeding 12, the product of the taxable value per membership pupil of property in the  
20 district that is commercial personal property times the certified mills minus 12 mills and  
21 the quotient of the ad valorem property tax revenue of the district captured under tax  
22 increment financing acts divided by the district's membership. For a district that has a  
23 millage reduction required under section 31 of article IX of the state constitution of 1963,  
24 the state portion of the district's foundation allowance shall be calculated as if that  
25 reduction did not occur.

26 (b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the  
27 state payment under this subsection shall be the sum of the amount calculated under  
28 subdivision (a) plus the amount calculated under this subdivision. The amount calculated  
29 under this subdivision shall be equal to the difference between the district's 1994-1995  
30 foundation allowance minus \$6,500.00 and the current year hold harmless school operating  
31 taxes per pupil. If the result of the calculation under subdivision (a) is negative, the  
32 negative amount shall be an offset against any state payment calculated under this

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

6 (3) Beginning in 2003-2004, for pupils in membership in a qualifying public school  
7 academy, there is allocated under this section to the authorizing body that is the fiscal  
8 agent for the qualifying public school academy for forwarding to the qualifying public school  
9 academy an amount equal to the 1994-95 per pupil payment to the qualifying public school  
10 academy under section 20.

11 (4) A district or qualifying public school academy may use funds allocated under this  
12 section in conjunction with any federal funds for which the district or qualifying public  
13 school academy otherwise would be eligible.

14 (5) For a district that is formed or reconfigured after June 1, 2000 by consolidation  
15 of 2 or more districts or by annexation, the resulting district's 1994-1995 foundation  
16 allowance under this section beginning after the effective date of the consolidation or  
17 annexation shall be the average of the 1994-1995 foundation allowances of each of the  
18 original or affected districts, calculated as provided in this section, weighted as to the  
19 percentage of pupils in total membership in the resulting district in the state fiscal year  
20 in which the consolidation takes place who reside in the geographic area of each of the  
21 original districts. If an affected district's 1994-1995 foundation allowance is less than the  
22 1994-1995 basic foundation allowance, the amount of that district's 1994-95 foundation  
23 allowance shall be considered for the purpose of calculations under this subsection to be  
24 equal to the amount of the 1994-1995 basic foundation allowance.

25 ~~(6) Subject to conditions set forth in this subsection, from the allocation in~~  
26 ~~subsection (1), there is allocated for 2011-2012 only an amount not to exceed \$6,000,000.00~~  
27 ~~for payments to districts that meet the eligibility requirements under this subsection, for~~  
28 ~~the reduction in school operating revenues resulting from a settlement or other disposition~~  
29 ~~of appeals described in subdivision (a). A payment may only be made under this subsection if~~  
30 ~~a settlement agreement is signed by all applicable parties. Payments made under this~~  
31 ~~subsection shall be in accordance with the settlement agreement. All of the following apply~~  
32 ~~to payments under this subsection:~~

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

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

5 ~~(ii) Before January 1, 2011, the owner of a natural gas powered power plant located in~~  
6 ~~a renaissance zone within the district's geographic boundaries for 2009 and 2010 appealed to~~  
7 ~~the Michigan tax tribunal an order of the state tax commission for tax years 2009 and 2010~~  
8 ~~pursuant to section 154 of the general property tax act, 1993 PA 206, MCL 211.154, and~~  
9 ~~appealed to the state tax commission the 2011 classification and valuation of the power~~  
10 ~~plant.~~

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

14 ~~(iv) A settlement agreement has been signed to resolve the Michigan tax tribunal~~  
15 ~~appeal described in subparagraph (ii) and a memorandum of understanding that stipulates terms~~  
16 ~~of the settlement has been executed by the parties.~~

17 ~~(b) A payment made under this subsection shall be in addition to renaissance zone~~  
18 ~~reimbursement amounts paid in the 2009-2010 and 2010-2011 state fiscal years under section~~  
19 ~~26a to districts eligible for payment under this subsection. The 2009-2010 and 2010-2011~~  
20 ~~state fiscal year payments under section 26a to a district receiving a payment under this~~  
21 ~~subsection shall not be reduced as a result of the reduction to the district's 2009 and 2010~~  
22 ~~taxable value of real property under the appeals described in subdivision (a)(ii).~~

23 **(6)** ~~(7)~~ As used in this section:

24 (a) "1994-1995 foundation allowance" means a district's 1994-1995 foundation allowance  
25 calculated and certified by the department of treasury or the superintendent under former  
26 section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

27 (b) "Certified mills" means the lesser of 18 mills or the number of mills of school  
28 operating taxes levied by the district in 1993-1994.

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

31 (d) "Current year hold harmless school operating taxes per pupil" means the per pupil  
32 revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's

1 current year taxable value per membership pupil.

2 (e) "Hold harmless millage" means, for a district with a 1994-1995 foundation  
3 allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of  
4 school operating taxes on a homestead, qualified agricultural property, qualified forest  
5 property, supportive housing property, industrial personal property, and commercial personal  
6 property could be reduced as provided in section 1211 of the revised school code, MCL  
7 380.1211, and the number of mills of school operating taxes that could be levied on all  
8 property as provided in section 1211(2) of the revised school code, MCL 380.1211, as  
9 certified by the department of treasury for the 1994 tax year.

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

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

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

19 (i) "Qualifying public school academy" means a public school academy that was in  
20 operation in the 1994-1995 school year and is in operation in the current state fiscal year.

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

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

29 (l) "Taxable value per membership pupil" means each of the following divided by the  
30 district's membership:

31 (i) For the number of mills by which the exemption from the levy of school operating  
32 taxes on a homestead, qualified agricultural property, qualified forest property, supportive

1 housing property, industrial personal property, and commercial personal property may be  
2 reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable  
3 value of homestead, qualified agricultural property, qualified forest property, supportive  
4 housing property, industrial personal property, and commercial personal property for the  
5 calendar year ending in the current state fiscal year.

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

9 Sec. 22b. (1) From the ~~state funds appropriated~~ **APPROPRIATION** in section 11, there is  
10 allocated for ~~2011-2012~~ **2013-2014** an amount not to exceed ~~\$3,052,000,000.00~~ **\$3,304,000,000.00**  
11 and there is allocated for ~~2012-2013~~ **2014-2015** an amount not to exceed ~~\$3,152,300,000.00~~  
12 **\$3,383,000,000.00** for discretionary nonmandated payments to districts under this section.  
13 Funds allocated under this section that are not expended in the state fiscal year for which  
14 they were allocated, as determined by the department, may be used to supplement the  
15 allocations under sections 22a and 51c in order to fully fund those calculated allocations  
16 for the same fiscal year.

17 (2) Subject to subsection (3) and section 296, the allocation to a district under this  
18 section shall be an amount equal to the sum of the amounts calculated under sections 20,  
19 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections  
20 22a and 51c.

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

23 (a) ~~Administer in each grade level that it operates in grades 1 to 5 a standardized~~  
24 ~~assessment approved by the department of grade appropriate basic educational skills. A~~  
25 ~~district may use the Michigan literacy progress profile to satisfy this requirement for~~  
26 ~~grades 1 to 3. Also, if the revised school code is amended to require annual assessments at~~  
27 ~~additional grade levels, in order to receive an allocation under this section each district~~  
28 ~~shall comply with that requirement~~ **COMPLY WITH SECTION 1280B OF THE REVISED SCHOOL CODE, MCL**  
29 **380.1280B.**

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

32 (c) Furnish data and other information required by state and federal law to the center

1 and the department in the form and manner specified by the center or the department, as  
2 applicable.

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

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

8 (5) From the allocation in subsection (1), the department shall pay up to  
9 \$1,000,000.00 in litigation costs incurred by this state related to commercial or industrial  
10 property tax appeals, including, but not limited to, appeals of classification, that impact  
11 revenues dedicated to the state school aid fund.

12 (6) From the allocation in subsection (1), the department shall pay up to  
13 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1  
14 or more districts or intermediate districts against this state. If the allocation under this  
15 section is insufficient to fully fund all payments required under this section, the payments  
16 under this subsection shall be made in full before any proration of remaining payments under  
17 this section.

18 (7) It is the intent of the legislature that all constitutional obligations of this  
19 state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made  
20 by an entity receiving funds under this article that challenges the legislative determination  
21 of the adequacy of this funding or alleges that there exists an unfunded constitutional  
22 requirement, the state budget director may escrow or allocate from the discretionary funds  
23 for nonmandated payments under this section the amount as may be necessary to satisfy the  
24 claim before making any payments to districts under subsection (2). If funds are escrowed,  
25 the escrowed funds are a work project appropriation and the funds are carried forward into  
26 the following fiscal year. The purpose of the work project is to provide for any payments  
27 that may be awarded to districts as a result of litigation. The work project shall be  
28 completed upon resolution of the litigation.

29 (8) If the local claims review board or a court of competent jurisdiction makes a  
30 final determination that this state is in violation of section 29 of article IX of the state  
31 constitution of 1963 regarding state payments to districts, the state budget director shall  
32 use work project funds under subsection (7) or allocate from the discretionary funds for

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

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

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

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

27 ~~(12) Not later than January 1, 2013, the department shall submit a report to the~~  
28 ~~legislature identifying the amount of the savings that the department has calculated as~~  
29 ~~having been achieved due to the revised number of instructional hours used to calculate full-~~  
30 ~~time equated memberships for kindergarten pupils under section 6(4)(r) as amended by 2011 PA~~  
31 ~~62.~~

32 **SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2013-2014 AN**

1 AMOUNT NOT TO EXCEED \$24,000,000.00 TO MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A  
2 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR 2013-2014 OF  
3 LESS THAN \$7,000.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN AMOUNT PER MEMBERSHIP  
4 PUPIL EQUAL TO THE LESSER OF \$34.00 OR THE DIFFERENCE BETWEEN \$7,000.00 AND THE DISTRICT'S  
5 2013-2014 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20.

6 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
7 \$2,025,000.00 is allocated each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-**  
8 **2015** for supplemental payments to rural districts under this section.

9 (2) From the allocation under subsection (1), there is allocated each fiscal year for  
10 ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** an amount not to exceed \$750,000.00 for  
11 payments under this subsection to districts that meet all of the following:

12 (a) Operates grades K to 12.

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

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

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

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

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

31 (4) Subject to subsection (6), from the allocation in subsection (1), there is  
32 allocated each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** an amount not

1 to exceed \$1,275,000.00 for payments under this subsection to districts that meet all of the  
2 following:

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

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

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

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

12 Sec. 22f. (1) From the appropriation in section 11, there is allocated for ~~2012-2013~~  
13 **2013-2014** an amount not to exceed ~~\$80,000,000.00~~ **\$25,000,000.00** to provide incentive payments  
14 to districts that meet best practices under this section. Payments received under this  
15 section may be used for any purpose for which payments under sections 22a and 22b may be  
16 used.

17 (2) The amount of the incentive payment under this section is an amount equal to  
18 ~~\$52.00~~ **\$16.00** per pupil. A district shall receive an incentive payment under this section if  
19 the district satisfies at least 7 of the following requirements not later than June 1, ~~2013~~  
20 **2014**:

21 (a) If a district provides medical, pharmacy, dental, vision, disability, long-term  
22 care, or any other type of benefit that would constitute a health care services benefit, to  
23 employees and their dependents, the district is the policyholder for each of its insurance  
24 policies that covers 1 or more of these benefits. A district that does not directly employ  
25 its staff **OR A DISTRICT WITH A VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS NO MORE**  
26 **THAN THE MAXIMUM PER EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES NO MORE THAN THE**  
27 **MAXIMUM EMPLOYER CONTRIBUTION PERCENTAGE OF TOTAL ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS**  
28 **AS DESCRIBED IN 2011 PA 152, MCL 15.563 TO 15.564**, is considered to have satisfied this  
29 requirement.

30 (b) The district has obtained competitive bids on the provision of pupil  
31 transportation, food service, custodial, or 1 or more other noninstructional services for  
32 ~~2012-2013~~ **2013-2014. THE UNFUNDED ACCRUED LIABILITY COSTS FOR RETIREMENT AND OTHER BENEFITS**

1 **SHALL BE EXCLUDED FROM THE DISTRICT'S CURRENT COSTS FOR THE PURPOSE OF COMPARING COMPETITIVE**  
2 **BIDS TO THE CURRENT COSTS OF PROVIDING SERVICES.**

3 (c) The district accepts applications for enrollment by nonresident applicants under  
4 section 105 or 105c. A public school academy is considered to have met this requirement.

5 (d) The district monitors individual pupil academic growth in each subject area at  
6 least twice during the school year using competency-based online assessments and reports  
7 those results to the pupil and his or her parent or guardian, or provides the department with  
8 a plan and is able to show progress toward developing the technology infrastructure necessary  
9 for the implementation of pupil academic growth assessments by 2014-2015.

10 (e) The district supports opportunities for pupils to receive postsecondary credit  
11 while attending secondary school, by doing at least 1 of the following, and makes all  
12 eligible pupils and their parents or guardians aware of these opportunities:

13 (i) Supports attendance of district pupils under the postsecondary enrollment options  
14 act, MCL 388.511 to 388.524, or under the career and technical preparation act, MCL 388.1901  
15 to 388.1913, consistent with provisions under section 21b.

16 (ii) Offers college-level equivalent courses, as defined in section 1471 of the  
17 revised school code, MCL 380.1471.

18 (iii) Participates in a middle college. For the purposes of this subparagraph, "middle  
19 college" means a series of courses and other requirements and conditions that allow a pupil  
20 to graduate with a high school diploma and a certificate or degree from a community college  
21 or state public university.

22 (iv) Provides other opportunities to pupils that allow those pupils to graduate with a  
23 high school diploma and also complete coursework that a postsecondary institution normally  
24 applies toward satisfaction of degree requirements.

25 (v) If a district does not offer any high school grades, the district informs all  
26 pupils and parents of the opportunities that are available for postsecondary options during  
27 high school.

28 (f) The district offers online ~~instructional programs~~ **COURSES** or blended learning  
29 opportunities to all eligible pupils. In order to satisfy this requirement, districts must  
30 make all eligible pupils and their parents or guardians aware of these opportunities. **FOR**

31 **EVERY ONLINE COURSE THAT A DISTRICT OFFERS, THE DISTRICT MUST PUBLISH AN ONLINE COURSE**

32 **SYLLABI AS DESCRIBED IN SECTION 21F.** For the purposes of this subdivision:

1 (i) "Blended learning" means a hybrid instructional delivery model where pupils are  
2 provided ~~face-to-face~~ **CONTENT**, instruction, **AND ASSESSMENT**, in part at a supervised ~~school~~  
3 **EDUCATIONAL** facility away from home **WHERE THE PUPIL AND A MICHIGAN-CERTIFIED TEACHER ARE IN**  
4 **THE SAME PHYSICAL LOCATION** and partially through ~~computer-based~~ and internet-connected  
5 learning environments with some degree of pupil control over time, location, and pace of  
6 instruction.

7 (ii) "Online ~~instructional program~~ **COURSE**" means a course of study that ~~generates~~ **IS**  
8 **CAPABLE OF GENERATING** a credit or a grade, **THAT IS** provided in an interactive ~~computer-based~~  
9 ~~and~~ internet-connected learning environment, in which pupils are separated from their  
10 teachers by time or location, or both, and in which a Michigan certificated teacher is  
11 responsible for ~~providing direct instruction~~ **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS**  
12 **FOR EACH PUPIL**, diagnosing learning needs, assessing pupil learning, prescribing intervention  
13 strategies, reporting outcomes, and evaluating the effects of instruction and support  
14 strategies.

15 (g) The district provides to parents and community members a dashboard or report card  
16 demonstrating the district's efforts to manage its finances responsibly. The dashboard or  
17 report card shall include **REVENUE AND EXPENDITURE PROJECTIONS FOR THE DISTRICT FOR FISCAL**  
18 **YEAR 2013-2014 AND FISCAL YEAR 2014-2015, A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED**  
19 **BY PROJECT, INCLUDING ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH PROJECT, A LISTING**  
20 **OF TOTAL OUTSTANDING DEBT, AND** at least all of the following for the 3 most recent school  
21 years for which the data are available:

22 (i) Graduation and dropout rates.

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

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

25 (iv) Elementary and middle school MEAP scores.

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

28 (vi) General fund balance.

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

30 (h) The district provides physical education consistent with the state board's policy  
31 on quality physical education adopted September 25, 2003, or provides health education  
32 consistent with the state board's policy on comprehensive school health education adopted

1 June 8, 2004.

2 (3) If the department determines that a district has intentionally submitted false  
3 information in order to qualify for an incentive payment under this section, the district  
4 forfeits an amount equal to the amount it received under this section from its total state  
5 school aid for ~~2013-2014~~ **2014-2015**.

6 (4) If the department determines that funds allocated under this section will remain  
7 unexpended after the initial allocation of ~~\$52.00~~ **\$16.00** per pupil to eligible districts  
8 under subsection (2), the remaining unexpended amount is allocated on an equal per pupil  
9 basis to districts that meet the requirements of subsection (2) and that have a foundation  
10 allowance, as calculated under section 20, in an amount that is less than the basic  
11 foundation allowance under that section.

12 Sec. 22i. (1) From the funds appropriated in section 11, there is allocated for ~~2012-~~  
13 ~~2013~~ **2013-2014** an amount not to exceed ~~\$50,000,000.00~~ **\$13,500,000.00** for **THE SECOND YEAR OF**  
14 **THE TWO-YEAR** technology infrastructure grants **PROGRAM** ~~to~~ **FOR** districts or ~~to~~ intermediate  
15 districts on behalf of their constituent districts. Funds received under this section shall  
16 be used for ~~access to a computer-adaptive test or for~~ the development or improvement of a  
17 district's technology infrastructure, **INSTRUCTIONAL PRACTICE AND THE SHARED SERVICE**  
18 **CONSOLIDATION OF TECHNOLOGY, AND DATA**, including, but not limited to, hardware and software,  
19 in preparation for the planned implementation in 2014-2015 of online growth assessments.

20 (2) The department shall develop a ~~competitive application process and~~ method of grant  
21 distribution **IN WHICH ALL ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS MAY PARTICIPATE**. The  
22 department may consult with the department of technology, management, and budget during the  
23 grant process and grant distribution. Grants to districts shall not exceed \$2,000,000.00 per  
24 district. A grant to an intermediate district on behalf of its constituent districts shall  
25 not exceed \$2,000,000.00 per constituent district. To receive a grant under this section, an  
26 intermediate district shall demonstrate that a grant awarded to the intermediate district on  
27 behalf of its constituent districts would provide savings compared to providing grants to  
28 individual districts.

29 Sec. 22j. (1) From the appropriation in section 11, there is allocated **EACH FISCAL**  
30 **YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$30,000,000.00 to provide  
31 separate incentive payments to districts that meet student academic performance funding goals  
32 under subsections (2) to (5). Payments received under this section may be used for any

1 purpose for which payments under sections 22a and 22b may be used.

2 (2) The maximum amount of the incentive payment for student academic performance is an  
3 amount equal to \$100.00 per pupil. Payments calculated and awarded to qualifying districts  
4 under subsections (3) to (5) shall be calculated and awarded separately, and a district may  
5 receive a payment under any or all of subsections (3) to (5).

6 (3) An amount not to exceed 30% of the maximum per pupil amount allocated under  
7 subsection (2) shall be used to make performance incentive payments to qualifying districts  
8 under this subsection based on pupil performance on state assessments in mathematics in  
9 grades 3 to 8. The amount of a payment under this subsection is an amount equal to \$30.00 per  
10 pupil for all pupils in membership in a qualifying district. The department shall determine  
11 the qualifying districts under this subsection as follows:

12 (a) Using a model determined by the department that incorporates the most recent cut  
13 scores adopted for the Michigan educational assessment program for each pupil in grades 3 to  
14 8 in the ~~2010-2011~~ **2011-2012** school year, the department shall calculate a point score using  
15 a metric that assigns points to each of those pupils as follows:

16 (i) For each pupil who began the school year not performing proficiently in  
17 mathematics and who declines in proficiency, as determined by the department, over the school  
18 year, 0 points.

19 (ii) For each pupil who began the school year performing proficiently in mathematics  
20 and declines in proficiency, as determined by the department, over the school year, 0 points.

21 (iii) For each pupil who began the school year not performing proficiently in  
22 mathematics and who maintains his or her level of proficiency, as determined by the  
23 department, over the school year, 1 point.

24 (iv) For each pupil who began the school year performing proficiently in mathematics  
25 and who maintains his or her level of proficiency, as determined by the department, over the  
26 school year, 2 points.

27 (v) For each pupil who began the school year not performing proficiently in  
28 mathematics and who improves in proficiency, as determined by the department, over the school  
29 year, 3 points.

30 (vi) For each pupil who began the school year performing proficiently in mathematics  
31 and who improves in proficiency, as determined by the department, over the school year, 2  
32 points.

1 (b) The department shall then calculate a district average for this metric for the  
2 ~~2010-2011~~ **2011-2012** school year by totaling the number of points for all pupils in grades 3  
3 to 8 under subdivision (a) and dividing that total by the number of those pupils.

4 (c) A district is a qualifying district for the payment under this subsection if the  
5 district average for the ~~2010-2011~~ **2011-2012** school year under subdivision (b) is at least  
6 equal to a factor of 1.5, and the district tested at least 95% of its pupils in mathematics,  
7 and the district had at least 30 full academic year pupils in grades 3 to 8 with a  
8 performance level change designation in mathematics.

9 (4) An amount not to exceed 30% of the maximum per pupil amount allocated under  
10 subsection (2) shall be used to make performance incentive payments to qualifying districts  
11 under this subsection based on pupil performance on state assessments in reading in grades 3  
12 to 8. The amount of a payment under this subsection is an amount equal to \$30.00 per pupil  
13 for all pupils in membership in the district. The department shall determine the qualifying  
14 districts under this subsection as follows:

15 (a) Using a model determined by the department that incorporates the most recent cut  
16 scores adopted for the Michigan educational assessment program for each pupil in grades 3 to  
17 8 in the ~~2010-2011~~ **2011-2012** school year, the department shall calculate a point score using  
18 a metric that assigns points to each of those pupils as follows:

19 (i) For each pupil who began the school year not performing proficiently in reading  
20 and who declines in proficiency, as determined by the department, over the school year, 0  
21 points.

22 (ii) For each pupil who began the school year performing proficiently in reading and  
23 declines in proficiency, as determined by the department, over the school year, 0 points.

24 (iii) For each pupil who began the school year not performing proficiently in reading  
25 and who maintains proficiency, as determined by the department, over the school year, 1  
26 point.

27 (iv) For each pupil who began the school year performing proficiently in reading and  
28 who maintains proficiency, as determined by the department, over the school year, 2 points.

29 (v) For each pupil who began the school year not performing proficiently in reading  
30 and who improves in proficiency, as determined by the department, over the school year, 3  
31 points.

32 (vi) For each pupil who began the school year performing proficiently in reading and

1 who improves in proficiency, as determined by the department, over the school year, 2 points.

2 (b) The department shall then calculate a district average for this metric for the  
3 ~~2010-2011~~ **2011-2012** school year by totaling the number of points for all pupils in grades 3  
4 to 8 under subdivision (a) and dividing that total by the number of those pupils.

5 (c) A district is a qualifying district for the payment under this subsection if the  
6 district average for the ~~2010-2011~~ **2011-2012** school year under subdivision (b) is at least  
7 equal to a factor of 1.5, and the district tested at least 95% of its pupils in reading, and  
8 the district had at least 30 full academic year pupils in grades 3 to 8 reading with a  
9 performance level change designation in reading.

10 (5) An amount not to exceed 40% of the maximum per pupil amount allocated under  
11 subsection (2) shall be used to make performance incentive payments to qualifying districts  
12 under this subsection for high school improvement using a metric based on the positive trend  
13 over a 4-year period in the percentage of high school pupils in the district testing as  
14 proficient in all tested subject areas on the state assessments of high school pupils. The  
15 amount of a payment under this subsection is an amount equal to \$40.00 per pupil for all  
16 pupils in membership in the district. The department shall determine the qualifying districts  
17 under this subsection as follows:

18 (a) Calculate a linear regression of the percentage of high school pupils in the  
19 district testing as proficient in all tested subject areas on state assessments of high  
20 school pupils on school year over the 4-year period ending with the ~~2010-2011~~ **2011-2012**  
21 school year as adjusted for changes in cut scores most recently adopted for the Michigan  
22 merit examination.

23 (b) Calculate a statewide average for all districts operating a high school of the  
24 linear regression of the percentage of high school pupils testing as proficient in all tested  
25 subject areas on state assessments of high school pupils on school year over the 4-year  
26 period ending with the ~~2010-2011~~ **2011-2012** school year, as adjusted for changes in cut scores  
27 most recently adopted for the Michigan merit examination as the base year for all  
28 comparisons.

29 (c) A district is a qualifying district for the payment under this subsection if the  
30 district's linear regression over the 4-year period ending with the ~~2010-2011~~ **2011-2012**  
31 school year under subdivision (a) is at least equal to the statewide average linear  
32 regression over the 4-year period ending with the base year under subdivision (b), and the

1 district's linear regression over the 4-year period ending with the ~~2010-2011~~ **2011-2012**  
2 school year under subdivision (a) is positive, and the district tested 95% of high school  
3 pupils in each tested subject on ~~the Michigan merit examination~~ **STATE ASSESSMENTS**, and the  
4 district had at least 20 full academic year pupils take all tested subjects on ~~the Michigan~~  
5 ~~merit examination~~ **ASSESSMENTS OF HIGH SCHOOL PUPILS** over each of the most recent 4 years.

6 (6) If the allocation under subsection (1) is insufficient to fully fund payments as  
7 otherwise calculated under this section, the department shall prorate payments under this  
8 section on an equal percentage basis.

9 **SEC. 22K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2013-2014**  
10 **AN AMOUNT NOT TO EXCEED \$8,000,000.00 FOR COMPETITIVE STUDENT-CENTRIC GRANTS TO ELIGIBLE**  
11 **DISTRICTS.**

12 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE GRANTS, A DISTRICT SHALL DEMONSTRATE THAT THE  
13 DISTRICT DOES ALL OF THE FOLLOWING TO THE SATISFACTION OF THE DEPARTMENT:

14 (A) PROVIDES A RIGOROUS CURRICULUM ALIGNED TO STATE, NATIONAL AND INTERNATIONAL  
15 STANDARDS.

16 (B) ORGANIZES INSTRUCTIONAL DELIVERY IN SUCH A WAY THAT INDIVIDUAL STUDENTS ADVANCE TO  
17 THE NEXT LEVEL OF LEARNING BASED ON THEIR INDIVIDUAL MASTERY OF EACH SUBJECT AREA.

18 (C) ALLOWS FOR SCHOOL SITE-BASED AUTONOMY IN DECISION MAKING.

19 (D) ENSURES THAT TEACHERS HAVE ACCESS TO:

20 (I) TIMELY AND MEANINGFUL STUDENT ACADEMIC ACHIEVEMENT DATA.

21 (II) BEST INSTRUCTIONAL PRACTICES.

22 (III) TIME TO COLLABORATE WITH OTHERS.

23 (IV) MENTORS.

24 (V) PROFESSIONAL DEVELOPMENT TIED TO STUDENT NEEDS AS DEMONSTRATED BY DATA.

25 (3) DISTRICTS SHALL SUBMIT APPLICATIONS TO THE DEPARTMENT BY OCTOBER 1, 2013 IN A FORM  
26 AND MANNER DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL AWARD GRANTS ON A PER PUPIL  
27 BASIS TO ELIGIBLE RECIPIENTS NO LATER THAN DECEMBER 30, 2013.

28 Sec. 24. (1) From the appropriation in section 11, there is allocated **EACH FISCAL YEAR**  
29 for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$8,000,000.00 for payments to  
30 the educating district or intermediate district for educating pupils assigned by a court or  
31 the department of human services to reside in or to attend a juvenile detention facility or  
32 child caring institution licensed by the department of human services and approved by the

1 department to provide an on-grounds education program. The amount of the payment under this  
2 section to a district or intermediate district shall be calculated as prescribed under  
3 subsection (2).

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

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

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

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

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

32 Sec. 24a. From the appropriation in section 11, there is allocated an amount not to

1 exceed ~~\$2,135,800.00~~ **\$2,167,500.00** for ~~2012-2013~~ **2013-2014 AND 2014-2015** for payments to  
2 intermediate districts for pupils who are placed in juvenile justice service facilities  
3 operated by the department of human services. Each intermediate district shall receive an  
4 amount equal to the state share of those costs that are clearly and directly attributable to  
5 the educational programs for pupils placed in facilities described in this section that are  
6 located within the intermediate district's boundaries. The intermediate districts receiving  
7 payments under this section shall cooperate with the department of human services to ensure  
8 that all funding allocated under this section is utilized by the intermediate district and  
9 department of human services for educational programs for pupils described in this section.  
10 Pupils described in this section are not eligible to be funded under section 24. However, a  
11 program responsibility or other fiscal responsibility associated with these pupils shall not  
12 be transferred from the department of human services to a district or intermediate district  
13 unless the district or intermediate district consents to the transfer.

14 Sec. 24c. From the appropriation in section 11, there is allocated **EACH FISCAL YEAR** an  
15 amount not to exceed \$1,500,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for payments to  
16 districts for pupils who are enrolled in a nationally administered community-based education  
17 and youth mentoring program, known as the youth challenge program, that is located within the  
18 district and is administered by the department of military and veterans affairs. Both of the  
19 following apply to a district receiving payments under this section:

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

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

25 Sec. 25. (1) Unless another method of pupil accounting is enacted, this section  
26 applies beginning in 2013-2014.

27 (2) If a pupil enrolls in a district or intermediate district after the pupil  
28 membership count day and, due to the pupil's enrollment and attendance status as of the pupil  
29 membership count day, the pupil was not counted in membership in the educating district or  
30 intermediate district, the educating district or intermediate district shall report the  
31 enrollment and attendance information to the department. If the pupil transfers from another  
32 district or intermediate district, the educating district or intermediate district also shall

1 report the enrollment and attendance information to that other district or intermediate  
2 district. Upon receipt of enrollment information under this subsection indicating that a  
3 pupil has enrolled and is in attendance in an educating district or intermediate district as  
4 described in this subsection, the department shall do both of the following:

5 (a) Adjust the membership calculation for each district or intermediate district in  
6 which the pupil was previously counted in membership or that previously received an  
7 adjustment in its membership calculation under this section due to the pupil's enrollment and  
8 attendance, if any, so that the district's or intermediate district's membership is prorated  
9 to allow the district or intermediate district to receive for each school day in which the  
10 pupil was enrolled and in attendance in the district an amount equal to 1/180 of the  
11 foundation allowance or per pupil payment as calculated under section 20 for the district or  
12 intermediate district. The foundation allowance or per pupil payment shall be adjusted by the  
13 pupil's full-time equated status as affected by the membership definition under section 6(4).

14 (b) Include in the membership calculation for the educating district or intermediate  
15 district for each school day in which the pupil is enrolled and is in attendance in the  
16 educating district or intermediate district, not to exceed a number of school days equal to  
17 the difference between 180 and the number of school days in which the pupil was reported  
18 under this section as previously enrolled in 1 or more other districts or intermediate  
19 districts, an amount equal to 1/180 of the foundation allowance or per pupil payment as  
20 calculated under section 20 for the educating district or intermediate district. The  
21 foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated  
22 status as affected by the membership definition under section 6(4).

23 (3) The changes in calculation of state school aid required under subsection (2) shall  
24 take effect as of the date that the pupil becomes enrolled and in attendance in the educating  
25 district or intermediate district, and the department shall base all subsequent payments  
26 under this ~~act~~ **ARTICLE** for the fiscal year to the affected districts or intermediate  
27 districts on this recalculation of state school aid.

28 (4) If a pupil enrolls in an educating district or intermediate district as described  
29 in subsection (2), if adjustments are made in calculations pursuant to subsection (1) due to  
30 that enrollment, and if the pupil subsequently ceases to be enrolled and in attendance in the  
31 educating district or intermediate district, the educating district or intermediate district  
32 that received an adjustment in its membership calculation under subsection (2) shall notify

1 the department of the last date of the pupil's enrollment and attendance in the educating  
2 district or intermediate district and the number of days the pupil was enrolled in the  
3 educating district or intermediate district.

4 (5) If a pupil enrolls in an educating district or intermediate district as described  
5 in subsection (2), the district or intermediate district in which the pupil is counted in  
6 membership or another educating district or intermediate district that received an adjustment  
7 in its membership calculation under subsection (2), if any, and the educating district or  
8 intermediate district shall provide to the department all information the department requires  
9 to comply with this section.

