

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 926

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 11, and 94a (MCL 388.1606, 388.1611, and  
388.1694a), as amended by 2009 PA 121, and by adding section 166c.

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

1       Sec. 6. (1) "Center program" means a program operated by a  
2 district or intermediate district for special education pupils from  
3 several districts in programs for pupils with autism spectrum  
4 disorder, pupils with severe cognitive impairment, pupils with  
5 moderate cognitive impairment, pupils with severe multiple  
6 impairments, pupils with hearing impairment, pupils with visual  
7 impairment, and pupils with physical impairment or other health  
8 impairment. Programs for pupils with emotional impairment housed in  
9 buildings that do not serve regular education pupils also qualify.

1 Unless otherwise approved by the department, a center program  
2 either shall serve all constituent districts within an intermediate  
3 district or shall serve several districts with less than 50% of the  
4 pupils residing in the operating district. In addition, special  
5 education center program pupils placed part-time in noncenter  
6 programs to comply with the least restrictive environment  
7 provisions of section 612 of part B of the individuals with  
8 disabilities education act, 20 USC 1412, may be considered center  
9 program pupils for pupil accounting purposes for the time scheduled  
10 in either a center program or a noncenter program.

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

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

20 (4) "Membership", except as otherwise provided in this act,  
21 means for a district, public school academy, university school, or  
22 intermediate district the sum of the product of .75 times the  
23 number of full-time equated pupils in grades K to 12 actually  
24 enrolled and in regular daily attendance on the pupil membership  
25 count day for the current school year, plus the product of .25  
26 times the final audited count from the supplemental count day for  
27 the immediately preceding school year. All pupil counts used in

1 this subsection are as determined by the department and calculated  
2 by adding the number of pupils registered for attendance plus  
3 pupils received by transfer and minus pupils lost as defined by  
4 rules promulgated by the superintendent, and as corrected by a  
5 subsequent department audit. The amount of the foundation allowance  
6 for a pupil in membership is determined under section 20. In making  
7 the calculation of membership, all of the following, as applicable,  
8 apply to determining the membership of a district, public school  
9 academy, university school, or intermediate district:

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

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

25 (c) A special education pupil educated by the intermediate  
26 district shall be counted in membership in the intermediate  
27 district.

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

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

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

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

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

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

24 (i) If operations begin before the pupil membership count day  
25 for the fiscal year, membership is the average number of full-time  
26 equated pupils in grades K to 12 actually enrolled and in regular  
27 daily attendance on the pupil membership count day for the current

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

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

15 (j) If a district is the authorizing body for a public school  
16 academy, then, in the first school year in which pupils are counted  
17 in membership on the pupil membership count day in the public  
18 school academy, the determination of the district's membership  
19 shall exclude from the district's pupil count for the immediately  
20 preceding supplemental count day any pupils who are counted in the  
21 public school academy on that first pupil membership count day who  
22 were also counted in the district on the immediately preceding  
23 supplemental count day.

24 (k) In a district, public school academy, university school,  
25 or intermediate district operating an extended school year program  
26 approved by the superintendent, a pupil enrolled, but not scheduled  
27 to be in regular daily attendance on a pupil membership count day,

1 shall be counted.

2 (l) Pupils to be counted in membership shall be not less than 5  
3 years of age on December 1 and less than 20 years of age on  
4 September 1 of the school year except a special education pupil who  
5 is enrolled and receiving instruction in a special education  
6 program or service approved by the department and not having a high  
7 school diploma who is less than 26 years of age as of September 1  
8 of the current school year shall be counted in membership.

9 (m) An individual who has obtained a high school diploma shall  
10 not be counted in membership. An individual who has obtained a  
11 general educational development (G.E.D.) certificate shall not be  
12 counted in membership. An individual participating in a job  
13 training program funded under former section 107a or a jobs program  
14 funded under former section 107b, administered by the Michigan  
15 strategic fund or the department of energy, labor, and economic  
16 growth, or participating in any successor of either of those 2  
17 programs, shall not be counted in membership.

