

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 5314, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147b, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 207, 209, 210, 213, 222, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747b, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1807, 388.1809, 388.1810, 388.1813, 388.1822, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, and 107 as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 31b and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 147b, 152a, 201, 201a, 206, 209, 210, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270,

273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 207, 213, 222, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 20h, 31g, 64b, 95a, 97, 102b, 104c, 207a, and 207b; and to repeal acts and parts of acts.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21b, 21f, 22a, 22b, 22c, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621b, 388.1621f, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674,

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Bill Rogers

Roger Kahn

Joe Haveman

John Moolenaar

Brandon Dillon

Hoon-Yung Hopgood

Conferees for the House

Conferees for the Senate

**SUBSTITUTE FOR
HOUSE BILL NO. 5314**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15,
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22g, 22i, 22j, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d,
31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62,
74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 147c,
152a, 161, 163, 168, 201, 201a, 202a, 206, 209, 210b, 217, 224,
225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 246, 252,
256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274,
274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL
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236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 21b as amended by 2004 PA 351, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 217, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 31g, 43, 64b, 64c, 74a, 95a, 99b, 104c, 147d, 164f, 207a, 207b, 207c, and 271a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with 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.
10 Unless otherwise approved by the department, a center program
11 either shall serve all constituent districts within an intermediate
12 district or shall serve several districts with less than 50% of the
13 pupils residing in the operating district. In addition, special
14 education center program pupils placed part-time in noncenter
15 programs to comply with the least restrictive environment
16 provisions of section 612 of part B of the individuals with
17 disabilities education act, 20 USC 1412, may be considered center
18 program pupils for pupil accounting purposes for the time scheduled

1 in either a center program or a noncenter program.

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

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

11 (4) "Membership", except as otherwise provided in this
12 article, means for a district, a public school academy, the
13 education achievement system, or an intermediate district the sum
14 of the product of .90 times the number of full-time equated pupils
15 in grades K to 12 actually enrolled and in regular daily attendance
16 on the pupil membership count day for the current school year, plus
17 the product of .10 times the final audited count from the
18 supplemental count day for the current school year. A district's,
19 public school academy's, or intermediate district's membership
20 shall be adjusted as provided under section ~~25-25E~~ for pupils who
21 enroll in the district, public school academy, or intermediate
22 district after the pupil membership count day. All pupil counts
23 used in this subsection are as determined by the department and
24 calculated by adding the number of pupils registered for attendance
25 plus pupils received by transfer and minus pupils lost as defined
26 by rules promulgated by the superintendent, and as corrected by a
27 subsequent department audit. For the purposes of this section and

1 section 6a, for a school of excellence that is a cyber school, as
2 defined in section 551 of the revised school code, MCL 380.551, and
3 is in compliance with section 553a of the revised school code, MCL
4 380.553a, a pupil's participation in the cyber school's educational
5 program is considered regular daily attendance; for the education
6 achievement system, a pupil's participation in an online
7 educational program of the education achievement system or of an
8 achievement school is considered regular daily attendance; and for
9 a district a pupil's participation in an online course as defined
10 in section 21f is considered regular daily attendance. The amount
11 of the foundation allowance for a pupil in membership is determined
12 under section 20. In making the calculation of membership, all of
13 the following, as applicable, apply to determining the membership
14 of a district, a public school academy, the education achievement
15 system, or an intermediate district:

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

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

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

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

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

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

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

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

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

26 (i) For a new district or public school academy beginning its
27 operation after December 31, 1994, or for the education achievement

1 system or an achievement school, membership for the first 2 full or
2 partial fiscal years of operation shall be determined as follows:

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

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

21 (j) If a district is the authorizing body for a public school
22 academy, then, in the first school year in which pupils are counted
23 in membership on the pupil membership count day in the public
24 school academy, the determination of the district's membership
25 shall exclude from the district's pupil count for the immediately
26 preceding supplemental count day any pupils who are counted in the
27 public school academy on that first pupil membership count day who

1 were also counted in the district on the immediately preceding
2 supplemental count day.

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

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

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

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

21 (A) Is enrolled in a public school academy or an alternative
22 education high school diploma program, that is primarily focused on
23 educating homeless pupils. ~~and that is located in a city with a~~
24 ~~population of more than 175,000.~~

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

27 (C) Is less than 22 years of age as of September 1 of the

1 current school year.

2 (iii) If a child does not meet the minimum age requirement to
3 be eligible to attend school for that school year under section
4 1147 of the revised school code, MCL 380.1147, but will be 5 years
5 of age not later than December 1 of that school year, the district
6 may count the child in membership for that school year if the
7 parent or legal guardian has notified the district in writing that
8 he or she intends to enroll the child in kindergarten for that
9 school year.

10 (m) An individual who has obtained a high school diploma shall
11 not be counted in membership. An individual who has obtained a
12 general educational development (G.E.D.) certificate shall not be
13 counted in membership unless the individual is a pupil with a
14 disability as defined in R 340.1702 of the Michigan administrative
15 code. An individual participating in a job training program funded
16 under former section 107a or a jobs program funded under former
17 section 107b, administered by the Michigan strategic fund, or
18 participating in any successor of either of those 2 programs, shall
19 not be counted in membership.

20 (n) If a pupil counted in membership in a public school
21 academy or the education achievement system is also educated by a
22 district or intermediate district as part of a cooperative
23 education program, the pupil shall be counted in membership only in
24 the public school academy or the education achievement system
25 unless a written agreement signed by all parties designates the
26 party or parties in which the pupil shall be counted in membership,
27 and the instructional time scheduled for the pupil in the district

1 or intermediate district shall be included in the full-time equated
2 membership determination under subdivision (q). However, for pupils
3 receiving instruction in both a public school academy or the
4 education achievement system and in a district or intermediate
5 district but not as a part of a cooperative education program, the
6 following apply:

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

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

1 public school academy or the education achievement system.

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

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

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

17 (r) Beginning in 2012-2013, full-time equated memberships for
18 pupils in kindergarten shall be determined by dividing the number
19 of instructional hours scheduled and provided per year per
20 kindergarten pupil by the same number used for determining full-
21 time equated memberships for pupils in grades 1 to 12. However, to
22 the extent allowable under federal law, for a district or public
23 school academy that provides evidence satisfactory to the
24 department that it used federal title I money in the 2 immediately
25 preceding school fiscal years to fund full-time kindergarten, full-
26 time equated memberships for pupils in kindergarten shall be
27 determined by dividing the number of class hours scheduled and

1 provided per year per kindergarten pupil by a number equal to 1/2
2 the number used for determining full-time equated memberships for
3 pupils in grades 1 to 12. The change in the counting of full-time
4 equated memberships for pupils in kindergarten that took effect for
5 2012-2013 is not a mandate.

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

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

25 (u) If, as a result of a disciplinary action, a district
26 determines through the district's alternative or disciplinary
27 education program that the best instructional placement for a pupil

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

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

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

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

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

25 ~~—— (v) A pupil enrolled in an alternative or disciplinary~~
26 ~~education program described in section 25 shall be counted in~~
27 ~~membership in the district, the public school academy, or the~~

~~education achievement system that is educating the pupil.~~

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

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

(X) ~~(y)~~—If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a

1 contiguous district that does not operate grades 9 to 12 and if 1
2 or both of the affected districts request the department to use the
3 determination allowed under this sentence, the department shall
4 include the square mileage of both districts in determining the
5 number of pupils per square mile for each of the districts for the
6 purposes of this subdivision. The membership figure calculated
7 under this subdivision is the greater of the following:

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

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

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

26 (Y) ~~(aa)~~ Full-time equated memberships for special education
27 pupils who are not enrolled in kindergarten but are enrolled in a

1 classroom program under R 340.1754 of the Michigan administrative
2 code shall be determined by dividing the number of class hours
3 scheduled and provided per year by 450. Full-time equated
4 memberships for special education pupils who are not enrolled in
5 kindergarten but are receiving early childhood special education
6 services under R 340.1755 or 340.1862 of the Michigan
7 administrative code shall be determined by dividing the number of
8 hours of service scheduled and provided per year per pupil by 180.

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

14 (AA) ~~(ee)~~ For the first year in which a pupil is counted in
15 membership on the pupil membership count day in a middle college
16 program, the membership is the average of the full-time equated
17 membership on the pupil membership count day and on the
18 supplemental count day for the current school year, as determined
19 by the department. ~~If a pupil was counted by the operating district~~
20 ~~on the immediately preceding supplemental count day, the pupil~~
21 ~~shall be excluded from the district's immediately preceding~~
22 ~~supplemental count for purposes of determining the district's~~
23 ~~membership.~~

24 (BB) ~~(dd)~~ A district, a public school academy, or the
25 education achievement system that educates a pupil who attends a
26 United States Olympic education center may count the pupil in
27 membership regardless of whether or not the pupil is a resident of

1 this state.

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

6 (DD) ~~(ff)~~ For a pupil enrolled in a dropout recovery program
7 that meets the requirements of section 23a, the pupil shall be
8 counted as 1/12 of a full-time equated membership for each month
9 that the district operating the program reports that the pupil was
10 enrolled in the program and was in full attendance. However, a
11 ~~pupil counted under this subdivision shall not be counted as more~~
12 ~~than 1.0 FTE in a fiscal year. IF THE SPECIAL MEMBERSHIP COUNTING~~
13 ~~PROVISIONS UNDER THIS SUBDIVISION AND THE OPERATION OF THE OTHER~~
14 ~~MEMBERSHIP COUNTING PROVISIONS UNDER THIS SUBSECTION RESULT IN A~~
15 ~~PUPIL BEING COUNTED AS MORE THAN 1.0 FTE IN A FISCAL YEAR, THE~~
16 ~~PAYMENT MADE FOR THE PUPIL UNDER SECTIONS 22A AND 22B SHALL NOT BE~~
17 ~~BASED ON MORE THAN 1.0 FTE FOR THAT PUPIL, AND ANY PORTION OF AN~~
18 ~~FTE FOR THAT PUPIL THAT EXCEEDS 1.0 SHALL INSTEAD BE PAID UNDER~~
19 ~~SECTION 25F.~~ The district operating the program shall report to the
20 center the number of pupils who were enrolled in the program and
21 were in full attendance for a month not later than the tenth day of
22 the next month. A district shall not report a pupil as being in
23 full attendance for a month unless both of the following are met:
24 (i) A personalized learning plan is in place on or before the
25 first school day of the month for the first month the pupil
26 participates in the program.
27 (ii) The pupil meets the district's definition under section

1 23a of satisfactory monthly progress for that month or, if the
2 pupil does not meet that definition of satisfactory monthly
3 progress for that month, the pupil did meet that definition of
4 satisfactory monthly progress in the immediately preceding month
5 and appropriate interventions are implemented within 10 school days
6 after it is determined that the pupil does not meet that definition
7 of satisfactory monthly progress.

8 (5) "Public school academy" means that term as defined in
9 **SECTION 5 OF** the revised school code, **MCL 380.5**.

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 the
20 education achievement system.

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 750.90h, 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 school, for the
16 pupil's enrollment in the Michigan virtual school.

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

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

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

1 district of residence in a middle college program if the pupil's
2 district of residence and the enrolling district are both
3 constituent districts of the same intermediate district.

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

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

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

14 (p) An online learning pupil enrolled in a district other than
15 the pupil's district of residence as an eligible pupil under
16 section 21f.

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

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

25 (a) Except as provided in subdivision (b), the first Wednesday
26 in October each school year or, for a district or building in which
27 school is not in session on that Wednesday due to conditions not

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

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

6 (i) Fourth Wednesday in July.

7 (ii) First Wednesday in October.

8 (iii) Second Wednesday in February.

9 (iv) Fourth Wednesday in April.