10 (6) As used in this section, "educating district or intermediate district" means the  
11 district or intermediate district in which a pupil enrolls after the pupil membership count  
12 day or after an adjustment was made in another district's or intermediate district's  
13 membership calculation under this section due to the pupil's enrollment and attendance.

14 Sec. 26a. ~~(1) From the state school aid fund appropriation in section 11, there is~~  
15 allocated **EACH FISCAL YEAR** an amount not to exceed ~~\$25,137,500.00 for 2011-2012 and an amount~~  
16 ~~not to exceed \$26,300,000.00 for 2012-2013~~ **FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015** to  
17 reimburse districts and intermediate districts pursuant to section 12 of the Michigan  
18 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2012~~ **2013 OR 2014 AS**  
19 **APPLICABLE**. The allocations shall be made not later than 60 days after the department of  
20 treasury certifies to the department and to the state budget director that the department of  
21 treasury has received all necessary information to properly determine the amounts due to each  
22 eligible recipient.

23 ~~(2) In addition to the allocation under subsection (1), from the general fund money~~  
24 ~~appropriated under section 11, there is allocated an amount not to exceed \$1,500,000.00 for~~  
25 ~~2012-2013 to reimburse public libraries pursuant to section 12 of the Michigan renaissance~~  
26 ~~zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2012. The allocations shall be made~~  
27 ~~not later than 60 days after the department of treasury certifies to the department and to~~  
28 ~~the state budget director that the department of treasury has received all necessary~~  
29 ~~information to properly determine the amounts due to each eligible recipient.~~

30 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2012-2013~~  
31 **2013-2014** an amount not to exceed ~~\$3,328,000.00~~ **\$4,009,500.00 AND FOR 2014-2015 AN AMOUNT NOT**  
32 **TO EXCEED \$4,410,500.00** for payments to districts, intermediate districts, and community

1 college districts for the portion of the payment in lieu of taxes obligation that is  
2 attributable to districts, intermediate districts, and community college districts pursuant  
3 to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL  
4 324.2154.

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

8 Sec. 26c. (1) From the appropriation in section 11, there is allocated **EACH FISCAL**  
9 **YEAR** an amount not to exceed ~~\$276,800.00~~ **\$224,000.00** for ~~2011-2012~~ **2013-2014 AND 2014-2015**  
10 ~~and an amount not to exceed \$347,800.00 for 2012-2013~~ to the promise zone fund created in  
11 subsection (3).

12 (2) Funds allocated to the promise zone fund under this section shall be used solely  
13 for payments to eligible districts and intermediate districts that have a promise zone  
14 development plan approved by the department of treasury under section 7 of the Michigan  
15 promise zone authority act, 2008 PA 549, MCL 390.1667.

16 (3) The promise zone fund is created as a separate account within the state school aid  
17 fund to be used solely for the purposes of the Michigan promise zone authority act, 2008 PA  
18 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

19 (a) The state treasurer shall direct the investment of the promise zone fund. The  
20 state treasurer shall credit to the promise zone fund interest and earnings from fund  
21 investments.

22 (b) Money in the promise zone fund at the close of a fiscal year shall remain in the  
23 promise zone fund and shall not lapse to the general fund.

24 (4) Subject to subsection (2), the state treasurer may make payments from the promise  
25 zone fund to eligible districts and intermediate districts pursuant to the Michigan promise  
26 zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a  
27 promise zone authority created under that act.

28 Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there  
29 is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed  
30 \$317,695,500.00 for payments to eligible districts, eligible public school academies, and the  
31 education achievement system under this section. Subject to subsection (14), the amount of  
32 the additional allowance under this section, other than funding under subsection (6) or (7),

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

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

21 (a) The sum of the district's or public school academy's or the education achievement  
22 system's combined state and local revenue per membership pupil in the current state fiscal  
23 year, as calculated under section 20, is less than or equal to the basic foundation allowance  
24 under section 20 for the current state fiscal year.

25 (b) The district or public school academy or the education achievement system agrees  
26 to use the funding only for purposes allowed under this section and to comply with the  
27 program and accountability requirements under this section.

28 (3) Except as otherwise provided in this subsection, an eligible district or eligible  
29 public school academy or the education achievement system shall receive under this section  
30 for each membership pupil in the district or public school academy or the education  
31 achievement system who met the income eligibility criteria for free breakfast, lunch, or  
32 milk, as determined under the Richard B. Russell national school lunch act and as reported to

1 the department not later than the fifth Wednesday after the pupil membership count day of the  
2 immediately preceding fiscal year and adjusted not later than December 31 of the immediately  
3 preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's  
4 foundation allowance or the public school academy's or the education achievement system's per  
5 pupil amount calculated under section 20, not to exceed the basic foundation allowance under  
6 section 20 for the current state fiscal year, or of the public school academy's or the  
7 education achievement system's per membership pupil amount calculated under section 20 for  
8 the current state fiscal year. A public school academy that began operations as a public  
9 school academy, or an achievement school that began operations as an achievement school,  
10 after the pupil membership count day of the immediately preceding school year shall receive  
11 under this section for each membership pupil in the public school academy or in the education  
12 achievement system who met the income eligibility criteria for free breakfast, lunch, or  
13 milk, as determined under the Richard B. Russell national school lunch act and as reported to  
14 the department not later than the fifth Wednesday after the pupil membership count day of the  
15 current fiscal year and adjusted not later than December 31 of the current fiscal year, an  
16 amount per pupil equal to 11.5% of the public school academy's or the education achievement  
17 system's per membership pupil amount calculated under section 20 for the current state fiscal  
18 year.

19 (4) Except as otherwise provided in this section, a district or public school academy,  
20 or the education achievement system, receiving funding under this section shall use that  
21 money only to provide instructional programs and direct noninstructional services, including,  
22 but not limited to, medical or counseling services, for at-risk pupils; for school health  
23 clinics; **FOR PRESCHOOL PROGRAMS PURSUANT TO SECTION 32D**; and for the purposes of subsection  
24 (5), (6), or (7). In addition, a district that is a school district of the first class or a  
25 district or public school academy in which at least 50% of the pupils in membership met the  
26 income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding  
27 state fiscal year, as determined and reported as described in subsection (1), or the  
28 education achievement system if it meets this requirement, may use not more than 20% of the  
29 funds it receives under this section for school security. A district, the public school  
30 academy, or the education achievement system shall not use any of that money for  
31 administrative costs or to supplant another program or other funds, except for funds  
32 allocated to the district or public school academy or the education achievement system under

1 this section in the immediately preceding year and already being used by the district or  
2 public school academy or the education achievement system for at-risk pupils. The instruction  
3 or direct noninstructional services provided under this section may be conducted before or  
4 after regular school hours or by adding extra school days to the school year and may include,  
5 but are not limited to, tutorial services, early childhood programs to serve children age 0  
6 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A  
7 tutorial method may be conducted with paraprofessionals working under the supervision of a  
8 certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and  
9 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial  
10 method. As used in this subsection, "to supplant another program" means to take the place of  
11 a previously existing instructional program or direct noninstructional services funded from a  
12 funding source other than funding under this section.

13 (5) Except as otherwise provided in subsection (12), a district or public school  
14 academy that receives funds under this section and that operates a school breakfast program  
15 under section 1272a of the revised school code, MCL 380.1272a, or the education achievement  
16 system if it operates a school breakfast program, shall use from the funds received under  
17 this section an amount, not to exceed \$10.00 per pupil for whom the district or public school  
18 academy or the education achievement system receives funds under this section, necessary to  
19 pay for costs associated with the operation of the school breakfast program.

20 (6) From the funds allocated under subsection (1), there is allocated **EACH FISCAL YEAR**  
21 for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$3,557,300.00 to support child  
22 and adolescent health centers. These grants shall be awarded for 5 consecutive years  
23 beginning with 2003-2004 in a form and manner approved jointly by the department and the  
24 department of community health. Each grant recipient shall remain in compliance with the  
25 terms of the grant award or shall forfeit the grant award for the duration of the 5-year  
26 period after the noncompliance. To continue to receive funding for a child and adolescent  
27 health center under this section a grant recipient shall ensure that the child and adolescent  
28 health center has an advisory committee and that at least one-third of the members of the  
29 advisory committee are parents or legal guardians of school-aged children. A child and  
30 adolescent health center program shall recognize the role of a child's parents or legal  
31 guardian in the physical and emotional well-being of the child. Funding under this subsection  
32 shall be used to support child and adolescent health center services provided to children up

1 to age 21. If any funds allocated under this subsection are not used for the purposes of this  
2 subsection for the fiscal year in which they are allocated, those unused funds shall be used  
3 that fiscal year to avoid or minimize any proration that would otherwise be required under  
4 subsection (14) for that fiscal year.

5 (7) From the funds allocated under subsection (1), there is allocated **EACH FISCAL YEAR**  
6 for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$5,150,000.00 for the state  
7 portion of the hearing and vision screenings as described in section 9301 of the public  
8 health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least  
9 50% of the total cost of the screenings. The frequency of the screenings shall be as required  
10 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative  
11 code. Funds shall be awarded in a form and manner approved jointly by the department and the  
12 department of community health. Notwithstanding section 17b, payments to eligible entities  
13 under this subsection shall be paid on a schedule determined by the department.

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

29 (9) In order to receive funds under this section, a district or public school academy  
30 or the education achievement system shall allow access for the department or the department's  
31 designee to audit all records related to the program for which it receives those funds. The  
32 district or public school academy or the education achievement system shall reimburse the

1 state for all disallowances found in the audit.

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

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

18 (12) For an individual school or schools operated by a district or public school  
19 academy receiving funds under this section or the education achievement system that have been  
20 determined by the department to meet the adequate yearly progress standards of the no child  
21 left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at  
22 all applicable grade levels for all applicable subgroups, the district or public school  
23 academy or the education achievement system may use not more than 20% of the funds it  
24 receives under this section for specific alternative purposes identified by the district or  
25 public school academy or the education achievement system that are designed to benefit at-  
26 risk pupils in the school, but that may be different from the purposes otherwise allowable  
27 under this section. If a district or public school academy or the education achievement  
28 system uses funds for alternative purposes allowed under the flexibility provisions under  
29 this subsection, the district or public school academy or the education achievement system  
30 shall maintain documentation of the amounts used for those alternative purposes and shall  
31 make that information available to the department upon request.

32 (13) A district or public school academy that receives funds under this section or the

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

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

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

21 (14) If necessary, and before any proration required under section ~~11~~ **296**, the  
22 department shall prorate payments under this section by reducing the amount of the per pupil  
23 payment under this section by a dollar amount calculated by determining the amount by which  
24 the amount necessary to fully fund the requirements of this section exceeds the maximum  
25 amount allocated under this section and then dividing that amount by the total statewide  
26 number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk  
27 in the immediately preceding fiscal year, as described in subsection (1).

28 (15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of  
29 the original districts was not eligible before the consolidation for an additional allowance  
30 under this section, the amount of the additional allowance under this section for the  
31 consolidated district shall be based on the number of pupils described in subsection (1)  
32 enrolled in the consolidated district who reside in the territory of an original district

1 that was eligible before the consolidation for an additional allowance under this section.

2 (16) As used in this section, "at-risk pupil" means a pupil for whom the district has  
3 documentation that the pupil meets at least 2 of the following criteria: is a victim of child  
4 abuse or neglect; is below grade level in English language ~~and communication skills~~ **ARTS** or  
5 mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or  
6 reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family  
7 history of school failure, incarceration, or substance abuse. **AT-RISK PUPIL ALSO INCLUDES ALL**  
8 **PUPILS IN A PRIORITY SCHOOL AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 2001**  
9 **FLEXIBILITY REQUEST APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION.** For pupils for  
10 whom the results of at least the applicable Michigan education assessment program (MEAP) test  
11 have been received, at-risk pupil also includes a pupil who does not meet the other criteria  
12 under this subsection but who did not achieve at least a score of level 2 on the most recent  
13 MEAP English language arts, mathematics, science test, or social studies for which results  
14 for the pupil have been received. For pupils for whom the results of the Michigan merit  
15 examination have been received, at-risk pupil also includes a pupil who does not meet the  
16 other criteria under this subsection but who did not achieve proficiency on the reading,  
17 ~~component~~ **WRITING, MATHEMATICS, SCIENCE OR SOCIAL STUDIES COMPONENTS** of the most recent  
18 Michigan merit examination for which results for the pupil have been received, ~~did not~~  
19 ~~achieve proficiency on the mathematics component of the most recent Michigan merit~~  
20 ~~examination for which results for the pupil have been received, or did not achieve basic~~  
21 ~~competency on the science component of the most recent Michigan merit examination for which~~  
22 ~~results for the pupil have been received.~~ For pupils in grades K-3, at-risk pupil also  
23 includes a pupil who is at risk of not meeting the district's core academic curricular  
24 objectives in English language arts or mathematics.

25 (17) A district or public school academy that receives funds under this section or the  
26 education achievement system may use funds received under this section to provide an anti-  
27 bullying or crisis intervention program.

28 Sec. 31d. (1) From the appropriations in section 11, there is allocated **EACH FISCAL**  
29 **YEAR** an amount not to exceed \$22,495,100.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for the  
30 purpose of making payments to districts and other eligible entities under this section.

31 (2) The amounts allocated from state sources under this section shall be used to pay  
32 the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state

1 mandated portion of the school lunch programs provided by those districts. The amount due to  
2 each district under this section shall be computed by the department using the methods of  
3 calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v  
4 State of Michigan, Michigan supreme court docket no. 104458-104492.

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

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

13 (5) From the federal funds appropriated in section 11, there is allocated for ~~2012-~~  
14 ~~2013~~ **2013-2014 AND 2014-2015** all available federal funding, estimated at ~~\$400,000,000.00~~  
15 **\$460,000,000.00**, for the national school lunch program and all available federal funding,  
16 estimated at ~~\$2,506,000.00~~ **\$3,200,000.00**, for the emergency food assistance program.

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

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

22 Sec. 31f. (1) From the appropriations in section 11, there is allocated **EACH FISCAL**  
23 **YEAR** an amount not to exceed ~~\$9,625,000.00~~ **\$5,625,000.00** for ~~2012-2013~~ **2013-2014 AND 2014-**  
24 **2015** for the purpose of making payments to districts to reimburse for the cost of providing  
25 breakfast.

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

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

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

32 (3) The payment for a district under this section is at a per meal rate equal to the

1 lesser of the district's actual cost or 100% of the statewide average cost of a breakfast  
2 served, as determined and approved by the department, less federal reimbursement, participant  
3 payments, and other state reimbursement. The statewide average cost shall be determined by  
4 the department using costs as reported in a manner approved by the department for the  
5 preceding school year.

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

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

11 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to  
12 eligible intermediate districts and consortia of intermediate districts for great start  
13 readiness programs an amount not to exceed ~~\$109,275,000.00~~ **\$174,275,000.00** for ~~2012-2013~~  
14 **2013-2014 AND AN AMOUNT NOT TO EXCEED \$239,275,000.00 FOR 2014-2015**. Funds allocated under  
15 this section shall be used to provide part-day, school-day, or GSRP/head start blended  
16 comprehensive free compensatory classroom programs designed to ~~do 1 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 **DEPARTMENT. BEGINNING IN 2013-2014, FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM**  
22 **UNDER THIS SECTION, THE CHILD SHALL BE AT LEAST 4, BUT LESS THAN 5 YEARS OF AGE, AS OF THE**  
23 **DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF**  
24 **THE REVISED SCHOOL CODE, MCL 380.1147.**

25 ~~(b) Provide preschool and parenting education programs similar to those under former~~  
26 ~~section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent for programs~~  
27 ~~described in this subdivision shall not exceed the amount spent under this subdivision for~~  
28 ~~the immediately preceding fiscal year. Funds spent for programs described in this subdivision~~  
29 ~~shall be used for services to families with income below 300% of the federal poverty level.~~

30 (2) Funds allocated under this section shall be allocated to intermediate districts or  
31 consortia of intermediate districts. An intermediate district or consortium of intermediate  
32 districts receiving funding under this section shall act as the fiduciary for the great start

1 readiness programs. For ~~2012-2013~~ **2013-2014**, ~~the fiduciary intermediate districts and~~  
2 ~~consortia of intermediate districts shall allocate the funding under this section as follows:~~

3 ~~(a) An~~ **AN** amount not to exceed ~~\$100,400,000.00~~ **\$174,275,000.00 AND FOR 2014-2015, AN**  
4 **AMOUNT NOT TO EXCEED \$239,275,000.00 IS** allocated to intermediate districts and consortia of  
5 intermediate districts ~~as directed by the department~~ based on the formula in section 39. In  
6 order to be eligible to receive funds allocated under this ~~subdivision~~ **SUBSECTION** from an  
7 intermediate district or consortium of intermediate districts, a district ~~or~~, consortium of  
8 districts, **OR A PUBLIC OR PRIVATE FOR-PROFIT OR NONPROFIT LEGAL ENTITY OR AGENCY** shall comply  
9 with this section and section 39.

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

15 (3) In addition to the allocation under subsection (1), from the general fund money  
16 appropriated under section 11, there is allocated **FOR EACH FISCAL YEAR** an amount not to  
17 exceed \$300,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for a competitive grant to continue  
18 a longitudinal evaluation of children who have participated in great start readiness  
19 programs.

20 (4) To be eligible for funding under this section, a program shall prepare children  
21 for success in school through comprehensive part-day, school-day, or GSRP/head start blended  
22 programs that contain all of the following program components, as determined by the  
23 department:

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

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

30 (c) Nutritional services for all program participants **SUPPORTED BY FEDERAL, STATE AND**  
31 **LOCAL RESOURCES AS APPLICABLE.**

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

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

3 (f) Active and continuous involvement of the parents or guardians of the program  
4 participants.

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

7 (h) Participation in a multidistrict, multiagency, school readiness advisory committee  
8 **CONVENED AS A WORKGROUP OF THE GREAT START COLLABORATIVE** that provides for the involvement of  
9 classroom teachers, parents or guardians of program participants, and community, volunteer,  
10 and social service agencies and organizations, as appropriate. The advisory committee  
11 annually shall review the program components listed in this subsection and make  
12 recommendations for changes to the great start readiness program for which it is an advisory  
13 committee.

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

16 **(J) PARTICIPATING IN THE STATE'S GREAT START TO QUALITY PROCESS WITH A RATING OF AT  
17 LEAST 3 STARS.**

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

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

21 (b) Ensure that ~~more than 75%~~ **AT LEAST 90%** of the children participating in an  
22 eligible great start readiness program **FOR WHOM THE PROVIDER IS RECEIVING FUNDS FROM THIS**  
23 **SECTION** are children who live with families with a household income that is equal to or less  
24 than 300% of the federal poverty level.

25 (c) Ensure that the applicant only uses qualified personnel for this program, as  
26 follows:

27 (i) Teachers possessing proper training. For programs managed directly by a district  
28 or intermediate district, a valid teaching certificate and an early childhood (ZA or ZS)  
29 endorsement are required. This provision does not apply to ~~a district, intermediate district,~~  
30 ~~or competitive program that subcontracts with~~ an eligible child development program. In that  
31 situation, a teacher must have a valid Michigan teaching certificate with an early childhood  
32 (ZA or ZS) endorsement, a valid Michigan elementary teaching certificate with a child

1 development associate credential, or a bachelor's degree in child development with  
2 specialization in preschool teaching. However, if an applicant demonstrates to the department  
3 that it is unable to fully comply with this subparagraph after making reasonable efforts to  
4 comply, teachers who have significant but incomplete training in early childhood education or  
5 child development may be used if the applicant provides to the department, and the department  
6 approves, a plan for each teacher to come into compliance with the standards in this  
7 subparagraph. A teacher's compliance plan must be completed within 2 years of the date of  
8 employment. Progress toward completion of the compliance plan shall consist of at least 2  
9 courses per calendar year.

10 (ii) Paraprofessionals possessing proper training in early childhood development,  
11 including an associate's degree in early childhood education or child development or the  
12 equivalent, or a child development associate (CDA) credential. However, if an applicant  
13 demonstrates to the department that it is unable to fully comply with this subparagraph after  
14 making reasonable efforts to comply, the applicant may use paraprofessionals who have  
15 completed at least 1 course that earns college credit in early childhood education or child  
16 development if the applicant provides to the department, and the department approves, a plan  
17 for each paraprofessional to come into compliance with the standards in this subparagraph. A  
18 paraprofessional's compliance plan must be completed within 2 years of the date of  
19 employment. Progress toward completion of the compliance plan shall consist of at least 2  
20 courses or 60 clock hours of training per calendar year.

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

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

1 basis of providing a school-day program.

2 (7) An intermediate district or consortium of intermediate districts receiving a grant  
3 under this section may **PROVIDE SERVICES DIRECTLY OR MAY** contract with **LOCAL DISTRICTS, OR**  
4 **PUBLIC OR PRIVATE** for-profit or nonprofit ~~preschool-center~~ providers that meet all  
5 requirements of subsection (4) and retain for administrative services an amount equal to not  
6 more than ~~5%~~ **7%** of the grant amount. ~~AN~~ **IN ADDITION, AN** intermediate district, ~~OR~~ consortium  
7 of intermediate districts, ~~or competitive grant program~~ may expend not more than ~~10%~~ **2%** of  
8 the total grant amount for ~~administration~~ **RECRUITING AND PUBLIC AWARENESS** of the program.

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

14 **(8) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING A GRANT**  
15 **UNDER THIS SECTION MUST CONDUCT A LOCAL PROCESS TO CONTRACT WITH INTERESTED AND ELIGIBLE**  
16 **PUBLIC AND PRIVATE FOR-PROFIT AND NONPROFIT COMMUNITY-BASED PROVIDERS THAT MEET ALL**  
17 **REQUIREMENTS OF SUBSECTION (4) FOR AT LEAST 20 PERCENT OF ITS TOTAL SLOT ALLOCATION. IF THE**  
18 **INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS IS NOT ABLE TO CONTRACT FOR**  
19 **THAT CAPACITY, THE GRANT RECIPIENT MUST NOTIFY THE DEPARTMENT.**

20 (9) A recipient of funds under this section shall report to the department in a form  
21 and manner prescribed by the department the number of children participating in the program  
22 who meet the income ~~or other eligibility~~ criteria ~~prescribed by the department~~ **UNDER**  
23 **SUBSECTION (5) (B)** and the total number of children participating in the program. For children  
24 participating in the program who meet the income ~~or other~~ eligibility criteria specified  
25 under subsection (5) (b), a recipient shall also report whether or not a parent is available  
26 to provide care based on employment status. For the purposes of this subsection, "employment  
27 status" shall be defined by the department of human services in a manner consistent with  
28 maximizing the amount of spending that may be claimed for temporary assistance for needy  
29 families maintenance of effort purposes.

30 (10) As used in this section:

31 (a) "GSRP/head start blended program" means a part-day program funded under this  
32 section and a head start program, which are combined for a school-day program.

1 (b) "Part-day program" means a program that operates at least 4 days per week, 30  
2 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer  
3 hours of teacher-child contact time per day than a school-day program.

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

8 (11) A grant recipient receiving funds under this section ~~is encouraged to~~ **SHALL**  
9 establish a sliding scale of tuition rates based upon ~~a child's family income for the purpose~~  
10 ~~of expanding eligible programs under this section~~ **HOUSEHOLD INCOME FOR CHILDREN PARTICIPATING**  
11 **IN AN ELIGIBLE GREAT START READINESS PROGRAM WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME**  
12 **THAT IS MORE THAN 300% OF THE FEDERAL POVERTY LEVEL TO BE USED BY ALL PROVIDERS, AS APPROVED**  
13 **BY THE DEPARTMENT.** A grant recipient ~~may~~ **SHALL** charge tuition ~~for programs provided under~~  
14 ~~this section~~ according to that sliding scale of tuition rates on a uniform basis for any  
15 child who does not meet the ~~program~~ **INCOME** eligibility requirements under this section.

16 ~~(12) The department shall develop a plan for a multiyear phased-in approach to~~  
17 ~~transfer funding for great start readiness programs under this section into an early~~  
18 ~~childhood block grant program, along with funding for great start collaboratives under~~  
19 ~~section 32b and funding for great parents, great start programs under section 32j. The early~~  
20 ~~childhood block grant program will allocate funds to intermediate districts and consortia of~~  
21 ~~intermediate districts to act as fiduciaries and provide administration of regional early~~  
22 ~~childhood programs in conjunction with their regional great start collaborative to improve~~  
23 ~~program quality, evaluation, and efficiency for early childhood programs. The department~~  
24 ~~shall work with intermediate districts, districts, great start collaboratives, and the early~~  
25 ~~childhood investment corporation to establish a revised funding formula, application process,~~  
26 ~~program criteria, and data reporting requirements.~~

27 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is allocated  
28 **EACH FISCAL YEAR** an amount not to exceed \$10,900,000.00 **TO INTERMEDIATE DISTRICTS** for ~~2012-~~  
29 ~~2013~~ **2013-2014 AND 2014-2015** for the purpose of ~~providing early childhood funding to~~  
30 ~~intermediate school districts in block grants~~ **SUPPORTING THE ACTIVITIES REQUIRED UNDER**  
31 **SUBSECTION (2) AND PROVIDING EARLY CHILDHOOD PROGRAMS SIMILAR TO THOSE UNDER FORMER SECTION**  
32 **32B AS IN EFFECT FOR 2001-2002 FOR CHILDREN FROM BIRTH THROUGH AGE 8. The BEGINNING IN 2013-**

1 ~~2014, THE~~ funding provided to each intermediate district under this section shall be equal to  
2 ~~the sum of all funding allocated under former sections 32b and 32j, as those sections were in~~  
3 ~~effect for 2011-2012~~ **100% OF THE AMOUNT ALLOCATED TO THE INTERMEDIATE DISTRICT UNDER THIS**  
4 **SECTION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.** In order to receive funding under this  
5 section, each intermediate district shall provide an application to the office of great start  
6 not later than ~~August~~ **SEPTEMBER 15, 2012, OF THE PRIOR STATE FISCAL YEAR** indicating the  
7 activities planned to be provided ~~and children served under the block grant.~~

8 (2) **(A)** Each intermediate district ~~or consortium of intermediate districts~~ that  
9 receives funding under this section shall convene a local great start collaborative and a  
10 parent coalition ~~to address the availability of the following 6 components of a great start~~  
11 ~~system in its communities: physical health, social-emotional health, family supports, basic~~  
12 ~~needs, economic stability and safety, and parenting education and early education and care.~~  
13 The goal of ~~a local~~ **EACH** great start collaborative **AND PARENT COALITION** ~~is~~ **SHALL BE** to ensure  
14 **THE COORDINATION AND EXPANSION OF LOCAL EARLY CHILDHOOD INFRASTRUCTURE AND PROGRAMS** that  
15 **ALLOW** every child in the community ~~is ready for kindergarten~~ **TO ACHIEVE THE FOLLOWING**  
16 **OUTCOMES:**

17 **(I) CHILDREN BORN HEALTHY.**

18 **(II) CHILDREN HEALTHY, THRIVING, AND DEVELOPMENTALLY ON TRACK FROM BIRTH TO THIRD**  
19 **GRADE.**

20 **(III) CHILDREN DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL ENTRY.**

21 **(IV) CHILDREN PREPARED TO SUCCEED IN FOURTH GRADE AND BEYOND BY READING PROFICIENTLY**  
22 **BY THE END OF THIRD GRADE.**

23 **(B)** Each local great start collaborative **AND PARENT COALITION** shall **CONVENE A**  
24 **WORKGROUP TO SERVE AS A SCHOOL READINESS ADVISORY COMMITTEE AS REQUIRED UNDER SECTION**  
25 **32D(4)(H) AND SHALL** ensure ~~the coordination and expansion of infrastructure or programming to~~  
26 ~~support high-quality early childhood and childcare programs. An intermediate district or~~  
27 ~~consortium of intermediate districts may reconstitute its local great start collaborative if~~  
28 ~~that collaborative is found to be ineffective.~~ **THAT ITS LOCAL GREAT START SYSTEM INCLUDES THE**  
29 **FOLLOWING SUPPORTS FOR CHILDREN FROM BIRTH THROUGH AGE 8:**

30 **(I) PHYSICAL HEALTH.**

31 **(II) SOCIAL-EMOTIONAL HEALTH.**

32 **(III) FAMILY SUPPORTS AND BASIC NEEDS.**

1 (IV) PARENT EDUCATION AND CHILD ADVOCACY.

2 (V) EARLY EDUCATION AND CARE.

3 (3) Not later than December 1, ~~2013~~, **OF EACH YEAR**, each intermediate district shall  
4 provide a report to the department detailing the activities actually provided during ~~2012-~~  
5 ~~2013~~ **THE PRIOR SCHOOL YEAR** and the **FAMILIES AND** children actually served. ~~The department~~  
6 ~~shall compile and summarize these reports and submit its summary to the house and senate~~  
7 ~~appropriations subcommittees on school aid and to the house and senate fiscal agencies. The~~  
8 ~~block grants allocated under this section implement legislative intent language for this~~  
9 ~~purpose enacted in 2011 PA 62.~~

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

16 Sec. 39. (1) An eligible applicant receiving funds 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 applicant's entire service area  
20 and a community collaboration plan that is endorsed by the local great start collaborative  
21 and is part of the community's great start strategic plan that includes, but is not limited  
22 to, great start readiness program and head start providers, and shall identify all of the  
23 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 applicant will be able to serve who meet the criteria  
30 of section 32d including a verification of physical facility and staff resources capacity.

31 (d) The estimated number of children who meet the criteria of section 32d who will  
32 remain unserved after the applicant and community early childhood programs have met their

1 funded enrollments. The applicant shall maintain a waiting list of identified unserved  
2 eligible children who would be served when openings are available.

3 (2) An applicant receiving funds under section 32d shall also submit a final  
4 application for approval, in a form and manner prescribed by the department, by a date  
5 specified by the department, that details how the applicant complies with the program  
6 components established by the department pursuant to section 32d.

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

16 (4) The initial allocation for each fiscal year to each eligible applicant under  
17 section 32d shall be determined by multiplying the number of children determined by the  
18 formula under subsection (3) or the number of children the applicant indicates it will be  
19 able to serve under subsection (1)(c), whichever is less, by ~~\$3,400.00~~ **\$3,625.00** and shall be  
20 distributed among applicants in decreasing order of concentration of eligible children as  
21 determined by the formula under subsection (3). If the number of children an applicant  
22 indicates it will be able to serve under subsection (1)(c) includes children able to be  
23 served in a school-day program, then the number able to be served in a school-day program  
24 shall be doubled for the purposes of making this calculation of the lesser of the number of  
25 children determined by the formula under subsection (3) and the number of children the  
26 applicant indicates it will be able to serve under subsection (1)(c) and determining the  
27 amount of the initial allocation to the applicant under section 32d. A district may contract  
28 with a head start agency to serve children enrolled in head start with a school-day program  
29 by blending head start funds with a part-day great start readiness program allocation. All  
30 head start and great start readiness program policies and regulations apply to the blended  
31 program.

32 (5) If funds allocated for eligible applicants in section 32d remain after the initial

1 allocation under subsection (4), the allocation under this subsection shall be distributed to  
2 each eligible applicant under section 32d in decreasing order of concentration of eligible  
3 children as determined by the formula under subsection (3). The allocation shall be  
4 determined by multiplying the number of children each district within the applicant's service  
5 area served in the immediately preceding fiscal year or the number of children the applicant  
6 indicates it will be able to serve under subsection (1)(c), whichever is less, minus the  
7 number of children for which the applicant received funding in subsection (4) by ~~\$3,400.00~~  
8 **\$3,625.00**.

9 (6) If funds allocated for eligible applicants in section 32d remain after the  
10 allocations under subsections (4) and (5), remaining funds shall be distributed to each  
11 eligible applicant under section 32d in decreasing order of concentration of eligible  
12 children as determined by the formula under subsection (3). If the number of children the  
13 applicant indicates it will be able to serve under subsection (1)(c) exceeds the number of  
14 children for which funds have been received under subsections (4) and (5), the allocation  
15 under this subsection shall be determined by multiplying the number of children the applicant  
16 indicates it will be able to serve under subsection (1)(c) less the number of children for  
17 which funds have been received under subsections (4) and (5) by ~~\$3,400.00~~ **\$3,625.00** until the  
18 funds allocated for eligible applicants in section 32d are distributed.

19 (7) An applicant that offers supplementary child care funded by funds other than those  
20 received under section 32d and therefore offers full-day programs as part of its early  
21 childhood development program shall receive priority in the allocation of funds under section  
22 32d over other eligible applicants. As used in this subsection, "full-day program" means a  
23 program that provides supplementary child care that totals at least 10 hours of programming  
24 per day.