18 (n) If a pupil counted in membership in a public school  
19 academy is also educated by a district or intermediate district as  
20 part of a cooperative education program, the pupil shall be counted  
21 in membership only in the public school academy unless a written  
22 agreement signed by all parties designates the party or parties in  
23 which the pupil shall be counted in membership, and the  
24 instructional time scheduled for the pupil in the district or  
25 intermediate district shall be included in the full-time equated  
26 membership determination under subdivision (q). However, for pupils  
27 receiving instruction in both a public school academy and in a

1 district or intermediate district but not as a part of a  
2 cooperative education program, the following apply:

3 (i) If the public school academy provides instruction for at  
4 least 1/2 of the class hours specified in subdivision (q), the  
5 public school academy shall receive as its prorated share of the  
6 full-time equated membership for each of those pupils an amount  
7 equal to 1 times the product of the hours of instruction the public  
8 school academy provides divided by the number of hours specified in  
9 subdivision (q) for full-time equivalency, and the remainder of the  
10 full-time membership for each of those pupils shall be allocated to  
11 the district or intermediate district providing the remainder of  
12 the hours of instruction.

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

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

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

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

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

17 (s) For a district, university school, or public school  
18 academy that has pupils enrolled in a grade level that was not  
19 offered by the district, university school, or public school  
20 academy in the immediately preceding school year, the number of  
21 pupils enrolled in that grade level to be counted in membership is  
22 the average of the number of those pupils enrolled and in regular  
23 daily attendance on the pupil membership count day and the  
24 supplemental count day of the current school year, as determined by  
25 the department. Membership shall be calculated by adding the number  
26 of pupils registered for attendance in that grade level on the  
27 pupil membership count day plus pupils received by transfer and



1 minus pupils lost as defined by rules promulgated by the  
2 superintendent, and as corrected by subsequent department audit,  
3 plus the final audited count from the supplemental count day for  
4 the current school year, and dividing that sum by 2.

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

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

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

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

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

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

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

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

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

1 before suspending operations, as determined by the superintendent.

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

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

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

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

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

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

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

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

1 day, the pupil shall be excluded from the district's immediately  
2 preceding supplemental count for purposes of determining the  
3 district's membership.

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

7 (5) "Public school academy" means a public school academy,  
8 urban high school academy, **SCHOOL OF EXCELLENCE**, or strict  
9 discipline academy operating under the revised school code.

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

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

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

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

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

26 (e) A pupil enrolled in a district other than the pupil's  
27 district of residence if the pupil is enrolled in accordance with

1 section 105 or 105c.

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

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

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

25 (g) A pupil whose district of residence changed after the  
26 pupil membership count day and before the supplemental count day  
27 and who continues to be enrolled on the supplemental count day as a

1 nonresident in the district in which he or she was enrolled as a  
2 resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

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

17 (j) A pupil who is the child of a person who is employed by  
18 the district. As used in this subdivision, "child" includes an  
19 adopted child, stepchild, or legal ward.

20 (k) An expelled pupil who has been denied reinstatement by the  
21 expelling district and is reinstated by another school board under  
22 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
23 380.1311a.

24 (l) A pupil enrolled in a district other than the pupil's  
25 district of residence in a program described in section 64 if the  
26 pupil's district of residence and the enrolling district are both  
27 constituent districts of the same intermediate district.

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

4 However, if a district educates pupils who reside in another  
5 district and if the primary instructional site for those pupils is  
6 established by the educating district after 2009-2010 and is  
7 located within the boundaries of that other district, the educating  
8 district must have the approval of that other district to count  
9 those pupils in membership.

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

12 (a) Except as provided in subdivision (b), the fourth  
13 Wednesday after Labor day each school year or, for a district or  
14 building in which school is not in session on that Wednesday due to  
15 conditions not within the control of school authorities, with the  
16 approval of the superintendent, the immediately following day on  
17 which school is in session in the district or building.

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

20 (i) Fourth Wednesday in July.