10 (8) "Pupils in grades K to 12 actually enrolled and in regular
11 daily attendance" means pupils in grades K to 12 in attendance and
12 receiving instruction in all classes for which they are enrolled on
13 the pupil membership count day or the supplemental count day, as
14 applicable. Except as otherwise provided in this subsection, a
15 pupil who is absent from any of the classes in which the pupil is
16 enrolled on the pupil membership count day or supplemental count
17 day and who does not attend each of those classes during the 10
18 consecutive school days immediately following the pupil membership
19 count day or supplemental count day, except for a pupil who has
20 been excused by the district, shall not be counted as 1.0 full-time
21 equated membership. A pupil who is excused from attendance on the
22 pupil membership count day or supplemental count day and who fails
23 to attend each of the classes in which the pupil is enrolled within
24 30 calendar days after the pupil membership count day or
25 supplemental count day shall not be counted as 1.0 full-time
26 equated membership. In addition, a pupil who was enrolled and in
27 attendance in a district, an intermediate district, a public school

1 academy, or the education achievement system before the pupil
2 membership count day or supplemental count day of a particular year
3 but was expelled or suspended on the pupil membership count day or
4 supplemental count day shall only be counted as 1.0 full-time
5 equated membership if the pupil resumed attendance in the district,
6 intermediate district, public school academy, or education
7 achievement system within 45 days after the pupil membership count
8 day or supplemental count day of that particular year. Pupils not
9 counted as 1.0 full-time equated membership due to an absence from
10 a class shall be counted as a prorated membership for the classes
11 the pupil attended. For purposes of this subsection, "class" means
12 a period of time in 1 day when pupils and a certificated teacher or
13 legally qualified substitute teacher are together and instruction
14 is taking place.

15 (9) "Rule" means a rule promulgated pursuant to the
16 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
17 24.328.

18 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
19 380.1852.

20 (11) "School district of the first class", "first class school
21 district", and "district of the first class" mean, **FOR THE PURPOSES**
22 **OF THIS ARTICLE ONLY**, a district that had at least ~~60,000~~ **40,000**
23 pupils in membership for the immediately preceding fiscal year.

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

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

27 (14) "Superintendent", unless the context clearly refers to a

1 district or intermediate district superintendent, means the
2 superintendent of public instruction described in section 3 of
3 article VIII of the state constitution of 1963.

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

6 (16) "Tuition pupil" means a pupil of school age attending
7 school in a district other than the pupil's district of residence
8 for whom tuition may be charged to the district of residence.

9 Tuition pupil does not include a pupil who is a special education
10 pupil, a pupil described in subsection (6)(c) to (p), or a pupil
11 whose parent or guardian voluntarily enrolls the pupil in a
12 district that is not the pupil's district of residence. A pupil's
13 district of residence shall not require a high school tuition
14 pupil, as provided under section 111, to attend another school
15 district after the pupil has been assigned to a school district.

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

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

22 (19) "Textbook" means a book, electronic book, or other
23 instructional print or electronic resource that is selected and
24 approved by the governing board of a district or, for an
25 achievement school, by the chancellor of the achievement authority
26 and that contains a presentation of principles of a subject, or
27 that is a literary work relevant to the study of a subject required

1 for the use of classroom pupils, or another type of course material
2 that forms the basis of classroom instruction.

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

7 Sec. 8b. (1) The department shall assign a district code to
8 each public school academy that is authorized under the revised
9 school code and is eligible to receive funding under this ~~act~~
10 **ARTICLE** within 30 days after a contract is submitted to the
11 department by the authorizing body of a public school academy.

12 (2) If the department does not assign a district code to a
13 public school academy within the 30-day period described in
14 subsection (1), the district code the department shall use to make
15 payments under this ~~act~~**ARTICLE** to the newly authorized public
16 school academy shall be a number that is equivalent to the sum of
17 the last district code assigned to a public school academy located
18 in the same county as the newly authorized public school academy
19 plus 1. However, if there is not an existing public school academy
20 located in the same county as the newly authorized public school
21 academy, then the district code the department shall use to make
22 payments under this ~~act~~**ARTICLE** to the newly authorized public
23 school academy shall be a 5-digit number that has the county code
24 in which the public school academy is located as its first 2
25 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its
26 fifth digit. If the number of public school academies in a county
27 grows to exceed 100, the third digit in this 5-digit number shall

1 then be ~~8-7~~ for the public school academies in excess of 100.

2 Sec. 11. (1) For the fiscal year ending September 30, 2014,
 3 there is appropriated for the public schools of this state and
 4 certain other state purposes relating to education the sum of
 5 ~~\$11,115,232,300.00~~ **\$11,200,232,300.00** from the state school aid
 6 fund, the sum of \$156,000,000.00 from the MPSERS retirement
 7 obligation reform reserve fund created under section 147b, and the
 8 sum of ~~\$234,900,000.00~~ **\$149,900,000.00** from the general fund. **FOR**
 9 **THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, THERE IS APPROPRIATED**
 10 **FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE**
 11 **PURPOSES RELATING TO EDUCATION THE SUM OF \$11,929,262,900.00 FROM**
 12 **THE STATE SCHOOL AID FUND, THE SUM OF \$18,000,000.00 FROM THE**
 13 **MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED UNDER**
 14 **SECTION 147B, AND THE SUM OF \$114,900,000.00 FROM THE GENERAL FUND.**
 15 In addition, all other available federal funds are appropriated
 16 **EACH FISCAL YEAR** for the fiscal year ending September 30, 2014 **AND**
 17 **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015.**

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

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

26 Sec. 11a. (1) The school aid stabilization fund is created as
 27 a separate account within the state school aid fund established by

1 section 11 of article IX of the state constitution of 1963.

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

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

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

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

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

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

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

25 (6) If the maximum amount appropriated under section 11 from
26 the state school aid fund for a fiscal year exceeds the amount
27 available for expenditure from the state school aid fund for that

1 fiscal year, there is appropriated from the school aid
2 stabilization fund to the state school aid fund an amount equal to
3 the projected shortfall as determined by the department of
4 treasury, but not to exceed available money in the school aid
5 stabilization fund. If the money in the school aid stabilization
6 fund is insufficient to fully fund an amount equal to the projected
7 shortfall, the state budget director shall notify the legislature
8 as required under section 296(2) and state payments in an amount
9 equal to the remainder of the projected shortfall shall be prorated
10 in the manner provided under section 296(3).

11 (7) For ~~2013-2014, 2014-2015~~, in addition to the
12 appropriations in section 11, there is appropriated from the school
13 aid stabilization fund to the state school aid fund the amount
14 necessary to fully fund the allocations under this article.

15 Sec. 11g. (1) From the appropriation in section 11, there is
16 allocated for this section an amount not to exceed \$39,500,000.00
17 for the fiscal year ending ~~September 30, 2014 and for the fiscal~~
18 ~~year ending~~ September 30, 2015, after which these payments will
19 cease. These allocations are for paying the amounts described in
20 subsection (3) to districts and intermediate districts, other than
21 those receiving a lump-sum payment under section 11f(2), that were
22 not plaintiffs in the consolidated cases known as Durant v State of
23 Michigan, Michigan supreme court docket no. 104458-104492 and that,
24 on or before March 2, 1998, submitted to the state treasurer a
25 waiver resolution described in section 11f. The amounts paid under
26 this section represent offers of settlement and compromise of any
27 claim or claims that were or could have been asserted by these

1 districts and intermediate districts, as described in this section.

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

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

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

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

25 (4) The entire amount of each payment under this section each
26 fiscal year shall be paid on May 15 of the applicable fiscal year
27 or on the next business day following that date. If a district or

1 intermediate district borrows money and issues bonds under section
2 11i, the district or intermediate district shall use funds received
3 under this section to pay debt service on bonds issued under
4 section 11i. If a district or intermediate district does not borrow
5 money and issue bonds under section 11i, the district or
6 intermediate district shall use funds received under this section
7 only for the following purposes, in the following order of
8 priority:

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

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

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

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

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

25 (7) If a district eligible for payments under this section is
26 dissolved under section 12 of the revised school code, MCL 380.12,
27 the payment otherwise due to the dissolved district under this

1 section shall be paid instead to the intermediate district of the
2 dissolved district. The intermediate district of the dissolved
3 district shall perform any functions and responsibilities of the
4 board and other officers of the dissolved district necessary under
5 this section on behalf of the dissolved district. As used in this
6 subsection, "dissolved district" and "receiving district" mean
7 those terms as defined in section 20.

8 Sec. 11j. From the appropriation in section 11, there is
9 allocated an amount not to exceed ~~\$131,660,000.00 for 2013-2014~~
10 **\$126,000,000.00 FOR 2014-2015** for payments to the school loan bond
11 redemption fund in the department of treasury on behalf of
12 districts and intermediate districts. Notwithstanding section 296
13 or any other provision of this act, funds allocated under this
14 section are not subject to proration and shall be paid in full.

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

22 Sec. 11m. From the appropriations in section 11, there is
23 allocated for ~~2013-2014-2014-2015~~ an amount not to exceed
24 ~~\$2,500,000.00~~ **\$4,000,000.00** for fiscal year cash-flow borrowing
25 costs solely related to the state school aid fund established by
26 section 11 of article IX of the state constitution of 1963.

27 **SEC. 11R. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$4,000,000.00 TO BE DEPOSITED
2 INTO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND CREATED UNDER
3 THIS SECTION FOR THE PURPOSE OF FUNDING GRANTS UNDER THIS SECTION.

4 (2) THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND IS CREATED
5 AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND. THE STATE
6 TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR
7 DEPOSIT INTO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND. THE
8 STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE DISTRESSED
9 DISTRICTS EMERGENCY GRANT FUND AND SHALL CREDIT TO THE DISTRESSED
10 DISTRICTS EMERGENCY GRANT FUND INTEREST AND EARNINGS FROM THE FUND.

11 (3) SUBJECT TO SUBSECTION (4), A DISTRICT IS ELIGIBLE TO
12 RECEIVE A GRANT FROM THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND
13 IF EITHER OF THE FOLLOWING APPLIES:

14 (A) THE DISTRICT HAS ADOPTED A RESOLUTION AUTHORIZING THE
15 VOLUNTARY DISSOLUTION OF THE DISTRICT APPROVED BY THE STATE
16 TREASURER UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12,
17 BUT THE DISSOLUTION HAS NOT YET TAKEN EFFECT UNDER THAT SECTION.

18 (B) THE DISTRICT IS A RECEIVING DISTRICT UNDER SECTION 12 OF
19 THE REVISED SCHOOL CODE, MCL 380.12, AND THE DISTRICT ENROLLS
20 PUPILS WHO WERE PREVIOUSLY ENROLLED IN A DISTRICT THAT WAS
21 DISSOLVED UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12,
22 IN THE IMMEDIATELY PRECEDING SCHOOL YEAR.

23 (4) A DISTRICT RECEIVING FUNDS UNDER SECTION 20G IS NOT
24 ELIGIBLE TO RECEIVE FUNDS UNDER THIS SECTION.

25 (5) THE AMOUNT OF A GRANT UNDER THIS SECTION SHALL BE
26 DETERMINED BY THE STATE TREASURER AFTER CONSULTATION WITH THE
27 SUPERINTENDENT OF PUBLIC INSTRUCTION, BUT SHALL NOT EXCEED THE

1 ESTIMATED AMOUNT OF REMAINING DISTRICT COSTS IN EXCESS OF AVAILABLE
2 REVENUES, INCLUDING, BUT NOT LIMITED TO, PAYROLL, BENEFITS,
3 RETIREMENT SYSTEM CONTRIBUTIONS, PUPIL TRANSPORTATION, FOOD
4 SERVICES, SPECIAL EDUCATION, BUILDING SECURITY, AND OTHER COSTS
5 NECESSARY TO ALLOW THE DISTRICT TO OPERATE SCHOOLS DIRECTLY AND
6 PROVIDE PUBLIC EDUCATION SERVICES UNTIL THE END OF THE CURRENT
7 SCHOOL FISCAL YEAR. FOR A DISTRICT THAT MEETS THE ELIGIBILITY
8 CRITERIA UNDER SUBSECTION (3)(B), THE AMOUNT OF THE GRANT SHALL BE
9 DETERMINED IN THE SAME MANNER AS TRANSITION COSTS UNDER SECTION
10 20G.

11 (6) BEFORE DISBURSING FUNDS UNDER THIS SECTION, THE STATE
12 TREASURER SHALL NOTIFY THE HOUSE AND SENATE APPROPRIATIONS
13 SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE FISCAL
14 AGENCIES. THE NOTIFICATION SHALL INCLUDE, BUT NOT BE LIMITED TO,
15 THE DISTRICT RECEIVING FUNDS UNDER THIS SECTION, THE AMOUNT OF THE
16 FUNDS AWARDED UNDER THIS SECTION, AN EXPLANATION OF THE DISTRICT
17 CONDITIONS THAT NECESSITATE FUNDING UNDER THIS SECTION, AND THE
18 INTENDED USE OF FUNDS DISBURSED UNDER THIS SECTION.