25 (8) If, taking into account the total amount to be allocated to the applicant as  
26 calculated under this section, an applicant determines that it is able to include additional  
27 eligible children in the great start readiness program without additional funds under section  
28 32d, the applicant may include additional eligible children but shall not receive additional  
29 funding under section 32d for those children.

30 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated  
31 **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 and 2014-2015** to districts, intermediate districts,  
32 and other eligible entities all available federal funding, estimated at ~~\$812,328,500.00~~

1 **\$811,828,500.00**, for the federal programs under the no child left behind act of 2001, Public  
2 Law 107-110. These funds are allocated as follows:

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

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

9 (B) ~~(c)~~ An amount estimated at \$111,111,900.00 for the purpose of preparing, training,  
10 and recruiting high-quality teachers and class size reduction, funded from DED-OESE,  
11 improving teacher quality funds.

12 (C) ~~(d)~~ An amount estimated at \$12,200,000.00 for programs to teach English to limited  
13 English proficient (LEP) children, funded from DED-OESE, language acquisition state grant  
14 funds.

15 (D) ~~(e)~~ An amount estimated at \$10,286,500.00 for the Michigan charter school subgrant  
16 program, funded from DED-OESE, charter school funds.

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

19 (F) ~~(g)~~ An amount estimated at \$591,500,000.00 to provide supplemental programs to  
20 enable educationally disadvantaged children to meet challenging academic standards, funded  
21 from DED-OESE, title I, disadvantaged children funds.

22 ~~(h) An amount estimated at \$250,000.00 for the purpose of providing unified family~~  
23 ~~literacy programs, funded from DED-OESE, title I, even start funds.~~

24 (G) ~~(i)~~ An amount estimated at \$8,878,000.00 for the purpose of identifying and  
25 serving migrant children, funded from DED-OESE, title I, migrant education funds.

26 (H) ~~(j)~~ An amount estimated at \$40,050,000.00 for the purpose of providing high-  
27 quality extended learning opportunities, after school and during the summer, for children in  
28 low-performing schools, funded from DED-OESE, twenty-first century community learning center  
29 funds.

30 (I) ~~(k)~~ An amount estimated at \$24,600,000.00 to help support local school improvement  
31 efforts, funded from DED-OESE, title I, local school improvement grants.

32 (2) From the federal funds appropriated in section 11, there is allocated **EACH FISCAL**

1 **YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** to districts, intermediate districts, and other  
2 eligible entities all available federal funding, estimated at ~~\$33,514,100.00~~ **\$31,700,000.00**  
3 for the following programs that are funded by federal grants:

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

6 (b) An amount estimated at ~~\$1,814,100.00~~ **\$2,600,000.00** to provide services to homeless  
7 children and youth, funded from DED-OVAE, homeless children and youth funds.

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

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

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

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

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

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

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

27 (4) All federal funds allocated under this section shall be distributed in accordance  
28 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the  
29 education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section  
30 17b, payments of federal funds to districts, intermediate districts, and other eligible  
31 entities under this section shall be paid on a schedule determined by the department.

32 (5) For the purposes of applying for federal grants appropriated under this article,

1 the department shall allow an intermediate district to submit a consortium application on  
2 behalf of 2 or more districts with the agreement of those districts as appropriate according  
3 to federal rules and guidelines.

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

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

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

10 Sec. 51a. (1) From the appropriation in section 11, there is allocated for ~~2011-2012~~  
11 **2013-2014** an amount not to exceed ~~\$956,769,100.00~~ **\$980,569,100.00** and there is allocated an  
12 amount not to exceed ~~\$996,269,100.00~~ **\$1,004,869,100.00** for ~~2012-2013~~ **2014-2015** from state  
13 sources and all available federal funding under sections 611 to 619 of part B of the  
14 individuals with disabilities education act, 20 USC 1411 to 1419, estimated at  
15 ~~\$363,400,000.00~~ **\$370,000,000.00 EACH YEAR** for ~~2011-2012~~ and estimated at ~~\$365,000,000.00~~ for  
16 ~~2012-2013~~ **2013-2014 AND 2014-2015**, plus any carryover federal funds from previous year  
17 appropriations. The allocations under this subsection are for the purpose of reimbursing  
18 districts and intermediate districts for special education programs, services, and special  
19 education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to  
20 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the  
21 deaf and blind; and special education programs and services for pupils who are eligible for  
22 special education programs and services according to statute or rule. For meeting the costs  
23 of special education programs and services not reimbursed under this article, a district or  
24 intermediate district may use money in general funds or special education funds, not  
25 otherwise restricted, or contributions from districts to intermediate districts, tuition  
26 payments, gifts and contributions from individuals or other entities, or federal funds that  
27 may be available for this purpose, as determined by the intermediate district plan prepared  
28 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds  
29 allocated under this section in excess of those allocated under this section for 2002-2003  
30 may be distributed in accordance with the flexible funding provisions of the individuals with  
31 disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206  
32 and 300.208. Notwithstanding section 17b, payments of federal funds to districts,

1 intermediate districts, and other eligible entities under this section shall be paid on a  
2 schedule determined by the department.

3 (2) From the funds allocated under subsection (1), there is allocated the amount  
4 necessary, estimated at ~~\$247,500,000.00~~ **\$258,300,000.00** for ~~2011-2012~~ **2013-2014** and estimated  
5 at ~~\$257,400,000.00~~ **\$263,000,000.00** for ~~2012-2013~~ **2014-2015**, for payments toward reimbursing  
6 districts and intermediate districts for 28.6138% of total approved costs of special  
7 education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs  
8 of special education transportation. Allocations under this subsection shall be made as  
9 follows:

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

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

29 (3) From the funds allocated under subsection (1), there is allocated each fiscal year  
30 for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** an amount not to exceed \$1,000,000.00 to  
31 make payments to districts and intermediate districts under this subsection. If the amount  
32 allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is

1 less than the sum of the amounts allocated to the district or intermediate district for 1996-  
2 97 under sections 52 and 58, there is allocated to the district or intermediate district for  
3 the fiscal year an amount equal to that difference, adjusted by applying the same proration  
4 factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to  
5 the district's or intermediate district's necessary costs of special education used in  
6 calculations for the fiscal year. This adjustment is to reflect reductions in special  
7 education program operations or services between 1996-1997 and subsequent fiscal years.  
8 Adjustments for reductions in special education program operations or services shall be made  
9 in a manner determined by the department and shall include adjustments for program or service  
10 shifts.

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

24 (5) State funds shall be allocated on a total approved cost basis. Federal funds shall  
25 be allocated under applicable federal requirements, except that an amount not to exceed  
26 \$3,500,000.00 may be allocated by the department each fiscal year for ~~2011-2012~~ **2013-2014** and  
27 for ~~2012-2013~~ **2014-2015** to districts, intermediate districts, or other eligible entities on a  
28 competitive grant basis for programs, equipment, and services that the department determines  
29 to be designed to benefit or improve special education on a statewide scale.

30 (6) From the amount allocated in subsection (1), there is allocated an amount not to  
31 exceed \$2,200,000.00 each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** to  
32 reimburse 100% of the net increase in necessary costs incurred by a district or intermediate

1 district in implementing the revisions in the administrative rules for special education that  
2 became effective on July 1, 1987. As used in this subsection, "net increase in necessary  
3 costs" means the necessary additional costs incurred solely because of new or revised  
4 requirements in the administrative rules minus cost savings permitted in implementing the  
5 revised rules. Net increase in necessary costs shall be determined in a manner specified by  
6 the department.

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

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

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

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

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

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

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

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

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

14 (11) From the funds allocated in subsection (1), there is allocated **EACH FISCAL YEAR**  
15 the amount necessary, estimated at ~~\$5,300,000.00~~ **\$4,500,000.00** for ~~2011-2012~~ **2013-2014** and  
16 estimated at ~~\$5,600,000.00~~ **\$4,600,000.00** for ~~2012-2013~~ **2014-2015**, to pay the foundation  
17 allowances for pupils described in this subsection. The allocation to a district under this  
18 subsection shall be calculated by multiplying the number of pupils described in this  
19 subsection who are counted in membership in the district times the foundation allowance under  
20 section 20 of the pupil's district of residence, not to exceed the basic foundation allowance  
21 under section 20 for the current fiscal year, or, for a pupil described in this subsection  
22 who is counted in membership in a district that is a public school academy, times an amount  
23 equal to the amount per membership pupil under section 20(6) or, for a pupil described in  
24 this subsection who is counted in membership in the education achievement system, times an  
25 amount equal to the amount per membership pupil under section 20(7). The allocation to an  
26 intermediate district under this subsection shall be calculated in the same manner as for a  
27 district, using the foundation allowance under section 20 of the pupil's district of  
28 residence, not to exceed the basic foundation allowance under section 20 for the current  
29 fiscal year. This subsection applies to all of the following pupils:

30 (a) Pupils described in section 53a.

31 (b) Pupils counted in membership in an intermediate district who are not special  
32 education pupils and are served by the intermediate district in a juvenile detention or child

1 caring facility.

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

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

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

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

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

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

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

15 (13) The allocations under subsections (2), (3), and (11) shall be allocations to  
16 intermediate districts only and shall not be allocations to districts, but instead shall be  
17 calculations used only to determine the state payments under section 22b.

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

30 Sec. 51b. A district or intermediate district shall not receive funds under ~~this~~  
31 ~~article~~ **SECTION 51A** unless the district or intermediate district complies with rules  
32 promulgated under article 3 of the revised school code, being sections 380.1701 to 380.1766

1 of the Michigan Compiled Laws.

2 Sec. 51c. As required by the court in the consolidated cases known as Durant v State  
3 of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under  
4 section 51a(1), there is allocated each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~  
5 **2014-2015** the amount necessary, estimated at ~~\$648,700,000.00~~ **\$662,500,000.00** for ~~2011-2012~~  
6 **2013-2014** and estimated at ~~\$678,000,000.00~~ **\$682,000,000.00** for ~~2012-2013~~ **2014-2015**, for  
7 payments to reimburse districts for 28.6138% of total approved costs of special education  
8 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special  
9 education transportation. Funds allocated under this section that are not expended in the  
10 state fiscal year for which they were allocated, as determined by the department, may be used  
11 to supplement the allocations under sections 22a and 22b in order to fully fund those  
12 calculated allocations for the same fiscal year.

13 Sec.51d. (1) From the federal funds appropriated in section 11, there is allocated  
14 for each fiscal year ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015** all available federal  
15 funding, estimated at \$74,000,000.00 each fiscal year, for special education programs that  
16 are funded by federal grants. All federal funds allocated under this section shall be  
17 distributed in accordance with federal law. Notwithstanding section 17b, payments of federal  
18 funds to districts, intermediate districts, and other eligible entities under this section  
19 shall be paid on a schedule determined by the department.

20 (2) From the federal funds allocated under subsection (1), the following amounts are  
21 allocated each fiscal year for ~~2011-2012~~ **2013-2014** and for ~~2012-2013~~ **2014-2015**:

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

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

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

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

30 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)  
31 shall be 100% of the total approved costs of operating special education programs and  
32 services approved by the department and included in the intermediate district plan adopted

1 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the  
2 district's foundation allowance calculated under section 20. For intermediate districts,  
3 reimbursement for pupils described in subsection (2) shall be calculated in the same manner  
4 as for a district, using the foundation allowance under section 20 of the pupil's district of  
5 residence, not to exceed the basic foundation allowance under section 20 for the current  
6 fiscal year.

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

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

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

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

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

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

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

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

30 (5) Not more than \$13,500,000.00 of the allocation for ~~2011-2012~~ **2013-2014** and for  
31 ~~2012-2013~~ **2014-2015** in section 51a(1) shall be allocated for each fiscal year under this  
32 section.

1           Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil  
2 in attendance at the Michigan schools for the deaf and blind. The amount shall be  
3 proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of  
4 the allocation **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** in section 51a(1) shall  
5 be allocated under this section.

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

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

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

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

17           (2) From the allocation under section 51a(1), there is allocated **EACH FISCAL YEAR** an  
18 amount not to exceed \$36,881,100.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** to reimburse  
19 intermediate districts levying millages for special education pursuant to part 30 of the  
20 revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the  
21 reimbursement shall be limited as if the funds were generated by these millages and governed  
22 by the intermediate district plan adopted pursuant to article 3 of the revised school code,  
23 MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an  
24 intermediate district distributing any portion of special education millage funds to its  
25 constituent districts shall submit for departmental approval and implement a distribution  
26 plan.

27           (3) Reimbursement for those millages levied in ~~2010-2011~~ **2012-2013** shall be made in  
28 ~~2011-2012~~ **2013-2014** at an amount per ~~2010-2011~~ **2012-2013** membership pupil computed by  
29 subtracting from ~~\$174,700.00~~ **\$166,000.00** the ~~2010-2011~~ **2012-2013** taxable value behind each  
30 membership pupil and multiplying the resulting difference by the ~~2010-2011~~ **2012-2013** millage  
31 levied.

32           ~~(4) For 2012-2013 only, reimbursement to each intermediate district shall be equal to~~

1 ~~its reimbursement under this section for 2011-2012.~~

2 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2013-2014 SHALL BE MADE IN 2014-2015**  
3 **PURSUANT TO THE DISTRIBUTION METHOD IN SUBSECTION (3), USING THE APPLICABLE DATA FOR THE**  
4 **2014-2015 FISCAL YEAR.**

5 Sec. 61a. (1) From the appropriation in section 11, there is allocated **EACH FISCAL**  
6 **YEAR** an amount not to exceed \$26,611,300.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** to  
7 reimburse on an added cost basis districts, except for a district that served as the fiscal  
8 agent for a vocational education consortium in the 1993-94 school year, and secondary area  
9 vocational-technical education centers for secondary-level career and technical education  
10 programs according to rules approved by the superintendent. Applications for participation in  
11 the programs shall be submitted in the form prescribed by the department. The department  
12 shall determine the added cost for each career and technical education program area. The  
13 allocation of added cost funds shall be based on the type of career and technical education  
14 programs provided, the number of pupils enrolled, and the length of the training period  
15 provided, and shall not exceed 75% of the added cost of any program. With the approval of the  
16 department, the board of a district maintaining a secondary career and technical education  
17 program may offer the program for the period from the close of the school year until  
18 September 1. The program shall use existing facilities and shall be operated as prescribed by  
19 rules promulgated by the superintendent.

20 (2) Except for a district that served as the fiscal agent for a vocational education  
21 consortium in the 1993-94 school year, districts and intermediate districts shall be  
22 reimbursed for local career and technical education administration, shared time career and  
23 technical education administration, and career education planning district career and  
24 technical education administration. The definition of what constitutes administration and  
25 reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than  
26 \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

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

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

32 (b) "Millage levied" means the millage levied for area vocational-technical education

1 pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including  
2 a levy for debt service obligations incurred as the result of borrowing for capital outlay  
3 projects and in meeting capital projects fund requirements of area vocational-technical  
4 education.

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

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

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

19 (2) From the appropriation in section 11, there is allocated **EACH FISCAL YEAR** an  
20 amount not to exceed \$9,000,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** to reimburse  
21 intermediate districts and area vocational-technical education programs established under  
22 section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-  
23 technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681  
24 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the  
25 funds were generated by those millages.

26 (3) Reimbursement for the millages levied in ~~2010-2011~~ **2012-2013** shall be made in  
27 ~~2011-2012~~ **2013-2014** at an amount per ~~2010-2011~~ **2012-2013** membership pupil computed by  
28 subtracting from ~~\$190,400.00~~ **\$185,300.00** the ~~2010-2011~~ **2012-2013** taxable value behind each  
29 membership pupil and multiplying the resulting difference by the ~~2010-2011~~ **2012-2013** millage  
30 levied.

31 ~~(4) For 2012-2013 only, reimbursements to each intermediate district shall be equal to~~  
32 ~~its reimbursement under this section for 2011-2012.~~

1           **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2013-2014 SHALL BE MADE IN 2014-2015**  
2 **PURSUANT TO THE DISTRIBUTION METHOD IN SUBSECTION (3), USING THE APPLICABLE DATA FOR THE**  
3 **2014-2015 FISCAL YEAR.**

4           Sec. 74. (1) From the amount appropriated in section 11, there is allocated **EACH**  
5 **FISCAL YEAR** an amount not to exceed ~~\$3,259,900.00~~ **\$3,299,000.00** for ~~2012-2013~~ **2013-2014 AND**  
6 **2014-2015** for the purposes of this section.

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

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

22           (4) From the funds allocated in subsection (1), there is allocated **FOR EACH FISCAL**  
23 **YEAR** an amount not to exceed ~~\$1,634,900.00~~ **\$1,674,000.00** for ~~2012-2013~~ **2013-2014 AND 2014-**  
24 **2015** for reimbursement to districts and intermediate districts for costs associated with the  
25 inspection of school buses and pupil transportation vehicles by the department of state  
26 police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL  
27 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The  
28 department of state police shall prepare a statement of costs attributable to each district  
29 for which bus inspections are provided and submit it to the department and to an intermediate  
30 district serving as fiduciary in a time and manner determined jointly by the department and  
31 the department of state police. Upon review and approval of the statement of cost, the  
32 department shall forward to the designated intermediate district serving as fiduciary the

1 amount of the reimbursement on behalf of each district and intermediate district for costs  
2 detailed on the statement within 45 days after receipt of the statement. The designated  
3 intermediate district shall make payment in the amount specified on the statement to the  
4 department of state police within 45 days after receipt of the statement. The total  
5 reimbursement of costs under this subsection shall not exceed the amount allocated under this  
6 subsection. Notwithstanding section 17b, payments to eligible entities under this subsection  
7 shall be paid on a schedule prescribed by the department.

8 Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in  
9 section 11, there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** to the  
10 intermediate districts the sum necessary, but not to exceed ~~\$64,108,000.00~~ **\$64,115,000.00**, to  
11 provide state aid to intermediate districts under this section.

12 (2) From the allocation in subsection (1), there is allocated an amount not to exceed  
13 \$62,108,000.00 for allocations to each intermediate district for ~~2012-2013~~ **2013-2014 AND**  
14 **2014-2015** in an amount equal to 100% of the amount allocated to the intermediate district  
15 under this subsection for ~~2011-2012~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**. Funding provided  
16 under this section shall be used to comply with requirements of this article and the revised  
17 school code that are applicable to intermediate districts, and for which funding is not  
18 provided elsewhere in this article, and to provide technical assistance to districts as  
19 authorized by the intermediate school board.

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

23 (4) From the allocation in subsection (1), there is allocated to an intermediate  
24 district, formed by the consolidation or annexation of 2 or more intermediate districts or  
25 the attachment of a total intermediate district to another intermediate school district or  
26 the annexation of all of the constituent K-12 districts of a previously existing intermediate  
27 school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year  
28 for each intermediate district included in the new intermediate district for 3 years  
29 following consolidation, annexation, or attachment. **FROM THE ALLOCATION IN SUBSECTION (1),**  
30 **THERE IS ALLOCATED \$7,000.00 FOR PURPOSES OF THIS SUBSECTION FOR FISCAL YEAR 2013-2014 AND**  
31 **FISCAL YEAR 2014-2015, AFTER WHICH TIME THE PAYMENT UNDER THIS SUBSECTION WILL CEASE.**

32 ~~(5) During a fiscal year, the department shall not increase an intermediate district's~~

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

7 (5) ~~(6)~~ In order to receive funding under subsection (2), an intermediate district  
8 shall do all of the following:

9 (a) Demonstrate to the satisfaction of the department that the intermediate district  
10 employs at least 1 person who is trained in pupil accounting and auditing procedures, rules,  
11 and regulations.

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

16 (c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and  
17 380.1278b.

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

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

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

23 (6) ~~(7)~~ From the allocation in subsection (1), there is allocated **EACH FISCAL YEAR** an  
24 amount not to exceed \$2,000,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for an incentive  
25 payment to each intermediate district that meets best practices as determined by the  
26 department under this subsection. The amount of the incentive payment is an amount equal to  
27 3.2% of the amount allocated to the intermediate district under subsection (2). An  
28 intermediate district is eligible for an incentive payment under this subsection if the  
29 intermediate district satisfies at least 4 **5** of the following requirements not later than  
30 June 1, ~~2013~~ **2014**:

31 (a) The intermediate district enters into an agreement with the department to ~~do all~~  
32 ~~of~~ **COMPLY WITH** the following:

1 (I) IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE CONSOLIDATION PLAN IN 2012-2013,  
2 IMPLEMENT THE SERVICE CONSOLIDATION PLAN IN 2013-2014 AND REPORT TO THE DEPARTMENT NOT LATER  
3 THAN FEBRUARY 1, 2014 ON THE INTERMEDIATE DISTRICT'S PROGRESS IN IMPLEMENTING THE SERVICE  
4 CONSOLIDATION PLAN.

5 (II) ~~(i)~~ IF THE INTERMEDIATE DISTRICT DID NOT DEVELOP A SERVICE CONSOLIDATION PLAN IN  
6 2012-2013, develop a service consolidation plan in ~~2012-2013~~ 2013-2014 to reduce operating  
7 costs that is in compliance with guidelines that were developed by the department for former  
8 section 11d as that section was in effect for 2010-2011.

9 (III) ~~(ii)~~ IF THE INTERMEDIATE DISTRICT DEVELOPED A SERVICE CONSOLIDATION PLAN IN  
10 2013-2014, implement the service consolidation plan in ~~2013-2014~~ 2014-2015 and report to the  
11 department not later than February 1, ~~2014~~ 2015 on the intermediate district's progress in  
12 implementing the service consolidation plan.

13 (IV) MAKE THE INTERMEDIATE DISTRICT'S SERVICE CONSOLIDATION PLAN PUBLICLY AVAILABLE ON  
14 THE INTERMEDIATE DISTRICT'S WEBSITE.

15 (b) The intermediate district has obtained competitive bids on the provision of 1 or  
16 more noninstructional services for the intermediate district or its constituent districts  
17 with a value of at least \$50,000.00. **THE UNFUNDED ACCRUED LIABILITY COSTS FOR RETIREMENT AND  
18 OTHER BENEFITS SHALL BE EXCLUDED FROM THE INTERMEDIATE DISTRICT'S CURRENT COSTS FOR THE  
19 PURPOSE OF COMPARING COMPETITIVE BIDS TO THE CURRENT COSTS OF PROVIDING SERVICES.**

20 (c) The intermediate district develops a technology plan in accordance with department  
21 policy on behalf of all constituent districts within the intermediate district that  
22 integrates technology into the classroom and prepares teachers to use digital technologies as  
23 part of the instructional program of each of its constituent districts. **AN INTERMEDIATE  
24 DISTRICT THAT DEVELOPED A TECHNOLOGY PLAN IN 2012-2013 SHALL BEGIN IMPLEMENTING THAT  
25 TECHNOLOGY PLAN IN 2013-2014.**

26 (d) The intermediate district provides to parents and community members a dashboard or  
27 report card demonstrating the intermediate district's efforts to manage its finances  
28 responsibly. The dashboard or report card shall include **REVENUE AND EXPENDITURE PROJECTIONS  
29 FOR THE INTERMEDIATE DISTRICT FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, A LISTING  
30 OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, INCLUDING ANTICIPATED FISCAL YEAR 2013-  
31 2014 PAYMENT FOR EACH PROJECT, A LISTING OF TOTAL OUTSTANDING DEBT, AND** at least all of the  
32 following for the 3 most recent school years for which the data are available:

1 (i) A list of services offered by the intermediate district that are shared by other  
2 local or intermediate districts and a list of the districts or intermediate districts that  
3 participate.

4 (ii) The total cost savings to local or other intermediate districts that share  
5 services with the intermediate district.

6 (iii) The number and percentage of teachers in the intermediate district service area  
7 that are trained to integrate technology into the classroom.

8 (iv) The total funds received from levying special education and vocational education  
9 millages, and the number of special education and vocational education pupils served with  
10 those dollars.

11 (v) The number and percentage of individualized education programs developed for  
12 special education pupils that contain academic goals.

13 (e) The intermediate district works in a consortium with 1 or more other intermediate  
14 districts **AND THE CENTER** to develop **LOCAL** information management system requirements and bid  
15 specifications ~~THAT can be used as statewide models~~ **RESULT IN A RECOMMENDED MODEL INFORMATION**  
16 **SYSTEM THAT SUPPORTS INTEROPERABILITY TO ENSURE LINKAGE AND CONNECTIVITY IN A MANNER THAT**  
17 **FACILITATES THE EFFICIENT EXCHANGE OF DATA BETWEEN DISTRICTS, INTERMEDIATE DISTRICTS AND THE**  
18 **CENTER.** At a minimum, these specifications shall ~~address~~ **INCLUDE** pupil management systems for  
19 both general and special education, learning management tools, and business services.

20 **(F) IF AN INTERMEDIATE DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION,**  
21 **DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE**  
22 **SERVICES BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE INTERMEDIATE DISTRICT IS THE**  
23 **POLICYHOLDER FOR EACH OF ITS INSURANCE POLICIES THAT COVERS 1 OR MORE OF THESE BENEFITS. AN**  
24 **INTERMEDIATE DISTRICT THAT DOES NOT DIRECTLY EMPLOY ITS STAFF OR AN INTERMEDIATE DISTRICT**  
25 **WITH A VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION THAT PAYS NO MORE THAN THE MAXIMUM PER**  
26 **EMPLOYEE CONTRIBUTION AMOUNT AND THAT CONTRIBUTES NO MORE THAN THE MAXIMUM EMPLOYER**  
27 **CONTRIBUTION PERCENTAGE OF TOTAL ANNUAL COSTS FOR THE MEDICAL BENEFIT PLANS AS DESCRIBED IN**  
28 **2011 PA 152, MCL 15.563 TO 15.564, IS CONSIDERED TO HAVE SATISFIED THIS REQUIREMENT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (d) Enables the matching of individual teachers with information about their  
13 certification and the institutions that prepared and recommended those teachers for state  
14 certification.

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

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

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

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

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

27 (ii) Contains student-level enrollment, demographic, and program participation  
28 information.

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

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

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

1 following:

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

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

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

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

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

13 (A) Enrollment in remedial coursework.

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

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

18 (5) From the general fund appropriation in section 11, there is allocated **FOR EACH**  
19 **FISCAL YEAR** an amount not to exceed ~~\$9,218,400.00~~ **\$9,435,100.00** for ~~2012-2013~~ **2013-2014 AND**  
20 **2014-2015** to the department of technology, management, and budget to support the operations  
21 of the center. In addition, from the federal funds appropriated in section 11 there is  
22 allocated **FOR EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** the amount necessary,  
23 estimated at \$193,500.00 for ~~2012-2013~~ **EACH FISCAL YEAR**, to support the operations of the  
24 center and to establish a P-20 longitudinal data system as provided under this section in  
25 compliance with the assurance provided to the United States department of education in order  
26 to receive state fiscal stabilization funds. The center shall cooperate with the department  
27 to ensure that this state is in compliance with federal law and is maximizing opportunities  
28 for increased federal funding to improve education in this state.

29 (6) From the funds allocated in subsection (5), there is allocated **FOR EACH FISCAL**  
30 **YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$850,000.00 for  
31 competitive grants to support collaborative efforts on the P-20 longitudinal data system. All  
32 of the following apply to grants awarded under this subsection:

1 (a) The center shall award competitive grants to eligible intermediate districts or a  
2 consortium of intermediate districts based on criteria established by the center.

3 (b) Activities funded under the grant shall support the P-20 longitudinal data system  
4 portal and may include portal hosting, hardware and software acquisition, maintenance,  
5 enhancements, user support and related materials, and professional learning tools and  
6 activities aimed at improving the utility of the P-20 longitudinal data system.

7 (c) An applicant that received a grant under this subsection for the immediately  
8 preceding fiscal year shall receive priority for funding under this section. However, after 3  
9 fiscal years of continuous funding, an applicant is required to compete openly with new  
10 applicants.

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

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

21 (9) As used in this section:

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

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

25 Sec. 95. (1) From the funds appropriated in section 11, there is allocated **FOR EACH**  
26 **FISCAL YEAR** an amount not to exceed ~~\$1,750,000.00~~ **\$500,000.00** for ~~2012-2013~~ **2013-2014 AND**  
27 **2014-2015** for grants to districts to support professional development for principals and  
28 assistant principals in a department-approved training program for implementing educator  
29 evaluations as required under section 1249 of the revised school code, MCL 380.1249.

30 (2) ~~For 2012-2013, all districts may apply for funding under this section by a date~~  
31 ~~determined by the department. Beginning in 2013-2014, in~~ **IN** a form and manner determined by  
32 the department, priority will be given to districts that have new building administrators who

1 have not previously received training in programs funded under this section.

2 (3) The department shall approve training programs for the purpose of this section.  
3 The department shall approve all training programs recommended by the ~~governor's~~ council on  
4 educator effectiveness and may approve other training programs that meet department criteria.  
5 At a minimum, these other programs shall meet all of the following criteria:

6 (a) Contain instructional content on methods of evaluating teachers consistently  
7 across multiple grades and subjects.

8 (b) Include training on evaluation observation that is focused on reliability and bias  
9 awareness and that instills skills needed for consistent, evidence-based observations.

10 (c) Incorporate the use of videos of actual lessons for applying rubrics and  
11 consistent scoring.

12 (d) Align with recommendations of the ~~governor's~~ council on educator effectiveness.

13 (e) Provide ongoing support to maintain inter-rater reliability. As used in this  
14 subdivision, "inter-rater reliability" means a consistency of measurement from different  
15 evaluators independently applying the same evaluation criteria to the same classroom  
16 observation.

17 (4) The department shall award grants to eligible districts in an amount determined by  
18 the department, but not to exceed \$350.00 per participant.

19 (5) A district receiving funds under this section shall use the funds only for  
20 department-approved training programs under this section.

21 Sec. 98. (1) From the general fund money appropriated in section 11, there is  
22 allocated **FOR EACH FISCAL YEAR** an amount not to exceed ~~\$4,387,500.00~~ **\$14,387,500.00** for ~~2012-~~  
23 ~~2013~~ **2013-2014 AND \$9,387,500.00 2014-2015** for the purposes described in this section.

24 (2) The Michigan virtual university shall ~~establish~~ **OPERATE** the ~~center for online~~  
25 ~~learning research and innovation~~ **MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE**. The ~~center for~~  
26 ~~online learning research and innovation~~ **MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE** shall do  
27 all of the following:

28 (a) Support and accelerate innovation in education through the following activities:

29 (i) Test, evaluate, and recommend as appropriate new technology-based instructional  
30 tools and resources.

31 (ii) Research, design, and recommend ~~online and blended~~ **DIGITAL** education delivery  
32 models for use by pupils and teachers that include age-appropriate multimedia instructional

1 content.

2 (iii) Research, design, and recommend competency-based online assessments.

3 (iv) Research, develop, and recommend annually to the department criteria by which  
4 cyber schools and online course providers should be monitored and evaluated to ensure a  
5 quality education for their pupils.

6 (v) Based on pupil completion and performance data reported to the department or the  
7 center for educational performance and information from cyber schools and other online course  
8 providers operating in this state, analyze the effectiveness of online learning delivery  
9 models in preparing pupils to be college- and career-ready and publish a report that  
10 highlights enrollment totals, completion rates, and the overall impact on pupils. The report  
11 shall be submitted to the house and senate appropriations subcommittees on state school aid,  
12 the state budget director, the house and senate fiscal agencies, and the department not later  
13 than ~~December 31, 2013~~ **DECEMBER 1, 2014**.

14 (vi) ~~Design professional development services for~~ **THE INSTITUTE SHALL PROVIDE AN**  
15 **EXTENSIVE PROFESSIONAL DEVELOPMENT PROGRAM TO A MINIMUM OF 1,000 EDUCATION PERSONNEL,**  
16 **INCLUDING** teachers, school administrators, and school board members ~~to learn how to~~  
17 ~~effectively integrate new technologies and online learning into curricula and instruction~~  
18 **PRIOR TO AUGUST 31, 2014 THAT FOCUSES ON THE EFFECTIVE INTEGRATION OF DIGITAL LEARNING INTO**  
19 **CURRICULA AND INSTRUCTION. THE INSTITUTE SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS**  
20 **SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE FISCAL**  
21 **AGENCIES AND THE DEPARTMENT ON THE NUMBER AND PERCENTAGE OF TEACHERS, SCHOOL ADMINISTRATORS**  
22 **AND SCHOOL BOARD MEMBERS WHO HAVE RECEIVED PROFESSIONAL DEVELOPMENT SERVICES FROM THE**  
23 **MICHIGAN VIRTUAL UNIVERSITY NO LATER THAN DECEMBER 1, 2014. THE REPORT SHALL ALSO IDENTIFY**  
24 **BARRIERS AND OTHER OPPORTUNITIES TO ENCOURAGE THE ADOPTION OF DIGITAL LEARNING IN THE PUBLIC**  
25 **EDUCATION SYSTEM.**

26 (vii) Identify and share best practices for **PLANNING, implementing AND EVALUATING**  
27 online and blended education delivery models with intermediate districts, districts, and  
28 public school academies to accelerate the adoption of innovative education delivery models  
29 statewide. **BEGINNING IN 2013-2014, THE MICHIGAN VIRTUAL UNIVERSITY SHALL AWARD UP TO**  
30 **\$2,200,000.00 IN COMPETITIVE GRANTS TO INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE**  
31 **DISTRICTS TO SUPPORT AND ACCELERATE STATEWIDE EFFORTS TO EXPAND THE INTEGRATION OF ONLINE AND**  
32 **BLENDED LEARNING. GRANT FUNDS MAY NOT BE USED TO SUPPLANT PERSONNEL COSTS AT AN INTERMEDIATE**

1 DISTRICT. THE MICHIGAN VIRTUAL UNIVERSITY SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS  
2 SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE FISCAL  
3 AGENCIES AND THE DEPARTMENT ON BARRIERS AND OTHER OPPORTUNITIES TO ENCOURAGE THE ACCEPTANCE  
4 OF DIGITAL LEARNING IN THE PUBLIC EDUCATION SYSTEM NO LATER THAN DECEMBER 1, 2014.