21 (ii) Fourth Wednesday after Labor day.

22 (iii) Second Wednesday in February.

23 (iv) Fourth Wednesday in April.

24 (8) "Pupils in grades K to 12 actually enrolled and in regular  
25 daily attendance" means pupils in grades K to 12 in attendance and  
26 receiving instruction in all classes for which they are enrolled on  
27 the pupil membership count day or the supplemental count day, as



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

1 (9) "Rule" means a rule promulgated pursuant to the  
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
3 24.328.

4 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
5 380.1852.

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

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

12 (13) **"SCHOOL OF EXCELLENCE" MEANS A SCHOOL OF EXCELLENCE**  
13 **ESTABLISHED UNDER PART 6E OF THE REVISED SCHOOL CODE.**

14 (14) ~~(13)~~"State board" means the state board of education.

15 (15) ~~(14)~~"Superintendent", unless the context clearly refers  
16 to a district or intermediate district superintendent, means the  
17 superintendent of public instruction described in section 3 of  
18 article VIII of the state constitution of 1963.

19 (16) ~~(15)~~"Supplemental count day" means the day on which the  
20 supplemental pupil count is conducted under section 6a.

21 (17) ~~(16)~~"Tuition pupil" means a pupil of school age  
22 attending school in a district other than the pupil's district of  
23 residence for whom tuition may be charged. Tuition pupil does not  
24 include a pupil who is a special education pupil or a pupil  
25 described in subsection (6)(c) to (m). A pupil's district of  
26 residence shall not require a high school tuition pupil, as  
27 provided under section 111, to attend another school district after

1 the pupil has been assigned to a school district.

2 (18) ~~(17)~~—"State school aid fund" means the state school aid  
3 fund established in section 11 of article IX of the state  
4 constitution of 1963.

5 (19) ~~(18)~~—"Taxable value" means the taxable value of property  
6 as determined under section 27a of the general property tax act,  
7 1893 PA 206, MCL 211.27a.

8 (20) ~~(19)~~—"Textbook" means a book that is selected and  
9 approved by the governing board of a district and that contains a  
10 presentation of principles of a subject, or that is a literary work  
11 relevant to the study of a subject required for the use of  
12 classroom pupils, or another type of course material that forms the  
13 basis of classroom instruction.

14 (21) ~~(20)~~—"Total state aid" or "total state school aid" means  
15 the total combined amount of all funds due to a district,  
16 intermediate district, or other entity under all of the provisions  
17 of this act.

18 (22) ~~(21)~~—"University school" means an instructional program  
19 operated by a public university under section 23 that meets the  
20 requirements of section 23.

21 Sec. 11. (1) For the fiscal year ending September 30, 2010,  
22 there is appropriated for the public schools of this state and  
23 certain other state purposes relating to education the sum of  
24 \$10,793,954,100.00 from the state school aid fund established by  
25 section 11 of article IX of the state constitution of 1963 and the  
26 sum of \$31,800,000.00 from the general fund. For the fiscal year  
27 ending September 30, 2010, there is also appropriated the sum of

1 \$450,000,000.00 from the federal funding awarded to this state  
2 under title XIV of the American recovery and reinvestment act of  
3 2009, Public Law 111-5, to be used solely for the purpose of  
4 funding the primary funding formula calculated under section 20, in  
5 accordance with federal law. In addition, **ANY MONEY RECEIVED BY**  
6 **THIS STATE FROM THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER**  
7 **SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND**  
8 **REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, KNOWN AS THE "RACE TO**  
9 **THE TOP" GRANT PROGRAM, AND ALL** other available federal funds are  
10 appropriated for the fiscal year ending September 30,2010.

11 (2) The appropriations under this section shall be allocated  
12 as provided in this act. Money appropriated under this section from  
13 the general fund shall be expended to fund the purposes of this act  
14 before the expenditure of money appropriated under this section  
15 from the state school aid fund. If the maximum amount appropriated  
16 under this section from the state school aid fund for a fiscal year  
17 exceeds the amount necessary to fully fund allocations under this  
18 act from the state school aid fund, that excess amount shall not be  
19 expended in that state fiscal year and shall not lapse to the  
20 general fund, but instead shall be deposited into the school aid  
21 stabilization fund created in section 11a.