19 (7) MONEY IN THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AT
20 THE CLOSE OF A FISCAL YEAR SHALL REMAIN IN THE DISTRESSED DISTRICTS
21 EMERGENCY GRANT FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID
22 FUND OR TO THE GENERAL FUND.

23 Sec. 12. It is the intent of the legislature to appropriate
24 and allocate for the fiscal year ending September 30, ~~2015-2016~~ the
25 same amounts of money from the same sources for the same purposes
26 as are appropriated and allocated under this article for the fiscal
27 year ending September 30, ~~2014-2015~~, as adjusted for changes in

1 pupil membership, taxable values, special education costs, interest
2 costs, **RETIREMENT COSTS**, and available revenue. These adjustments
3 will be determined after the January ~~2014~~2015 consensus revenue
4 estimating conference.

5 Sec. 15. (1) If a district or intermediate district fails to
6 receive its proper apportionment, the department, upon satisfactory
7 proof that the district or intermediate district was entitled
8 justly, shall apportion the deficiency in the next apportionment.
9 Subject to subsections (2) and (3), if a district or intermediate
10 district has received more than its proper apportionment, the
11 department, upon satisfactory proof, shall deduct the excess in the
12 next apportionment. Notwithstanding any other provision in this
13 article, state aid overpayments to a district, other than
14 overpayments in payments for special education or special education
15 transportation, may be recovered from any payment made under this
16 article other than a special education or special education
17 transportation payment, from the proceeds of a loan to the district
18 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
19 141.942, or from the proceeds of millage levied or pledged under
20 section 1211 of the revised school code, MCL 380.1211. State aid
21 overpayments made in special education or special education
22 transportation payments may be recovered from subsequent special
23 education or special education transportation payments, from the
24 proceeds of a loan to the district under the emergency municipal
25 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
26 of millage levied or pledged under section 1211 of the revised
27 school code, MCL 380.1211.

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

(3) If, **BASED ON AN AUDIT BY THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE OR** because of ~~the receipt of new or updated data,~~ **INFORMATION RECEIVED BY THE DEPARTMENT,** the department determines ~~during a fiscal year that~~ the amount paid to a district or intermediate district under this article for **THE CURRENT FISCAL YEAR OR** a prior fiscal year was incorrect, ~~under the law in effect for that year,~~ the department ~~may~~ **SHALL** make the appropriate deduction or payment in the district's or intermediate district's allocation ~~for the fiscal year in which the determination is made.~~ **IN THE NEXT APPORTIONMENT AFTER THE ADJUSTMENT IS FINALIZED.** The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the ~~improper~~ **INCORRECT** amount

1 was paid. If the district does not receive an allocation for the
 2 fiscal year or if the allocation is not sufficient to pay the
 3 amount of any deduction, the amount of any deduction otherwise
 4 applicable shall be satisfied from the proceeds of a loan to the
 5 district under the emergency municipal loan act, 1980 PA 243, MCL
 6 141.931 to 141.942, or from the proceeds of millage levied or
 7 pledged under section 1211 of the revised school code, MCL
 8 380.1211, as determined by the department.

9 **(4) THE DEPARTMENT MAY CONDUCT AUDITS, OR MAY DIRECT AUDITS BY**
 10 **DESIGNEE OF THE DEPARTMENT, FOR THE CURRENT FISCAL YEAR AND THE**
 11 **IMMEDIATELY PRECEDING 3 FISCAL YEARS OF ALL RECORDS RELATED TO A**
 12 **PROGRAM FOR WHICH A DISTRICT OR INTERMEDIATE DISTRICT HAS RECEIVED**
 13 **FUNDS UNDER THIS ARTICLE.**

14 **(5) ~~(4)~~**—Expenditures made by the department under this article
 15 that are caused by the write-off of prior year accruals may be
 16 funded by revenue from the write-off of prior year accruals.

17 **(6) ~~(5)~~**—In addition to funds appropriated in section 11 for
 18 all programs and services, there is appropriated for ~~2013-2014~~
 19 **2014-2015** for obligations in excess of applicable appropriations an
 20 amount equal to the collection of overpayments, but not to exceed
 21 amounts available from overpayments.

22 Sec. 17a. (1) The department may withhold all or part of any
 23 payment that a district or intermediate district is entitled to
 24 receive under this ~~act~~**ARTICLE** to the extent the withholdings are a
 25 component part of a plan, developed and implemented pursuant to the
 26 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
 27 141.2821, **THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL**

1 141.931 TO 141.942, THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,
2 2012 PA 436, MCL 141.1541 TO 141.1575, or other statutory
3 authority, for financing an outstanding obligation upon which the
4 district or intermediate district defaulted **OR FOR OTHER FINANCIAL**
5 **OBLIGATIONS OF THE DISTRICT OR INTERMEDIATE DISTRICT.** Amounts
6 withheld shall be used to pay, on behalf of the district or
7 intermediate district, unpaid amounts or subsequently due amounts,
8 or both, of principal and interest on the outstanding obligation
9 upon which the district or intermediate district defaulted.

10 (2) The state treasurer may withhold all or part of any
11 payment that a district or intermediate district is entitled to
12 receive under this ~~act~~**ARTICLE** to the extent authorized or required
13 under section 15 of the school bond qualification, approval, and
14 loan act, 2005 PA 92, MCL 388.1935, **THE EMERGENCY MUNICIPAL LOAN**
15 **ACT, 1980 PA 243, MCL 141.931 TO 141.942, THE LOCAL FINANCIAL**
16 **STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575, OR**
17 **OTHER STATUTORY AUTHORITY.**

18 (3) Under an agreement entered into by a district or
19 intermediate district assigning all or a portion of the payment
20 that it is eligible to receive under this ~~act~~**ARTICLE** to the
21 Michigan finance authority or to the trustee of a pooled
22 arrangement or pledging the amount for payment of an obligation it
23 incurred with the Michigan finance authority or with the trustee of
24 a pooled arrangement, the state treasurer shall transmit to the
25 Michigan finance authority or a trustee designated by the Michigan
26 finance authority or to the trustee of a pooled arrangement **OR**
27 **OTHER DESIGNATED DEPOSITORY** the amount of the payment that is

1 assigned or pledged under the agreement.

2 (4) If a district or intermediate district for which an
3 emergency manager ~~has been appointed pursuant to~~ **IS IN PLACE UNDER**
4 the local financial stability and choice act, 2012 PA 436, MCL
5 141.1541 to 141.1575, or that has an approved deficit elimination
6 plan **OR AN APPROVED ENHANCED DEFICIT ELIMINATION PLAN** under section
7 102, enters into or has entered into an agreement described in
8 subsection (3) pursuant to section 1225(2) of the revised school
9 code, MCL 380.1225, whether the obligation was issued before or
10 after the effective date of this subsection, the portion of state
11 school aid paid or to be paid on behalf of the district or
12 intermediate district directly to the Michigan finance authority,
13 or to a trustee designated by the Michigan finance authority, for
14 the sole purpose of paying the principal of and interest on the
15 obligation is subject to a lien and trust that is a statutory lien
16 and trust, paramount and superior to all other liens and interests
17 of any kind, for the sole purpose of paying the principal of and
18 interest on the obligation. The statutory lien and trust applies to
19 the state school aid received or to be received by the Michigan
20 finance authority, or trustee designated by the Michigan finance
21 authority, on behalf of the district or intermediate district,
22 immediately upon the later of the effective date of this subsection
23 or the time when the state school aid is allocated to the district
24 or intermediate district, but is subject to any subsequent
25 reduction of the state school aid allocation by operation of law or
26 executive order. The lien and trust imposed by this section with
27 respect to state school aid has a priority as established in the

1 agreement, except that the agreement shall not impair any existing
2 lien and trust previously created pursuant to this section,
3 including any lien and trust applicable to a multi-year repayment
4 agreement under section 1225 of the revised school code, MCL
5 380.1225. Except as otherwise provided in this subsection, the lien
6 and trust created under this subsection for the benefit of holders
7 of the obligation issued pursuant to this section is valid and
8 binding against a party having a claim of any kind in tort,
9 contract, or otherwise against the district or intermediate
10 district that has issued the obligation secured by a pledge of
11 state school aid pursuant to this section, regardless of whether
12 that party has notice of the pledge. A pledge made pursuant to this
13 section for the benefit of the holders of obligations or others is
14 perfected without delivery, recording, or notice. The state school
15 aid paid or to be paid on behalf of a district or intermediate
16 district to the Michigan finance authority, or trustee designated
17 by the Michigan finance authority, shall be held in trust for the
18 sole benefit of the holders of the obligation issued pursuant to
19 this section or section 1225 of the revised school code, MCL
20 380.1225, and is exempt from being levied upon, taken, sequestered,
21 or applied toward paying the debts or liabilities of the district
22 or intermediate district other than for payment of the obligation
23 to which the lien applies. However, nothing in this subsection
24 alters the ability of the state treasurer to withhold state school
25 aid from a district or intermediate district as provided by law.

26 (5) Notwithstanding the payment dates prescribed by this ~~act~~
27 **ARTICLE** for distributions under this ~~act~~, **ARTICLE**, the state

1 treasurer may advance all or part of a payment that is dedicated
2 for distribution or for which the appropriation authorizing the
3 payment has been made if and to the extent, under the terms of an
4 agreement entered into by a district or intermediate district and
5 the Michigan finance authority, the payment that the district or
6 intermediate district is eligible to receive has been assigned to
7 or pledged for payment of an obligation it incurred with the
8 Michigan finance authority.

9 (6) This section does not require the state to make an
10 appropriation to any school district or intermediate school
11 district and shall not be construed as creating an indebtedness of
12 the state, and any agreement made pursuant to this section shall
13 contain a statement to that effect.

14 (7) As used in this section, "trustee of a pooled arrangement"
15 means the trustee of a trust approved by the state treasurer and,
16 subject to the conditions and requirements of that approval,
17 established for the purpose of offering for sale, as part of a
18 pooled arrangement, certificates representing undivided interests
19 in notes issued by districts or intermediate districts under
20 section 1225 of the revised school code, MCL 380.1225.

21 (8) If a trustee applies to the state treasurer for approval
22 of a trust for the purposes of this section, the state treasurer
23 shall approve or disapprove the trust within 10 days after receipt
24 of the application.

25 Sec. 18. (1) Except as provided in another section of this
26 article, each district or other entity shall apply the money
27 received by the district or entity under this article to salaries

1 and other compensation of teachers and other employees, tuition,
 2 transportation, lighting, heating, ventilation, water service, the
 3 purchase of textbooks, other supplies, and any other school
 4 operating expenditures defined in section 7. However, not more than
 5 20% of the total amount received by a district **UNDER SECTIONS 22A**
 6 **AND 22B** or **RECEIVED BY AN** intermediate district under ~~this article~~
 7 **SECTION 81** may be transferred by the board to either the capital
 8 projects fund or to the debt retirement fund for debt service. The
 9 money shall not be applied or taken for a purpose other than as
 10 provided in this section. The department shall determine the
 11 reasonableness of expenditures and may withhold from a recipient of
 12 funds under this article the apportionment otherwise due upon a
 13 violation by the recipient.

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

21 (a) The annual operating budget and subsequent budget
 22 revisions.

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

27 (i) A chart of personnel expenditures, broken into the

1 following subcategories:

2 (A) Salaries and wages.

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

6 (C) Retirement benefit costs.

7 (D) All other personnel costs.

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

10 (A) Instruction.

11 (B) Support services.

12 (C) Business and administration.

13 (D) Operations and maintenance.

14 (c) Links to all of the following:

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

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

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

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

26 (d) The total salary and a description and cost of each fringe
27 benefit included in the compensation package for the superintendent

1 of the district and for each employee of the district whose salary
2 exceeds \$100,000.00.

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

4 (f) The annual amount spent on lobbying or lobbying services.