5 (b) Provide leadership for this state's system of ~~online and blended~~ DIGITAL learning  
6 education by doing the following activities:

7 (i) Develop and report policy recommendations to the governor and the legislature that  
8 accelerate the expansion of effective online learning in this state's schools.

9 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and  
10 other information related to online learning.

11 (iii) Promote and distribute the most current instructional design standards and  
12 guidelines for online teaching.

13 (iv) In collaboration with the department and interested colleges and universities in  
14 this state, recommend to the superintendent guidelines and standards for a new teacher  
15 endorsement credential related to effective ~~online and blended~~ DIGITAL LEARNING instruction.

16 THE INSTITUTE SHALL REPORT ITS RECOMMENDATIONS FOR A NEW DIGITAL LEARNING TEACHER ENDORSEMENT  
17 CREDENTIAL NO LATER THAN SEPTEMBER 30, 2013. BEGINNING IN 2013-2014, THE MICHIGAN VIRTUAL  
18 UNIVERSITY SHALL CONVENE AND SUPPORT A STATEWIDE COHORT OF HIGHER EDUCATION FACULTY MEMBERS  
19 TO IMPLEMENT THE NEW TEACHER ENDORSEMENT CREDENTIAL WITHIN THEIR HIGHER EDUCATION  
20 INSTITUTIONS' TEACHER PREPARATION PROGRAMS. THE MICHIGAN VIRTUAL UNIVERSITY MAY SUPPORT A  
21 PORTION OF THE PERSONNEL COSTS ASSOCIATED WITH THIS INITIATIVE. HIGHER EDUCATION FACULTY  
22 MEMBERS PARTICIPATING IN THIS INITIATIVE WILL BE REQUIRED TO CONDUCT RESEARCH WORK THAT  
23 CONTRIBUTES TO THE GOALS OF THE INSTITUTE.

24 (v) Pursue public/private partnerships that include districts to study and implement  
25 competency-based technology-rich online learning models.

26 (vi) Convene focus groups and conduct annual surveys of teachers, administrators,  
27 pupils, parents, and others to identify barriers and opportunities related to online  
28 learning.

29 (vii) Produce an annual consumer awareness report for schools and parents about  
30 effective online education providers and education delivery models, performance data, cost  
31 structures, and research trends.

32 (VIII) RESEARCH AND ESTABLISH AN INTERNET-BASED PLATFORM THAT EDUCATORS CAN USE TO

1 CREATE STUDENT-CENTRIC LEARNING TOOLS AND RESOURCES AND FACILITATE A USER NETWORK THAT  
2 ASSISTS EDUCATORS IN USING THE PLATFORM. AS PART OF THIS INITIATIVE, WORK COLLABORATIVELY  
3 WITH LOCAL AND INTERMEDIATE DISTRICTS TO ESTABLISH A PLAN TO MAKE AVAILABLE ONLINE RESOURCES  
4 THAT ALIGN TO MICHIGAN'S K-12 CURRICULUM STANDARDS FOR USE BY STUDENTS, EDUCATORS AND  
5 PARENTS.

6 (IX) CREATE AND MAINTAIN A PUBLIC STATEWIDE CATALOG OF ONLINE LEARNING COURSES BEING  
7 OFFERED BY ALL PUBLIC SCHOOLS IN THE STATE. THE INSTITUTE SHALL DETERMINE A LIST OF  
8 NATIONALLY-RECOGNIZED BEST PRACTICES FOR ONLINE LEARNING AND USE THIS LIST TO PROVIDE REVIEWS  
9 OF ONLINE COURSE VENDORS, COURSES, AND INSTRUCTIONAL PRACTICES. THE RESULTS FROM THESE  
10 REVIEWS WILL ALSO BE MADE AVAILABLE TO THE PUBLIC THROUGH THE STATEWIDE CATALOG. THE  
11 STATEWIDE CATALOG SHALL BE AVAILABLE TO THE PUBLIC ON THE MICHIGAN VIRTUAL UNIVERSITY WEBSITE  
12 AND LINKED TO EACH DISTRICT'S WEBSITE AS PROVIDED FOR IN SECTION 21F OF THIS ARTICLE.  
13 BEGINNING IN 2014-2015, THE STATEWIDE CATALOG SHALL ALSO CONTAIN:

14 (A) THE NUMBER OF PUPILS ENROLLED IN EACH ONLINE COURSE IN THE 2012-2013 SCHOOL YEAR.

15 (B) THE NUMBER OF PUPILS WHO SUCCESSFULLY COMPLETED EACH ONLINE COURSE IN THE 2012-  
16 2013 SCHOOL YEAR.

17 (C) THE COMPLETION RATE FOR EACH ONLINE COURSE.

18 ~~(3) Subject to the provisions of this subsection, from the funds allocated in~~  
19 ~~subsection (1), there is allocated an amount not to exceed \$500,000.00 for 2012 to the~~  
20 ~~Michigan virtual school operated by the Michigan virtual university to conduct and report on~~  
21 ~~a year long pilot study of a new performance based funding model for the Michigan virtual~~  
22 ~~school. The purpose of the pilot study is to determine the merits of a payment system for~~  
23 ~~online instructional programs based on pupil performance rather than solely on enrollment and~~  
24 ~~attendance factors. All of the following apply to the pilot study and the funding under this~~  
25 ~~subsection:~~

26 ~~(a) The Michigan virtual school shall randomly select a minimum of 1,000 of its~~  
27 ~~qualifying online course enrollments for inclusion in the pilot study. The Michigan virtual~~  
28 ~~school shall issue a refund or credit to districts for all online course enrollments included~~  
29 ~~in the pilot study.~~

30 ~~(b) The Michigan virtual school shall report to the department the number of online~~  
31 ~~course enrollments in the pilot study that meet the following conditions:~~

32 ~~(i) The pupil successfully completed the online course as measured by assessments~~

1 ~~aligned to the course content and earned a grade or credit from the district or public school~~  
2 ~~academy in which the pupil is enrolled.~~

3 ~~(ii) The online course is taught by a Michigan certificated teacher certified in the~~  
4 ~~subject area in which the course is being offered.~~

5 ~~(iii) Where applicable, the online course is aligned with Michigan curriculum~~  
6 ~~standards.~~

7 ~~(iv) The online course curriculum contains periodic online pupil assessments.~~

8 ~~(v) Pupils have access to the appropriate technology hardware and software necessary~~  
9 ~~to take the online course.~~

10 ~~(vi) Parents or guardians and pupils have secure online access to review periodic~~  
11 ~~pupil progress and performance data.~~

12 ~~(vii) The online instructor is available to interact with parents or guardians and~~  
13 ~~pupils using electronic communications.~~

14 ~~(c) The department shall pay to Michigan virtual school from the funding under this~~  
15 ~~subsection an amount not to exceed the equivalent of 1/12 of the state's minimum per pupil~~  
16 ~~foundation allowance for each online course enrollment included in the pilot study that meets~~  
17 ~~the conditions of subdivision (b) in the next school aid payment after the report is received~~  
18 ~~by the department.~~

19 **(3)** ~~(4)~~ In order for the Michigan virtual university to receive any funds allocated  
20 under this section, the Michigan virtual school must maintain its accreditation status from  
21 recognized national and international accrediting entities.

22 **(4)** ~~(5)~~ The Michigan virtual school **OPERATED BY THE MICHIGAN VIRTUAL UNIVERSITY** may  
23 offer online course offerings ~~in addition to those offered in the pilot study described in~~  
24 ~~subsection (3),~~ including, but not limited to, all of the following:

25 (a) Information technology courses.

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

28 (c) Courses and dual enrollment opportunities.

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

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

31 (f) Special interest courses.

32 (g) Professional development programs for teachers, school administrators, other

1 school employees, and school board members.

2 **(H) MICHIGAN VIRTUAL SCHOOL ONLINE COURSES SHALL BE INCLUDED IN THE STATEWIDE CATALOG**  
3 **OF ONLINE COURSES.**

4 **(5)** ~~(6)~~ If a home-schooled or nonpublic school student is a resident of a district  
5 that subscribes to services provided by the Michigan virtual school, the student may use the  
6 services provided by the Michigan virtual school to the district without charge to the  
7 student beyond what is charged to a district pupil using the same services.

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

13 (a) A list of the districts served by the Michigan virtual school.

14 (b) A list of online course titles available to districts.

15 (c) The total number of online course enrollments and information on registrations and  
16 completions by course.

17 (d) The overall course completion rate percentage.

18 ~~(e) An analysis of the results of the pilot study described in subsection (3),~~  
19 ~~including, but not limited to:~~

20 ~~(i) A list of the districts that were selected to be part of the pilot study.~~

21 ~~(ii) The number of successful online course completions.~~

22 ~~(iii) A list of the courses offered in the pilot study and the completion rates for~~  
23 ~~each course.~~

24 ~~(iv) Identification of opportunities and barriers that must be addressed in order to~~  
25 ~~apply online learning performance funding based on successful completions rather than~~  
26 ~~enrollment and attendance for online learning offerings statewide.~~

27 **(7)** ~~(8)~~ The governor may appoint an advisory group for the ~~center for online learning~~  
28 ~~research and innovation~~ **MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE** established under  
29 subsection (2). The members of the advisory group shall serve at the pleasure of the governor  
30 and shall serve without compensation. The purpose of the advisory group is to make  
31 recommendations to the governor, the legislature, and the president and board of the Michigan  
32 virtual university that will accelerate innovation in this state's education system in a

1 manner that will prepare elementary and secondary students to be career and college ready and  
2 that will promote the goal of increasing the percentage of citizens of this state with high-  
3 quality degrees and credentials to at least 60% by 2025.

4 **(8)** ~~(9)~~ As used in this section:

5 (a) "Blended learning" means a hybrid instructional delivery model where pupils are  
6 provided ~~face-to-face~~ **CONTENT**, instruction, **AND ASSESSMENT** in part at a supervised ~~school~~  
7 **EDUCATIONAL** facility away from home **WHERE THE PUPIL AND A MICHIGAN-CERTIFIED TEACHER ARE IN**  
8 **THE SAME PHYSICAL LOCATION** and in part through ~~computer-based and~~ internet-connected learning  
9 environments with some degree of pupil control over time, location, and pace of instruction.

10 (b) "Cyber school" means a full-time ~~online~~ instructional program **OF ONLINE COURSES**  
11 for pupils that may or may not require attendance at a physical school location.

12 **(C) "DIGITAL LEARNING" MEANS INSTRUCTION DELIVERED VIA A WEB-BASED EDUCATIONAL**  
13 **DELIVERY SYSTEM THAT USES VARIOUS INFORMATION TECHNOLOGIES TO PROVIDE A STRUCTURED LEARNING**  
14 **ENVIRONMENT, INCLUDING ONLINE AND BLENDED LEARNING INSTRUCTIONAL METHODS.**

15 **(D)** ~~(e)~~ "Online ~~instructional program~~ **COURSE**" means a course of study that ~~generates~~  
16 **IS CAPABLE OF GENERATING** a credit or a grade, **THAT IS** provided in an interactive ~~computer-~~  
17 ~~based and~~ internet-connected learning environment, in which pupils are separated from their  
18 teachers by time or location, or both, and in which a Michigan certificated teacher is  
19 responsible for ~~providing direct instruction~~ **DETERMINING APPROPRIATE INSTRUCTIONAL METHODS**  
20 **FOR EACH PUPIL**, diagnosing learning needs, assessing pupil learning, prescribing intervention  
21 strategies, reporting outcomes, and evaluating the effects of instruction and support  
22 strategies.

23 Sec. 99. (1) From the funds appropriated in section 11, there is allocated **FOR EACH**  
24 **FISCAL YEAR** an amount not to exceed \$2,725,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** to  
25 support the activities and programs of mathematics and science centers and for other purposes  
26 as described in this section. In addition, from the federal funds appropriated in section 11,  
27 there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount estimated  
28 at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

29 (2) Within a service area designated locally, approved by the department, and  
30 consistent with the comprehensive master plan for mathematics and science centers developed  
31 by the department and approved by the state board, an established mathematics and science  
32 center shall provide 2 or more of the following 6 basic services, as described in the master

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

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

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

11 (5) Allocations under this section to support the activities and programs of  
12 mathematics and science centers shall be continuing support grants to all 33 established  
13 mathematics and science centers. Each established mathematics and science center that was  
14 funded in the immediately preceding fiscal year shall receive state funding in an amount  
15 equal to 100% of the amount it was allocated under this subsection for the immediately  
16 preceding fiscal year. If a center declines state funding or a center closes, the remaining  
17 money available under this section shall be distributed to the remaining centers, as  
18 determined by the department.

19 (6) From the funds allocated in subsection (1), there is allocated **EACH FISCAL YEAR**  
20 for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$750,000.00 in a form and  
21 manner determined by the department to those centers able to provide curriculum and  
22 professional development support to assist districts in implementing the Michigan merit  
23 curriculum components for mathematics and science. Funding under this subsection is in  
24 addition to funding allocated under subsection (5).

25 (7) From the funds allocated in subsection (1), there is allocated **EACH FISCAL YEAR**  
26 for ~~2012-2013~~ **2013-2014 AND 2014-2015** an amount not to exceed \$100,000.00 in a form and  
27 manner determined by the department to a single mathematics and science center that is a  
28 participant in the Michigan STEM partnership. Funding under this subsection is in addition to  
29 funding allocated under subsection (5) and shall be used for connecting mathematics and  
30 science centers for science, technology, engineering, and mathematics purposes.

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

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

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

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

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

10 (12) Not later than July 1 of each year, a mathematics and science center that  
11 receives funds under this section shall report to the department in a form and manner  
12 prescribed by the department on the following performance measures:

13 (a) Statistical change in pre- and post-assessment scores for students who enrolled in  
14 mathematics and science activities provided to districts by the mathematics and science  
15 center.

16 (b) Statistical change in pre- and post-assessment scores for teachers who enrolled in  
17 professional development activities provided by the mathematics and science center.

18 (13) As used in this section:

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

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

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

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

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

22 (3) Except as otherwise provided in subsections (11) and (12), all of the following  
23 apply to the provision of pupil instruction:

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

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

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

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

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

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

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

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

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

32 (iii) The district tests each pupil to determine academic progress at regular

1 intervals and records the results of those tests in that pupil's individual education plan.

2 (g) All of the following apply to a waiver granted under subdivision (f):

3 (i) If the waiver is for a blended model of delivery, a waiver that is granted for the  
4 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by  
5 the superintendent.

6 (ii) If the waiver is for a 100% online model of delivery and the educational program  
7 for which the waiver is granted makes educational services available to pupils for a minimum  
8 of at least 1,098 hours during a school year and ensures that each pupil participates in the  
9 educational program for at least 1,098 hours during a school year, a waiver that is granted  
10 for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is  
11 revoked by the superintendent.

12 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid for  
13 1 fiscal year and must be renewed annually to remain in effect.

14 (h) The superintendent shall promulgate rules for the implementation of this  
15 subsection.

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

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

32 (6) In addition to any other penalty or forfeiture under this section, if at any time

1 the department determines that 1 or more of the following has occurred in a district, the  
2 district shall forfeit in the current fiscal year beginning in the next payment to be  
3 calculated by the department a proportion of the funds due to the district under this article  
4 that is equal to the proportion below the required minimum number of hours and days of pupil  
5 instruction under subsection (3), as specified in the following:

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

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

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

15 (a) Except as otherwise provided in this subsection, a pupil must be scheduled for at  
16 least the required minimum number of hours of instruction, excluding study halls, or at least  
17 the sum of 90 hours plus the required minimum number of hours of instruction, including up to  
18 2 study halls.

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

22 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for  
23 whom a reduced schedule is determined to be in the individual pupil's best educational  
24 interest must be scheduled for a number of hours equal to at least 80% of the required  
25 minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A  
26 pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule  
27 under this subsection if the pupil is scheduled for a number of hours equal to at least 75%  
28 of the required minimum number of hours of pupil instruction to be considered a full-time  
29 equivalent pupil.

30 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or  
31 a special education pupil cannot receive the required minimum number of hours of pupil  
32 instruction solely because of travel time between instructional sites during the school day,

1 that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil  
2 instruction time for the purpose of determining whether the pupil is receiving the required  
3 minimum number of hours of pupil instruction. However, if a district demonstrates to the  
4 satisfaction of the department that the travel time limitation under this subdivision would  
5 create undue costs or hardship to the district, the department may consider more travel time  
6 to be pupil instruction time for this purpose.

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

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

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

18 (8) Except as otherwise provided in subsections (11) and (12), the department shall  
19 apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

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

1 (a) If the waiver is for a blended model of delivery, a waiver that is granted for the  
2 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by  
3 the superintendent.

4 (b) If the waiver is for a 100% online model of delivery and the educational program  
5 for which the waiver is granted makes educational services available to pupils for a minimum  
6 of at least 1,098 hours during a school year and ensures that each pupil participates in the  
7 educational program for at least 1,098 hours during a school year, a waiver that is granted  
8 for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is  
9 revoked by the superintendent.

10 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1  
11 fiscal year and must be renewed annually to remain in effect.

12 (10) A district may count up to 38 hours of qualifying professional development for  
13 teachers as hours of pupil instruction. Professional development provided online is allowable  
14 and encouraged, as long as the instruction has been approved by the district. The department  
15 shall issue a list of approved online professional development providers, which shall include  
16 the Michigan virtual school. As used in this subsection, "qualifying professional  
17 development" means professional development that is focused on 1 or more of the following:

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

20 (b) Achieving accreditation or improving a school's accreditation status under section  
21 1280 of the revised school code, MCL 380.1280.

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

24 (d) Integrating technology into classroom instruction.

25 (e) Maintaining teacher certification.

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

29 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout  
30 recovery program that meets the requirements of section 23a. As used in this subsection,  
31 "eligible pupil" means that term as defined in section 23a.

32 (13) Beginning in 2013, at least every 2 years the superintendent shall review the

1 waiver standards set forth in the pupil accounting and auditing manuals to ensure that the  
2 waiver standards and waiver process continue to be appropriate and responsive to changing  
3 trends in online learning. The superintendent shall solicit and consider input from  
4 stakeholders as part of this review.

5           Sec. 102. (1) A district or intermediate district receiving money under this ~~act~~  
6 **ARTICLE** shall not adopt or operate under a deficit budget, and a district or intermediate  
7 district shall not incur an operating deficit in a fund during a school fiscal year. A  
8 district or intermediate district that has an existing deficit fund balance, that incurs a  
9 deficit fund balance in the most recently completed school fiscal year, or that adopts a  
10 current year budget that projects a deficit fund balance shall not be allotted or paid a  
11 further sum under this ~~act~~ **ARTICLE** until the district or intermediate district submits to the  
12 department for approval a budget for the current school fiscal year and a plan to eliminate  
13 the district's or intermediate district's deficit not later than the end of the second school  
14 fiscal year after the deficit was incurred or the budget projecting a deficit was adopted.  
15 Withheld state aid payments shall be released after the department approves the deficit  
16 ~~reduction~~ **ELIMINATION** plan and ensures that the budget for the current school fiscal year is  
17 balanced. After the department approves a district's or intermediate district's deficit  
18 ~~reduction~~ **ELIMINATION** plan, the district or intermediate district shall post the deficit  
19 elimination plan on the district's or intermediate district's website.

20           (2) Not later than March 1 of each year, the department shall prepare a report of  
21 deficits incurred or projected by districts and intermediate districts in the immediately  
22 preceding fiscal year and the progress made in reducing those deficits and submit the report  
23 to the standing committees of the legislature responsible for K-12 education legislation, the  
24 appropriations subcommittees of the legislature responsible for K-12 education  
25 appropriations, the house and senate fiscal agencies, the state treasurer, and the state  
26 budget director. The department also shall submit quarterly interim reports concerning the  
27 progress made by districts and intermediate districts in reducing those deficits. On a  
28 quarterly basis, the superintendent of public instruction shall publicly present those  
29 reports to the appropriations subcommittees of the legislature responsible for K-12 education  
30 appropriations.

31           (3) The amount of the permissible deficit for each school fiscal year shall not exceed  
32 the amount of state aid reduced by an executive order during that school fiscal year.

1 (4) A district or intermediate district that has an existing deficit fund balance,  
2 that incurs a deficit fund balance in the most recently completed school fiscal year, or that  
3 adopts a current year budget that projects a deficit fund balance shall submit to the  
4 department a monthly monitoring report on revenue and expenditures in a form and manner  
5 prescribed by the department and shall post these reports on its website.

6 (5) If a district or intermediate district is not able to comply with the provisions  
7 of this section, the district or intermediate district shall submit to the department a plan  
8 to eliminate its deficit. Upon approval of the plan submitted, the superintendent of public  
9 instruction may continue allotment and payment of funds under this ~~act~~ **ARTICLE**, extend the  
10 period of time in which a district or intermediate district has to eliminate its deficit, and  
11 set special conditions that the district or intermediate district must meet during the period  
12 of the extension. After the department approves a district's or intermediate district's  
13 deficit ~~reduction~~ **ELIMINATION** plan under this subsection, the district or intermediate  
14 district shall post the deficit elimination plan on the district's or intermediate district's  
15 website.

16 (6) For the purposes of this section, "deficit fund balance" means that term as  
17 defined in the Michigan public school accounting manual published by the department.

18 Sec. 104. (1) In order to receive state aid under this article, a district shall  
19 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,  
20 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL  
21 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money  
22 appropriated in section 11, there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014 AND**  
23 **2014-2015** an amount not to exceed \$26,694,400.00 for payments on behalf of districts for  
24 costs associated with complying with those provisions of law. In addition, from the federal  
25 funds appropriated in section 11, there is allocated **EACH FISCAL YEAR** for ~~2012-2013~~ **2013-2014**  
26 **AND 2014-2015** an amount estimated at \$8,250,000.00, funded from DED-OESE, title VI, state  
27 assessment funds, and from DED-OSERS, section 504 of part B of the individuals with  
28 disabilities education act, Public Law 94-142, plus any carryover federal funds from previous  
29 year appropriations, for the purposes of complying with the federal no child left behind act  
30 of 2001, Public Law 107-110.

31 (2) The results of each test administered as part of the Michigan educational  
32 assessment program, including tests administered to high school students, shall include an

1 item analysis that lists all items that are counted for individual pupil scores and the  
2 percentage of pupils choosing each possible response.

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

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

9 (5) As used in this section:

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

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

12 (c) "DED-OSERS" means the DED office of special education and rehabilitative services.

13 Sec.107. (1) From the appropriation in section 11, there is allocated **EACH FISCAL**  
14 **YEAR** an amount not to exceed \$22,000,000.00 for ~~2012-2013~~ **2013-2014 AND 2014-2015** for adult  
15 education programs authorized under this section. Funds allocated under this section are  
16 restricted for adult education programs as authorized under this section only. A recipient of  
17 funds under this section shall not use those funds for any other purpose.

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

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

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

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

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

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

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

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

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

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

10 (4) Except as otherwise provided in subsection (5), the money allocated under this  
11 section shall be distributed as follows:

12 (a) For districts and consortia that received payments for ~~2011-2012~~ **THE IMMEDIATELY**  
13 **PRECEDING FISCAL YEAR** under this section, the amount allocated to each for ~~2012-2013~~ **THE**  
14 **CURRENT FISCAL YEAR** shall be based on the number of participants served by the district or  
15 consortium for ~~2012-2013~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**, using the amount allocated  
16 per full-time equated participant under subsection (7), up to a maximum total allocation  
17 under this subsection in an amount equal to the amount the district or consortium received  
18 for ~~2011-2012~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under this section before any  
19 reallocations made for ~~2011-2012~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** under subsection (5).

20 (b) A district or consortium that received funding in ~~2011-2012~~ **THE IMMEDIATELY**  
21 **PRECEDING FISCAL YEAR** under this section may operate independently of a consortium or join or  
22 form a consortium for ~~2012-2013~~ **THE CURRENT FISCAL YEAR**. The allocation for ~~2012-2013~~ **THE**  
23 **CURRENT FISCAL YEAR** to the district or the newly formed consortium under this subsection  
24 shall be determined by the department and shall be based on the proportion of the amounts  
25 that are attributable to the district or consortium that received funding in ~~2011-2012~~ **THE**  
26 **IMMEDIATELY PRECEDING FISCAL YEAR**. A district or consortium described in this subdivision  
27 shall notify the department of its intention with regard to ~~2012-2013~~ **THE CURRENT FISCAL YEAR**  
28 by October 1, ~~2012~~ **OF THE CURRENT FISCAL YEAR**.

29 (5) A district that operated an adult education program in ~~2011-2012~~ **THE IMMEDIATELY**  
30 **PRECEDING FISCAL YEAR** and does not intend to operate a program in ~~2012-2013~~ **THE CURRENT**  
31 **FISCAL YEAR** shall notify the department by October 1, ~~2012~~ **OF THE CURRENT FISCAL YEAR** of its  
32 intention. The money intended to be allocated under this section to a district that does not

1 operate a program in ~~2012-2013~~ **THE CURRENT FISCAL YEAR** and the unspent money originally  
2 allocated under this section to a district or consortium that subsequently operates a program  
3 at less than the level of funding allocated under subsection (4) and any other unallocated  
4 money under this section shall instead be proportionately reallocated to the other districts  
5 described in subsection (4) (a) that are operating an adult education program in ~~2012-2013~~ **THE**  
6 **CURRENT FISCAL YEAR** under this section.

7 (6) The amount allocated under this section per full-time equated participant is  
8 \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program  
9 offering less than 450 hours of instruction.

10 (7) An adult basic education program or an adult English as a second language program  
11 operated on a year-round or school year basis may be funded under this section, subject to  
12 all of the following:

13 (a) The program enrolls adults who are determined by a department-approved assessment,  
14 in a form and manner prescribed by the department, to be below ninth grade level in reading  
15 or mathematics, or both, or to lack basic English proficiency.

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

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

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

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

25 (d) A funding recipient enrolling a participant in an English as a second language  
26 program is eligible for funding according to subsection (11) until the participant meets 1 of  
27 the following:

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

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

1 this program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (b) The program tests participants described in subdivision (a) before enrollment and

1 upon completion of the program in compliance with the department-approved assessment policy.

2 (c) An individual may be enrolled in this program and the grant recipient shall  
3 receive funding according to subsection (11) until 1 of the following occurs:

4 (i) The individual achieves the requisite skills as determined by department-approved  
5 assessment instruments.

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

8 (11) A funding recipient shall receive payments under this section in accordance with  
9 the following:

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

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

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

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

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

30 (15) A district shall not commingle money received under this section or from another  
31 source for adult education purposes with any other funds of the district. A district  
32 receiving adult education funds shall establish a separate ledger account for those funds.

1 This subsection does not prohibit a district from using general funds of the district to  
2 support an adult education or community education program.

3 (16) A district or intermediate district receiving funds under this section may  
4 establish a sliding scale of tuition rates based upon a participant's family income. A  
5 district or intermediate district may charge a participant tuition to receive adult education  
6 services under this section from that sliding scale of tuition rates on a uniform basis. The  
7 amount of tuition charged per participant shall not exceed the actual operating cost per  
8 participant minus any funds received under this section per participant. A district or  
9 intermediate district may not charge a participant tuition under this section if the  
10 participant's income is at or below 200% of the federal poverty guidelines published by the  
11 United States department of health and human services.

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

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

21 (19) As used in this section, "department" means the Michigan strategic fund.

22 Sec. 147. **(1)** The allocation for ~~2012-2013~~ **THE 2013-2014 AND 2014-2015 FISCAL YEARS**  
23 for the public school employees' retirement system pursuant to the public school employees  
24 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry  
25 age normal cost actuarial method and risk assumptions adopted by the public school employees  
26 retirement board and the department of technology, management, and budget.

27 **(2) THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES FOR THE 2013-2014 FISCAL**  
28 **YEAR, AS DETERMINED BY THE RETIREMENT SYSTEM, ARE ESTIMATED AS FOLLOWS:**

29 **(A)** For public school employees who first worked for a public school reporting unit  
30 before July 1, 2010 **AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY**, the annual level  
31 percentage of payroll contribution rate is estimated at ~~18.62%~~ **29.35%, WITH 24.79% PAID**  
32 **DIRECTLY BY THE EMPLOYER** ~~for pension and at 8.75% for retiree health care for the 2012-2013~~

1 ~~fiscal year, unless a different contribution rate is calculated and applied by the office of~~  
2 ~~retirement services pursuant to provisions enacted under Senate Bill No. 1040 of the 96th~~  
3 ~~Legislature.~~

4 (B) For public school employees who first worked for a public school reporting unit on  
5 or after July 1, 2010 **AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY**, the annual level  
6 percentage of payroll contribution rate is estimated at ~~17.39%~~ **29.12%, WITH 24.56% PAID**  
7 **DIRECTLY BY THE EMPLOYER** ~~for pension and 8.75% for retiree health care for the 2012-2013~~  
8 ~~fiscal year, unless a different contribution rate is calculated and applied by the office of~~  
9 ~~retirement services pursuant to provisions enacted under Senate Bill No. 1040 of the 96th~~  
10 ~~Legislature. For public school employees who first worked for a public school reporting unit~~  
11 ~~before July 1, 2010, the annual level percentage of payroll contribution rate is estimated at~~  
12 ~~22.46% for pension and 8.75% for retiree health care for the 2013-2014 fiscal year, unless a~~  
13 ~~different contribution rate is calculated and applied by the office of retirement services~~  
14 ~~pursuant to provisions enacted under Senate Bill No. 1040 of the 96th Legislature. For public~~  
15 ~~school employees who first worked for a public school reporting unit on or after July 1,~~  
16 ~~2010, the annual level percentage of payroll contribution rate is estimated at 21.19% for~~  
17 ~~pension and 8.75% for retiree health care for the 2013-2014 fiscal year, unless a different~~  
18 ~~contribution rate is calculated and applied by the office of retirement services pursuant to~~  
19 ~~provisions enacted under Senate Bill No. 1040 of the 96th Legislature.~~

20 (C) **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON**  
21 **OR AFTER JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL**  
22 **PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 28.19%, WITH 23.63% PAID DIRECTLY BY**  
23 **THE EMPLOYER.**

24 (D) **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON**  
25 **OR AFTER SEPTEMBER 4, 2012 AND WHO ELECT DEFINED CONTRIBUTION AND WHO PARTICIPATE IN THE**  
26 **PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS**  
27 **ESTIMATED AT 25.52%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.**

28 (E) **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT**  
29 **BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO ARE ENROLLED IN THE HEALTH**  
30 **PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT**  
31 **26.45%, WITH 21.89% PAID DIRECTLY BY THE EMPLOYER.**

32 (F) **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT**

1 BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO PARTICIPATE IN THE PERSONAL  
2 HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT  
3 25.52%, WITH 20.96% PAID BY THE EMPLOYER.

4 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT  
5 BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL  
6 PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 28.42%, WITH 23.86% PAID DIRECTLY BY  
7 THE EMPLOYER.

8 (3) THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATES FOR THE 2014-2015 FISCAL  
9 YEAR, AS DETERMINED BY THE RETIREMENT SYSTEM, ARE ESTIMATED AS FOLLOWS:

10 (A) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT  
11 BEFORE JULY 1, 2010 AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL  
12 PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 33.10%, WITH 25.78% PAID DIRECTLY BY  
13 THE EMPLOYER.