22 (3) If the maximum amount appropriated under this section from  
23 the state school aid fund and the school aid stabilization fund for  
24 a fiscal year exceeds the amount available for expenditure from the  
25 state school aid fund for that fiscal year, payments under sections  
26 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a,  
27 and 56 shall be made in full. In addition, for districts beginning

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

1 6 legislative session day period after that notification by the  
2 state budget director, enacting legislation appropriating  
3 additional funds from the general fund, countercyclical budget and  
4 economic stabilization fund, state school aid fund balance, or  
5 another source to fund the amount of the projected shortfall.

6 (4) If proration is necessary under subsection (3), the  
7 department shall calculate the proration in district and  
8 intermediate district payments that is required under subsection  
9 (3) as follows:

10 (a) The department shall calculate the percentage of total  
11 state school aid allocated under this act for the affected fiscal  
12 year for each of the following:

13 (i) Districts.

14 (ii) Intermediate districts.

15 (iii) Entities other than districts or intermediate districts.

16 (b) The department shall recover a percentage of the proration  
17 amount required under subsection (3) that is equal to the  
18 percentage calculated under subdivision (a) (i) for districts by  
19 reducing payments to districts. This reduction shall be made by  
20 calculating an equal dollar amount per pupil as necessary to  
21 recover this percentage of the proration amount and reducing each  
22 district's total state school aid from state sources, other than  
23 payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f,  
24 51a(2), 51a(12), 51c, and 53a, by that amount.

25 (c) The department shall recover a percentage of the proration  
26 amount required under subsection (3) that is equal to the  
27 percentage calculated under subdivision (a) (ii) for intermediate

1 districts by reducing payments to intermediate districts. This  
2 reduction shall be made by reducing the payments to each  
3 intermediate district, other than payments under sections 11f, 11g,  
4 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage  
5 basis.

6 (d) The department shall recover a percentage of the proration  
7 amount required under subsection (3) that is equal to the  
8 percentage calculated under subdivision (a) (iii) for entities other  
9 than districts and intermediate districts by reducing payments to  
10 these entities. This reduction shall be made by reducing the  
11 payments to each of these entities, other than payments under  
12 sections 11j, 26a, and 26b, on an equal percentage basis.

13 (5) Except for the allocation under section 26a, any general  
14 fund allocations under this act that are not expended by the end of  
15 the state fiscal year are transferred to the school aid  
16 stabilization fund created under section 11a.

17 Sec. 94a. (1) There is created within the office of the state  
18 budget director in the department of management and budget the  
19 center for educational performance and information. The center  
20 shall do all of the following:

21 (a) Coordinate the collection of all data required by state  
22 and federal law from all entities receiving funds under this act.

23 (b) Collect data in the most efficient manner possible in  
24 order to reduce the administrative burden on reporting entities.

25 (c) Establish procedures to ensure the reasonable validity and  
26 reliability of the data and the collection process.

27 (d) Develop state and model local data collection policies,

1 including, but not limited to, policies that ensure the privacy of  
2 individual student data. State privacy policies shall ensure that  
3 student social security numbers are not released to the public for  
4 any purpose.

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

7 (f) Provide reports to the citizens of this state to allow  
8 them to assess allocation of resources and the return on their  
9 investment in the education system of this state.

10 (g) Assist all entities receiving funds under this act in  
11 complying with audits performed according to generally accepted  
12 accounting procedures.

13 (h) To the extent funding is available, coordinate the  
14 electronic exchange of student records using a unique  
15 identification numbering system among entities receiving funds  
16 under this act and postsecondary institutions for students  
17 participating in public education programs from preschool through  
18 postsecondary education.