5 As used in this subdivision, "lobbying" means that term as defined
6 in section 5 of 1978 PA 472, MCL 4.415.

7 **(G) ANY DEFICIT ELIMINATION PLAN OR ENHANCED DEFICIT**
8 **ELIMINATION PLAN THE DISTRICT WAS REQUIRED TO SUBMIT UNDER THIS**
9 **ARTICLE.**

10 **(H) IDENTIFICATION OF ALL CREDIT CARDS MAINTAINED BY THE**
11 **DISTRICT AS DISTRICT CREDIT CARDS, THE IDENTITY OF ALL INDIVIDUALS**
12 **AUTHORIZED TO USE EACH OF THOSE CREDIT CARDS, THE CREDIT LIMIT ON**
13 **EACH CREDIT CARD, AND THE DOLLAR LIMIT, IF ANY, FOR EACH**
14 **INDIVIDUAL'S AUTHORIZED USE OF THE CREDIT CARD.**

15 **(I) COSTS INCURRED FOR EACH INSTANCE OF OUT-OF-STATE TRAVEL BY**
16 **THE SCHOOL ADMINISTRATOR OF THE DISTRICT THAT IS FULLY OR PARTIALLY**
17 **PAID FOR BY THE DISTRICT AND THE DETAILS OF EACH OF THOSE INSTANCES**
18 **OF OUT-OF-STATE TRAVEL, INCLUDING AT LEAST IDENTIFICATION OF EACH**
19 **INDIVIDUAL ON THE TRIP, DESTINATION, AND PURPOSE.**

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

24 (4) For the ~~purpose~~ **PURPOSES** of determining the reasonableness
25 of expenditures, **WHETHER A DISTRICT OR INTERMEDIATE DISTRICT HAS**
26 **RECEIVED THE PROPER AMOUNT OF FUNDS UNDER THIS ARTICLE,** and whether
27 a violation of this article has occurred, all of the following

1 apply:

2 (a) The department shall require that each district and
3 intermediate district have an audit of the district's or
4 intermediate district's financial and pupil accounting records
5 conducted at least annually, **AND AT SUCH OTHER TIMES AS DETERMINED**
6 **BY THE DEPARTMENT**, at the expense of the district or intermediate
7 district, as applicable. ~~7~~**THE AUDITS MUST BE PERFORMED** by a
8 certified public accountant or by the intermediate district
9 superintendent, as may be required by the department, or in the
10 case of a district of the first class by a certified public
11 accountant, the intermediate superintendent, or the auditor general
12 of the city. **A DISTRICT OR INTERMEDIATE DISTRICT SHALL RETAIN THESE**
13 **RECORDS FOR THE CURRENT FISCAL YEAR AND FROM AT LEAST THE 3**
14 **IMMEDIATELY PRECEDING FISCAL YEARS.**

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

26 (c) A district's or intermediate district's annual financial
27 audit shall include an analysis of the financial and pupil

1 accounting data used as the basis for distribution of state school
2 aid.

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

7 (e) All of the following shall be done not later than November
8 15, ~~each year~~ **2014 FOR REPORTING 2013-2014 DATA DURING 2014-2015,**
9 **AND NOT LATER THAN OCTOBER 15 FOR REPORTING THE PRIOR FISCAL YEAR**
10 **DATA FOR ALL SUBSEQUENT FISCAL YEARS:**

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

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

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

19 (f) The annual financial audit reports and pupil accounting
20 procedures reports shall be available to the public in compliance
21 with the freedom of information act, 1976 PA 442, MCL 15.231 to
22 15.246.

23 (g) Not later than January 31 of each year, the department
24 shall notify the state budget director and the legislative
25 appropriations subcommittees responsible for review of the school
26 aid budget of districts and intermediate districts that have not
27 filed an annual financial audit and pupil accounting procedures

1 report required under this section for the school year ending in
2 the immediately preceding fiscal year.

3 (5) By November 15, ~~of each year, 2014~~ **FOR 2014-2015 AND BY**
4 **OCTOBER 15 FOR ALL SUBSEQUENT FISCAL YEARS**, each district and
5 intermediate district shall submit to the center, in a manner
6 prescribed by the center, annual comprehensive financial data
7 consistent with accounting manuals and charts of accounts approved
8 and published by the department. For an intermediate district, the
9 report shall also contain the website address where the department
10 can access the report required under section 620 of the revised
11 school code, MCL 380.620. The department shall ensure that the
12 prescribed Michigan public school accounting manual chart of
13 accounts includes standard conventions to distinguish expenditures
14 by allowable fund function and object. The functions shall include
15 at minimum categories for instruction, pupil support, instructional
16 staff support, general administration, school administration,
17 business administration, transportation, facilities operation and
18 maintenance, facilities acquisition, and debt service; and shall
19 include object classifications of salary, benefits, including
20 categories for active employee health expenditures, purchased
21 services, supplies, capital outlay, and other. Districts shall
22 report the required level of detail consistent with the manual as
23 part of the comprehensive annual financial report.

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

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

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

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

12 (10) If a district or intermediate district does not comply
13 with subsections (4), (5), (6), and (7), the department shall
14 withhold all state school aid due to the district or intermediate
15 district under this article, beginning with the next payment due to
16 the district or intermediate district, until the district or
17 intermediate district complies with subsections (4), (5), (6), and
18 (7). **HOWEVER, THE DEPARTMENT SHALL NOT WITHHOLD THE PAYMENT DUE ON**
19 **OCTOBER 20 DUE TO THE OPERATION OF THIS SUBSECTION.** If the district
20 or intermediate district does not comply with subsections (4), (5),
21 (6), and (7) by the end of the fiscal year, the district or
22 intermediate district forfeits the amount withheld.

23 (11) Not later than ~~September~~**NOVEMBER** 1, 2014, if a district
24 or intermediate district offers online learning **UNDER SECTION 21F**,
25 the district or intermediate district shall submit to the
26 department a report that details the per-pupil costs of operating
27 the online learning **BY VENDOR TYPE**. The report shall include at

1 least all of the following information concerning the operation of
2 online learning for the school fiscal year ending June 30, 2014:

3 (a) The name of the district operating the online learning and
4 of each district that enrolled students in the online learning.

5 (b) The total number of students enrolled in the online
6 learning and the total number of membership pupils enrolled in the
7 online learning.

8 (c) For each pupil who is enrolled in a district other than
9 the district offering online learning, the name of that district.

10 (d) The district in which the pupil was enrolled before
11 enrolling in the district offering online learning.

12 (e) The number of participating students who had previously
13 dropped out of school.

14 (f) The number of participating students who had previously
15 been expelled from school.

16 (g) The total cost to enroll a student in the program. This
17 cost shall be reported on a per-pupil, per-course, per-semester or
18 trimester basis **BY VENDOR TYPE**. The total shall include costs
19 broken down by cost for **CONTENT DEVELOPMENT, CONTENT LICENSING,**
20 **training, ONLINE INSTRUCTION AND INSTRUCTIONAL SUPPORT,** personnel,
21 hardware and software, payment to each online learning provider,
22 and other costs associated with operating online learning.

23 (h) The name of each online education provider contracted by
24 the district and the state in which each online education provider
25 is headquartered.

26 **(12) NOT LATER THAN MARCH 31, 2015, THE DEPARTMENT SHALL**
27 **SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**

1 STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, AND THE HOUSE AND
2 SENATE FISCAL AGENCIES A REPORT SUMMARIZING THE PER PUPIL COSTS BY
3 VENDOR TYPE OF ONLINE COURSES AVAILABLE UNDER SECTION 21F.

4 (13) AS USED IN SUBSECTIONS (11) AND (12), "VENDOR TYPE" MEANS
5 THE FOLLOWING:

6 (A) ONLINE COURSES PROVIDED BY THE MICHIGAN VIRTUAL
7 UNIVERSITY.

8 (B) ONLINE COURSES PROVIDED BY A SCHOOL OF EXCELLENCE THAT IS
9 A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL
10 CODE, MCL 380.551.

11 (C) ONLINE COURSES PROVIDED BY THIRD PARTY VENDORS NOT
12 AFFILIATED WITH A MICHIGAN PUBLIC SCHOOL.

13 (D) ONLINE COURSES CREATED AND OFFERED BY A DISTRICT OR
14 INTERMEDIATE DISTRICT.

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

23 (2) Each district shall furnish to the center not later than 5
24 weeks after the pupil membership count day and by June 30 of the
25 school fiscal year ending in the fiscal year, in a manner
26 prescribed by the center, the information necessary for the
27 preparation of the district and high school graduation report. This

1 information shall meet requirements established in the pupil
2 auditing manual approved and published by the department. The
3 center shall calculate an annual graduation and pupil dropout rate
4 for each high school, each district, and this state, in compliance
5 with nationally recognized standards for these calculations. The
6 center shall report all graduation and dropout rates to the senate
7 and house education committees and appropriations committees, the
8 state budget director, and the department not later than 30 days
9 after the publication of the list described in subsection (6).

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

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

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

(6) Before publishing a list of school or district accountability designations as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

(7) It is the intent of the legislature to implement not later than ~~2014-2015~~, **2016-2017**, statewide standard reporting requirements for education data approved by the department in conjunction with the center. The department shall work with the center, intermediate districts, districts, and other interested stakeholders to develop recommendations on the implementation of this policy change. A district or intermediate district shall implement the statewide standard reporting requirements not later than 2014-2015 or when a district or intermediate district updates its education data reporting system, whichever is later.

Sec. 20. (1) For ~~2013-2014~~, the **2014-2015**, **BOTH OF THE FOLLOWING APPLY:**

(A) THE basic foundation allowance is ~~\$8,049.00~~. **\$8,099.00.**

(B) THE MINIMUM FOUNDATION ALLOWANCE IS \$7,126.00.

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

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

district's foundation allowance as calculated before any proration:

(a) ~~For~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, FOR**
a district that had a foundation allowance for the immediately
preceding state fiscal year that was ~~at least equal to the sum of~~
~~\$7,108.00 plus the total dollar amount of all adjustments made from~~
~~2006-2007 to the immediately preceding state fiscal year in the~~
~~lowest foundation allowance among all districts,~~ **MINIMUM FOUNDATION**
ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, but less
than the basic foundation allowance for the immediately preceding
state fiscal year, the district shall receive a foundation
allowance in an amount equal to the sum of ~~the greater of \$6,966.00~~
~~or~~ the district's foundation allowance for the immediately
preceding state fiscal year plus the difference between twice the
dollar amount of the adjustment from the immediately preceding
state fiscal year to the current state fiscal year made in the
basic foundation allowance and [~~the dollar amount of the~~
~~adjustment from~~ **DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE**
FOR THE CURRENT STATE FISCAL YEAR AND BASIC FOUNDATION ALLOWANCE
FOR the immediately preceding state fiscal year ~~to the current~~
~~state fiscal year made in the basic foundation allowance minus~~
~~\$10.00)~~ times (the difference between the district's foundation
allowance for the immediately preceding state fiscal year and the
~~sum of \$7,108.00 plus the total dollar amount of all adjustments~~
~~made from 2006-2007 to the immediately preceding state fiscal year~~
~~in the lowest foundation allowance among all districts)~~ **MINIMUM**
FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL
YEAR) divided by the difference between the basic foundation

1 allowance for the current state fiscal year and the sum of
2 \$7,108.00 plus the total dollar amount of all adjustments made from
3 2006-2007 to the immediately preceding state fiscal year in the
4 lowest foundation allowance among all districts]. For 2011-2012,
5 for a district that had a foundation allowance for the immediately
6 preceding state fiscal year that was at least equal to the sum of
7 \$7,108.00 plus the total dollar amount of all adjustments made from
8 2006-2007 to the immediately preceding state fiscal year in the
9 lowest foundation allowance among all districts, but less than the
10 basic foundation allowance for the immediately preceding state
11 fiscal year, the district shall receive a foundation allowance in
12 an amount equal to the district's foundation allowance for 2010-
13 2011, minus \$470.00. **MINIMUM FOUNDATION ALLOWANCE FOR THE**
14 **IMMEDIATELY PRECEDING STATE FISCAL YEAR]**. However, the foundation
15 allowance for a district that had less than the basic foundation
16 allowance for the immediately preceding state fiscal year shall not
17 exceed the basic foundation allowance for the current state fiscal
18 year. **FOR THE PURPOSES OF THIS SUBDIVISION, FOR 2014-2015, THE**
19 **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE**
20 **FISCAL YEAR SHALL BE CONSIDERED TO BE \$7,076.00. FOR 2014-2015, FOR**
21 **A DISTRICT THAT HAD A FOUNDATION ALLOWANCE FOR THE IMMEDIATELY**
22 **PRECEDING STATE FISCAL YEAR THAT WAS AT LEAST EQUAL TO THE MINIMUM**
23 **FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL**
24 **YEAR BUT LESS THAN THE BASIC FOUNDATION ALLOWANCE FOR THE**
25 **IMMEDIATELY PRECEDING STATE FISCAL YEAR, THE DISTRICT SHALL RECEIVE**
26 **A FOUNDATION ALLOWANCE IN AN AMOUNT EQUAL TO THE DISTRICT'S**
27 **FOUNDATION ALLOWANCE FOR 2013-2014 PLUS \$50.00.**

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount ~~at least equal~~ to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for ~~2011-2012-2014-2015~~ in an amount equal to the ~~district's BASIC~~ foundation allowance for ~~2010-2011, minus \$470.00-2014-2015.~~

~~(c) Except as otherwise provided in subdivision (d), for~~ **FOR** a district that ~~in the 1994-95 state fiscal year~~ had a foundation allowance **FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR THAT WAS** greater than ~~\$6,500.00,~~ **THE BASIC FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR,** the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. ~~Except as otherwise provided in subdivision (d), for 2011-2012, for a district that in the 1994-1995 state fiscal year had a foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount equal to the district's foundation allowance for the 2010-2011 fiscal~~

1 ~~year minus \$470.00.~~

2 ~~—— (d) For a district that in the 1994-95 state fiscal year had a~~
3 ~~foundation allowance greater than \$6,500.00 and that had a~~
4 ~~foundation allowance for the 2009-2010 state fiscal year, as~~
5 ~~otherwise calculated under this section, that was less than the~~
6 ~~basic foundation allowance, the district's foundation allowance for~~
7 ~~2011-2012 and each succeeding fiscal year shall be considered to be~~
8 ~~an amount equal to the basic foundation allowance.~~

9 (D) ~~(e)~~ For a district that has a foundation allowance that is
10 not a whole dollar amount, the district's foundation allowance
11 shall be rounded up to the nearest whole dollar.