14 (B) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON  
15 OR AFTER JULY 1, 2010 AND WHO ARE ENROLLED IN THE HEALTH PREMIUM SUBSIDY, THE ANNUAL LEVEL  
16 PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.02%, WITH 24.70% PAID DIRECTLY BY  
17 THE EMPLOYER.

18 (C) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON  
19 OR AFTER JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL  
20 PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 31.51%, WITH 24.19% PAID DIRECTLY BY  
21 THE EMPLOYER.

22 (D) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON  
23 OR AFTER SEPTEMBER 4, 2012 AND WHO ELECT DEFINED CONTRIBUTION AND WHO PARTICIPATE IN THE  
24 PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS  
25 ESTIMATED AT 28.28%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

26 (E) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT  
27 BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO ARE ENROLLED IN THE HEALTH  
28 PREMIUM SUBSIDY, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT  
29 28.79%, WITH 21.47% PAID DIRECTLY BY THE EMPLOYER.

30 (F) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT  
31 BEFORE JULY 1, 2010 AND WHO ELECT DEFINED CONTRIBUTION AND WHO PARTICIPATE IN THE PERSONAL  
32 HEALTHCARE FUND, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT

1 28.28%, WITH 20.96% PAID DIRECTLY BY THE EMPLOYER.

2 (G) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT  
3 BEFORE JULY 1, 2010 AND WHO PARTICIPATE IN THE PERSONAL HEALTHCARE FUND, THE ANNUAL LEVEL  
4 PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 32.59%, WITH 25.27% PAID DIRECTLY BY  
5 THE EMPLOYER.

6 (4) IN ADDITION, THE EMPLOYER SHALL PAY THE APPLICABLE DEFINED CONTRIBUTIONS, AS  
7 DETERMINED BY THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300.

8 (5) ~~The portion of the contribution rate assigned to districts and intermediate~~  
9 ~~districts for each fiscal year is all of the total percentage points. This~~ THE contribution  
10 ~~rate~~ RATES IN SUBSECTION (2) ~~reflects~~ REFLECT an amortization period of ~~26~~ 25 years for ~~2012-~~  
11 ~~2013~~ THE 2013-2014 FISCAL YEAR. The public school employees' retirement system board shall  
12 notify each district and intermediate district by February 28 of each fiscal year of the  
13 estimated contribution rate for the next fiscal year.

14 Sec. 147a. From the appropriation in section 11, there is allocated EACH FISCAL YEAR  
15 for ~~2012-2013~~ 2013-2014 AND 2014-2015 an amount not to exceed \$155,000,000.00 for payments to  
16 participating districts. A district that receives money under this section shall use that  
17 money solely for the purpose of offsetting a portion of the retirement contributions owed by  
18 the district for the fiscal year ~~ending September 30, 2013~~ IN WHICH IT IS RECEIVED. The  
19 amount allocated to each participating district under this section shall be based on each  
20 participating district's percentage of the total statewide payroll for all participating  
21 districts for the immediately preceding fiscal year. As used in this section, "participating  
22 district" means a district that is a reporting unit of the Michigan public school employees'  
23 retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL  
24 38.1301 to 38.1408, and that reports employees to the Michigan public school employees'  
25 retirement system for the applicable fiscal year.

26 Sec. 147b. ~~(1) From the appropriation in section 11, there is allocated an amount not~~  
27 ~~to exceed \$133,000,000.00 for 2011-2012 and an amount not to exceed \$41,000,000.00 for 2012-~~  
28 ~~2013 for the purposes of this section. The money allocated in this section represents a~~  
29 ~~portion of the year-end school aid fund balance. Money allocated under this section shall be~~  
30 ~~deposited in the MPSEERS retirement obligation reform reserve fund.~~

31 (1) ~~(2)~~ The MPSEERS retirement obligation reform reserve fund is created as a separate  
32 account within the state school aid fund.

1           (2) The state treasurer may receive money or other assets from any source for deposit  
2 into the MPSERS retirement obligation reform reserve fund. The state treasurer shall direct  
3 the investment of the MPSERS retirement obligation reform reserve fund. The state treasurer  
4 shall credit to the MPSERS retirement obligation reform reserve fund interest and earnings  
5 from the MPSERS retirement obligation reform reserve fund.

6           **(3) MONEY AVAILABLE IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND MAY NOT BE**  
7 **EXPENDED WITHOUT A SPECIFIC APPROPRIATION.**

8           (4) Money in the MPSERS retirement obligation reform reserve fund at the close of the  
9 fiscal year shall remain in the MPSERS retirement obligation reform reserve fund and shall  
10 not lapse to the state school aid fund or to the general fund. The department of treasury  
11 shall be the administrator of the MPSERS retirement obligation reform reserve fund for  
12 auditing purposes.

13           ~~(3) It is the intent of the legislature that the speaker of the house of~~  
14 ~~representatives or the senate majority leader, or both, shall convene a workgroup to examine~~  
15 ~~retirement obligations and potential reforms to the Michigan public school employees'~~  
16 ~~retirement system established under the public school employees retirement act of 1979, 1980~~  
17 ~~PA 300, MCL 38.1301 to 38.1408. The chair of the senate appropriations committee and chair of~~  
18 ~~the house appropriations committee, or his or her designee, each shall be a member of the~~  
19 ~~workgroup, and the workgroup shall report to the speaker of the house of representatives or~~  
20 ~~the senate majority leader, as applicable, by February 1, 2012, on reforms identified,~~  
21 ~~timelines for implementing reforms, and estimated costs and savings of the identified~~  
22 ~~reforms.~~

23           **(5) IF THE CONTRIBUTIONS DESCRIBED IN SECTION 43E AS THAT SECTION WAS ADDED BY 2010 PA**  
24 **75, MCL 38.1343E ARE DETERMINED BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION FOR**  
25 **WHICH ALL RIGHTS OF APPEAL HAVE BEEN EXHAUSTED TO BE CONSTITUTIONAL AND IF THE ORDER FOR**  
26 **PRELIMINARY INJUNCTION IN CASE NO. 10-45-MM ISSUED ON JULY 13, 2010 IS LIFTED, THE MONIES**  
27 **PLACED IN A SEPARATE INTEREST BEARING ACCOUNT AS A RESULT OF IMPLEMENTING THE PRELIMINARY**  
28 **INJUNCTION SHALL BE DEPOSITED INTO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND**  
29 **CREATED IN THIS SECTION TO BE USED SOLELY FOR HEALTH CARE UNFUNDED ACCRUED LIABILITIES.**

30           Sec. 147c. (1) ~~Except as otherwise provided in subsection (2), from~~ FROM the  
31 appropriation in section 11, there is allocated for ~~2012-2013~~ **THE 2013-2014 FISCAL YEAR** an  
32 amount not to exceed ~~\$130,000,000.00~~ **\$253,300,000.00 FROM THE STATE SCHOOL AID FUND AND**

1 \$150,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AND FOR THE 2014-  
2 2015 FISCAL YEAR AN AMOUNT NOT TO EXCEED \$549,200,000.00 FROM THE STATE SCHOOL AID FUND AND  
3 \$100,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND FOR PAYMENTS to  
4 DISTRICTS AND INTERMEDIATE DISTRICTS THAT ARE PARTICIPATING ENTITIES OF the Michigan public  
5 school employees' retirement system.

6 (2) PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE  
7 UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE AS CALCULATED pursuant to section 41  
8 of the public school employees' retirement act of 1979, 1980 PA 300, MCL 38.1341, AS  
9 CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96% STIPULATED IN  
10 SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341  
11 AND THE MAXIMUM EMPLOYER RATE OF 20.96% STIPULATED IN SECTION 41 OF THE PUBLIC SCHOOL  
12 EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

13 ~~(2) If section 41 of the public school employees' retirement act of 1979, 1980 PA 300,~~  
14 ~~MCL 38.1341, is not amended by Senate Bill No. 1040 of the 96th Legislature, then the~~  
15 ~~allocation under subsection (1) shall lapse to the state school aid fund unless the~~  
16 ~~legislature takes action to allocate the funding in another manner.~~

17 (3) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SECTION SHALL BE BASED  
18 ON EACH PARTICIPATING ENTITY'S PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY  
19 PRECEDING FISCAL YEAR FOR ALL DISTRICTS AND INTERMEDIATE DISTRICTS THAT ARE PARTICIPATING  
20 ENTITIES. PARTICIPATING ENTITIES THAT RECEIVE FUNDS UNDER THIS SECTION SHALL USE THE FUNDS  
21 SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS AS SPECIFIED IN SUBSECTION (4).

22 (4) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL FORWARD AN  
23 AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER SUBSECTION (3) TO THE RETIREMENT SYSTEM IN A FORM,  
24 MANNER, AND TIMEFRAME DETERMINED BY THE RETIREMENT SYSTEM.

25 (5) AS USED IN THIS SECTION:

26 (A) "PARTICIPATING ENTITY" MEANS A DISTRICT OR INTERMEDIATE DISTRICT THAT IS A  
27 REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC  
28 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT  
29 REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE  
30 APPLICABLE FISCAL YEAR.

31 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE RETIREMENT SYSTEM UNDER  
32 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

1 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
2 UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO  
3 38.1437.

4 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v  
5 State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state  
6 school aid fund money appropriated in section 11 there is allocated for ~~2012-2013~~ **2013-2014**  
7 **AND 2014-2015** an amount not to exceed \$38,000,500.00 to be used solely for the purpose of  
8 paying necessary costs related to the state-mandated collection, maintenance, and reporting  
9 of data to this state.

10 (2) From the allocation in subsection (1), the department shall make payments to  
11 districts and intermediate districts in an equal amount per pupil based on the total number  
12 of pupils in membership in each district and intermediate district. The department shall not  
13 make any adjustment to these payments after the final installment payment under section 17b  
14 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 THIS SECTION ARE APPROPRIATED FOR COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, AND ARE ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN THIS SECTION:

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1	COMMUNITY COLLEGES	
2	APPROPRIATION SUMMARY	
3	GROSS APPROPRIATION .....	\$ 335,977,600 \$ 352,277,600
4	TOTAL INTERDEPARTMENTAL GRANTS AND	
5	INTRADEPARTMENTAL TRANSFERS.....	0 0
6	ADJUSTED GROSS APPROPRIATION .....	\$ 335,977,600 \$ 352,277,600
7	TOTAL FEDERAL REVENUES .....	0 0
8	TOTAL LOCAL REVENUES .....	0 0
9	TOTAL PRIVATE REVENUES .....	0 0
10	TOTAL OTHER STATE RESTRICTED REVENUES .....	197,614,100 197,614,100
11	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 138,363,500 \$ 154,663,500
12	(2) OPERATIONS	
13	ALPENA COMMUNITY COLLEGE .....	\$ 5,217,900 \$ 5,217,900
14	BAY DE NOC COMMUNITY COLLEGE .....	5,258,600 5,258,600
15	DELTA COLLEGE .....	14,016,600 14,016,600
16	GLEN OAKS COMMUNITY COLLEGE .....	2,432,400 2,432,400
17	GOGEBIC COMMUNITY COLLEGE .....	4,313,300 4,313,300
18	GRAND RAPIDS COMMUNITY COLLEGE .....	17,388,500 17,388,500
19	HENRY FORD COMMUNITY COLLEGE .....	20,975,000 20,975,000
20	JACKSON COMMUNITY COLLEGE .....	11,712,900 11,712,900
21	KALAMAZOO VALLEY COMMUNITY COLLEGE .....	12,080,200 12,080,200
22	KELLOGG COMMUNITY COLLEGE .....	9,489,200 9,489,200
23	KIRTLAND COMMUNITY COLLEGE .....	3,048,300 3,048,300
24	LAKE MICHIGAN COLLEGE .....	5,158,500 5,158,500
25	LANSING COMMUNITY COLLEGE .....	29,909,300 29,909,300
26	MACOMB COMMUNITY COLLEGE .....	31,807,800 31,807,800
27	MID MICHIGAN COMMUNITY COLLEGE .....	4,505,700 4,505,700
28	MONROE COUNTY COMMUNITY COLLEGE .....	4,330,900 4,330,900
29	MONTCALM COMMUNITY COLLEGE .....	3,111,900 3,111,900
30	C.S. MOTT COMMUNITY COLLEGE .....	15,190,800 15,190,800
31	MUSKEGON COMMUNITY COLLEGE .....	8,620,300 8,620,300
32	NORTH CENTRAL MICHIGAN COLLEGE .....	3,056,100 3,056,100

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 NORTHWESTERN MICHIGAN COLLEGE .....	8,791,300	8,791,300
2 OAKLAND COMMUNITY COLLEGE .....	20,413,500	20,413,500
3 ST. CLAIR COUNTY COMMUNITY COLLEGE .....	6,835,200	6,835,200
4 SCHOOLCRAFT COLLEGE .....	12,074,100	12,074,100
5 SOUTHWESTERN MICHIGAN COLLEGE .....	6,377,200	6,377,200
6 WASHTENAW COMMUNITY COLLEGE .....	12,581,700	12,581,700
7 WAYNE COUNTY COMMUNITY COLLEGE .....	16,138,200	16,138,200
8 WEST SHORE COMMUNITY COLLEGE .....	2,339,900	2,339,900
9 SKILLED TRADES FORMULA FUNDING .....	<u>1,068,700</u>	<u>1,068,700</u>
10 GROSS APPROPRIATION .....	\$ 298,244,000	\$ 298,244,000
11       APPROPRIATED FROM:		
12 STATE SCHOOL AID FUND .....	195,880,500	195,880,500
13 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 102,363,500	\$ 102,363,500
14       (3) MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT		
15           SYSTEM (MPSERS)		
16 MPSERS REFORM COSTS .....	\$ 31,400,000	\$ 48,800,000
17 MPSERS RETIREE HEALTH CARE REIMBURSEMENT .....	<u>1,733,600</u>	<u>1,733,600</u>
18 GROSS APPROPRIATION .....	\$ 33,133,600	\$ 50,533,600
19       APPROPRIATED FROM:		
20 STATE SCHOOL AID FUND .....	1,733,600	1,733,600
21 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 31,400,000	\$ 48,800,000
22       (4) RENAISSANCE ZONE REIMBURSEMENTS		
23 RENAISSANCE ZONE REIMBURSEMENTS .....	<u>3,500,000</u>	<u>3,500,000</u>
24 GROSS APPROPRIATION .....	\$ 3,500,000	\$ 3,500,000
25       APPROPRIATED FROM:		
26 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 3,500,000	\$ 3,500,000
27       (5) ONE-TIME APPROPRIATIONS		
28 VIRTUAL LEARNING COLLABORATIVE .....	<u>1,100,000</u>	<u>0</u>
29 GROSS APPROPRIATION .....	\$ 1,100,000	\$ 0
30       APPROPRIATED FROM:		
31 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,100,000	\$ 0

32       SEC. 202. ALL APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE SUBJECT TO THE

1 MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101 TO 18.1594.

2 SEC. 202A. AS USED IN THIS ARTICLE, "WORKFORCE DEVELOPMENT AGENCY" MEANS THE WORKFORCE  
3 DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC FUND.

4 SEC. 203. UNLESS OTHERWISE SPECIFIED, A COMMUNITY COLLEGE THAT RECEIVES APPROPRIATIONS  
5 IN SECTION 201 AND THE WORKFORCE DEVELOPMENT AGENCY SHALL USE THE INTERNET TO FULFILL THE  
6 REPORTING REQUIREMENTS OF THIS ARTICLE. THIS REQUIREMENT MAY INCLUDE TRANSMISSION OF REPORTS  
7 VIA ELECTRONIC MAIL TO THE RECIPIENTS IDENTIFIED FOR EACH REPORTING REQUIREMENT OR IT MAY  
8 INCLUDE PLACEMENT OF REPORTS ON AN INTERNET OR INTRANET SITE.

9 SEC. 206. THE FUNDS APPROPRIATED IN SECTION 201 ARE APPROPRIATED FOR COMMUNITY  
10 COLLEGES WITH FISCAL YEARS ENDING JUNE 30, 2014 AND SHALL BE PAID OUT OF THE STATE TREASURY  
11 AND DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE COMMUNITY COLLEGES IN 11 MONTHLY  
12 INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING  
13 WITH OCTOBER 16, 2013. EACH COMMUNITY COLLEGE SHALL ACCRUE ITS JULY AND AUGUST 2014 PAYMENTS  
14 TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2014. HOWEVER, IF THE STATE BUDGET DIRECTOR  
15 DETERMINES THAT A COMMUNITY COLLEGE FAILED TO SUBMIT ALL VERIFIED MICHIGAN COMMUNITY COLLEGES  
16 ACTIVITIES CLASSIFICATION STRUCTURE DATA FOR SCHOOL YEAR 2012-2013 TO THE WORKFORCE  
17 DEVELOPMENT AGENCY BY NOVEMBER 1, 2013, OR FAILED TO SUBMIT ITS P-20 LONGITUDINAL DATA SYSTEM  
18 DATA SET FOR SCHOOL YEAR 2012-2013 TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION  
19 UNDER SECTION 219, THE STATE TREASURER SHALL WITHHOLD THE MONTHLY INSTALLMENTS FROM THAT  
20 COMMUNITY COLLEGE UNTIL THOSE DATA ARE SUBMITTED. THE STATE BUDGET DIRECTOR SHALL NOTIFY THE  
21 CHAIRS OF THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES AT LEAST  
22 10 DAYS BEFORE WITHHOLDING FUNDS FROM ANY COMMUNITY COLLEGE.

23 SEC. 207. (1) A COMMUNITY COLLEGE SHALL PAY THE EMPLOYER'S CONTRIBUTIONS TO THE  
24 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM CREATED BY THE PUBLIC SCHOOL EMPLOYEES  
25 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408. THIS PAYMENT IS A CONDITION OF  
26 RECEIVING FUNDS APPROPRIATED UNDER THIS ARTICLE.

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

29 SEC. 207A. THE FISCAL YEAR 2013-2014 APPROPRIATION IN SECTION 201 FOR MICHIGAN PUBLIC  
30 SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIREE HEALTH CARE REIMBURSEMENT SHALL BE DISTRIBUTED  
31 PURSUANT TO THE CONDITIONS IN THIS SECTION. A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER  
32 THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE

1 RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014.  
2 THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER THIS SECTION SHALL BE  
3 BASED ON EACH PARTICIPATING COLLEGE'S TOTAL PAYROLL COVERED BY THE MICHIGAN PUBLIC SCHOOL  
4 EMPLOYEES' RETIREMENT SYSTEM IN PROPORTION TO THE TOTAL MICHIGAN PUBLIC SCHOOL EMPLOYEES'  
5 RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR THE IMMEDIATELY  
6 PRECEDING STATE FISCAL YEAR. AS USED IN THIS SECTION, "PARTICIPATING COLLEGE" MEANS A  
7 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. 207B. (1) THE FUNDS APPROPRIATED IN SECTION 201 FOR MICHIGAN PUBLIC SCHOOL  
12 EMPLOYEES' RETIREMENT SYSTEM REFORM COSTS SHALL BE USED FOR PAYMENTS TO COMMUNITY COLLEGES  
13 THAT ARE PARTICIPATING ENTITIES OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM.

14 (2) PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE  
15 UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE AS CALCULATED PURSUANT TO SECTION 41  
16 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341 AS  
17 CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96% STIPULATED IN  
18 SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341  
19 AND THE MAXIMUM EMPLOYER RATE OF 20.96% STIPULATED IN SECTION 41 OF THE PUBLIC SCHOOL  
20 EMPLOYEES' RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

21 (3) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS SECTION SHALL BE BASED  
22 ON EACH COMMUNITY COLLEGE'S PERCENTAGE OF THE TOTAL PAYROLL FOR ALL COMMUNITY COLLEGES THAT  
23 ARE PARTICIPATING ENTITIES FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. COMMUNITY COLLEGES THAT  
24 RECEIVE FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT  
25 CONTRIBUTIONS AS SPECIFIED IN SUBSECTION (4).

26 (4) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL FORWARD AN  
27 AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER SUBSECTION (3) TO THE RETIREMENT SYSTEM IN A FORM,  
28 MANNER, AND TIMEFRAME DETERMINED BY THE RETIREMENT SYSTEM.

29 (5) AS USED IN THIS SECTION:

30 (A) "PARTICIPATING ENTITY" MEANS A COMMUNITY COLLEGE THAT IS A REPORTING UNIT OF THE  
31 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES  
32 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO

1 THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

2 (B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE RETIREMENT SYSTEM UNDER  
3 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

4 (C) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
5 UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO  
6 38.1437.

7 SEC. 207C. THE FISCAL YEAR 2013-2014 ONE-TIME APPROPRIATION IN SECTION 201 FOR THE  
8 VIRTUAL LEARNING COLLABORATIVE SHALL BE DISTRIBUTED TO A COMMUNITY COLLEGE ON BEHALF OF THE  
9 MICHIGAN COMMUNITY COLLEGE ASSOCIATION FOR PURPOSES OF ENHANCING THE VIRTUAL LEARNING  
10 COLLABORATIVE. THE RECIPIENT ENTITY SHALL PROVIDE INFORMATION UPON REQUEST TO THE STATE  
11 BUDGET DIRECTOR, SENATE FISCAL AGENCY, AND HOUSE FISCAL AGENCY ON THE USE OF THESE FUNDS  
12 UNTIL THE PROJECT IS COMPLETED.

13 SEC. 209. (1) WITHIN 30 DAYS AFTER THE BOARD OF A COMMUNITY COLLEGE ADOPTS ITS ANNUAL  
14 OPERATING BUDGET FOR THE FOLLOWING INSTITUTIONAL FISCAL YEAR, OR AFTER THE BOARD ADOPTS A  
15 SUBSEQUENT REVISION TO THAT BUDGET, THE COMMUNITY COLLEGE SHALL MAKE ALL OF THE FOLLOWING  
16 AVAILABLE THROUGH A LINK ON ITS WEBSITE HOMEPAGE:

17 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET REVISIONS.

18 (B) A LINK TO THE MOST RECENT "ACTIVITIES CLASSIFICATION STRUCTURE DATABOOK" AND  
19 "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES".

20 (C) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR FISCAL YEAR 2013-2014 AND  
21 FISCAL YEAR 2014-2015.

22 (D) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, ANTICIPATED FISCAL  
23 YEAR 2013-2014 PAYMENT FOR EACH PROJECT, AND TOTAL OUTSTANDING DEBT.

24 (E) LINKS TO ALL OF THE FOLLOWING FOR THE COMMUNITY COLLEGE:

25 (I) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH BARGAINING UNIT.

26 (II) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED TO, MEDICAL, DENTAL,  
27 VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFITS THAT WOULD CONSTITUTE  
28 HEALTH CARE SERVICES, OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE COMMUNITY COLLEGE.

29 (III) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL YEAR FOR WHICH THEY ARE  
30 AVAILABLE.

31 (2) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, COMMUNITY COLLEGES MUST USE THE  
32 ICON BADGE PROVIDED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET CONSISTENT WITH

1 THE ICON BADGE DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12 SCHOOL DISTRICTS. IT MUST  
2 APPEAR ON THE FRONT OF EACH COMMUNITY COLLEGE'S HOMEPAGE. THE SIZE OF THE ICON MAY BE REDUCED  
3 TO 150 X 150 PIXELS.

4 (3) THE STATE BUDGET DIRECTOR MAY DETERMINE WHETHER A COMMUNITY COLLEGE HAS COMPLIED  
5 WITH THIS SECTION. THE STATE BUDGET DIRECTOR MAY WITHHOLD A COMMUNITY COLLEGE'S MONTHLY  
6 INSTALLMENTS DESCRIBED IN SECTION 206 UNTIL THE COMMUNITY COLLEGE COMPLIES WITH THIS SECTION.  
7 THE STATE BUDGET DIRECTOR SHALL NOTIFY THE CHAIRS OF THE HOUSE AND SENATE APPROPRIATIONS  
8 SUBCOMMITTEE ON COMMUNITY COLLEGES AT LEAST 10 DAYS BEFORE WITHHOLDING FUNDS FROM ANY  
9 COMMUNITY COLLEGE.

10 (4) EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING INFORMATION TO THE SENATE AND  
11 HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL  
12 AGENCIES, AND THE STATE BUDGET OFFICE BY NOVEMBER 15, 2013, AND POST THAT INFORMATION ON THE  
13 INTERNET WEBSITE REQUIRED UNDER SUBSECTION (1):

14 (A) BUDGETED FISCAL YEAR 2013-2014 GENERAL FUND REVENUE FROM TUITION AND FEES.

15 (B) BUDGETED FISCAL YEAR 2013-2014 GENERAL FUND REVENUE FROM STATE APPROPRIATIONS.

16 (C) BUDGETED FISCAL YEAR 2013-2014 GENERAL FUND REVENUE FROM PROPERTY TAXES.

17 (D) BUDGETED FISCAL YEAR 2013-2014 TOTAL GENERAL FUND REVENUE.

18 (E) BUDGETED FISCAL YEAR 2013-2014 TOTAL GENERAL FUND EXPENDITURES.

19 SEC. 210. (1) RECOGNIZING THE CRITICAL IMPORTANCE OF EDUCATION IN STRENGTHENING  
20 MICHIGAN'S WORKFORCE, EACH COMMUNITY COLLEGE IS ENCOURAGED TO EXPLORE WAYS OF INCREASING  
21 COLLABORATION AND COOPERATION WITH 4-YEAR UNIVERSITIES, PARTICULARLY IN THE AREAS RELATED TO  
22 TRAINING, INSTRUCTION, AND PROGRAM ARTICULATION.

23 (2) RECOGNIZING THE CENTRAL ROLE OF COMMUNITY COLLEGES IN RESPONDING TO LOCAL  
24 EMPLOYMENT NEEDS AND CHALLENGES, COMMUNITY COLLEGES ARE ENCOURAGED TO DEVELOP AND CONTINUE  
25 EFFORTS TO COLLABORATE WITH LOCAL EMPLOYERS AND STUDENTS TO IDENTIFY LOCAL EMPLOYMENT NEEDS  
26 AND STRATEGIES TO MEET THEM.

27 (3) COMMUNITY COLLEGES ARE ENCOURAGED TO COLLABORATE WITH EACH OTHER ON INNOVATIONS TO  
28 IDENTIFY AND MEET LOCAL EMPLOYMENT NEEDS.

29 (4) COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH UNIVERSITIES TO DEVELOP EQUIVALENCY  
30 STANDARDS OF CORE COLLEGE COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY THE  
31 INSTITUTIONS.

32 SEC. 213. COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH PUBLIC UNIVERSITIES IN THE

1 STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF STUDENTS  
2 THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY CREDITS. THESE  
3 STATEWIDE AGREEMENTS SHALL ENABLE STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT  
4 A COMMUNITY COLLEGE AND TRANSFERRED TO A BACCALAUREATE-GRANTING INSTITUTION BEFORE COMPLETING  
5 A DEGREE TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE  
6 COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.

7 SEC. 217. UNLESS OTHERWISE SPECIFICALLY STATED, ALL DATA ITEMS USED IN DETERMINING  
8 STATE AID IN THIS ARTICLE ARE AS DEFINED IN THE "2001 MANUAL FOR UNIFORM FINANCIAL REPORTING,  
9 MICHIGAN PUBLIC COMMUNITY COLLEGES", WHICH SHALL BE THE BASIS FOR REPORTING DATA, AND THE  
10 "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES", AS AMENDED,  
11 WHICH SHALL BE USED TO DOCUMENT FINANCIAL NEEDS OF THE COMMUNITY COLLEGES.

12 SEC. 218. COMMUNITY COLLEGES SHALL NOT INCLUDE IN THE ENROLLMENT DATA REPORTED FOR  
13 DETERMINING STATE AID UNDER THIS ARTICLE ANY STUDENT CREDIT HOURS OR STUDENT CONTACT HOURS  
14 FOR A STUDENT INCARCERATED IN A MICHIGAN PENAL INSTITUTION. EXCLUSION OF THESE STUDENTS IS  
15 INTENDED TO AVOID THE PAYMENT OF STATE AID UNDER THIS ARTICLE FOR THE SAME INDIVIDUALS FOR  
16 WHOM REIMBURSEMENT IS PROVIDED BY THE STATE CORRECTIONAL SYSTEM.

17 SEC. 219. BY JUNE 30 OF EACH YEAR, EACH COMMUNITY COLLEGE SHALL PROVIDE ITS P-20  
18 LONGITUDINAL DATA SYSTEM DATA SET FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER FOR  
19 EDUCATIONAL PERFORMANCE AND INFORMATION FOR INCLUSION IN THE P-20 LONGITUDINAL DATA SYSTEM  
20 DESCRIBED IN SECTION 94A.

21 SEC. 220. (1) THE AUDITOR GENERAL OR A CERTIFIED PUBLIC ACCOUNTANT APPOINTED BY THE  
22 AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF COMMUNITY COLLEGES AS THE AUDITOR GENERAL  
23 CONSIDERS NECESSARY.

24 (2) WITHIN 60 DAYS AFTER AN AUDIT REPORT IS RELEASED BY THE OFFICE OF THE AUDITOR  
25 GENERAL, THE PRINCIPAL EXECUTIVE OFFICER OF THE COMMUNITY COLLEGE THAT WAS AUDITED SHALL  
26 SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES, THE HOUSE AND SENATE FISCAL  
27 AGENCIES, THE WORKFORCE DEVELOPMENT AGENCY, THE AUDITOR GENERAL, AND THE STATE BUDGET  
28 DIRECTOR A PLAN TO COMPLY WITH AUDIT RECOMMENDATIONS. THE PLAN SHALL CONTAIN PROJECTED DATES  
29 AND RESOURCES REQUIRED, IF ANY, TO ACHIEVE COMPLIANCE WITH THE AUDIT RECOMMENDATIONS, OR A  
30 DOCUMENTED EXPLANATION OF THE COLLEGE'S NONCOMPLIANCE WITH THE AUDIT RECOMMENDATIONS  
31 CONCERNING THE MATTERS ON WHICH THE AUDITED COMMUNITY COLLEGE AND OFFICE OF THE AUDITOR  
32 GENERAL DISAGREE.

1           SEC. 221. (1) A COMMUNITY COLLEGE SHALL RETAIN CERTIFIED CLASS SUMMARIES, CLASS LISTS,  
2 REGISTRATION DOCUMENTS, AND STUDENT TRANSCRIPTS THAT ARE CONSISTENT WITH THE TAXONOMY OF  
3 COURSES. FOR EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR, THESE CERTIFIED DOCUMENTS SHALL  
4 IDENTIFY CLEARLY BY COURSE THE NUMBER OF IN-DISTRICT AND OUT-OF-DISTRICT STUDENT CREDIT AND  
5 CONTACT HOURS. THE CLASS SUMMARIES AND CLASS LISTS SHALL BE CONSISTENT WITH EACH OTHER AND  
6 SHALL INCLUDE THE COURSE PREFIX AND NUMBERS, COURSE TITLE, COURSE CREDIT AND CONTACT HOURS,  
7 CREDIT AND CONTACT HOURS GENERATED BY EACH STUDENT, AND ACTIVITY CLASSIFICATIONS CONSISTENT  
8 WITH THE TAXONOMY. AN AUDITABLE PROCESS SHALL BE USED BY THE COMMUNITY COLLEGE TO DETERMINE  
9 THE UNDUPLICATED HEAD COUNT FOR IN-DISTRICT STUDENTS, OUT-OF-DISTRICT STUDENTS, AND PRISONERS  
10 FOR EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR.

11           (2) A COMMUNITY COLLEGE SHALL RETAIN ALL CONTRACTS BETWEEN THE COMMUNITY COLLEGE AND  
12 AGENCIES THAT REIMBURSE THE COMMUNITY COLLEGE FOR THE COSTS OF INSTRUCTION FOR AUDIT  
13 PURPOSES.

14           SEC. 222. EACH COMMUNITY COLLEGE SHALL HAVE AN ANNUAL AUDIT OF ALL INCOME AND  
15 EXPENDITURES PERFORMED BY AN INDEPENDENT AUDITOR AND SHALL FURNISH THE INDEPENDENT AUDITOR'S  
16 MANAGEMENT LETTER AND AN ANNUAL AUDITED ACCOUNTING OF ALL GENERAL AND CURRENT FUNDS INCOME  
17 AND EXPENDITURES INCLUDING AUDITS OF COLLEGE FOUNDATIONS TO THE MEMBERS OF THE SENATE AND  
18 HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL  
19 AGENCIES, THE AUDITOR GENERAL, THE WORKFORCE DEVELOPMENT AGENCY, AND THE STATE BUDGET  
20 DIRECTOR BEFORE NOVEMBER 15 OF EACH YEAR. IF A COMMUNITY COLLEGE FAILS TO FURNISH THE AUDIT  
21 MATERIALS, THE MONTHLY STATE AID INSTALLMENTS SHALL BE WITHHELD FROM THAT COLLEGE UNTIL THE  
22 INFORMATION IS SUBMITTED. ALL REPORTING SHALL CONFORM TO THE REQUIREMENTS SET FORTH IN THE  
23 "2001 MANUAL FOR UNIFORM FINANCIAL REPORTING, MICHIGAN PUBLIC COMMUNITY COLLEGES". A  
24 COMMUNITY COLLEGE SHALL MAKE THE INFORMATION THE COMMUNITY COLLEGE IS REQUIRED TO PROVIDE  
25 UNDER THIS SECTION AVAILABLE TO THE PUBLIC ON ITS INTERNET WEBSITE.