19 **(I) IN COOPERATION WITH THE DEPARTMENT, CREATE AND IMPLEMENT A**  
20 **TEACHER IDENTIFIER SYSTEM WITH THE ABILITY TO MATCH AN INDIVIDUAL**  
21 **TEACHER TO INDIVIDUAL PUPILS THE TEACHER HAS TAUGHT. SUBJECT TO**  
22 **APPLICABLE LAW REGARDING STUDENT PRIVACY, THE SYSTEM SHALL DO ALL**  
23 **OF THE FOLLOWING:**

24 **(i) MAKE ACCESSIBLE ANNUAL STATE ASSESSMENT RECORDS OF**  
25 **INDIVIDUAL PUPILS.**

26 **(ii) ENABLE INDIVIDUAL PUPIL ACADEMIC ACHIEVEMENT DATA,**  
27 **INCLUDING GROWTH IN ACADEMIC ACHIEVEMENT, TO BE CORRELATED TO EACH**



1 TEACHER WHO HAS TAUGHT THE PUPIL.

2 (iii) ENABLE SCHOOL BOARD MEMBERS, TEACHERS, AND SCHOOL  
3 ADMINISTRATORS TO HAVE ACCESS TO THE DATA SO THEY CAN MAKE INFORMED  
4 DECISIONS IN ORDER TO IMPROVE INSTRUCTION AND PUPIL ACHIEVEMENT.

5 (iv) ALLOW ACCESS TO INDIVIDUAL PUPIL DEMOGRAPHIC DATA  
6 INCLUDING ATTENDANCE RATES, TRANSIENCE RATES, ANY AVAILABLE DATA ON  
7 DISCIPLINARY ACTION TAKEN WITH RESPECT TO AN INDIVIDUAL PUPIL, AND  
8 ANY AT-RISK FACTORS, AS IDENTIFIED IN SECTION 31A, THAT APPLY TO  
9 THE PUPIL, IN ORDER TO GIVE ADMINISTRATORS A COMPREHENSIVE PROFILE  
10 OF THE PUPIL AND THE CHALLENGES THAT THE PUPIL FACES IN LEARNING  
11 AND THE TEACHER FACES IN INSTRUCTION.

12 (J) ~~(i)~~—Other functions as assigned by the state budget  
13 director.

14 (2) Each state department, officer, or agency that collects  
15 information from districts or intermediate districts as required  
16 under state or federal law shall make arrangements with the center,  
17 and with the districts or intermediate districts, to have the  
18 center collect the information and to provide it to the department,  
19 officer, or agency as necessary. To the extent that it does not  
20 cause financial hardship, the center shall arrange to collect the  
21 information in a manner that allows electronic submission of the  
22 information to the center. Each affected state department, officer,  
23 or agency shall provide the center with any details necessary for  
24 the center to collect information as provided under this  
25 subsection. This subsection does not apply to information collected  
26 by the department of treasury under the uniform budgeting and  
27 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised

1 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the  
2 school bond qualification, approval, and loan act, 2005 PA 92, MCL  
3 388.1921 to 388.1939; or section 1351a of the revised school code,  
4 MCL 380.1351a.

5 (3) The state budget director shall appoint a CEPI advisory  
6 committee, consisting of the following members:

7 (a) One representative from the house fiscal agency.

8 (b) One representative from the senate fiscal agency.

9 (c) One representative from the office of the state budget  
10 director.

11 (d) One representative from the state education agency.

12 (e) One representative each from the department of energy,  
13 labor, and economic growth and the department of treasury.

14 (f) Three representatives from intermediate school districts.

15 (g) One representative from each of the following educational  
16 organizations:

17 (i) Michigan association of school boards.

18 (ii) Michigan association of school administrators.

19 (iii) Michigan school business officials.

20 (h) One representative representing private sector firms  
21 responsible for auditing school records.

22 (i) Other representatives as the state budget director  
23 determines are necessary.

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

1 (a) Determining what data is necessary to collect and maintain  
2 in order to perform the center's functions in the most efficient  
3 manner possible.

4 (b) Defining the roles of all stakeholders in the data  
5 collection system.