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

20 (E) ~~(g)~~ For a district that received a payment under section
21 22c as that section was in effect for ~~2006-2007, 2013-2014~~, the
22 district's ~~2006-2007-2013-2014~~ foundation allowance shall be
23 considered to have been an amount equal to the sum of the
24 district's actual ~~2006-2007-2013-2014~~ foundation allowance as
25 otherwise calculated under this section plus the per pupil amount
26 of the district's equity payment for ~~2006-2007-2013-2014~~ under
27 section 22c as that section was in effect for ~~2006-2007-2013-2014~~.

~~1 (h) For 2012-2013, for a district that had a foundation
2 allowance for the 2011-2012 state fiscal year of less than
3 \$6,966.00, the district's foundation allowance is an amount equal
4 to \$6,966.00.~~

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

~~property in the district that is commercial personal property times~~
~~the certified mills minus 12 mills and the quotient of the ad~~
~~valorem property tax revenue of the district captured under tax~~
~~increment financing acts~~ **LOCAL PORTION OF THE DISTRICT'S FOUNDATION**
ALLOWANCE divided by the district's membership excluding special
education pupils. For a district that has a millage reduction
required under section 31 of article IX of the state constitution
of 1963, the state portion of the district's foundation allowance
shall be calculated as if that reduction did not occur. For a
receiving district, if school operating taxes continue to be levied
on behalf of a dissolved district that has been attached in whole
or in part to the receiving district to satisfy debt obligations of
the dissolved district under section 12 of the revised school code,
MCL 380.12, the taxable value per membership pupil of property in
the receiving district used for the purposes of this subsection ~~7~~
does not include the taxable value of property within the
geographic area of the dissolved district.

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

1 shall be based on the foundation allowance of the educating
2 district if the educating district's foundation allowance is
3 greater than the foundation allowance of the pupil's district of
4 residence.

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

1 otherwise calculated under this subsection.

2 (7) Except as otherwise provided in this subsection, for
3 pupils attending an achievement school and in membership in the
4 education achievement system, other than special education pupils,
5 the allocation calculated under this section is an amount per
6 membership pupil other than special education pupils equal to the
7 foundation allowance of the district in which the achievement
8 school is located, not to exceed the basic foundation allowance.
9 Notwithstanding section 101, for an achievement school that begins
10 operation after the pupil membership count day, the amount per
11 membership pupil calculated under this subsection shall be adjusted
12 by multiplying that amount per membership pupil by the number of
13 hours of pupil instruction provided by the achievement school after
14 it begins operations, as determined by the department, divided by
15 the minimum number of hours of pupil instruction required under
16 section 101(3). The result of this calculation shall not exceed the
17 amount per membership pupil otherwise calculated under this
18 subsection. For the purposes of this subsection, if a public school
19 is transferred from a district to the state school reform/redesign
20 district or the achievement authority under section 1280c of the
21 revised school code, MCL 380.1280c, that public school is
22 considered to be an achievement school within the education
23 achievement system and not a school that is part of a district, and
24 a pupil attending that public school is considered to be in
25 membership in the education achievement system and not in
26 membership in the district that operated the school before the
27 transfer.

1 (8) Subject to subsection (4), for a district that is formed
2 or reconfigured after June 1, 2002 by consolidation of 2 or more
3 districts or by annexation, the resulting district's foundation
4 allowance under this section beginning after the effective date of
5 the consolidation or annexation shall be the lesser of the sum of
6 the average of the foundation allowances of each of the original or
7 affected districts, calculated as provided in this section,
8 weighted as to the percentage of pupils in total membership in the
9 resulting district who reside in the geographic area of each of the
10 original or affected districts plus \$100.00 or the highest
11 foundation allowance among the original or affected districts. This
12 subsection does not apply to a receiving district unless there is a
13 subsequent consolidation or annexation that affects the district.

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

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

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

27 (a) The pupil membership factor shall be computed by dividing

1 the estimated membership in the school year ending in the current
2 state fiscal year, excluding intermediate district membership, by
3 the estimated membership for the school year ending in the
4 subsequent state fiscal year, excluding intermediate district
5 membership. If a consensus membership factor is not determined at
6 the revenue estimating conference, the principals of the revenue
7 estimating conference shall report their estimates to the house and
8 senate subcommittees responsible for school aid appropriations not
9 later than 7 days after the conclusion of the revenue conference.

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

1 (c) The index shall be calculated by multiplying the pupil
2 membership factor by the revenue adjustment factor. If a consensus
3 index is not determined at the revenue estimating conference, the
4 principals of the revenue estimating conference shall report their
5 estimates to the house and senate subcommittees responsible for
6 school aid appropriations not later than 7 days after the
7 conclusion of the revenue conference.

8 ~~—— (12) For a district that received a grant under former section~~
9 ~~32e for 2001-2002, the district's foundation allowance for 2002-~~
10 ~~2003 and each succeeding fiscal year shall be adjusted to be an~~
11 ~~amount equal to the sum of the district's foundation allowance, as~~
12 ~~otherwise calculated under this section, plus the quotient of 100%~~
13 ~~of the amount of the grant award to the district for 2001-2002~~
14 ~~under former section 32e divided by the number of pupils in the~~
15 ~~district's membership for 2001-2002 who were residents of and~~
16 ~~enrolled in the district. All of the following apply to districts~~
17 ~~receiving a foundation allowance adjustment under this subsection:~~

18 ~~—— (a) Except as otherwise provided in this subdivision, a~~
19 ~~district qualifying for a foundation allowance adjustment under~~
20 ~~this subsection shall use the funds resulting from this adjustment~~
21 ~~for at least 1 of grades K to 3 for purposes allowable under former~~
22 ~~section 32e as in effect for 2001-2002. For an individual school or~~
23 ~~schools operated by a district qualifying for a foundation~~
24 ~~allowance adjustment under this subsection that have been~~
25 ~~determined by the department to meet the adequate yearly progress~~
26 ~~standards of the federal no child left behind act of 2001, Public~~
27 ~~Law 107-110, in both mathematics and English language arts at all~~

~~applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subdivision. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.~~

~~—— (b) A district receiving an adjustment under this subsection shall not receive as a result of this adjustment an amount that exceeds 68.5% of the amount the district received as a result of this adjustment for 2010-2011.~~

~~—— (c) Notwithstanding subsection (8), for a district that is formed or reconfigured by consolidation of 2 or more districts, 1 of which received an adjustment under this subsection for 2012-2013, the resulting district's foundation allowance for 2013-2014 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the resulting district's foundation allowance~~

~~as calculated under subsection (8) excluding any adjustment calculated under this subsection plus [(the original district's adjustment under this subsection in 2012-2013 times the number of pupils in the original district's membership for 2012-2013) divided by the number of pupils in the resulting district's membership for 2013-2014].~~

~~—— (d) Beginning in 2013-2014, for a district that received an adjustment for the immediately preceding fiscal year and that had a foundation allowance as adjusted by this subsection for the immediately preceding fiscal year equal to \$6,966.00, the district shall not receive an adjustment under this section for the current fiscal year.~~

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

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

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

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

(b) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of

1 the district under this section and the district's local school
2 operating revenue.

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

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

8 (e) "Dissolved district" means a district that loses its
9 organization, has its territory attached to 1 or more other
10 districts, and is dissolved as provided under section 12 of the
11 revised school code, MCL 380.12.

12 (f) "Immediately preceding state fiscal year" means the state
13 fiscal year immediately preceding the current state fiscal year.

14 (G) "LOCAL PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE"
15 MEANS AN AMOUNT THAT IS EQUAL TO THE DIFFERENCE BETWEEN (THE SUM OF
16 THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF ALL
17 PROPERTY IN THE DISTRICT THAT IS NONEXEMPT PROPERTY TIMES THE
18 DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS
19 EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL
20 OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY
21 TIMES THE CERTIFIED MILLS MINUS 12 MILLS) AND (THE QUOTIENT OF THE
22 PRODUCT OF THE CAPTURED ASSESSED VALUATION UNDER TAX INCREMENT
23 FINANCING ACTS TIMES THE DISTRICT'S CERTIFIED MILLS DIVIDED BY THE
24 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS).

25 (H) ~~(g)~~ "Local school operating revenue" means school
26 operating taxes levied under section 1211 of the revised school
27 code, MCL 380.1211. For a receiving district, if school operating

1 taxes are to be levied on behalf of a dissolved district that has
 2 been attached in whole or in part to the receiving district to
 3 satisfy debt obligations of the dissolved district under section 12
 4 of the revised school code, MCL 380.12, local school operating
 5 revenue does not include school operating taxes levied within the
 6 geographic area of the dissolved district.

7 (I) ~~(h)~~ "Local school operating revenue per membership pupil"
 8 means a district's local school operating revenue divided by the
 9 district's membership excluding special education pupils.

10 (J) ~~(i)~~ "Maximum public school academy allocation", except as
 11 otherwise provided in this subdivision, means the maximum per-pupil
 12 allocation as calculated by adding the highest per-pupil allocation
 13 among all public school academies for the immediately preceding
 14 state fiscal year plus the difference between twice the ~~dollar~~
 15 ~~amount of the adjustment from~~ **AMOUNT OF THE DIFFERENCE BETWEEN THE**
 16 **BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND**
 17 **THE BASIC FOUNDATION FOR** the immediately preceding state fiscal
 18 year ~~to the current state fiscal year made in the basic foundation~~
 19 ~~allowance and [(the dollar amount of the adjustment from~~ **AMOUNT OF**
 20 **THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE**
 21 **CURRENT STATE FISCAL YEAR AND THE BASIC FOUNDATION FOR** the
 22 immediately preceding state fiscal year ~~to the current state fiscal~~
 23 ~~year made in the basic foundation allowance minus \$10.00) times~~
 24 (the difference between the highest per-pupil allocation among all
 25 public school academies for the immediately preceding state fiscal
 26 year and the ~~sum of \$7,108.00 plus the total dollar amount of all~~
 27 ~~adjustments made from 2006-2007 to the immediately preceding state~~

~~fiscal year in the lowest per pupil allocation among all public school academies)~~ **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR)** divided by the difference between the basic foundation allowance for the current state fiscal year and the ~~sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per pupil allocation among all public school academies]~~. **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR]**. FOR THE PURPOSES OF THIS SUBDIVISION, FOR 2014-2015, THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR SHALL BE CONSIDERED TO BE \$7,076.00. FOR 2014-2015, THE MAXIMUM PUBLIC SCHOOL ACADEMY ALLOCATION IS \$7,218.00.

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

(I) ~~(k)~~ "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

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

(N) ~~(m)~~ "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under

1 section 12 of the revised school code, MCL 380.12.