26           SEC. 223. EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING TO THE WORKFORCE  
27 DEVELOPMENT AGENCY NO LATER THAN NOVEMBER 1 OF EACH YEAR:

28           (A) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS  
29 FISCAL YEAR, USING GUIDELINES AND PROCEDURES DEVELOPED BY THE WORKFORCE DEVELOPMENT AGENCY  
30 AND THE DEPARTMENT OF CIVIL RIGHTS.

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

1           SEC. 224. A COMMUNITY COLLEGE SHALL USE THE P-20 LONGITUDINAL DATA SYSTEM TO INFORM  
2 INTERESTED MICHIGAN HIGH SCHOOLS AND THE PUBLIC OF THE AGGREGATE ACADEMIC STATUS OF ITS  
3 STUDENTS FOR THE PREVIOUS ACADEMIC YEAR, IN A MANNER PRESCRIBED BY THE MICHIGAN COMMUNITY  
4 COLLEGE ASSOCIATION AND IN COOPERATION WITH THE MICHIGAN ASSOCIATION OF SECONDARY SCHOOL  
5 PRINCIPALS. COMMUNITY COLLEGES SHALL COOPERATE WITH THE CENTER FOR EDUCATIONAL PERFORMANCE  
6 AND INFORMATION TO MAINTAIN A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS WORK.

7           SEC. 225. EACH COMMUNITY COLLEGE SHALL REPORT TO THE HOUSE AND SENATE FISCAL AGENCIES,  
8 THE STATE BUDGET DIRECTOR, AND THE WORKFORCE DEVELOPMENT AGENCY BY AUGUST 31, 2013, THE  
9 TUITION AND MANDATORY FEES PAID BY A FULL-TIME IN-DISTRICT STUDENT AND A FULL-TIME OUT-OF-  
10 DISTRICT STUDENT AS ESTABLISHED BY THE COLLEGE GOVERNING BOARD FOR THE 2013-2014 ACADEMIC  
11 YEAR. THIS REPORT SHOULD ALSO INCLUDE THE ANNUAL COST OF ATTENDANCE BASED ON A FULL-TIME  
12 COURSE LOAD OF 30 CREDITS. EACH COMMUNITY COLLEGE SHALL ALSO REPORT ANY REVISIONS TO THE  
13 REPORTED 2012-2013 OR 2013-2014 ACADEMIC YEAR TUITION AND MANDATORY FEES ADOPTED BY THE  
14 COLLEGE GOVERNING BOARD TO THE HOUSE AND SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR,  
15 AND THE WORKFORCE DEVELOPMENT AGENCY WITHIN 15 DAYS OF BEING ADOPTED.

16           SEC. 226. EACH COMMUNITY COLLEGE SHALL REPORT TO THE WORKFORCE DEVELOPMENT AGENCY THE  
17 NUMBERS AND TYPE OF ASSOCIATE DEGREES AND OTHER CERTIFICATES AWARDED DURING THE PREVIOUS  
18 FISCAL YEAR. THE REPORT SHALL BE MADE NOT LATER THAN NOVEMBER 15 OF EACH YEAR.

19           SEC. 229. IT IS EXPECTED THAT EACH COMMUNITY COLLEGE RECEIVING AN APPROPRIATION IN  
20 SECTION 201 INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO WHETHER AN  
21 APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER OF THE MILITARY, A MEMBER OF THE  
22 NATIONAL GUARD OR MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A VETERAN, ACTIVE MEMBER  
23 OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, IN ORDER TO MORE  
24 QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE AVAILABLE TO THAT APPLICANT. AS USED IN  
25 THIS SECTION, "VETERAN" MEANS AN HONORABLY DISCHARGED VETERAN ENTITLED TO EDUCATIONAL  
26 ASSISTANCE UNDER THE PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS EDUCATIONAL  
27 ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW 110-252, 38 USC 3301 TO 3324.

28           SEC. 230. (1) A COMMUNITY COLLEGE IS ONLY ELIGIBLE FOR ANY ADDITIONAL FUNDING PROVIDED  
29 TO COMMUNITY COLLEGE OPERATIONS UNDER SECTION 201(2) IN FISCAL YEAR 2013-2014 THAT EXCEEDS  
30 THE AMOUNTS APPROPRIATED FOR OPERATIONS IN FISCAL YEAR 2012-2013 IF THE COMMUNITY COLLEGE  
31 CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 1, 2013 THAT THE COLLEGE ADHERES TO 4 OUT OF  
32 5 BEST PRACTICES LISTED IN EACH CATEGORY DESCRIBED IN THIS SUBSECTION:

1 (A) FOR CATEGORY A, ECONOMIC DEVELOPMENT AND BUSINESS OR INDUSTRY PARTNERSHIPS, THE  
2 FOLLOWING:

3 (I) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL EMPLOYERS INCLUDING  
4 HOSPITALS AND HEALTH CARE PROVIDERS.

5 (II) THE COMMUNITY COLLEGE PROVIDES CUSTOMIZED ON-SITE TRAINING FOR AREA COMPANIES,  
6 EMPLOYEES, OR BOTH.

7 (III) THE COMMUNITY COLLEGE SUPPORTS ENTREPRENEURSHIP THROUGH A SMALL BUSINESS  
8 ASSISTANCE CENTER OR OTHER TRAINING OR CONSULTING ACTIVITIES TARGETED TOWARD SMALL  
9 BUSINESSES.

10 (IV) THE COMMUNITY COLLEGE SUPPORTS TECHNOLOGICAL ADVANCEMENT THROUGH INDUSTRY  
11 PARTNERSHIPS, INCUBATION ACTIVITIES, OR OPERATION OF A MICHIGAN TECHNICAL EDUCATION CENTER OR  
12 OTHER ADVANCED TECHNOLOGY CENTER.

13 (V) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL OR REGIONAL WORKFORCE AND  
14 ECONOMIC DEVELOPMENT AGENCIES.

15 (B) FOR CATEGORY B, EDUCATIONAL PARTNERSHIPS, THE FOLLOWING:

16 (I) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH REGIONAL HIGH SCHOOLS,  
17 INTERMEDIATE SCHOOL DISTRICTS, AND CAREER-TECH CENTERS TO PROVIDE INSTRUCTION THROUGH DUAL  
18 ENROLLMENT, DIRECT CREDIT, MIDDLE COLLEGE, OR ACADEMY PROGRAMS.

19 (II) THE COMMUNITY COLLEGE HOSTS, SPONSORS, OR PARTICIPATES IN ENRICHMENT PROGRAMS FOR  
20 AREA K-12 STUDENTS, SUCH AS COLLEGE DAYS, SUMMER OR AFTER-SCHOOL PROGRAMMING, OR SCIENCE  
21 OLYMPIAD.

22 (III) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES IN PROGRAMMING TO  
23 PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR TRADITIONAL AGE STUDENTS, INCLUDING GRANT  
24 PROGRAMS SUCH AS TALENT SEARCH, UPWARD BOUND, OR OTHER ACTIVITIES TO PROMOTE COLLEGE  
25 READINESS IN AREA HIGH SCHOOLS AND COMMUNITY CENTERS.

26 (IV) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES IN PROGRAMMING TO  
27 PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR NEW OR REENTERING ADULT STUDENTS, SUCH AS ADULT  
28 BASIC EDUCATION, GED PREPARATION, GED TESTING, OR RECRUITING, ADVISING, OR ORIENTATION  
29 ACTIVITIES SPECIFIC TO ADULTS.

30 (V) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH REGIONAL 4-YEAR COLLEGES AND  
31 UNIVERSITIES TO PROMOTE SUCCESSFUL TRANSFER, SUCH AS ARTICULATION, 2+2, OR REVERSE TRANSFER  
32 AGREEMENTS OR OPERATION OF A UNIVERSITY CENTER.

1 (C) FOR CATEGORY C, COMMUNITY SERVICES, THE FOLLOWING:

2 (I) THE COMMUNITY COLLEGE PROVIDES CONTINUING EDUCATION PROGRAMMING FOR LEISURE,  
3 WELLNESS, PERSONAL ENRICHMENT, OR PROFESSIONAL DEVELOPMENT.

4 (II) THE COMMUNITY COLLEGE OPERATES OR SPONSORS OPPORTUNITIES FOR COMMUNITY MEMBERS TO  
5 ENGAGE IN ACTIVITIES THAT PROMOTE LEISURE, WELLNESS, CULTURAL OR PERSONAL ENRICHMENT SUCH AS  
6 COMMUNITY SPORTS TEAMS, THEATER OR MUSICAL ENSEMBLES, OR ARTIST GUILDS.

7 (III) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO PROMOTE CULTURAL,  
8 EDUCATIONAL, OR PERSONAL ENRICHMENT FOR COMMUNITY MEMBERS, SUCH AS LIBRARIES, COMPUTER LABS,  
9 PERFORMING ARTS CENTERS, MUSEUMS, ART GALLERIES, OR TELEVISION OR RADIO STATIONS.

10 (IV) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO PROMOTE LEISURE OR WELLNESS  
11 ACTIVITIES FOR COMMUNITY MEMBERS, INCLUDING GYMNASIUMS, ATHLETIC FIELDS, TENNIS COURTS,  
12 FITNESS CENTERS, HIKING OR BIKING TRAILS, OR NATURAL AREAS.

13 (V) THE COMMUNITY COLLEGE PROMOTES, SPONSORS, OR HOSTS COMMUNITY SERVICE ACTIVITIES  
14 FOR STUDENTS, STAFF, OR COMMUNITY MEMBERS.

15 (D) IF A COMMUNITY COLLEGE DOES NOT CERTIFY THAT IT ADHERES TO A SUFFICIENT NUMBER OF  
16 BEST PRACTICES AS DESCRIBED IN THIS SUBSECTION, THE FUNDS ALLOCATED TO THAT COMMUNITY COLLEGE  
17 FROM PERFORMANCE FUNDING IN SECTION 201 SHALL LAPSE TO THE GENERAL FUND.

18 (2) THE ADDITIONAL FUNDING PROVIDED TO COMMUNITY COLLEGE OPERATIONS UNDER SECTION  
19 201(2) IN FISCAL YEAR 2013-2014 THAT EXCEEDS THE AMOUNTS APPROPRIATED FOR OPERATIONS IN  
20 FISCAL YEAR 2012-2013 IS DISTRIBUTED BASED ON THE FOLLOWING FORMULA:

21 (A) ALLOCATED PROPORTIONATE TO FISCAL YEAR 2012-2013 BASE APPROPRIATIONS, 50%.

22 (B) BASED ON CONTACT HOUR EQUATED STUDENTS, 10%.

23 (C) BASED ON ADMINISTRATIVE COSTS, 7.5%.

24 (D) BASED ON A WEIGHTED DEGREE FORMULA AS PROVIDED FOR IN THE 2006 RECOMMENDATIONS OF  
25 THE PERFORMANCE INDICATORS TASK FORCE, 17.5%.

26 (E) BASED ON SKILLED TRADES JOB PLACEMENTS, AS DESCRIBED IN SUBSECTIONS (3) AND (4),  
27 15%.

28 (3) A COMMUNITY COLLEGE SHALL SUBMIT TO THE STATE BUDGET DIRECTOR BY JULY 15, 2014 THE  
29 NUMBER OF STUDENTS THAT SUCCESSFULLY COMPLETED A SKILLED TRADES PROGRAM AND OBTAINED AN  
30 APPRENTICESHIP OR JOB IN A FIELD RELATED TO THAT SKILLED TRADES PROGRAM, FOR INSTITUTIONAL  
31 FISCAL YEAR 2012-2013. SKILLED TRADES PROGRAMS SHALL BE DEFINED AS ACADEMIC PROGRAMS  
32 CATEGORIZED IN THE UNITED STATES DEPARTMENT OF EDUCATION CLASSIFICATION OF INSTRUCTIONAL

1 PROGRAM CODES AS 01, 46, 47, 48, 49. THE COMMUNITY COLLEGE SHALL ALSO INDICATE THE NUMBER OF  
2 THESE STUDENTS THAT ARE VETERANS OF THE UNITED STATES ARMED FORCES. A PLACED STUDENT WHO IS  
3 ALSO A VETERAN SHALL BE WEIGHTED TO COUNT AS TWO PLACEMENTS. THE STATE BUDGET DIRECTOR SHALL  
4 IMPLEMENT UNIFORM REPORTING GUIDELINES FOR THIS SUBSECTION.

5 (4) FUNDING FROM THE FORMULA METRIC FOR SKILLED TRADES JOB PLACEMENTS IN SUBSECTION  
6 (2) (E) SHALL BE ALLOCATED TO EACH COMMUNITY COLLEGE BASED ON EACH COLLEGE'S PROPORTION OF THE  
7 TOTAL NUMBER OF WEIGHTED SKILLED TRADE STUDENT PLACEMENTS REPORTED BY ALL COMMUNITY COLLEGES.

8 SEC. 230A. INCLUDED IN THE FISCAL YEAR 2013-2014 APPROPRIATIONS FOR THE DEPARTMENT OF  
9 TECHNOLOGY, MANAGEMENT, AND BUDGET ARE APPROPRIATIONS TO PROVIDE FUNDING FOR THE STATE SHARE  
10 OF COSTS FOR PREVIOUSLY CONSTRUCTED CAPITAL PROJECTS FOR COMMUNITY COLLEGES. THOSE  
11 APPROPRIATIONS FOR STATE BUILDING AUTHORITY RENT REPRESENT ADDITIONAL STATE GENERAL FUND  
12 SUPPORT FOR COMMUNITY COLLEGES, AND THE FOLLOWING IS AN ESTIMATE OF THE AMOUNT OF THAT  
13 SUPPORT TO EACH COMMUNITY COLLEGE:

- 14 (A) ALPENA COMMUNITY COLLEGE, \$434,500.00.
- 15 (B) BAY DE NOC COMMUNITY COLLEGE, \$644,500.00.
- 16 (C) DELTA COLLEGE, \$2,877,700.00.
- 17 (D) GLEN OAKS COMMUNITY COLLEGE, \$124,900.00.
- 18 (E) GOGEBIC COMMUNITY COLLEGE, \$78,100.00.
- 19 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$1,700,400.00.
- 20 (G) HENRY FORD COMMUNITY COLLEGE, \$1,126,800.00.
- 21 (H) JACKSON COMMUNITY COLLEGE, \$1,809,500.00.
- 22 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,489,300.00.
- 23 (J) KELLOGG COMMUNITY COLLEGE, \$527,900.00.
- 24 (K) KIRTLAND COMMUNITY COLLEGE, \$368,800.00.
- 25 (L) LAKE MICHIGAN COLLEGE, \$345,200.00.
- 26 (M) LANSING COMMUNITY COLLEGE, \$617,600.00.
- 27 (N) MACOMB COMMUNITY COLLEGE, \$1,332,900.00.
- 28 (O) MID MICHIGAN COMMUNITY COLLEGE, \$928,900.00.
- 29 (P) MONROE COUNTY COMMUNITY COLLEGE, \$1,375,600.00.
- 30 (Q) MONTCALM COMMUNITY COLLEGE, \$1,015,700.00.
- 31 (R) C.S. MOTT COMMUNITY COLLEGE, \$1,830,400.00.
- 32 (S) MUSKEGON COMMUNITY COLLEGE, \$201,000.00.

1 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$476,300.00.  
2 (U) NORTHWESTERN MICHIGAN COLLEGE, \$1,324,800.00.  
3 (V) OAKLAND COMMUNITY COLLEGE, \$472,100.00.  
4 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$361,400.00.  
5 (X) SCHOOLCRAFT COLLEGE, \$1,569,500.00.  
6 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$538,600.00.  
7 (Z) WASHTENAW COMMUNITY COLLEGE, \$2,023,100.00.  
8 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$1,918,700.00.  
9 (BB) WEST SHORE COMMUNITY COLLEGE, \$585,800.00.  
10 SEC. 231: SECTIONS 201 THROUGH 230A OF THIS ARTICLE ARE REPEALED EFFECTIVE AT 11:59  
11 PM, SEPTEMBER 30, 2014.

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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 THIS SECTION ARE APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, AND ARE ANTICIPATED TO BE APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN THIS SECTION:

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 HIGHER EDUCATION		
2 APPROPRIATION SUMMARY		
3 GROSS APPROPRIATION .....	\$ 1,430,573,500	\$ 1,430,573,500
4 TOTAL INTERDEPARTMENTAL GRANTS AND		
5 INTRADEPARTMENTAL TRANSFERS.....	0	0
6 ADJUSTED GROSS APPROPRIATION .....	\$ 1,430,573,500	\$ 1,430,573,500
7 TOTAL FEDERAL REVENUES .....	97,026,400	97,026,400
8 TOTAL LOCAL REVENUES .....	0	0
9 TOTAL PRIVATE REVENUES .....	0	0
10 TOTAL OTHER STATE RESTRICTED REVENUES .....	200,565,700	200,565,700
11 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,132,981,400	\$ 1,132,981,400
12 (2) UNIVERSITY OPERATIONS		
13 (A) CENTRAL MICHIGAN UNIVERSITY		
14 OPERATIONS .....	\$ 71,352,300	\$ 73,012,400
15 PERFORMANCE FUNDING .....	<u>1,660,100</u>	<u>0</u>
16 GROSS APPROPRIATION .....	\$ 73,012,400	\$ 73,012,400
17 APPROPRIATED FROM:		
18 STATE SCHOOL AID FUND .....	11,284,600	11,284,600
19 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 61,727,800	\$ 61,727,800
20 (B) EASTERN MICHIGAN UNIVERSITY		
21 OPERATIONS .....	\$ 66,466,700	\$ 67,067,600
22 PERFORMANCE FUNDING .....	<u>600,900</u>	<u>0</u>
23 GROSS APPROPRIATION .....	\$ 67,067,600	\$ 67,067,600
24 APPROPRIATED FROM:		
25 STATE SCHOOL AID FUND .....	10,706,400	10,706,400
26 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 56,361,200	\$ 56,361,200
27 (C) FERRIS STATE UNIVERSITY		
28 OPERATIONS .....	\$ 44,250,700	\$ 46,334,100
29 PERFORMANCE FUNDING .....	<u>2,083,400</u>	<u>0</u>
30 GROSS APPROPRIATION .....	\$ 46,334,100	\$ 46,334,100
31 APPROPRIATED FROM:		
32 STATE SCHOOL AID FUND .....	6,846,800	6,846,800

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 39,487,300	\$ 39,487,300
2 (D) GRAND VALLEY STATE UNIVERSITY		
3 OPERATIONS .....	\$ 55,436,000	\$ 57,214,500
4 PERFORMANCE FUNDING .....	<u>1,778,500</u>	<u>0</u>
5 GROSS APPROPRIATION .....	\$ 57,214,500	\$ 57,214,500
6 APPROPRIATED FROM:		
7 STATE SCHOOL AID FUND .....	8,727,800	8,727,800
8 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 48,486,700	\$ 48,486,700
9 (E) LAKE SUPERIOR STATE UNIVERSITY		
10 OPERATIONS .....	\$ 12,046,100	\$ 12,666,300
11 PERFORMANCE FUNDING .....	<u>620,200</u>	<u>0</u>
12 GROSS APPROPRIATION .....	\$ 12,666,300	\$ 12,666,300
13 APPROPRIATED FROM:		
14 STATE SCHOOL AID FUND .....	1,787,600	1,787,600
15 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 10,878,700	\$ 10,878,700
16 (F) MICHIGAN STATE UNIVERSITY		
17 OPERATIONS .....	\$ 245,037,000	\$ 247,423,800
18 PERFORMANCE FUNDING .....	2,386,800	0
19 AGRICULTURE RESEARCH AND EXTENSION ACTIVITIES .....	<u>55,288,700</u>	<u>55,288,700</u>
20 GROSS APPROPRIATION .....	\$ 302,712,500	\$ 302,712,500
21 APPROPRIATED FROM:		
22 STATE SCHOOL AID FUND .....	39,949,900	39,949,900
23 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 262,762,600	\$ 262,762,600
24 (G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
25 OPERATIONS .....	\$ 42,579,100	\$ 43,770,000
26 PERFORMANCE FUNDING .....	<u>1,190,900</u>	<u>0</u>
27 GROSS APPROPRIATION .....	\$ 43,770,000	\$ 43,770,000
28 APPROPRIATED FROM:		
29 STATE SCHOOL AID FUND .....	6,748,900	6,748,900
30 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 37,021,100	\$ 37,021,100
31 (H) NORTHERN MICHIGAN UNIVERSITY		
32 OPERATIONS .....	\$ 40,856,600	\$ 41,709,000

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 PERFORMANCE FUNDING .....	<u>852,400</u>	<u>0</u>
2 GROSS APPROPRIATION .....	\$ 41,709,000	\$ 41,709,000
3     APPROPRIATED FROM:		
4     STATE SCHOOL AID FUND .....	6,356,900	6,356,900
5     STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 35,352,100	\$ 35,352,100
6         (I) OAKLAND UNIVERSITY		
7     OPERATIONS .....	\$ 44,964,100	\$ 45,660,500
8     PERFORMANCE FUNDING .....	<u>696,400</u>	<u>0</u>
9     GROSS APPROPRIATION .....	\$ 45,660,500	\$ 45,660,500
10     APPROPRIATED FROM:		
11     STATE SCHOOL AID FUND .....	7,148,400	7,148,400
12     STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 38,512,100	\$ 38,512,100
13         (J) SAGINAW VALLEY STATE UNIVERSITY		
14     OPERATIONS .....	\$ 25,656,700	\$ 26,190,400
15     PERFORMANCE FUNDING .....	<u>533,700</u>	<u>0</u>
16     GROSS APPROPRIATION .....	\$ 26,190,400	\$ 26,190,400
17     APPROPRIATED FROM:		
18     STATE SCHOOL AID FUND .....	3,903,800	3,903,800
19     STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 22,286,600	\$ 22,286,600
20         (K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
21     OPERATIONS .....	\$ 274,156,700	\$ 277,235,800
22     PERFORMANCE FUNDING .....	<u>3,079,100</u>	<u>0</u>
23     GROSS APPROPRIATION .....	\$ 277,235,800	\$ 277,235,800
24     APPROPRIATED FROM:		
25     STATE SCHOOL AID FUND .....	44,536,300	44,536,300
26     STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 232,699,500	\$ 232,699,500
27         (L) UNIVERSITY OF MICHIGAN - DEARBORN		
28     OPERATIONS .....	\$ 22,237,300	\$ 22,483,600
29     PERFORMANCE FUNDING .....	<u>246,300</u>	<u>0</u>
30     GROSS APPROPRIATION .....	\$ 22,483,600	\$ 22,483,600
31     APPROPRIATED FROM:		
32     STATE SCHOOL AID FUND .....	3,482,100	3,482,100

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 19,001,500	\$ 19,001,500
2 (M) UNIVERSITY OF MICHIGAN - FLINT		
3 OPERATIONS .....	\$ 19,526,600	\$ 20,478,700
4 PERFORMANCE FUNDING .....	<u>952,100</u>	<u>0</u>
5 GROSS APPROPRIATION .....	\$ 20,478,700	\$ 20,478,700
6 APPROPRIATED FROM:		
7 STATE SCHOOL AID FUND .....	2,942,900	2,942,900
8 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 17,535,800	\$ 17,535,800
9 (N) WAYNE STATE UNIVERSITY		
10 OPERATIONS .....	\$ 183,398,300	\$ 183,854,300
11 PERFORMANCE FUNDING .....	<u>456,000</u>	<u>0</u>
12 GROSS APPROPRIATION .....	\$ 183,854,300	\$ 183,854,300
13 APPROPRIATED FROM:		
14 STATE SCHOOL AID FUND .....	30,160,600	30,160,600
15 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 153,693,700	\$ 153,693,700
16 (O) WESTERN MICHIGAN UNIVERSITY		
17 OPERATIONS .....	\$ 95,487,500	\$ 97,002,400
18 PERFORMANCE FUNDING .....	<u>1,514,900</u>	<u>0</u>
19 GROSS APPROPRIATION .....	\$ 97,002,400	\$ 97,002,400
20 APPROPRIATED FROM:		
21 STATE SCHOOL AID FUND .....	15,436,500	15,436,500
22 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 81,565,900	\$ 81,565,900
23 (3) TUITION RESTRAINT INCENTIVE FUNDING		
24 TUITION RESTRAINT INCENTIVE FUNDING .....	<u>\$ 6,217,300</u>	<u>\$ 6,217,300</u>
25 GROSS APPROPRIATION .....	\$ 6,217,300	\$ 6,217,300
26 APPROPRIATED FROM:		
27 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 6,217,300	\$ 6,217,300
28 (4) MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT		
29 SYSTEM (MPSERS)		
30 MPSERS REIMBURSEMENT .....	<u>\$ 446,200</u>	<u>\$ 446,200</u>
31 GROSS APPROPRIATION .....	\$ 446,200	\$ 446,200
32 APPROPRIATED FROM:		

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 STATE SCHOOL AID FUND .....	446,200	446,200
2 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
3 (5) STATE AND REGIONAL PROGRAMS		
4 COLLEGE ACCESS PROGRAM .....	\$ 2,000,000	\$ 2,000,000
5 HIGHER EDUCATION DATABASE MODERNIZATION AND		
6 CONVERSION.....	105,000	105,000
7 MIDWESTERN HIGHER EDUCATION COMPACT .....	<u>95,000</u>	<u>95,000</u>
8 GROSS APPROPRIATION .....	\$ 2,200,000	\$ 2,200,000
9 APPROPRIATED FROM:		
10 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 2,200,000	\$ 2,200,000
11 (6) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA		
12 PARKS PROGRAM		
13 SELECT STUDENT SUPPORT SERVICES .....	\$ 1,956,100	\$ 1,956,100
14 MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM .....	586,800	586,800
15 MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM .....	<u>148,600</u>	<u>148,600</u>
16 GROSS APPROPRIATION .....	\$ 2,691,500	\$ 2,691,500
17 APPROPRIATED FROM:		
18 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 2,691,500	\$ 2,691,500
19 (7) GRANTS AND FINANCIAL AID		
20 STATE COMPETITIVE SCHOLARSHIPS .....	\$ 18,361,700	\$ 18,361,700
21 TUITION GRANTS .....	31,664,700	31,664,700
22 TUITION INCENTIVE PROGRAM .....	47,000,000	47,000,000
23 CHILDREN OF VETERANS AND OFFICER'S SURVIVOR		
24 TUITION PROGRAM.....	1,400,000	1,400,000
25 PROJECT GEAR-UP .....	<u>3,200,000</u>	<u>3,200,000</u>
26 GROSS APPROPRIATION .....	\$ 101,626,400	\$ 101,626,400
27 APPROPRIATED FROM:		
28 UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF		
29 ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..	3,200,000	3,200,000
30 SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY		
31 FAMILIES.....	93,826,400	93,826,400
32 CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT		

		For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1	PROGRAM.....	100,000	100,000
2	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 4,500,000	\$ 4,500,000

3 SEC. 236B. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION 236, THERE IS APPROPRIATED  
4 FOR GRANTS AND FINANCIAL AID IN FISCAL YEAR 2013-2014 AND IN FISCAL YEAR 2014-2015 AN AMOUNT  
5 NOT TO EXCEED \$6,000,000.00 FOR FEDERAL CONTINGENCY FUNDS. THESE FUNDS ARE NOT AVAILABLE FOR  
6 EXPENDITURE UNTIL THEY HAVE BEEN TRANSFERRED UNDER SECTION 393(2) OF THE MANAGEMENT AND  
7 BUDGET ACT, 1984 PA 431, MCL 18.1393, FOR ANOTHER PURPOSE UNDER THIS ARTICLE.

8 SEC. 237. ALL OF THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE SUBJECT TO THE  
9 MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101 TO 18.1594.

10 SEC. 237B. AS USED IN THIS ARTICLE, THE TERM "WORKFORCE DEVELOPMENT AGENCY" MEANS THE  
11 WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN STRATEGIC FUND.

12 SEC. 238. UNLESS OTHERWISE SPECIFIED, A PUBLIC UNIVERSITY RECEIVING APPROPRIATIONS IN  
13 SECTION 236 SHALL USE THE INTERNET TO FULFILL THE REPORTING REQUIREMENTS OF THIS ARTICLE.  
14 THIS REQUIREMENT MAY INCLUDE TRANSMISSION OF REPORTS VIA ELECTRONIC MAIL TO THE RECIPIENTS  
15 IDENTIFIED FOR EACH REPORTING REQUIREMENT, OR IT MAY INCLUDE PLACEMENT OF REPORTS ON AN  
16 INTERNET OR INTRANET SITE.

17 SEC. 241. (1) SUBJECT TO SECTION 265A, THE FUNDS APPROPRIATED IN SECTION 236 TO PUBLIC  
18 UNIVERSITIES SHALL BE PAID OUT OF THE STATE TREASURY AND DISTRIBUTED BY THE STATE TREASURER  
19 TO THE RESPECTIVE INSTITUTIONS IN 11 EQUAL MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH  
20 MONTH, OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16, 2013. EXCEPT FOR  
21 WAYNE STATE UNIVERSITY, EACH INSTITUTION SHALL ACCRUE ITS JULY AND AUGUST 2014 PAYMENTS TO  
22 ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2014.

23 (2) ALL PUBLIC UNIVERSITIES SHALL SUBMIT HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY  
24 (HEIDI) DATA AND ASSOCIATED FINANCIAL AND PROGRAM INFORMATION REQUESTED BY AND IN A MANNER  
25 PRESCRIBED BY THE STATE BUDGET DIRECTOR. FOR PUBLIC UNIVERSITIES WITH FISCAL YEARS ENDING  
26 JUNE 30, 2013, THESE DATA SHALL BE SUBMITTED TO THE STATE BUDGET DIRECTOR BY OCTOBER 15,  
27 2013. PUBLIC UNIVERSITIES WITH A FISCAL YEAR ENDING SEPTEMBER 30, 2013 SHALL SUBMIT  
28 PRELIMINARY HEIDI DATA BY NOVEMBER 15, 2013 AND FINAL DATA BY DECEMBER 15, 2013. IF A PUBLIC  
29 UNIVERSITY FAILS TO SUBMIT HEIDI DATA AND ASSOCIATED FINANCIAL AID PROGRAM INFORMATION IN  
30 ACCORDANCE WITH THIS REPORTING SCHEDULE, THE STATE TREASURER MAY WITHHOLD THE MONTHLY  
31 INSTALLMENTS UNDER SUBSECTION (1) TO THE PUBLIC UNIVERSITY UNTIL THOSE DATA ARE SUBMITTED.

32 SEC. 242. FUNDS RECEIVED BY THE STATE FROM THE FEDERAL GOVERNMENT OR PRIVATE SOURCES

1 FOR THE USE OF A COLLEGE OR UNIVERSITY ARE APPROPRIATED FOR THE PURPOSES FOR WHICH THEY ARE  
2 PROVIDED.

3 SEC. 243. EACH PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER THIS ARTICLE SHALL FURNISH  
4 ALL PROGRAM AND FINANCIAL INFORMATION THAT IS REQUIRED BY AND IN A MANNER PRESCRIBED BY THE  
5 STATE BUDGET DIRECTOR OR THE HOUSE OR SENATE APPROPRIATIONS COMMITTEE.

6 SEC. 244. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL COOPERATE WITH ALL  
7 MEASURES TAKEN BY THE STATE TO DEVELOP, OPERATE, AND MAINTAIN THE P-20 LONGITUDINAL DATA  
8 SYSTEM DESCRIBED IN SECTION 94A. IF THE STATE BUDGET DIRECTOR FINDS THAT A UNIVERSITY HAS NOT  
9 COMPLIED WITH THIS SECTION, THE STATE BUDGET DIRECTOR IS AUTHORIZED TO WITHHOLD THE MONTHLY  
10 INSTALLMENTS PROVIDED TO THAT UNIVERSITY UNDER SECTION 236 UNTIL HE OR SHE FINDS THE  
11 UNIVERSITY HAS COMPLIED WITH THIS SECTION.