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

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

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

13 (f) Establishing and maintaining state and model local  
14 policies related to data collection, including, but not limited to,  
15 privacy policies related to individual student data.

16 (g) Ensuring the data is made available to state and local  
17 policymakers and citizens of this state in the most useful format  
18 possible.

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

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

23 (6) From the general fund appropriation in section 11, there  
24 is allocated an amount not to exceed \$3,486,100.00 for 2009-2010 to  
25 the department of management and budget to support the operations  
26 of the center and the development and implementation of a  
27 comprehensive longitudinal data collection management and reporting

1 system that includes student-level data. The center shall cooperate  
2 with the state education agency to ensure that this state is in  
3 compliance with federal law and is maximizing opportunities for  
4 increased federal funding to improve education in this state. To  
5 the extent that funding under this section allows, the center shall  
6 collect data necessary to maximize federal funding under the  
7 American recovery and reinvestment act of 2009, Public Law 111-5,  
8 and other federal statutes, including data necessary to implement a  
9 P-20 longitudinal data system. In addition, from the federal funds  
10 appropriated in section 11 for 2009-2010, there is allocated the  
11 amount necessary, estimated at \$2,793,200.00, in order to fulfill  
12 federal reporting requirements.

13 (7) From the federal funds allocated in subsection (6), there  
14 is allocated for 2009-2010 an amount not to exceed \$750,000.00  
15 funded from the competitive grants of DED-OESE, title II,  
16 educational technology funds for the purposes of this subsection.  
17 Not later than November 30, 2008, the department shall award a  
18 single grant to an eligible partnership that includes an  
19 intermediate district with at least 1 high-need local school  
20 district and the center.

21 (8) The center and the department shall work cooperatively to  
22 develop a cost allocation plan that pays for center expenses from  
23 the appropriate federal fund revenues.

24 (9) Funds allocated under this section that are not expended  
25 in the fiscal year in which they were allocated may be carried  
26 forward to a subsequent fiscal year.

27 (10) The center may bill departments as necessary in order to

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

9 (11) As used in this section:

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

12 (b) "High-need local school district" means a local  
13 educational agency as defined in the enhancing education through  
14 technology part of the no child left behind act of 2001, Public Law  
15 107-110.

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

17 **SEC. 166C. (1) THE BOARD OF A DISTRICT OR INTERMEDIATE**  
18 **DISTRICT SHALL ENSURE THAT ALL TEACHERS AND PRINCIPALS WORKING IN**  
19 **ITS SCHOOLS AND INSTRUCTIONAL PROGRAMS HAVE ADEQUATE ACCESS TO**  
20 **BASIC INSTRUCTIONAL SUPPLIES. FOR THE PURPOSES OF THIS SECTION, THE**  
21 **DEPARTMENT SHALL DEVELOP AND PUBLISH ON ITS WEBSITE A DEFINITION OF**  
22 **WHAT CONSTITUTES BASIC INSTRUCTIONAL SUPPLIES.**

23 **(2) IF A TEACHER OR PRINCIPAL DOES NOT HAVE ADEQUATE ACCESS TO**  
24 **BASIC INSTRUCTIONAL SUPPLIES, AS REQUIRED UNDER SUBSECTION (1), HE**  
25 **OR SHE MAY FILE A CLAIM WITH THE DEPARTMENT ASSERTING THE FAILURE**  
26 **OF THE DISTRICT OR INTERMEDIATE DISTRICT TO PROVIDE ADEQUATE ACCESS**  
27 **TO BASIC INSTRUCTIONAL SUPPLIES. TO FACILITATE THE FILING OF**

1 CLAIMS, THE DEPARTMENT SHALL ESTABLISH AND PUBLICIZE ON ITS WEBSITE  
2 BOTH A TELEPHONE LINE AND AN ONLINE SYSTEM FOR FILING A CLAIM.