2 (O) ~~(n)~~ "School operating purposes" means the purposes
3 included in the operation costs of the district as prescribed in
4 sections 7 and 18 and purposes authorized under section 1211 of the
5 revised school code, MCL 380.1211.

6 (P) ~~(e)~~ "School operating taxes" means local ad valorem
7 property taxes levied under section 1211 of the revised school
8 code, MCL 380.1211, and retained for school operating purposes.

9 (Q) ~~(p)~~ "Tax increment financing acts" means 1975 PA 197, MCL
10 125.1651 to 125.1681, the tax increment finance authority act, 1980
11 PA 450, MCL 125.1801 to 125.1830, the local development financing
12 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
13 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
14 or the corridor improvement authority act, 2005 PA 280, MCL
15 125.2871 to 125.2899.

16 (R) ~~(q)~~ "Taxable value per membership pupil" means taxable
17 value, as certified by the ~~department of treasury,~~ **COUNTY TREASURER**
18 **AND REPORTED TO THE DEPARTMENT,** for the calendar year ending in the
19 current state fiscal year divided by the district's membership
20 excluding special education pupils for the school year ending in
21 the current state fiscal year.

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

27 (a) For a district that had combined state and local revenue

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

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

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

Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$6,000,000.00 for ~~2013-2014~~ **2014-2015** for payments to eligible districts under this section. A district is eligible for funding under this section **IF THE DISTRICT RECEIVED A PAYMENT UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2013-2014. A DISTRICT WAS ELIGIBLE FOR FUNDING IN 2013-2014** if the sum of the following ~~is~~ **WAS** less than \$5.00:

(a) The increase in the district's foundation allowance or per pupil payment as calculated under section 20 from 2012-2013 to 2013-2014.

(b) The district's equity payment per membership pupil under section 22c **FOR 2013-2014**.

(c) The quotient of the district's allocation under section 147a for 2012-2013 divided by the district's membership pupils for 2012-2013 minus the quotient of the district's allocation under section 147a for 2013-2014 divided by the district's membership pupils for 2013-2014.

(2) The amount allocated to each eligible district under this section is an amount per membership pupil equal to ~~\$5.00 minus the sum of the following:~~ **THE AMOUNT PER MEMBERSHIP PUPIL THE DISTRICT RECEIVED IN 2013-2014.**

~~(a) The increase in the district's foundation allowance or per~~

~~pupil payment as calculated under section 20 from 2012-2013 to 2013-2014.~~

~~—— (b) The district's equity payment per membership pupil under section 22c.~~

~~—— (c) The quotient of the district's allocation under section 147a for 2012-2013 divided by the district's membership pupils for 2012-2013 minus the quotient of the district's allocation under section 147a for 2013-2014 divided by the district's membership pupils for 2013-2014.~~

(3) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL PER-PUPIL BASIS.

Sec. 20g. (1) From the money appropriated under section 11, ~~the following amounts are allocated for 2013-2014.~~

~~—— (a) From the general fund money,~~ **THERE IS ALLOCATED** an amount not to exceed \$2,200,000.00 for ~~2013-2014~~ **2014-2015** for grants to eligible districts **THAT FIRST RECEIVED PAYMENTS UNDER THIS SECTION IN 2013-2014** for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). ~~It is the intent of the legislature to continue this transition funding~~ **PAYMENTS UNDER THIS SECTION SHALL CONTINUE** for a total of 4 fiscal years following the dissolution of a district, **AFTER WHICH THE PAYMENTS SHALL CEASE.**

~~—— (b) From the state school aid fund money, an amount not to exceed \$5,000,000.00 for reimbursements to eligible districts for~~

~~costs incurred by the eligible district associated with the transfer of property from a dissolved school district to the eligible district, allocated as provided under subsection (4).~~

(2) A receiving school district, as that term is defined in section 12 of the revised school code, MCL 380.12, is an eligible district under this section.

(3) The amount allocated to each eligible district under ~~subsection (1)(a)~~ **THIS SECTION** is an amount equal to the product of the number of membership pupils enrolled in the eligible district who were previously enrolled in the dissolved **SCHOOL** district in the school year immediately preceding the dissolution, or who reside in the geographic area of the dissolved **SCHOOL** district and are entering kindergarten, times 10.0% of the lesser of the foundation allowance of the eligible district as calculated under section 20 or the basic foundation allowance under section 20(1).

~~—— (4) To allocate funds under subsection (1)(b), the department shall develop a reimbursement application process and a reimbursement distribution process. Reimbursable costs shall include, but are not limited to, the costs of maintenance, utilities, security, or insurance associated with, or the demolition of, buildings transferred from a dissolved school district to the eligible district. However, the reimbursement made to eligible districts for all of the property transferred from a single dissolved school district shall not exceed the total cumulative sum of \$2,500,000.00 for all of the eligible districts to which property was transferred from that dissolved school district.~~

~~———— (5) The funds allocated under subsection (1) (b) are considered work project appropriations and any unexpended funds for 2013-2014 are carried forward into 2014-2015. The purpose of the work project is as described in subsection (1) (b). The total estimated cost of the work project is \$5,000,000.00. The tentative estimated completion date for the work project is September 30, 2015.~~

(4) ~~(6)~~ As used in this section, "dissolved school district" means a school district that has been declared dissolved under section 12 of the revised school code, 1976 PA 451, MCL 380.12.

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 22a or 22b to support the attendance of a district pupil **WHO IS AN ELIGIBLE STUDENT** at an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, **BY PAYING ELIGIBLE CHARGES ON BEHALF OF THE DISTRICT PUPIL AS REQUIRED UNDER THOSE ACTS.**

~~(2) To the extent required under subsection (3), a district shall pay tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. A district also shall pay any late fees charged by an eligible postsecondary institution due to the district's failure to make a required payment according to the timetable prescribed by the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913. A district is not required to pay transportation costs, parking costs, or~~

1 activity fees ON BEHALF OF AN ELIGIBLE STUDENT FOR ATTENDANCE AT AN
2 ELIGIBLE POSTSECONDARY INSTITUTION AS DESCRIBED IN SUBSECTION (1) .

3 (3) ~~A district shall pay to the eligible postsecondary~~
4 ~~institution on behalf of an eligible student an amount equal to the~~
5 ~~lesser of the amount of the eligible charges described in~~
6 ~~subsection (2) or the prorated percentage of the state portion of~~
7 ~~the foundation allowance paid or calculated, as applicable, on~~
8 ~~behalf of that eligible student under section 20, with the~~
9 ~~proration based on the proportion of the school year that the~~
10 ~~eligible student attends the postsecondary institution. A district~~
11 may pay more money to an eligible postsecondary institution on
12 behalf of an eligible student than required under ~~this section and~~
13 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
14 to 388.524, or the career and technical preparation act, 2000 PA
15 258, MCL 388.1901 to 388.1913, and may use local school operating
16 revenue for that purpose. An eligible student is responsible for
17 payment of the remainder of the costs associated with his or her
18 postsecondary enrollment that exceed the amount the district is
19 required to pay under ~~this section and~~ the postsecondary enrollment
20 options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and
21 technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,
22 and that are not paid by the district. As used in this subsection,
23 "local school operating revenue" means that term as defined in
24 section 20.

25 (4) As used in this section, ~~"eligible course",~~ "eligible
26 student" ~~,~~ and "eligible postsecondary institution" mean those
27 terms as defined in section 3 of the postsecondary enrollment

options act, 1996 PA 160, MCL 388.511 to 388.524, or in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903, as applicable.

Sec. 21f. (1) A pupil enrolled in a district in any of grades 5-6 to 12 is eligible to enroll in an online course as provided for in this section. ~~However, this section does not apply to a pupil enrolled in a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551.~~

(2) With the consent of the pupil's parent or legal guardian, a district shall enroll an eligible pupil in up to 2 online courses as requested by the pupil during an academic term, semester, or trimester. ~~It is the intent of the legislature to consider increasing the limit on the number of online courses that a pupil may enroll in beginning in 2014-2015 for pupils who have demonstrated previous success with online courses.~~ **UNLESS THE PUPIL IS NEWLY ENROLLED IN THE DISTRICT, THE REQUEST FOR ONLINE COURSE ENROLLMENT MUST BE MADE IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE ENROLLMENT. A DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS THAT WOULD PROHIBIT A PUPIL FROM TAKING AN ONLINE COURSE. IF A PUPIL HAS DEMONSTRATED PREVIOUS SUCCESS WITH ONLINE COURSES AND THE SCHOOL LEADERSHIP AND THE PUPIL'S PARENT OR LEGAL GUARDIAN DETERMINE THAT IT IS IN THE BEST INTEREST OF THE PUPIL, A PUPIL MAY BE ENROLLED IN MORE THAN 2 ONLINE COURSES IN A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER.** Consent of the pupil's parent or legal guardian is not required if the pupil is at least age 18 or is an emancipated minor.

(3) An eligible pupil may enroll in an online course published

1 in the pupil's educating district's catalog of online courses
2 described in subsection (7)(a) or the statewide catalog of online
3 courses maintained by the Michigan virtual university pursuant to
4 section 98.

5 (4) A district shall determine whether or not it has capacity
6 to accept applications for enrollment from nonresident applicants
7 in online courses and may use that limit as the reason for refusal
8 to enroll an applicant. If the number of nonresident applicants
9 eligible for acceptance in an online course does not exceed the
10 capacity of the district to provide the online course, the district
11 shall accept for enrollment all of the nonresident applicants
12 eligible for acceptance. If the number of nonresident applicants
13 exceeds the district's capacity to provide the online course, the
14 district shall use a random draw system, subject to the need to
15 abide by state and federal antidiscrimination laws and court
16 orders.

17 (5) A district may deny a pupil enrollment in an online course
18 if any of the following apply, as determined by the district:

19 (a) The pupil has previously gained the credits provided from
20 the completion of the online course.

21 (b) The online course is not capable of generating academic
22 credit.

23 (c) The online course is inconsistent with the remaining
24 graduation requirements or career interests of the pupil.

25 (d) The pupil does not possess the prerequisite knowledge and
26 skills to be successful in the online course or has demonstrated
27 failure in previous online coursework in the same subject.

1 (e) The online course is of insufficient quality or rigor. A
2 district that denies a pupil enrollment for this reason shall make
3 a reasonable effort to assist the pupil to find an alternative
4 course in the same or a similar subject that is of acceptable rigor
5 and quality.

6 **(F) THE COST OF THE ONLINE COURSE EXCEEDS THE AMOUNT**
7 **IDENTIFIED IN SUBSECTION (8), UNLESS THE PUPIL'S PARENT OR LEGAL**
8 **GUARDIAN AGREES TO PAY THE COST THAT EXCEEDS THIS AMOUNT.**

9 **(G) THE ONLINE COURSE ENROLLMENT REQUEST DOES NOT OCCUR WITHIN**
10 **THE SAME TIMELINES ESTABLISHED BY THE DISTRICT FOR ENROLLMENT AND**
11 **SCHEDULE CHANGES FOR REGULAR COURSES.**

12 (6) If a pupil is denied enrollment in an online course by a
13 district, the pupil may appeal the denial by submitting a letter to
14 the superintendent of the intermediate district in which the
15 pupil's educating district is located. The letter of appeal shall
16 include the reason provided by the district for not enrolling the
17 pupil and the reason why the pupil is claiming that the enrollment
18 should be approved. The intermediate district superintendent or
19 designee shall respond to the appeal within 5 days after it is
20 received. If the intermediate district superintendent or designee
21 determines that the denial of enrollment does not meet 1 or more of
22 the reasons specified in subsection (5), the district shall allow
23 the pupil to enroll in the online course.

24 (7) To offer or provide an online course **UNDER THIS SECTION**, a
25 district or intermediate district shall do all of the following:

26 (a) Provide the Michigan virtual university with the course
27 syllabus in a form and method prescribed by the Michigan virtual

1 university for inclusion in a statewide online course catalog. The
 2 district or intermediate district shall also provide on its
 3 publicly accessible website a link to the course syllabi for all of
 4 the online courses offered by the district or intermediate district
 5 and a link to the statewide catalog of online courses maintained by
 6 the Michigan virtual university.

7 (b) Offer the online course on an open entry and exit method,
 8 or aligned to a semester, trimester, or accelerated academic term
 9 format.