12 SEC. 245. (1) WITHIN 30 DAYS AFTER THE BOARD OF A PUBLIC UNIVERSITY ADOPTS ITS ANNUAL  
13 OPERATING BUDGET FOR THE FOLLOWING INSTITUTIONAL FISCAL YEAR, OR AFTER THE BOARD ADOPTS A  
14 SUBSEQUENT REVISION TO THAT BUDGET, THE PUBLIC UNIVERSITY SHALL MAKE ALL OF THE FOLLOWING  
15 AVAILABLE THROUGH A LINK ON ITS WEBSITE HOMEPAGE:

16 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET REVISIONS.

17 (B) A SUMMARY OF CURRENT EXPENDITURES FOR THE MOST RECENT FISCAL YEAR FOR WHICH THEY  
18 ARE AVAILABLE, EXPRESSED AS PIE CHARTS IN THE FOLLOWING 2 CATEGORIES:

19 (I) A CHART OF PERSONNEL EXPENDITURES, BROKEN INTO THE FOLLOWING SUBCATEGORIES:

20 (A) EARNINGS AND WAGES.

21 (B) EMPLOYEE BENEFIT COSTS, INCLUDING, BUT NOT LIMITED TO, MEDICAL, DENTAL, VISION,  
22 LIFE, DISABILITY, AND LONG-TERM CARE BENEFITS.

23 (C) RETIREMENT BENEFIT COSTS.

24 (D) ALL OTHER PERSONNEL COSTS.

25 (II) A CHART OF ALL CURRENT EXPENDITURES THE PUBLIC UNIVERSITY REPORTED AS PART OF ITS  
26 HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY DATA UNDER SECTION 241(2), BROKEN INTO THE SAME  
27 SUBCATEGORIES IN WHICH IT REPORTED THOSE DATA.

28 (C) LINKS TO ALL OF THE FOLLOWING FOR THE PUBLIC UNIVERSITY:

29 (I) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH BARGAINING UNIT.

30 (II) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED TO, MEDICAL, DENTAL,  
31 VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFITS THAT WOULD CONSTITUTE  
32 HEALTH CARE SERVICES, OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE PUBLIC UNIVERSITY.

1 (III) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL YEAR FOR WHICH THEY ARE  
2 AVAILABLE.

3 (IV) CAMPUS SECURITY POLICIES AND CRIME STATISTICS PURSUANT TO THE STUDENT RIGHT-TO-  
4 KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-542, 104 STAT. 2381. INFORMATION SHALL INCLUDE  
5 ALL MATERIAL PREPARED PURSUANT TO THE PUBLIC INFORMATION REPORTING REQUIREMENTS UNDER THE  
6 CRIME AWARENESS AND CAMPUS SECURITY ACT OF 1990, TITLE II OF THE STUDENT RIGHT-TO-KNOW AND  
7 CAMPUS SECURITY ACT, PUBLIC LAW 101-542, 104 STAT. 2381.

8 (D) THE NUMBER OF ACTIVE EMPLOYEES SORTED BY JOB CLASSIFICATION AND MAJOR  
9 ADMINISTRATIVE UNIT.

10 (E) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR FISCAL YEAR 2013-2014 AND  
11 FISCAL YEAR 2014-2015.

12 (F) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, ANTICIPATED FISCAL  
13 YEAR 2013-2014 PAYMENT FOR EACH PROJECT, AND TOTAL OUTSTANDING DEBT.

14 (2) A PUBLIC UNIVERSITY SHALL PROVIDE A DASHBOARD OR REPORT CARD DEMONSTRATING THE  
15 UNIVERSITY'S PERFORMANCE IN SEVERAL "BEST PRACTICE" MEASURES. THE DASHBOARD OR REPORT CARD  
16 SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING FOR THE 3 MOST RECENT ACADEMIC YEARS FOR WHICH  
17 THE DATA ARE AVAILABLE:

18 (A) ENROLLMENT.

19 (B) STUDENT RETENTION RATE.

20 (C) SIX-YEAR GRADUATION RATES.

21 (D) NUMBER OF TOTAL PELL GRANT RECIPIENTS AND GRADUATING PELL GRANT RECIPIENTS.

22 (E) GEOGRAPHIC ORIGINATION OF STUDENTS, CATEGORIZED AS IN-STATE, OUT-OF-STATE, AND  
23 INTERNATIONAL.

24 (F) FACULTY TO STUDENT RATIOS AND TOTAL UNIVERSITY EMPLOYEE TO STUDENT RATIOS.

25 (G) TEACHING LOAD BY FACULTY CLASSIFICATION.

26 (H) GRADUATION OUTCOME RATES, INCLUDING EMPLOYMENT AND CONTINUING EDUCATION.

27 (3) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, PUBLIC UNIVERSITIES MUST USE THE  
28 ICON BADGE PROVIDED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET CONSISTENT WITH  
29 THE ICON BADGE DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12 SCHOOL DISTRICTS. IT MUST  
30 APPEAR ON THE FRONT OF EACH PUBLIC UNIVERSITY'S HOMEPAGE. THE SIZE OF THE ICON MAY BE REDUCED  
31 TO 150 X 150 PIXELS. THE FONT SIZE AND STYLE FOR THIS REPORTING MUST BE CONSISTENT WITH OTHER  
32 DOCUMENTS ON EACH UNIVERSITY'S WEBSITE.

1 (4) THE STATE BUDGET DIRECTOR MAY DETERMINE WHETHER A PUBLIC UNIVERSITY HAS COMPLIED  
2 WITH THIS SECTION. THE STATE BUDGET DIRECTOR MAY WITHHOLD A PUBLIC UNIVERSITY'S MONTHLY  
3 INSTALLMENTS DESCRIBED IN SECTION 241 UNTIL THE PUBLIC UNIVERSITY COMPLIES WITH THIS SECTION.

4 SEC. 246. (1) THE FUNDS APPROPRIATED IN SECTION 236(4) FOR MICHIGAN PUBLIC SCHOOL  
5 EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT SHALL BE ALLOCATED TO EACH PARTICIPATING PUBLIC  
6 UNIVERSITY UNDER THIS SECTION BASED ON EACH PARTICIPATING PUBLIC UNIVERSITY'S TOTAL RETIREE  
7 HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIRANTS  
8 IN PROPORTION TO THE TOTAL RETIREE HEALTH CARE PREMIUMS PAID FOR MICHIGAN PUBLIC SCHOOL  
9 EMPLOYEES' RETIREMENT SYSTEM RETIRANTS FOR ALL PARTICIPATING PUBLIC UNIVERSITIES FOR THE  
10 IMMEDIATELY PRECEDING STATE FISCAL YEAR. PAYMENTS SHALL BE MADE IN A FORM AND MANNER  
11 DETERMINED BY THE OFFICE OF RETIREMENT SERVICES. A PUBLIC UNIVERSITY THAT RECEIVES MONEY  
12 UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE  
13 RETIREMENT CONTRIBUTIONS OWED BY THE UNIVERSITY.

14 (2) AS USED IN THIS SECTION, "PARTICIPATING PUBLIC UNIVERSITY" MEANS A PUBLIC  
15 UNIVERSITY THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT  
16 SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO  
17 38.1408, AND THAT PAYS RETIREE HEALTH CARE PREMIUMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'  
18 RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

19 SEC. 251. (1) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 236 FOR THE STATE  
20 COMPETITIVE SCHOLARSHIP PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1964 PA 208, MCL 390.971 TO  
21 390.981.

22 (2) PURSUANT TO SECTION 6 OF 1964 PA 208, MCL 390.976, THE DEPARTMENT OF TREASURY  
23 SHALL DETERMINE AN ACTUAL MAXIMUM STATE COMPETITIVE SCHOLARSHIP AWARD PER STUDENT, WHICH  
24 SHALL BE NOT LESS THAN \$575.00, THAT ENSURES THAT THE AGGREGATE PAYMENTS FOR THE STATE  
25 COMPETITIVE SCHOLARSHIP PROGRAM DO NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 236 FOR  
26 THE STATE COMPETITIVE SCHOLARSHIP PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT  
27 FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT LEAST \$575.00, THE  
28 DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON  
29 HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR  
30 REGARDING THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A \$575.00 MAXIMUM  
31 AWARD AMOUNT.

32 (3) THE DEPARTMENT OF TREASURY SHALL IMPLEMENT A PROPORTIONAL COMPETITIVE SCHOLARSHIP

1 MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM.

2 (4) IF A STUDENT WHO RECEIVES AN AWARD UNDER THIS SECTION HAS HIS OR HER TUITION AND  
3 FEES PAID UNDER THE MICHIGAN EDUCATIONAL TRUST PROGRAM, PURSUANT TO THE MICHIGAN EDUCATION  
4 TRUST ACT, 1986 PA 316, MCL 390.1421 TO 390.1442, AND STILL HAS FINANCIAL NEED, THE FUNDS  
5 AWARDED UNDER THIS SECTION MAY BE USED FOR EDUCATIONAL EXPENSES OTHER THAN TUITION AND FEES.

6 (5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD PER ELIGIBLE STUDENT  
7 FROM THAT PROVIDED IN THE PREVIOUS FISCAL YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE  
8 NUMBER OF ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER OF ELIGIBLE  
9 APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL FOR ALL ELIGIBLE STUDENTS  
10 RECEIVING AWARDS.

11 (6) VETERANS ADMINISTRATION BENEFITS SHALL NOT BE CONSIDERED IN DETERMINING  
12 ELIGIBILITY FOR THE AWARD OF SCHOLARSHIPS UNDER 1964 PA 208, MCL 390.971 TO 390.981.

13 SEC. 252. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE STATE TUITION GRANT  
14 PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1966 PA 313, MCL 390.991 TO 390.997A.

15 (2) TUITION GRANT AWARDS SHALL BE MADE TO ALL ELIGIBLE MICHIGAN RESIDENTS ENROLLED IN  
16 UNDERGRADUATE DEGREE PROGRAMS WHO APPLY BEFORE MARCH 1 OF EACH YEAR AND WHO ARE QUALIFIED.

17 (3) PURSUANT TO SECTION 5 OF 1966 PA 313, MCL 390.995, AND SUBJECT TO SUBSECTION (6),  
18 THE DEPARTMENT OF TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM TUITION GRANT AWARD PER STUDENT,  
19 WHICH SHALL BE NO LESS THAN \$1,512.00, THAT ENSURES THAT THE AGGREGATE PAYMENTS FOR THE  
20 TUITION GRANT PROGRAM DO NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE  
21 TUITION GRANT PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT FUNDS ARE AVAILABLE TO  
22 ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL  
23 IMMEDIATELY REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,  
24 THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE ESTIMATED  
25 AMOUNT OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A \$1,512.00 MAXIMUM AWARD AMOUNT. IF THE  
26 DEPARTMENT DETERMINES THAT SUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT  
27 EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND SENATE  
28 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND  
29 THE STATE BUDGET DIRECTOR REGARDING THE MAXIMUM AWARD AMOUNT ESTABLISHED. BY DECEMBER 15, AND  
30 AGAIN BY FEBRUARY 18 OF EACH FISCAL YEAR, THE DEPARTMENT SHALL ANALYZE THE STATUS OF AWARD  
31 COMMITMENTS, SHALL MAKE ANY NECESSARY ADJUSTMENTS, AND SHALL CONFIRM THAT THOSE AWARD  
32 COMMITMENTS WILL NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 236 FOR THE TUITION GRANT

1 PROGRAM. THE DETERMINATION AND ACTIONS SHALL BE REPORTED TO THE STATE BUDGET DIRECTOR AND THE  
2 HOUSE AND SENATE FISCAL AGENCIES NO LATER THAN THE FINAL DAY OF FEBRUARY OF EACH YEAR. IF  
3 AWARD ADJUSTMENTS ARE NECESSARY, THE STUDENTS SHALL BE NOTIFIED OF THE ADJUSTMENT BY MARCH 4  
4 OF EACH YEAR.

5 (4) THE DEPARTMENT OF TREASURY SHALL CONTINUE A PROPORTIONAL TUITION GRANT MAXIMUM  
6 AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM.

7 (5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD PER ELIGIBLE STUDENT  
8 FROM THAT PROVIDED IN THE PREVIOUS FISCAL YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE  
9 NUMBER OF ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER OF ELIGIBLE  
10 APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL FOR ALL ELIGIBLE STUDENTS  
11 RECEIVING AWARDS FOR THAT FISCAL YEAR.

12 (6) THE DEPARTMENT OF TREASURY SHALL NOT AWARD MORE THAN \$3,000,000.00 IN TUITION  
13 GRANTS TO ELIGIBLE STUDENTS ENROLLED IN THE SAME INDEPENDENT NONPROFIT COLLEGE OR UNIVERSITY  
14 IN THIS STATE. ANY DECREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL FOR ALL ELIGIBLE  
15 STUDENTS ENROLLED IN THAT COLLEGE OR UNIVERSITY, AS DETERMINED BY THE DEPARTMENT.

16 (7) THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO ELIGIBLE STUDENTS  
17 ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT MEET THE FOLLOWING  
18 REQUIREMENTS IN A MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY:

19 (A) THE INDEPENDENT COLLEGE OR UNIVERSITY MUST SUBMIT AS DIRECTED BY THE DEPARTMENT OF  
20 TREASURY BY JUNE 30 OF EACH YEAR THE ANNUAL P-20 LONGITUDINAL DATA SYSTEM DATA SETS TO THE  
21 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION, AS VERIFIED BY THE CENTER.

22 (B) THE INDEPENDENT COLLEGE OR UNIVERSITY MUST REPORT IN A FORM AND MANNER AS DIRECTED  
23 BY THE DEPARTMENT OF TREASURY BY AUGUST 31 OF EACH YEAR THE FOLLOWING:

24 (I) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED  
25 STATE TUITION GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

26 (II) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED  
27 STATE TUITION GRANTS AND TOOK REMEDIAL EDUCATION CLASSES.

28 (III) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT  
29 RECEIVED PELL GRANTS AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

30 SEC. 253. THE AUDITOR GENERAL MAY AUDIT SELECTED ENROLLMENTS, DEGREES, AND AWARDS AT  
31 SELECTED INDEPENDENT COLLEGES AND UNIVERSITIES RECEIVING AWARDS THAT ARE ADMINISTERED BY THE  
32 DEPARTMENT OF TREASURY. THE AUDITS SHALL BE BASED UPON DEFINITIONS AND REQUIREMENTS

1 ESTABLISHED BY THE DEPARTMENT OF TREASURY, THE STATE BUDGET DIRECTOR, AND THE SENATE AND  
2 HOUSE FISCAL AGENCIES. THE AUDITOR GENERAL SHALL ACCEPT THE FREE APPLICATION FOR FEDERAL  
3 STUDENT AID (FAFSA) FORM AS THE STANDARD OF RESIDENCY DOCUMENTATION.

4 SEC. 254. THE SUMS APPROPRIATED IN SECTION 236 FOR THE STATE COMPETITIVE SCHOLARSHIP,  
5 TUITION INCENTIVE, AND TUITION GRANT PROGRAMS SHALL BE PAID OUT OF THE STATE TREASURY AND  
6 SHALL BE DISTRIBUTED TO THE RESPECTIVE INSTITUTIONS UNDER A QUARTERLY PAYMENT SYSTEM AS  
7 FOLLOWS: 50% SHALL BE PAID AT THE BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 30% DURING  
8 THE STATE'S SECOND FISCAL QUARTER, 10% DURING THE STATE'S THIRD FISCAL QUARTER, AND 10%  
9 DURING THE STATE'S FOURTH FISCAL QUARTER.

10 SEC. 255. THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS ANALYSIS CRITERIA FOR  
11 STUDENTS TO QUALIFY FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM AND TUITION GRANT PROGRAM.  
12 TO BE CONSISTENT WITH FEDERAL REQUIREMENTS, THE DEPARTMENT OF TREASURY MAY TAKE STUDENT WAGES  
13 INTO CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE AWARD.

14 SEC. 256A. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE TUITION INCENTIVE PROGRAM  
15 SHALL BE DISTRIBUTED AS PROVIDED IN THE TUITION INCENTIVE PROGRAM ACT, 2013 PA XXX, AND  
16 PURSUANT TO THE ADMINISTRATIVE PROCEDURES OF THE DEPARTMENT OF TREASURY FOR THAT ACT.

17 SEC. 257. TO ENABLE THE LEGISLATURE AND THE STATE BUDGET DIRECTOR TO EVALUATE THE  
18 APPROPRIATION NEEDS OF HIGHER EDUCATION, EACH INDEPENDENT COLLEGE AND UNIVERSITY SHALL MAKE  
19 AVAILABLE TO THE LEGISLATURE OR STATE BUDGET DIRECTOR, UPON REQUEST, DATA REGARDING GRANTS  
20 FOR THE PRECEDING, CURRENT, AND FUTURE FISCAL YEARS.

21 SEC. 258. BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF TREASURY SHALL POST TO ITS  
22 PUBLICLY AVAILABLE WEBSITE A REPORT FOR THE PRECEDING FISCAL YEAR ON ALL STUDENT FINANCIAL  
23 AID PROGRAMS FOR WHICH FUNDS ARE APPROPRIATED IN SECTION 236. FOR EACH STUDENT FINANCIAL AID  
24 PROGRAM, THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE TOTAL NUMBER OF AWARDS PAID IN  
25 THE PRECEDING FISCAL YEAR, THE TOTAL DOLLAR AMOUNT OF THOSE AWARDS, AND THE NUMBER OF  
26 STUDENTS RECEIVING AWARDS AND THE TOTAL AMOUNT OF THOSE AWARDS AT EACH ELIGIBLE POSTSECONDARY  
27 INSTITUTION. TO THE EXTENT INFORMATION IS AVAILABLE, THE REPORT SHALL ALSO INCLUDE  
28 INFORMATION ON HOUSEHOLD INCOME AND OTHER DEMOGRAPHIC CHARACTERISTICS OF STUDENTS RECEIVING  
29 AWARDS UNDER EACH PROGRAM AND HISTORICAL INFORMATION ON THE NUMBER OF AWARDS AND TOTAL AWARD  
30 AMOUNTS FOR EACH PROGRAM.

31 SEC. 259. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE COLLEGE ACCESS PROGRAM SHALL  
32 BE USED FOR EFFORTS TO SUPPORT COLLEGE ACCESS. THE DEPARTMENT OF TREASURY SHALL ADMINISTER

1 THIS FUNDING. ALLOWABLE USES INCLUDE THE FOLLOWING:

2 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING, AND SERVICES TO LOCAL  
3 COLLEGE ACCESS NETWORKS.

4 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED COLLEGE ACCESS/SUCCESS  
5 PARTNERSHIPS COMMITTED TO INCREASING THE COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN  
6 GEOGRAPHICALLY DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

7 (C) MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP PORTAL TO HELP STUDENTS AND  
8 FAMILIES PLAN AND APPLY FOR COLLEGE.

9 (D) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-INCOME AND FIRST-  
10 GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD COLLEGE AND TO ASSIST STUDENTS AND  
11 FAMILIES IN COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

12 (E) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE, AND TRAIN COLLEGE  
13 STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST HIGH SCHOOL STUDENTS IN NAVIGATING THE  
14 POSTSECONDARY PLANNING AND ENROLLMENT PROCESS.

15 SEC. 263. (1) INCLUDED IN THE FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015  
16 APPROPRIATION IN SECTION 236 FOR MSU AGBIORESEARCH AND MSU EXTENSION ACTIVITIES IS  
17 \$5,628,100.00 FOR PROJECT GREEN. PROJECT GREEN IS INTENDED TO ADDRESS CRITICAL REGULATORY,  
18 FOOD SAFETY, ECONOMIC, AND ENVIRONMENTAL PROBLEMS FACED BY THIS STATE'S PLANT-BASED  
19 AGRICULTURE, FORESTRY, AND PROCESSING INDUSTRIES. "GREEN" IS AN ACRONYM FOR GENERATING  
20 RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL AND ECONOMIC NEEDS.

21 (2) THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND MICHIGAN STATE UNIVERSITY,  
22 IN CONSULTATION WITH AGRICULTURAL COMMODITY GROUPS AND OTHER INTERESTED PARTIES, SHALL  
23 DEVELOP PROJECT GREEN AND ITS PROGRAM PRIORITIES.

24 SEC. 263A. (1) NOT LATER THAN SEPTEMBER 30 OF EACH YEAR, MICHIGAN STATE UNIVERSITY  
25 SHALL SUBMIT A REPORT ON MSU AGBIORESEARCH AND MSU EXTENSION TO THE HOUSE AND SENATE  
26 APPROPRIATIONS SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE HOUSE AND SENATE  
27 STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE  
28 BUDGET DIRECTOR FOR THE PRECEDING SCHOOL FISCAL YEAR.

29 (2) THE REPORT REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL OF THE FOLLOWING:

30 (A) TOTAL FUNDS EXPENDED BY MSU AGBIORESEARCH AND BY MSU EXTENSION SERVICE IDENTIFIED  
31 BY STATE, LOCAL, PRIVATE, FEDERAL, AND UNIVERSITY FUND SOURCES.

32 (B) THE METRIC GOALS THAT WERE USED TO EVALUATE THE IMPACTS OF PROGRAMS OPERATED BY

1 MSU EXTENSION AND MSU AGBIORESEARCH. AT LEAST THE FOLLOWING METRIC GOALS WILL BE USED TO  
2 EVALUATE THE IMPACTS OF THOSE PROGRAMS:

3 (I) INCREASING THE NUMBER OF AGRICULTURE AND FOOD-RELATED FIRMS COLLABORATING WITH AND  
4 USING SERVICES OF RESEARCH AND EXTENSION FACULTY AND STAFF BY 3% PER YEAR.

5 (II) INCREASING THE NUMBER OF INDIVIDUALS UTILIZING MSU EXTENSION'S EDUCATIONAL  
6 SERVICES BY 5% PER YEAR.

7 (III) INCREASING EXTERNAL FUNDS GENERATED IN SUPPORT OF RESEARCH AND EXTENSION, BEYOND  
8 STATE APPROPRIATIONS, BY 10% OVER THE AMOUNTS GENERATED IN THE PAST 3 STATE FISCAL YEARS.

9 (IV) INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT FROM TODAY'S \$71,000,000,000.00 TO  
10 \$100,000,000,000.00.

11 (V) DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS FROM \$1,750,000,000.00 TO  
12 \$3,500,000,000.00.

13 (VI) INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR BY 10%.

14 (VII) IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTHY FOODS BY 20%.

15 (C) A REVIEW OF MAJOR PROGRAMS WITHIN BOTH MSU AGBIORESEARCH AND MSU EXTENSION WITH  
16 SPECIFIC REFERENCE TO ACCOMPLISHMENTS, IMPACTS, AND THE METRICS DESCRIBED IN SUBDIVISION (B),  
17 INCLUDING A SPECIFIC ACCOUNTING OF PROJECT GREEN EXPENDITURES AND THE IMPACT OF THOSE  
18 EXPENDITURES.

19 SEC. 264. INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR FISCAL YEAR 2013-2014 AND  
20 FISCAL YEAR 2014-2015 FOR MICHIGAN STATE UNIVERSITY IS \$80,000.00 FOR THE MICHIGAN FUTURE  
21 FARMERS OF AMERICA ASSOCIATION. THIS \$80,000.00 ALLOCATION SHALL NOT SUPPLANT ANY EXISTING  
22 SUPPORT THAT MICHIGAN STATE UNIVERSITY PROVIDES TO THE MICHIGAN FUTURE FARMERS OF AMERICA  
23 ASSOCIATION.

24 SEC. 265. (1) PAYMENTS FROM THE AMOUNT APPROPRIATED IN SECTION 236(3) FOR PUBLIC  
25 UNIVERSITY TUITION RESTRAINT INCENTIVES SHALL ONLY BE MADE TO A PUBLIC UNIVERSITY THAT  
26 CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 31, 2013 THAT ITS BOARD DID NOT ADOPT AN  
27 INCREASE IN TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS AFTER SEPTEMBER 1, 2012  
28 FOR THE 2012-2013 ACADEMIC YEAR AND THAT ITS BOARD WILL NOT ADOPT AN INCREASE IN TUITION AND  
29 FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS FOR THE 2013-2014 ACADEMIC YEAR OF 4.00% OR  
30 HIGHER. AS USED IN THIS SECTION:

31 (A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY MORE THAN 1/2 OF ALL  
32 RESIDENT UNDERGRADUATE STUDENTS AT LEAST ONCE DURING THEIR ENROLLMENT AT A PUBLIC UNIVERSITY.

1 A UNIVERSITY INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF STUDENTS OR COURSES SHALL  
2 PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE INCREASE APPLIED TO THAT SUBSET WILL NOT  
3 CAUSE THE INCREASE IN THE AVERAGE AMOUNT OF BOARD-AUTHORIZED TOTAL TUITION AND FEES PAID BY  
4 RESIDENT UNDERGRADUATE STUDENTS IN THE 2013-2014 ACADEMIC YEAR TO EXCEED THE LIMIT  
5 ESTABLISHED IN THIS SUBSECTION.

6 (B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF FULL-TIME RATES FOR ALL UNDERGRADUATE  
7 CLASSES, BASED ON AN AVERAGE OF THE RATES AUTHORIZED BY THE UNIVERSITY BOARD AND ACTUALLY  
8 CHARGED TO STUDENTS, DEDUCTING ANY UNIFORMLY-REBATED OR REFUNDED AMOUNTS, FOR THE 2 SEMESTERS  
9 WITH THE HIGHEST LEVELS OF FULL-TIME EQUATED RESIDENT UNDERGRADUATE ENROLLMENT DURING THE  
10 ACADEMIC YEAR.

11 (2) FOR PURPOSES OF SECTION 236(3), EACH PUBLIC UNIVERSITY'S ALLOCATION FOR TUITION  
12 RESTRAINT INCENTIVE SHALL BE DETERMINED AS FOLLOWS:

13 (A) CALCULATE AN ADJUSTMENT FOR EACH UNIVERSITY BY SUBTRACTING EACH UNIVERSITY'S  
14 REPORTED PERCENT CHANGE IN TUITION AND FEE RATES FOR ACADEMIC YEAR 2013-2014 FROM 4.00%. IF  
15 THE RESULT OF THE CALCULATION IN THIS SUBDIVISION IS LESS THAN OR EQUAL TO ZERO, THE  
16 UNIVERSITY IS NOT QUALIFIED TO RECEIVE AN ALLOCATION UNDER THIS SECTION. ALL CALCULATIONS  
17 UNDER THIS SUBDIVISION SHALL BE ROUNDED TO THE SECOND DECIMAL PLACE.

18 (B) FOR EACH QUALIFIED UNIVERSITY, DIVIDE THE UNIVERSITY'S ADJUSTMENT AS CALCULATED  
19 UNDER SUBDIVISION (A) BY THE SUM OF ALL ADJUSTMENTS FOR QUALIFYING UNIVERSITIES UNDER  
20 SUBDIVISION (A) AND THEN MULTIPLY THE RESULTING CALCULATION FOR EACH UNIVERSITY BY THE TOTAL  
21 AMOUNT AVAILABLE FOR TUITION RESTRAINT INCENTIVE FUNDING, ROUNDED TO THE NEAREST HUNDRED  
22 DOLLARS.

23 (3) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM REPORTING REQUIREMENTS TO ENSURE  
24 THAT A PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION UNDER SECTION 236(3) HAS SATISFIED THE  
25 TUITION RESTRAINT REQUIREMENTS OF THIS SECTION. THE STATE BUDGET DIRECTOR SHALL HAVE THE SOLE  
26 AUTHORITY TO DETERMINE IF A PUBLIC UNIVERSITY HAS MET THE REQUIREMENTS OF THIS SECTION.  
27 INFORMATION REPORTED BY A PUBLIC UNIVERSITY TO THE STATE BUDGET DIRECTOR UNDER THIS  
28 SUBSECTION SHALL ALSO BE REPORTED TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON  
29 HIGHER EDUCATION AND THE HOUSE AND SENATE FISCAL AGENCIES.

30 SEC. 265A. (1) APPROPRIATIONS TO PUBLIC UNIVERSITIES IN SECTION 236 FOR PERFORMANCE  
31 FUNDING SHALL BE PAID ONLY TO A PUBLIC UNIVERSITY THAT CERTIFIES TO THE STATE BUDGET DIRECTOR  
32 BY AUGUST 31, 2013 THAT IT COMPLIES WITH ALL OF THE FOLLOWING REQUIREMENTS:

1 (A) THE UNIVERSITY PARTICIPATES IN REVERSE TRANSFER AGREEMENTS DESCRIBED IN SECTION  
2 286 WITH AT LEAST 3 MICHIGAN COMMUNITY COLLEGES OR HAS MADE A GOOD-FAITH EFFORT TO ENTER INTO  
3 REVERSE TRANSFER AGREEMENTS.

4 (B) THE UNIVERSITY DOES NOT AND WILL NOT CONSIDER WHETHER DUAL ENROLLMENT CREDITS  
5 EARNED BY AN INCOMING STUDENT WERE UTILIZED TOWARDS HIS OR HER HIGH SCHOOL GRADUATION  
6 REQUIREMENTS WHEN MAKING A DETERMINATION AS TO WHETHER THOSE CREDITS MAY BE USED BY THE  
7 STUDENT TOWARD COMPLETION OF A UNIVERSITY DEGREE OR CERTIFICATE PROGRAM.

8 (C) THE UNIVERSITY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK CREATED AS PART OF  
9 THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS TRANSFER AGREEMENT.

10 (2) ANY PERFORMANCE FUNDING AMOUNTS UNDER SECTION 236 FOR FISCAL YEAR 2013-2014 THAT  
11 ARE NOT PAID TO A PUBLIC UNIVERSITY BECAUSE IT DID NOT COMPLY WITH 1 OR MORE REQUIREMENTS  
12 UNDER SUBSECTION (1) ARE UNAPPROPRIATED AND REAPPROPRIATED FOR TUITION RESTRAINT FUNDING  
13 DESCRIBED IN SECTION 265. THE STATE BUDGET DIRECTOR SHALL ISSUE UNIFORM REPORTING  
14 REQUIREMENTS FOR IMPLEMENTING THIS SECTION.

15 (3) PERFORMANCE FUNDING AMOUNTS DETAILED IN SECTION 236 ARE DISTRIBUTED BASED ON THE  
16 FOLLOWING FORMULA:

17 (A) BASED ON WEIGHTED UNDERGRADUATE COMPLETIONS IN CRITICAL SKILLS AREAS, 16.67%.

18 (B) BASED ON RESEARCH AND DEVELOPMENT EXPENDITURES, FOR UNIVERSITIES RANKED IN  
19 CARNEGIE CLASSIFICATIONS AS DOCTORAL/RESEARCH UNIVERSITIES, RESEARCH UNIVERSITIES (HIGH  
20 RESEARCH ACTIVITY), OR RESEARCH UNIVERSITIES (VERY HIGH RESEARCH ACTIVITY) ONLY, 8.33%.

21 (C) BASED ON SIX-YEAR GRADUATION RATE, SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION  
22 PEERS, 16.67%.

23 (D) BASED ON TOTAL DEGREE COMPLETIONS, SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION  
24 PEERS, 16.67%.

25 (E) BASED ON INSTITUTIONAL SUPPORT AS A PERCENTAGE OF CORE EXPENDITURES, SCORED  
26 AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS, 16.67%.

27 (F) BASED ON TUITION RESTRAINT, TO BE DISTRIBUTED AS DESCRIBED IN SECTION 265, 25%.

28 (6) FOR PURPOSES OF THIS SECTION, "CARNEGIE CLASSIFICATION" SHALL MEAN THE BASIC  
29 CLASSIFICATION OF THE UNIVERSITY ACCORDING TO THE MOST RECENT VERSION OF THE CARNEGIE  
30 CLASSIFICATION OF INSTITUTIONS OF HIGHER EDUCATION, PUBLISHED BY THE CARNEGIE FOUNDATION FOR  
31 THE ADVANCEMENT OF TEACHING.

32 SEC. 267. ALL PUBLIC UNIVERSITIES SHALL SUBMIT THE AMOUNT OF TUITION AND FEES ACTUALLY

1 CHARGED TO A FULL-TIME RESIDENT UNDERGRADUATE STUDENT FOR ACADEMIC YEAR 2013-2014 AS PART OF  
2 THEIR HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA BY AUGUST 31, 2013. A PUBLIC  
3 UNIVERSITY SHALL REPORT ANY REVISIONS FOR ANY SEMESTER OF THE REPORTED ACADEMIC YEAR 2013-  
4 2014 TUITION AND FEE CHARGES TO HEIDI WITHIN 15 DAYS OF BEING ADOPTED.