3 (3) SUBJECT TO SUBSECTION (4), IF THE DEPARTMENT RECEIVES A  
4 CLAIM UNDER THIS SUBSECTION, THE DEPARTMENT SHALL CONTACT THE  
5 DISTRICT OR INTERMEDIATE DISTRICT IN WHICH THE TEACHER OR PRINCIPAL  
6 IS EMPLOYED TO PROVIDE NOTIFICATION OF THE CLAIM. WITHIN 3 BUSINESS  
7 DAYS AFTER RECEIVING THIS NOTIFICATION, THE DISTRICT OR  
8 INTERMEDIATE DISTRICT SHALL EITHER PROVIDE TO THE TEACHER OR  
9 PRINCIPAL ADEQUATE ACCESS TO BASIC INSTRUCTIONAL SUPPLIES OR  
10 PROVIDE TO THE TEACHER OR PRINCIPAL AND THE DEPARTMENT A WRITTEN  
11 PLAN FOR APPROPRIATE CORRECTIVE ACTION. IF THE DEPARTMENT IS NOT  
12 SATISFIED WITH THE RESPONSE OF THE DISTRICT OR INTERMEDIATE  
13 DISTRICT, THE DEPARTMENT MAY INVESTIGATE FURTHER AND MAY PROCURE  
14 AND MAKE AVAILABLE TO A TEACHER OR PRINCIPAL WHO HAS FILED A CLAIM  
15 UNDER THIS SECTION AN INTERIM AMOUNT OF BASIC INSTRUCTIONAL  
16 SUPPLIES FOR USE IN A CLASSROOM IN WHICH THERE IS A SHORTAGE.

17 (4) IF THE DEPARTMENT DOES NOT HAVE SUFFICIENT RESOURCES TO  
18 ADDRESS ALL CLAIMS UNDER THIS SECTION, THE DEPARTMENT MAY  
19 PRIORITIZE CLAIMS BASED ON NEED.

20 (5) IF THIS STATE RECEIVES FUNDS FROM THE FEDERAL INCENTIVE  
21 GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV  
22 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW  
23 111-5, KNOWN AS THE "RACE TO THE TOP" GRANT PROGRAM, AND MONEY FROM  
24 THOSE FUNDS IS APPROPRIATED TO THE DEPARTMENT FOR THIS PURPOSE, THE  
25 DEPARTMENT SHALL ESTABLISH A REVOLVING FUND TO BE USED TO PROCURE  
26 AND MAKE AVAILABLE AN INTERIM AMOUNT OF BASIC INSTRUCTIONAL  
27 SUPPLIES FOR USE BY TEACHERS OR PRINCIPALS WHO HAVE FILED CLAIMS

Senate Bill No. 926 (H-2) as amended December 10, 2009

1 UNDER THIS SECTION AND WHOSE CLAIMS HAVE NOT BEEN ADEQUATELY  
2 ADDRESSED. IF THE DEPARTMENT USES MONEY FROM THIS FUND FOR A  
3 TEACHER OR PRINCIPAL IN A DISTRICT OR INTERMEDIATE DISTRICT, THE  
4 DEPARTMENT SHALL ORDER THE DISTRICT OR INTERMEDIATE DISTRICT TO  
5 REPAY THE FUND NOT LATER THAN THE NEXT FISCAL YEAR AFTER THE  
6 EXPENDITURE. IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT REPAY  
7 THE DEPARTMENT ACCORDING TO THE ORDER, THE DEPARTMENT MAY WITHHOLD  
8 THE AMOUNT OWED FROM THE DISTRICT'S OR INTERMEDIATE DISTRICT'S  
9 TOTAL STATE SCHOOL AID DUE UNDER THIS ACT AND SHALL DEPOSIT THE  
10 AMOUNT WITHHELD INTO THE FUND.

11 (6) THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT SHALL  
12 ENSURE THAT A TEACHER OR PRINCIPAL WHO FILES A CLAIM WITH THE  
13 DEPARTMENT UNDER THIS SECTION IS NOT SUBJECT TO ANY ADVERSE  
14 TREATMENT FOR FILING THE CLAIM.

15 [

16

17 ]