10 (C) NOT LATER THAN OCTOBER 1, 2014, PROVIDE THE MICHIGAN
 11 VIRTUAL UNIVERSITY WITH THE NUMBER OF ENROLLMENTS IN EACH ONLINE
 12 COURSE THE DISTRICT OR INTERMEDIATE DISTRICT OFFERED TO PUPILS
 13 PURSUANT TO THIS SECTION IN THE IMMEDIATELY PRECEDING SCHOOL YEAR,
 14 AND THE NUMBER OF ENROLLMENTS IN WHICH THE PUPIL EARNED 60% OR MORE
 15 OF THE TOTAL COURSE POINTS FOR EACH ONLINE COURSE.

16 (8) For a pupil enrolled in 1 or more online courses published
 17 in the pupil's educating district's catalog of online courses under
 18 subsection (7) or in the statewide catalog of online courses
 19 maintained by the Michigan virtual university, the district shall
 20 use foundation allowance or per pupil funds calculated under
 21 section 20 to pay for the expenses associated with the online
 22 course or courses. The district shall pay 80% of the cost of the
 23 online course upon enrollment and 20% upon completion as determined
 24 by the district. A district is not required to pay toward the cost
 25 of an online course an amount that exceeds ~~1/12~~ 8.33% of the
 26 ~~district's MINIMUM~~ foundation allowance ~~or per pupil payment~~ FOR
 27 THE CURRENT FISCAL YEAR as calculated under section 20. ~~per~~

~~semester or an amount that exceeds 1/18 of the district's foundation allowance or per pupil payment as calculated under section 20 per trimester.~~

(9) An online learning pupil shall have the same rights and access to technology in his or her ~~educating~~ **PRIMARY** district's school facilities as all other pupils enrolled in the ~~educating~~ **PUPIL'S PRIMARY** district.

(10) If a pupil successfully completes an online course, as determined by the **PUPIL'S PRIMARY** district, the pupil's **PRIMARY** district shall grant appropriate academic credit for completion of the course and shall count that credit toward completion of graduation and subject area requirements. A pupil's school record and transcript shall identify the online course title as it appears in the online course syllabus.

(11) The enrollment of a pupil in 1 or more online courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this ~~act~~ **ARTICLE**.

(12) THE PORTION OF THE FULL-TIME EQUATED PUPIL MEMBERSHIP FOR WHICH A PUPIL IS ENROLLED IN 1 OR MORE ONLINE COURSES UNDER THIS SECTION SHALL NOT BE TRANSFERRED UNDER THE PUPIL TRANSFER PROCESS UNDER SECTION 25E.

(13) ~~(12)~~ As used in this section:

(a) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher who holds a valid Michigan teaching certificate is

1 responsible for determining appropriate instructional methods for
2 each pupil, diagnosing learning needs, assessing pupil learning,
3 prescribing intervention strategies, reporting outcomes, and
4 evaluating the effects of instruction and support strategies.

5 (b) "Online course syllabus" means a document that includes
6 all of the following:

7 (i) The state academic standards addressed in an online
8 course.

9 (ii) The online course content outline.

10 (iii) The online course required assessments.

11 (iv) The online course prerequisites.

12 (v) Expectations for actual instructor contact time with the
13 online learning pupil and other pupil-to-instructor communications.

14 (vi) Academic support available to the online learning pupil.

15 (vii) The online course learning outcomes and objectives.

16 (viii) The name of the institution or organization providing
17 the online content.

18 (ix) The name of the institution or organization providing the
19 online instructor.

20 (x) The course titles assigned by the district or intermediate
21 district and the course titles and course codes from the national
22 center for education statistics (NCES) school codes for the
23 exchange of data (SCED).

24 (xi) The number of eligible nonresident pupils that will be
25 accepted by the district or intermediate district in the online
26 course.

27 (xii) The results of the online course quality review using

1 the guidelines and model review process published by the Michigan
2 virtual university.

3 (c) "Online learning pupil" means a pupil enrolled in 1 or
4 more online courses.

5 (D) "PRIMARY DISTRICT" MEANS THE DISTRICT THAT ENROLLS THE
6 PUPIL AND REPORTS THE PUPIL AS A FULL-TIME EQUATED PUPIL FOR PUPIL
7 MEMBERSHIP PURPOSES.

8 Sec. 22a. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed ~~\$5,526,000,000.00~~
10 \$5,393,000,000.00 for ~~2013-2014-2014-2015~~ for payments to districts
11 and qualifying public school academies to guarantee each district
12 and qualifying public school academy an amount equal to its 1994-95
13 total state and local per pupil revenue for school operating
14 purposes under section 11 of article IX of the state constitution
15 of 1963. Pursuant to section 11 of article IX of the state
16 constitution of 1963, this guarantee does not apply to a district
17 in a year in which the district levies a millage rate for school
18 district operating purposes less than it levied in 1994. However,
19 subsection (2) applies to calculating the payments under this
20 section. Funds allocated under this section that are not expended
21 in the state fiscal year for which they were allocated, as
22 determined by the department, may be used to supplement the
23 allocations under sections 22b and 51c in order to fully fund those
24 calculated allocations for the same fiscal year.

25 (2) To ensure that a district receives an amount equal to the
26 district's 1994-95 total state and local per pupil revenue for
27 school operating purposes, there is allocated to each district a

1 state portion of the district's 1994-95 foundation allowance in an
2 amount calculated as follows:

3 (a) Except as otherwise provided in this subsection, the state
4 portion of a district's 1994-95 foundation allowance is an amount
5 equal to the district's 1994-95 foundation allowance or \$6,500.00,
6 whichever is less, minus the difference between the sum of the
7 product of the taxable value per membership pupil of all property
8 in the district that is nonexempt property times the district's
9 certified mills and, for a district with certified mills exceeding
10 12, the product of the taxable value per membership pupil of
11 property in the district that is commercial personal property times
12 the certified mills minus 12 mills and the quotient of the ad
13 valorem property tax revenue of the district captured under tax
14 increment financing acts divided by the district's membership. For
15 a district that has a millage reduction required under section 31
16 of article IX of the state constitution of 1963, the state portion
17 of the district's foundation allowance shall be calculated as if
18 that reduction did not occur. For a receiving district, if school
19 operating taxes are to be levied on behalf of a dissolved district
20 that has been attached in whole or in part to the receiving
21 district to satisfy debt obligations of the dissolved district
22 under section 12 of the revised school code, MCL 380.12, taxable
23 value per membership pupil of all property in the receiving
24 district that is nonexempt property and taxable value per
25 membership pupil of property in the receiving district that is
26 commercial personal property do not include property within the
27 geographic area of the dissolved district; ad valorem property tax

1 revenue of the receiving district captured under tax increment
2 financing acts does not include ad valorem property tax revenue
3 captured within the geographic boundaries of the dissolved district
4 under tax increment financing acts; and certified mills do not
5 include the certified mills of the dissolved district.

6 (b) For a district that had a 1994-95 foundation allowance
7 greater than \$6,500.00, the state payment under this subsection
8 shall be the sum of the amount calculated under subdivision (a)
9 plus the amount calculated under this subdivision. The amount
10 calculated under this subdivision shall be equal to the difference
11 between the district's 1994-95 foundation allowance minus \$6,500.00
12 and the current year hold harmless school operating taxes per
13 pupil. If the result of the calculation under subdivision (a) is
14 negative, the negative amount shall be an offset against any state
15 payment calculated under this subdivision. If the result of a
16 calculation under this subdivision is negative, there shall not be
17 a state payment or a deduction under this subdivision. The taxable
18 values per membership pupil used in the calculations under this
19 subdivision are as adjusted by ad valorem property tax revenue
20 captured under tax increment financing acts divided by the
21 district's membership. For a receiving district, if school
22 operating taxes are to be levied on behalf of a dissolved district
23 that has been attached in whole or in part to the receiving
24 district to satisfy debt obligations of the dissolved district
25 under section 12 of the revised school code, MCL 380.12, ad valorem
26 property tax revenue captured under tax increment financing acts do
27 not include ad valorem property tax revenue captured within the

1 geographic boundaries of the dissolved district under tax increment
2 financing acts.

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

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

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

1 amount of the 1994-95 basic foundation allowance. This subsection
2 does not apply to a receiving district unless there is a subsequent
3 consolidation or annexation that affects the district.

4 **(6) PAYMENTS UNDER THIS SECTION ARE SUBJECT TO SECTION 25F.**

5 **(7) ~~(6)~~—As used in this section:**

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

10 (b) "Certified mills" means the lesser of 18 mills or the
11 number of mills of school operating taxes levied by the district in
12 1993-94.

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

15 (d) "Current year hold harmless school operating taxes per
16 pupil" means the per pupil revenue generated by multiplying a
17 district's 1994-95 hold harmless millage by the district's current
18 year taxable value per membership pupil. For a receiving district,
19 if school operating taxes are to be levied on behalf of a dissolved
20 district that has been attached in whole or in part to the
21 receiving district to satisfy debt obligations of the dissolved
22 district under section 12 of the revised school code, MCL 380.12,
23 taxable value per membership pupil does not include the taxable
24 value of property within the geographic area of the dissolved
25 district.

26 (e) "Dissolved district" means a district that loses its
27 organization, has its territory attached to 1 or more other

1 districts, and is dissolved as provided under section 12 of the
2 revised school code, MCL 380.12.

3 (f) "Hold harmless millage" means, for a district with a 1994-
4 95 foundation allowance greater than \$6,500.00, the number of mills
5 by which the exemption from the levy of school operating taxes on a
6 homestead, qualified agricultural property, qualified forest
7 property, supportive housing property, industrial personal
8 property, and commercial personal property could be reduced as
9 provided in section 1211 of the revised school code, MCL 380.1211,
10 and the number of mills of school operating taxes that could be
11 levied on all property as provided in section 1211(2) of the
12 revised school code, MCL 380.1211, as certified by the department
13 of treasury for the 1994 tax year. For a receiving district, if
14 school operating taxes are to be levied on behalf of a dissolved
15 district that has been attached in whole or in part to the
16 receiving district to satisfy debt obligations of the dissolved
17 district under section 12 of the revised school code, MCL 380.12,
18 school operating taxes do not include school operating taxes levied
19 within the geographic area of the dissolved district.

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

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

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

5 (j) "Qualifying public school academy" means a public school
6 academy that was in operation in the 1994-95 school year and is in
7 operation in the current state fiscal year.

8 (k) "Receiving district" means a district to which all or part
9 of the territory of a dissolved district is attached under section
10 12 of the revised school code, MCL 380.12.

11 (l) "School operating taxes" means local ad valorem property
12 taxes levied under section 1211 of the revised school code, MCL
13 380.1211, and retained for school operating purposes as defined in
14 section 20.

15 (m) "Tax increment financing acts" means 1975 PA 197, MCL
16 125.1651 to 125.1681, the tax increment finance authority act, 1980
17 PA 450, MCL 125.1801 to 125.1830, the local development financing
18 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
19 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
20 or the corridor improvement authority act, 2005 PA 280, MCL
21 125.2871 to 125.2899.

22 (n) "Taxable value per membership pupil" means each of the
23 following divided by the district's membership:

24 (i) For the number of mills by which the exemption from the
25 levy of school operating taxes on a homestead, qualified
26 agricultural property, qualified forest property, supportive
27 housing property, industrial personal property, and commercial

1 personal property may be reduced as provided in section 1211 of the
2 revised school code, MCL 380.1211, the taxable value of homestead,
3 qualified agricultural property, qualified forest property,
4 supportive housing property, industrial personal property, and
5 commercial personal property for the calendar year ending in the
6 current state fiscal year. For a receiving district, if school
7 operating taxes are to be levied on behalf of a dissolved district
8 that has been attached in whole or in part to the receiving
9 district to satisfy debt obligations of the dissolved district
10 under section 12 of the revised school code, MCL 380.12, mills do
11 not include mills within the geographic area of the dissolved
12 district.

13 (ii) For the number of mills of school operating taxes that
14 may be levied on all property as provided in section 1211(2) of the
15 revised school code, MCL 380.1211, the taxable value of all
16 property for the calendar year ending in the current state fiscal
17 year. For a receiving district, if school operating taxes are to be
18 levied on behalf of a dissolved district that has been attached in
19 whole or in part to the receiving district to satisfy debt
20 obligations of the dissolved district under section 12 of the
21 revised school code, MCL 380.12, school operating taxes do not
22 include school operating taxes levied within the geographic area of
23 the dissolved district.