5 SEC. 269. FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, FROM THE AMOUNT  
6 APPROPRIATED IN SECTION 236 TO CENTRAL MICHIGAN UNIVERSITY FOR OPERATIONS, \$29,700.00 SHALL  
7 BE PAID TO SAGINAW CHIPPEWA TRIBAL COLLEGE FOR THE COSTS OF WAIVING TUITION FOR NORTH  
8 AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

9 SEC. 270. FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015, FROM THE AMOUNT  
10 APPROPRIATED IN SECTION 236 TO LAKE SUPERIOR STATE UNIVERSITY FOR OPERATIONS, \$100,000.00  
11 SHALL BE PAID TO BAY MILLS COMMUNITY COLLEGE FOR THE COSTS OF WAIVING TUITION FOR NORTH  
12 AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

13 SEC. 275. (1) EACH PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION IN SECTION 236 IS  
14 ENCOURAGED TO DO ALL OF THE FOLLOWING:

15 (A) MEET THE PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS EDUCATIONAL  
16 ASSISTANCE ACT OF 2008, 38 USC 3301 TO 3324, INCLUDING VOLUNTARY PARTICIPATION IN THE YELLOW  
17 RIBBON GI EDUCATION ENHANCEMENT PROGRAM ESTABLISHED IN THAT ACT IN 38 USC 3317.

18 (B) ESTABLISH AN ON-CAMPUS VETERANS' LIAISON TO PROVIDE INFORMATION AND ASSISTANCE TO  
19 ALL STUDENT VETERANS.

20 (C) PROVIDE FLEXIBLE ENROLLMENT APPLICATION DEADLINES FOR ALL VETERANS.

21 (D) INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO WHETHER AN  
22 APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER OF THE MILITARY, A MEMBER OF THE  
23 NATIONAL GUARD OR MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A VETERAN, ACTIVE MEMBER  
24 OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, IN ORDER TO MORE  
25 QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE AVAILABLE TO THAT APPLICANT.

26 (2) AS USED IN THIS SECTION, "VETERAN" MEANS AN HONORABLY DISCHARGED VETERAN ENTITLED  
27 TO EDUCATIONAL ASSISTANCE UNDER THE PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS  
28 EDUCATIONAL ASSISTANCE ACT OF 2008, 38 USC 3301 TO 3324.

29 SEC. 276. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION 236  
30 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS FUTURE FACULTY PROGRAM  
31 THAT IS INTENDED TO INCREASE THE POOL OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED  
32 CANDIDATES PURSUING FACULTY TEACHING CAREERS IN POSTSECONDARY EDUCATION. PREFERENCE MAY NOT

1 BE GIVEN TO APPLICANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.  
2 INSTITUTIONS SHOULD ENCOURAGE APPLICATIONS FROM APPLICANTS WHO WOULD OTHERWISE NOT ADEQUATELY  
3 BE REPRESENTED IN THE GRADUATE STUDENT AND FACULTY POPULATIONS. EACH PUBLIC UNIVERSITY SHALL  
4 APPLY THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF  
5 APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS 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 EACH PUBLIC UNIVERSITY IN SECTION 236  
10 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE DAY PROGRAM  
11 THAT IS INTENDED TO INTRODUCE ACADEMICALLY OR ECONOMICALLY DISADVANTAGED SCHOOLCHILDREN TO  
12 THE POTENTIAL OF A COLLEGE EDUCATION. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE  
13 BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD  
14 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE  
15 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 IS FUNDING FOR THE MARTIN LUTHER KING, JR. -  
26 CESAR CHAVEZ - ROSA PARKS SELECT STUDENT SUPPORT SERVICES PROGRAM FOR DEVELOPING ACADEMICALLY  
27 OR ECONOMICALLY DISADVANTAGED STUDENT RETENTION PROGRAMS FOR 4-YEAR PUBLIC AND INDEPENDENT  
28 EDUCATIONAL INSTITUTIONS IN THIS STATE. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE  
29 BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE  
30 PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT  
31 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 IS FUNDING FOR THE MARTIN LUTHER KING, JR. -  
6 CESAR CHAVEZ - ROSA PARKS COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM BETWEEN 4-YEAR PUBLIC AND  
7 INDEPENDENT COLLEGES AND UNIVERSITIES AND PUBLIC COMMUNITY COLLEGES, WHICH IS INTENDED TO  
8 INCREASE THE NUMBER OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS WHO TRANSFER FROM  
9 COMMUNITY COLLEGES INTO BACCALAUREATE PROGRAMS. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS  
10 ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD  
11 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE  
12 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 EACH PUBLIC UNIVERSITY IN SECTION 236  
20 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS VISITING PROFESSORS  
21 PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF INSTRUCTORS IN THE CLASSROOM TO PROVIDE  
22 ROLE MODELS FOR ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS. PREFERENCE MAY NOT BE  
23 GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.  
24 PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT  
25 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 IN SECTION 236 IS FUNDING UNDER THE MARTIN  
29 LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS INITIATIVE FOR THE MORRIS HOOD, JR. EDUCATOR  
30 DEVELOPMENT PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR ECONOMICALLY  
31 DISADVANTAGED STUDENTS WHO ENROLL IN AND COMPLETE K-12 TEACHER EDUCATION PROGRAMS AT THE  
32 BACCALAUREATE LEVEL. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR,

1 ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE  
2 WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE TEACHER EDUCATION STUDENT  
3 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 NOTIFY  
10 THE WORKFORCE DEVELOPMENT AGENCY BY APRIL 15, 2014 AS TO WHETHER IT WILL EXPEND BY THE END OF  
11 ITS FISCAL YEAR THE FUNDS RECEIVED UNDER SECTION 278, 279, OR 281. NOTWITHSTANDING THE AWARD  
12 LIMITATIONS IN SECTIONS 278 AND 279, THE AMOUNT OF FUNDING REPORTED AS NOT BEING EXPENDED  
13 WILL BE REALLOCATED TO THE INSTITUTIONS THAT INTEND TO EXPEND ALL FUNDING RECEIVED UNDER  
14 SECTION 278, 279, OR 281. FUNDS REMAINING AFTER REALLOCATION UNDER THIS SECTION MAY BE USED  
15 BY THE WORKFORCE DEVELOPMENT AGENCY FOR ADMINISTRATION OF THE MARTIN LUTHER KING, JR. - CESAR  
16 CHAVEZ - ROSA PARKS PROGRAMS.

17 SEC. 283. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE PUBLIC UNIVERSITIES  
18 SHALL SYSTEMATICALLY INFORM MICHIGAN HIGH SCHOOLS REGARDING THE ACADEMIC STATUS OF STUDENTS  
19 FROM EACH HIGH SCHOOL IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF  
20 MICHIGAN IN COOPERATION WITH THE MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS. PUBLIC  
21 UNIVERSITIES SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO  
22 DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.

23 (2) MICHIGAN HIGH SCHOOLS SHALL SYSTEMATICALLY INFORM THE PUBLIC UNIVERSITIES ABOUT  
24 THE USE OF INFORMATION RECEIVED UNDER THIS SECTION IN A MANNER PRESCRIBED BY THE MICHIGAN  
25 ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS IN COOPERATION WITH THE PRESIDENTS COUNCIL, STATE  
26 UNIVERSITIES OF MICHIGAN.

27 SEC. 284. FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE PUBLIC UNIVERSITIES SHALL  
28 INFORM MICHIGAN COMMUNITY COLLEGES REGARDING THE ACADEMIC STATUS OF COMMUNITY COLLEGE  
29 TRANSFER STUDENTS IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF  
30 MICHIGAN IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION. PUBLIC UNIVERSITIES  
31 SHALL ALSO WORK WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND  
32 IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.

1 SEC. 285. PUBLIC UNIVERSITIES ARE ENCOURAGED TO WORK WITH THE STATE COMMUNITY COLLEGES  
2 TO ENCOURAGE THE TRANSFER OF STUDENTS FROM THE COMMUNITY COLLEGES TO THE PUBLIC UNIVERSITIES  
3 AND TO FACILITATE THE TRANSFER OF CREDITS FROM THE COMMUNITY COLLEGES TO THOSE PUBLIC  
4 UNIVERSITIES.

5 SEC. 286. PUBLIC UNIVERSITIES ARE ENCOURAGED TO WORK WITH COMMUNITY COLLEGES IN THE  
6 STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF STUDENTS  
7 THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY CREDITS. THESE  
8 STATEWIDE AGREEMENTS SHALL ENABLE STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT  
9 A COMMUNITY COLLEGE AND TRANSFER TO A BACCALAUREATE GRANTING INSTITUTION BEFORE COMPLETING A  
10 DEGREE TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY  
11 COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.

12 SEC. 289. (1) THE AUDITOR GENERAL SHALL PERIODICALLY AUDIT HIGHER EDUCATION  
13 INSTITUTIONAL DATA INVENTORY (HEIDI) DATA SUBMITTED BY ALL PUBLIC UNIVERSITIES UNDER SECTION  
14 241 AND MAY PERFORM AUDITS OF SELECTED PUBLIC UNIVERSITIES IF DETERMINED NECESSARY. THE  
15 REVIEW AND AUDITS SHALL BE BASED UPON THE DEFINITIONS, REQUIREMENTS, AND UNIFORM REPORTING  
16 CATEGORIES ESTABLISHED BY THE STATE BUDGET DIRECTOR IN CONSULTATION WITH THE HEIDI ADVISORY  
17 COMMITTEE. THE AUDITOR GENERAL SHALL SUBMIT A REPORT OF FINDINGS TO THE HOUSE AND SENATE  
18 APPROPRIATIONS COMMITTEES AND THE STATE BUDGET DIRECTOR NO LATER THAN JULY 1 OF EACH YEAR AN  
19 AUDIT TAKES PLACE.

20 (2) STUDENT CREDIT HOURS REPORTS SHALL NOT INCLUDE THE FOLLOWING:

21 (A) STUDENT CREDIT HOURS GENERATED THROUGH INSTRUCTIONAL ACTIVITY BY FACULTY OR STAFF  
22 IN CLASSROOMS LOCATED OUTSIDE MICHIGAN, WITH THE EXCEPTION OF INSTRUCTIONAL ACTIVITY RELATED  
23 TO STUDY-ABROAD PROGRAMS OR FIELD PROGRAMS.

24 (B) STUDENT CREDIT HOURS GENERATED THROUGH DISTANCE LEARNING INSTRUCTION FOR STUDENTS  
25 NOT ELIGIBLE FOR THE PUBLIC UNIVERSITY'S IN-STATE MAIN CAMPUS RESIDENT TUITION RATE. HOWEVER,  
26 IN INSTANCES WHERE A STUDENT IS ENROLLED IN DISTANCE EDUCATION AND NON-DISTANCE EDUCATION  
27 CREDIT HOURS IN A GIVEN TERM AND THE STUDENT'S NON-DISTANCE EDUCATION ENROLLMENT IS AT A  
28 CAMPUS OR SITE LOCATED WITHIN MICHIGAN, STUDENT CREDIT HOURS PER THE STUDENT'S ELIGIBILITY  
29 FOR IN-STATE OR OUT-OF-STATE TUITION RATES MAY BE REPORTED.

30 (C) STUDENT CREDIT HOURS GENERATED THROUGH CREDIT BY EXAMINATION.

31 (D) STUDENT CREDIT HOURS GENERATED THROUGH INMATE PRISON PROGRAMS REGARDLESS OF  
32 TEACHING LOCATION.

1 (E) STUDENT CREDIT HOURS GENERATED IN NEW DEGREE PROGRAMS AFTER JANUARY 1, 1975, THAT  
2 HAVE NOT BEEN SPECIFICALLY AUTHORIZED FOR FUNDING BY THE LEGISLATURE, EXCEPT SPIN-OFF  
3 PROGRAMS CONVERTED FROM EXISTING CORE PROGRAMS THAT DO ALL OF THE FOLLOWING:

4 (I) REPRESENT NEW OPTIONS, FIELDS, OR CONCENTRATIONS WITHIN EXISTING PROGRAMS.

5 (II) ARE CONSISTENT WITH THE CURRENT INSTITUTIONAL ROLE AND MISSION.

6 (III) ARE ACCOMMODATED WITHIN THE CONTINUING FUNDING BASE OF THE PUBLIC UNIVERSITY.

7 (IV) DO NOT REQUIRE A NEW DEGREE LEVEL BEYOND THAT WHICH THE PUBLIC UNIVERSITY IS  
8 CURRENTLY AUTHORIZED TO GRANT WITHIN THAT DISCIPLINE OR FIELD.

9 (V) DO NOT REQUIRE FUNDING FROM THE STATE OTHER THAN THAT PROVIDED BY THE STUDENT  
10 CREDIT HOURS GENERATED WITHIN THE PROGRAM, EITHER BEFORE PROGRAM INITIATION OR WITHIN THE  
11 FIRST 3 YEARS OF PROGRAM OPERATION.

12 (3) "DISTANCE LEARNING INSTRUCTION" AS USED IN SUBSECTION (2) MEANS INSTRUCTION THAT  
13 OCCURS SOLELY IN OTHER THAN A TRADITIONAL CLASSROOM SETTING WHERE THE STUDENT AND INSTRUCTOR  
14 ARE IN THE SAME PHYSICAL LOCATION AND FOR WHICH A STUDENT RECEIVES COURSE CREDITS AND IS  
15 CHARGED TUITION AND FEES. EXAMPLES OF DISTANCE LEARNING INSTRUCTION ARE INSTRUCTION DELIVERED  
16 SOLELY THROUGH THE INTERNET, CABLE TELEVISION, TELECONFERENCE, OR MAIL.

17 SEC. 291. THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF PUBLIC UNIVERSITIES  
18 RECEIVING FUNDS IN SECTION 236 AS THE AUDITOR GENERAL CONSIDERS NECESSARY.

19 SEC. 293A. IN ADDITION TO THE FUNDS APPROPRIATED FOR FISCAL YEAR 2013-2014 IN SECTION  
20 236 OF THIS ARTICLE, APPROPRIATIONS TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
21 FOR STATE BUILDING AUTHORITY RENT PROVIDE FUNDING FOR THE STATE SHARE OF COSTS FOR PREVIOUSLY  
22 CONSTRUCTED CAPITAL PROJECTS FOR STATE UNIVERSITIES. THESE APPROPRIATIONS FOR STATE BUILDING  
23 AUTHORITY RENT REPRESENT ADDITIONAL STATE GENERAL FUND SUPPORT PROVIDED TO PUBLIC  
24 UNIVERSITIES, AND THE FOLLOWING IS AN ESTIMATE OF THE AMOUNT OF THAT SUPPORT TO EACH  
25 UNIVERSITY:

26 (A) CENTRAL MICHIGAN UNIVERSITY, \$9,155,600.00.

27 (B) EASTERN MICHIGAN UNIVERSITY, \$5,234,800.00.

28 (C) FERRIS STATE UNIVERSITY, \$6,360,600.00.

29 (D) GRAND VALLEY STATE UNIVERSITY, \$4,277,000.00.

30 (E) LAKE SUPERIOR STATE UNIVERSITY, \$915,600.00.

31 (F) MICHIGAN STATE UNIVERSITY, \$16,194,400.00.

32 (G) MICHIGAN TECHNOLOGICAL UNIVERSITY, \$7,692,200.00.

1 (H) NORTHERN MICHIGAN UNIVERSITY, \$8,062,600.00.  
2 (I) OAKLAND UNIVERSITY, \$10,791,500.00.  
3 (J) SAGINAW VALLEY STATE UNIVERSITY, \$9,833,700.00.  
4 (K) UNIVERSITY OF MICHIGAN - ANN ARBOR, \$9,212,000.00.  
5 (L) UNIVERSITY OF MICHIGAN - DEARBORN, \$6,332,400.00.  
6 (M) UNIVERSITY OF MICHIGAN - FLINT, \$2,871,400.00.  
7 (N) WAYNE STATE UNIVERSITY, \$13,079,500.00.  
8 (O) WESTERN MICHIGAN UNIVERSITY, \$15,357,300.00.  
9 SEC. 293B: SECTIONS 236 THROUGH 293A OF THIS ARTICLE ARE REPEALED EFFECTIVE AT 11:59  
10 PM, SEPTEMBER 30, 2014.

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ARTICLE IV

SUMMARY OF APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2014, AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FROM THE FUNDS INDICATED IN THIS ACT:

1           (2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

2	GROSS APPROPRIATION .....	\$ 15,001,785,900	\$ 15,273,426,900
3	TOTAL INTERDEPARTMENTAL GRANTS AND		
4	INTRADEPARTMENTAL TRANSFERS.....	0	0
5	ADJUSTED GROSS APPROPRIATION .....	\$ 15,001,785,900	\$ 15,273,426,900
6	TOTAL FEDERAL REVENUES .....	1,861,447,700	1,861,447,700
7	TOTAL LOCAL REVENUES .....	0	0
8	TOTAL PRIVATE REVENUES .....	0	0
9	TOTAL OTHER STATE RESTRICTED REVENUES .....	11,638,993,300	11,891,334,300
10	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,501,344,900	\$ 1,520,644,900

11           SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

12    APPROPRIATION SUMMARY

13	GROSS APPROPRIATION .....	\$ 13,235,234,800	\$ 13,490,575,800
14	TOTAL INTERDEPARTMENTAL GRANTS AND		
15	INTRADEPARTMENTAL TRANSFERS.....	0	0
16	ADJUSTED GROSS APPROPRIATION .....	\$ 13,235,234,800	13,490,575,800
17	TOTAL FEDERAL REVENUES .....	1,764,421,300	1,764,421,300
18	TOTAL LOCAL REVENUES .....	0	0
19	TOTAL PRIVATE REVENUES .....	0	0
20	TOTAL OTHER STATE RESTRICTED REVENUES .....	11,240,813,500	11,493,154,500
21	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 230,000,000	\$ 233,000,000

22           (2) BASIC OPERATIONS

23	BASIC OPERATIONS .....	\$ <u>9,573,440,000</u>	\$ <u>9,747,340,000</u>
24	GROSS APPROPRIATION .....	\$ 9,573,440,000	\$ 9,747,340,000
25	APPROPRIATED FROM:		
26	STATE RESTRICTED REVENUES .....	9,367,562,600	9,533,462,600
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 205,877,400	\$ 213,877,400

28           SCHEDULE OF PROGRAMS:

29	PROPOSAL A OBLIGATION PAYMENT .....	5,558,000,000	5,464,000,000
30	DISCRETIONARY PAYMENT .....	3,304,000,000	3,383,000,000
31	FOUNDATION EQUITY PAYMENT .....	24,000,000	0
32	ISD GENERAL OPERATIONS .....	64,115,000	64,115,000

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015	
1	BEST PRACTICES GRANTS .....	25,000,000	0
2	DISTRICT PERFORMANCE FUNDING .....	30,000,000	30,000,000
3	COMPETITIVE STUDENT-CENTRIC LEARNING GRANTS .....	8,000,000	0
4	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM .		
5	COST OFFSET .....	155,000,000	155,000,000
6	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM .		
7	REFORM COSTS .....	403,300,000	649,200,000
8	ISOLATED DISTRICT FUNDING .....	2,025,000	2,025,000
9	(3) SPECIAL EDUCATION		
10	SPECIAL EDUCATION .....	\$ 1,424,569,100	\$ 1,448,869,100
11	GROSS APPROPRIATION .....	\$ 1,424,569,100	\$ 1,448,869,100
12	APPROPRIATED FROM:		
13	FEDERAL REVENUES .....	444,000,000	444,000,000
14	STATE RESTRICTED REVENUES .....	980,569,100	1,004,869,100
15	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
16	SCHEDULE OF PROGRAMS:		
17	SPECIAL EDUCATION HEADLEE OBLIGATION .....	662,500,000	682,000,000
18	SPECIAL EDUCATION FOUNDATIONS .....	258,300,000	263,000,000
19	SPECIAL EDUCATION HOLD HARMLESS PAYMENT .....	1,000,000	1,000,000
20	SPECIAL EDUCATION NON-SEC. 52 PAYMENT .....	4,500,000	4,600,000
21	SPECIAL EDUCATION RULE CHANGE .....	2,200,000	2,200,000
22	SPECIAL EDUCATION COURT PLACED FTES .....	13,500,000	13,500,000
23	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND .....	1,688,000	1,688,000
24	SPECIAL EDUCATION MILLAGE EQUALIZATION .....	36,881,100	36,881,100
25	SPECIAL EDUCATION FEDERAL PROGRAMS .....	444,000,000	444,000,000
26	(4) SUPPORT SERVICES		
27	SUPPORT SERVICES .....	\$ 1,180,865,800	\$ 1,180,865,800
28	GROSS APPROPRIATION .....	\$ 1,180,865,800	\$ 1,180,865,800
29	APPROPRIATED FROM:		
30	FEDERAL REVENUES .....	848,777,800	848,777,800
31	STATE RESTRICTED REVENUES .....	332,088,000	332,088,000
32	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1	<i>SCHEDULE OF PROGRAMS:</i>	
2	<i>COURT-PLACED CHILDREN</i> .....	8,000,000      8,000,000
3	<i>JUVENILE DETENTION FACILITIES</i> .....	2,167,500      2,167,500
4	<i>YOUTH CHALLENGE PROGRAM</i> .....	1,500,000      1,500,000
5	<i>AT-RISK PROGRAM</i> .....	308,988,200      308,988,200
6	<i>CHILD AND ADOLESCENT HEALTH CENTERS</i> .....	3,557,300      3,557,300
7	<i>HEARING AND VISION SCREENING</i> .....	5,150,000      5,150,000
8	<i>MATH AND SCIENCE CENTERS</i> .....	7,974,300      7,974,300
9	<i>FEDERAL PROGRAMS</i> .....	843,528,500      843,528,500
10	<b>(5) SCHOOL MEAL PROGRAMS</b>	
11	SCHOOL MEAL PROGRAMS .....	\$ <u>491,320,100</u> \$ <u>491,320,100</u>
12	GROSS APPROPRIATION .....	\$ 491,320,100    \$ 491,320,100
13	<b>APPROPRIATED FROM:</b>	
14	FEDERAL REVENUES .....	463,200,000      463,200,000
15	STATE RESTRICTED REVENUES .....	28,120,100      28,120,100
16	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0                \$ 0
17	<i>SCHEDULE OF PROGRAMS:</i>	
18	<i>SCHOOL LUNCH</i> .....	485,695,100      485,695,100
19	<i>SCHOOL BREAKFAST</i> .....	5,625,000      5,625,000
20	<b>(6) EARLY CHILDHOOD EDUCATION</b>	
21	EARLY CHILDHOOD EDUCATION .....	\$ <u>185,475,000</u> \$ <u>250,475,000</u>
22	GROSS APPROPRIATION .....	\$ 185,475,000    \$ 250,475,000
23	<b>APPROPRIATED FROM:</b>	
24	STATE RESTRICTED REVENUES .....	185,175,000      250,175,000
25	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 300,000        \$ 300,000
26	<i>SCHEDULE OF PROGRAMS:</i>	
27	<i>GREAT START READINESS PROGRAM</i> .....	174,575,000      239,575,000
28	<i>GREAT START EARLY CHILDHOOD BLOCK GRANTS</i> .....	10,900,000      10,900,000
29	<b>(7) STUDENT ASSESSMENT AND ACCOUNTABILITY</b>	
30	STUDENT ASSESSMENT AND ACCOUNTABILITY .....	\$ <u>83,073,500</u> \$ <u>83,073,500</u>
31	GROSS APPROPRIATION .....	\$ 83,073,500    \$ 83,073,500
32	<b>APPROPRIATED FROM:</b>	

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 FEDERAL REVENUES .....	8,443,500	8,443,500
2 STATE RESTRICTED REVENUES .....	65,194,900	65,194,900
3 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 9,435,100	\$ 9,435,100
4 <i>SCHEDULE OF PROGRAMS:</i>		
5 <i>PRINCIPAL EDUCATOR EVALUATION TRAINING .....</i>	<i>500,000</i>	<i>500,000</i>
6 <i>CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION .</i>	<i>9,628,600</i>	<i>9,628,600</i>
7 <i>STUDENT ASSESSMENTS .....</i>	<i>34,944,400</i>	<i>34,944,400</i>
8 <i>DATA COLLECTION AND REPORTING COSTS .....</i>	<i>38,000,500</i>	<i>38,000,500</i>
9 (8) TECHNOLOGY INITIATIVES		
10 TECHNOLOGY INITIATIVES .....	\$ <u>27,887,500</u>	\$ <u>9,387,500</u>
11 GROSS APPROPRIATION .....	\$ 27,887,500	\$ 9,387,500
12 APPROPRIATED FROM:		
13 STATE RESTRICTED REVENUES .....	13,500,000	0
14 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 14,387,500	\$ 9,387,500
15 <i>SCHEDULE OF PROGRAMS:</i>		
16 <i>MICHIGAN VIRTUAL HIGH SCHOOL .....</i>	<i>14,387,500</i>	<i>9,387,500</i>
17 <i>TECHNOLOGY INFRASTRUCTURE IMPROVEMENT GRANTS .....</i>	<i>13,500,000</i>	<i>0</i>
18 (9) CAREER PREPARATION AND VOCATIONAL EDUCATION		
19 CAREER PREPARATION AND VOCATIONAL EDUCATION .....	\$ <u>35,611,300</u>	\$ <u>35,611,300</u>
20 GROSS APPROPRIATION .....	\$ 35,611,300	\$ 35,611,300
21 APPROPRIATED FROM:		
22 STATE RESTRICTED REVENUES .....	35,611,300	35,611,300
23 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
24 <i>SCHEDULE OF PROGRAMS:</i>		
25 <i>VOCATIONAL EDUCATION .....</i>	<i>26,611,300</i>	<i>26,611,300</i>
26 <i>VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT .....</i>	<i>9,000,000</i>	<i>9,000,000</i>
27 (10) ADULT EDUCATION		
28 ADULT EDUCATION .....	\$ <u>22,000,000</u>	\$ <u>22,000,000</u>
29 GROSS APPROPRIATION .....	\$ 22,000,000	\$ 22,000,000
30 APPROPRIATED FROM:		
31 STATE RESTRICTED REVENUES .....	22,000,000	22,000,000
32 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1	<i>SCHEDULE OF PROGRAMS:</i>	
2	<i>ADULT EDUCATION</i> .....	22,000,000      22,000,000
3	(11) TRANSPORTATION SAFETY	
4	TRANSPORTATION SAFETY .....	\$ <u>3,299,000</u> \$ <u>3,299,000</u>
5	GROSS APPROPRIATION .....	\$ 3,299,000    \$ 3,299,000
6	APPROPRIATED FROM:	
7	STATE RESTRICTED REVENUES .....	3,299,000      3,299,000
8	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0            \$ 0
9	<i>SCHEDULE OF PROGRAMS:</i>	
10	<i>BUS DRIVER SAFETY</i> .....	1,625,000      1,625,000
11	<i>SCHOOL BUS INSPECTIONS</i> .....	1,674,000      1,674,000
12	(12) DEBT SERVICE AND OTHER REQUIRED PAYMENTS	
13	DEBT SERVICE AND OTHER REQUIRED PAYMENTS .....	\$ <u>207,693,500</u> \$ <u>218,334,500</u>
14	GROSS APPROPRIATION .....	\$ 207,693,500    \$ 218,334,500
15	APPROPRIATED FROM:	
16	STATE RESTRICTED REVENUES .....	207,693,500      218,334,500
17	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0            \$ 0
18	<i>SCHEDULE OF PROGRAMS:</i>	
19	<i>DEBT SERVICE ON NON-DURANT DISTRICT BONDS</i> .....	39,500,000      39,500,000
20	<i>SCHOOL BOND LOAN REDEMPTION FUND</i> .....	131,660,000      139,900,000
21	<i>SCHOOL AID FUND BORROWING COSTS</i> .....	6,000,000      8,000,000
22	<i>RENAISSANCE ZONE REIMBURSEMENT</i> .....	26,300,000      26,300,000
23	<i>PAYMENT IN LIEU OF TAXES REIMBURSEMENT</i> .....	4,009,500      4,410,500
24	<i>PROMISE ZONE PAYMENTS</i> .....	224,000      224,000
25	SEC. 298B. SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)	
26	APPROPRIATION SUMMARY	
27	GROSS APPROPRIATION .....	\$ 335,977,600    \$ 352,277,600
28	TOTAL INTERDEPARTMENTAL GRANTS AND	
29	INTRADPARTMENTAL TRANSFERS .....	0            0
30	ADJUSTED GROSS APPROPRIATION .....	\$ 335,977,600    \$ 352,277,600
31	TOTAL FEDERAL REVENUES .....	0            0
32	TOTAL LOCAL REVENUES .....	0            0

	For Fiscal Year Ending Sept. 30, 2014	For Fiscal Year Ending Sept. 30, 2015
1 <b>TOTAL PRIVATE REVENUES .....</b>	0	0
2 <b>TOTAL OTHER STATE RESTRICTED REVENUES .....</b>	197,614,100	197,614,100
3 <b>STATE GENERAL FUND/GENERAL PURPOSE .....</b>	\$ 138,363,500	\$ 154,663,500
4 <b>SEC. 298C. SUMMARY OF APPROPRIATIONS FOR HIGHER EDUCATION (ARTICLE III)</b>		
5 <b>APPROPRIATION SUMMARY</b>		
6 <b>GROSS APPROPRIATION .....</b>	\$ 1,430,573,500	\$ 1,430,573,500
7 <b>TOTAL INTERDEPARTMENTAL GRANTS AND</b>		
8 <b>  INTRADepartmental Transfers.....</b>	0	0
9 <b>ADJUSTED GROSS APPROPRIATION .....</b>	\$ 1,430,573,500	\$ 1,430,573,500
10 <b>TOTAL FEDERAL REVENUES .....</b>	97,026,400	97,026,400
11 <b>TOTAL LOCAL REVENUES .....</b>	0	0
12 <b>TOTAL PRIVATE REVENUES .....</b>	0	0
13 <b>TOTAL OTHER STATE RESTRICTED REVENUES .....</b>	200,565,700	200,565,700
14 <b>STATE GENERAL FUND/GENERAL PURPOSE .....</b>	\$ 1,132,981,400	\$ 1,132,981,400

15        Enacting section 1. (1) In accordance with section 30 of article I of the state  
16 constitution of 1963, total state spending on school aid under article I as amended by this  
17 amendatory act from state sources for fiscal year 2013-2014 is estimated at  
18 \$11,470,813,500.00 and state appropriations for school aid to be paid to local units of  
19 government for fiscal year 2013-2014 are estimated at \$11,309,030,900.00; and total state  
20 spending on school aid under article I as amended by this amendatory act from state sources  
21 for fiscal year 2014-2015 is estimated at \$11,726,154,500.00 and state appropriations for  
22 school aid to be paid to local units of government for fiscal year 2014-2015 are estimated at  
23 \$11,559,131,900.00.

24        (2) In accordance with section 30 of article IX of the state constitution of 1963,  
25 total state spending from state sources for community colleges for fiscal year 2013-2014  
26 under article II as amended by this amendatory act is estimated at \$335,977,600.00 and the  
27 amount of that state spending from state sources to be paid to local units of government for  
28 fiscal year 2013-2014 is estimated at \$335,977,600.00; and total state spending from state  
29 sources for community colleges for fiscal year 2014-2015 under article II as amended by this  
30 amendatory act is estimated at \$352,277,600.00 and the amount of that state spending from  
31 state sources to be paid to local units of government for fiscal year 2014-2015 is estimated  
32 at \$352,277,600.00.

1           (3) In accordance with section 30 of article IX of the state constitution of 1963,  
2 total state spending from state sources for higher education for fiscal year 2013-2014 under  
3 article III as amended by this amendatory act is estimated at \$1,333,547,100.00 and the  
4 amount of that state spending from state sources to be paid to local units of government for  
5 fiscal year 2013-2014 is estimated at \$0; and total state spending from state sources for  
6 higher education for fiscal year 2014-2015 under article III as amended by this amendatory  
7 act is estimated at \$1,333,547,100.00 and the amount of that state spending from state  
8 sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$0.

9           Enacting Section 2. (1) Sections 11q, 11t, 11u, 12, 22g, 22h, 25d, 32g, 32i, 93, 101a  
10 and 166 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611q, 388.1611t, 388.1611u,  
11 388.1612, 388.1622g, 388.1622h, 388.1625d, 388.1632g, 388.1632i, 388.1693, 388.1701a, and  
12 388.1766 are repealed effective October 1, 2013.

13           (2) All sections contained in Article II and Article III of the state school aid act  
14 of 1979, 1979 PA 94, MCL 388.1801 to 388.1893a, as in effect for fiscal year 2012-2013, are  
15 repealed effective at 11:59 PM, September 30, 2013.