24 Sec. 22b. (1) From the appropriation in section 11, there is
25 allocated an amount not to exceed ~~\$3,335,000,000.00~~
26 **\$3,492,000,000.00** for ~~2013-2014~~ **2014-2015** for discretionary
27 nonmandated payments to districts under this section. Funds

1 allocated under this section that are not expended in the state
2 fiscal year for which they were allocated, as determined by the
3 department, may be used to supplement the allocations under
4 sections 22a and 51c in order to fully fund those calculated
5 allocations for the same fiscal year.

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

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

13 (a) Comply with section 1280b of the revised school code, MCL
14 380.1280b.

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

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

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

22 (e) Comply with section 21f.

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

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

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

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

1 completed upon resolution of the litigation.

2 (8) If the local claims review board or a court of competent
3 jurisdiction makes a final determination that this state is in
4 violation of section 29 of article IX of the state constitution of
5 1963 regarding state payments to districts, the state budget
6 director shall use work project funds under subsection (7) or
7 allocate from the discretionary funds for nonmandated payments
8 under this section the amount as may be necessary to satisfy the
9 amount owed to districts before making any payments to districts
10 under subsection (2).

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

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

26 (11) If a lawsuit challenging payments made to districts
27 related to costs reimbursed by federal title XIX medicaid funds is

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

17 **(12) PAYMENTS UNDER THIS SECTION ARE SUBJECT TO SECTION 25F.**

18 Sec. 22c. From the appropriation in section 11, there is
 19 allocated for ~~2013-2014-2014-2015~~ an amount not to exceed
 20 ~~\$36,000,000.00~~ **\$103,000,000.00** to make equity payments to districts
 21 that have a foundation allowance or per pupil payment as calculated
 22 under section 20 for ~~2013-2014-2014-2015~~ of less than ~~\$7,076.00~~.
 23 **\$7,251.00**. The equity payment for a district shall be an amount per
 24 membership pupil equal to the lesser of ~~\$50.00~~ **\$125.00** or the
 25 difference between ~~\$7,076.00~~ **\$7,251.00** and the district's ~~2013-2014~~
 26 **2014-2015** foundation allowance or per pupil payment as calculated
 27 under section 20.

1 Sec. 22d. (1) From the appropriation in section 11, an amount
2 not to exceed \$2,584,600.00 is allocated for ~~2013-2014~~**2014-2015**
3 for supplemental payments to rural districts under this section.

4 (2) From the allocation under subsection (1), there is
5 allocated for ~~2013-2014~~**2014-2015** an amount not to exceed
6 \$957,300.00 for payments under this subsection to districts that
7 meet all of the following:

8 (a) Operates grades K to 12.

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

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

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

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

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

1 approval by the superintendent of public instruction, the amounts
 2 specified for each eligible district under the spending plan are
 3 allocated under subsection (2) and shall be paid to the eligible
 4 districts in the same manner as payments under section 22b.

5 (4) Subject to subsection (6), from the allocation in
 6 subsection (1), there is allocated for ~~2013-2014-2014-2015~~ an
 7 amount not to exceed \$1,627,300.00 for payments under this
 8 subsection to districts that meet all of the following:

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

11 (b) The district has a total square mileage greater than 200.0
 12 or is 1 of 2 districts that have consolidated transportation
 13 services and have a combined total square mileage greater than
 14 200.0.

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

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

19 Sec. 22f. (1) From the appropriation in section 11, there is
 20 allocated for ~~2013-2014-2014-2015~~ an amount not to exceed
 21 ~~\$80,000,000.00-\$75,000,000.00~~ to provide incentive payments to
 22 districts that meet best practices under this section. Payments
 23 received under this section may be used for any purpose for which
 24 payments under sections 22a and 22b may be used.

25 (2) The amount of the incentive payment under this section is
 26 an amount equal to ~~\$52.00-\$50.00~~ per pupil. A district shall
 27 receive an incentive payment under this section if the district

1 satisfies at least 7 of the following requirements not later than
2 June 1, ~~2014~~**2015**:

3 (a) If a district provides medical, pharmacy, dental, vision,
4 disability, long-term care, or any other type of benefit that would
5 constitute a health care services benefit, to employees and their
6 dependents, the district is the policyholder for each of its
7 insurance policies that covers 1 or more of these benefits. A
8 district that does not directly employ its staff or a district with
9 a voluntary employee beneficiary association that pays no more than
10 the maximum per employee contribution amount and that contributes
11 no more than the maximum employer contribution percentage of total
12 annual costs for the medical benefit plans as described in sections
13 3 and 4 of the publicly funded health insurance contribution act,
14 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied
15 this requirement.

16 (b) The district has obtained competitive bids on the
17 provision of pupil transportation, food service, custodial, or 1 or
18 more other noninstructional services for ~~2013-2014~~**2014-2015**. In
19 comparing competitive bids to the current costs of providing 1 or
20 more of these services, a district shall exclude the unfunded
21 accrued liability costs for retirement and other benefits from the
22 district's current costs.

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

26 ~~—— (d) The district monitors individual pupil academic growth in~~
27 ~~each subject area at least twice during the school year using~~

~~competency based online assessments and reports those results to the pupil and his or her parent or guardian, or provides the department with a plan and is able to show progress toward developing the technology infrastructure necessary for the implementation of pupil academic growth assessments by 2014-2015.~~

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

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

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

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

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

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

1 (D) ~~(f)~~—The district offers online courses or blended learning
2 opportunities to all eligible pupils. In order to satisfy this
3 requirement, a district must make all eligible pupils and their
4 parents or guardians aware of these opportunities and must publish
5 an online course syllabus as described in section 21f for each
6 online course that the district offers. For the purposes of this
7 subdivision:

8 (i) "Blended learning" means a hybrid instructional delivery
9 model where pupils are provided content, instruction, and
10 assessment in part at a supervised educational facility away from
11 home where the pupil and a teacher with a valid Michigan teaching
12 certificate are in the same physical location and in part through
13 internet-connected learning environments with some degree of pupil
14 control over time, location, and pace of instruction.

15 (ii) "Online course" means a course of study that is capable
16 of generating a credit or a grade, that is provided in an
17 interactive internet-connected learning environment, in which
18 pupils are separated from their teachers by time or location, or
19 both, and in which a teacher with a valid Michigan teaching
20 certificate is responsible for determining appropriate
21 instructional methods for each pupil, diagnosing learning needs,
22 assessing pupil learning, prescribing intervention strategies,
23 reporting outcomes, and evaluating the effects of instruction and
24 support strategies.

25 (E) ~~(g)~~—The district provides to parents and community members
26 a dashboard or report card demonstrating the district's efforts to
27 manage its finances responsibly. The dashboard or report card shall

1 include revenue and expenditure projections for the district for
 2 ~~fiscal year 2013-2014 and fiscal year 2014-2015~~ **AND FISCAL YEAR**
 3 **2015-2016**, a listing of all debt service obligations, detailed by
 4 project, including anticipated fiscal year ~~2013-2014-2014-2015~~
 5 payment for each project, a listing of total outstanding debt, and
 6 at least all of the following for the 3 most recent school years
 7 for which the data are available:

8 (i) Graduation and dropout rates.

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

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

12 (iv) Elementary and middle school MEAP scores.

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

15 (vi) General fund balance.

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

17 ~~—— (h) The district provides physical education or provides~~
 18 ~~health education.~~

19 (F) THE DISTRICT COMPLIES WITH A METHOD OF COMPENSATION FOR
 20 TEACHERS AND SCHOOL ADMINISTRATORS THAT INCLUDES JOB PERFORMANCE
 21 AND ACCOMPLISHMENTS AS A SIGNIFICANT FACTOR IN DETERMINING
 22 COMPENSATION, AS REQUIRED UNDER SECTION 1250 OF THE REVISED SCHOOL
 23 CODE, MCL 380.1250.

24 (G) THE DISTRICT'S COLLECTIVE BARGAINING AGREEMENTS,
 25 INCLUDING, BUT NOT LIMITED TO, APPENDICES, ADDENDA, LETTERS OF
 26 AGREEMENT, OR ANY OTHER DOCUMENTS REFLECTING AGREEMENTS WITH
 27 COLLECTIVE BARGAINING REPRESENTATIVES, DO NOT CONTAIN ANY

1 PROVISIONS PERTAINING TO, RELATING TO, OR THAT ARE OTHERWISE
2 CONTRARY TO THE PROHIBITED SUBJECTS OF BARGAINING ENUMERATED IN
3 SECTION 15(3) OF 1947 PA 336, MCL 423.215.

4 (H) THE DISTRICT IMPLEMENTS A COMPREHENSIVE GUIDANCE AND
5 COUNSELING PROGRAM.

6 (I) THE DISTRICT OFFERS PUPILS IN GRADES K TO 8 THE
7 OPPORTUNITY TO COMPLETE COURSEWORK OR OTHER LEARNING EXPERIENCES
8 THAT ARE SUBSTANTIALLY EQUIVALENT TO 1 CREDIT IN A LANGUAGE OTHER
9 THAN ENGLISH.

10 (3) If the department determines that a district has
11 intentionally submitted false information in order to qualify for
12 an incentive payment under this section, the district forfeits an
13 amount equal to the amount it received under this section from its
14 total state school aid for ~~2014-2015~~ **2015-2016**.

15 (4) If the department determines that funds allocated under
16 this section will remain unexpended after the initial allocation of
17 ~~\$52.00~~ **\$50.00** per pupil to eligible districts under subsection (2),
18 the remaining unexpended amount is allocated on an equal per pupil
19 basis to districts that meet the requirements of subsection (2) and
20 that have a foundation allowance, as calculated under section 20,
21 in an amount that is less than the basic foundation allowance under
22 that section.

23 Sec. 22g. (1) From the funds appropriated in section 11, there
24 is allocated for ~~2013-2014~~ **2014-2015** only an amount not to exceed
25 ~~\$5,000,000.00~~ **\$2,000,000.00** for competitive assistance grants to
26 districts and intermediate districts.

27 (2) Funds received under this section may be used for

reimbursement of transition costs associated with the consolidation of operations or services between 2 or more districts, intermediate districts, or other local units of government, **THE CONSOLIDATION OR SHARING OF TECHNOLOGY AND DATA OPERATIONS OR SERVICES BETWEEN 50 OR MORE DISTRICTS OR 5 OR MORE INTERMEDIATE DISTRICTS**, or the consolidation of districts or intermediate districts. Grant funding shall be available for consolidations that occur on or after June 1, ~~2013~~—**2014**. The department shall develop an application process and method of grant distribution. **THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICANTS THAT PROPOSE INCLUDING AT LEAST 1 OF THE FOLLOWING STATEWIDE ACTIVITIES:**

(A) A COMPREHENSIVE, RESEARCH-BASED ACADEMIC EARLY WARNING INDICATOR AND DROPOUT PREVENTION SOLUTION.

(B) A DATA-DRIVEN SYSTEM FOR IDENTIFYING EARLY READING CHALLENGES AND ESTABLISHING INDIVIDUAL READING DEVELOPMENT PLANS FOR EVERY STUDENT BY THE END OF GRADE 3.

Sec. 22i. (1) From the ~~state school aid fund money~~ **FUNDS** appropriated in section 11, there is allocated for 2013-2014 an amount not to exceed \$45,000,000.00 **AND THERE IS ALLOCATED FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$41,500,000.00** for the technology infrastructure grant program for districts or intermediate districts on behalf of their constituent districts. Funds received under this subsection shall be used for the development or improvement of a district's technology infrastructure, the shared services consolidation of technology and data, and hardware in preparation for the planned implementation in 2014-2015 of online ~~growth~~—assessments.

1 (2) The department shall develop a competitive application
2 process and method of grant distribution to eligible districts and
3 intermediate districts that demonstrate need for grants under
4 subsection (1). The department may consult with the department of
5 technology, management, and budget during the grant process and
6 grant distribution. Grants to districts shall not exceed
7 \$2,000,000.00 per district. A grant to an intermediate district on
8 behalf of its constituent districts shall not exceed \$2,000,000.00
9 per constituent district. To receive a grant under subsection (1),
10 an intermediate district shall demonstrate that a grant awarded to
11 the intermediate district on behalf of its constituent districts
12 would provide savings compared to providing grants to individual
13 districts.

14 (3) From the general fund money appropriated in section 11,
15 there is allocated an amount not to exceed \$5,000,000.00 for 2013-
16 2014 to be awarded through a competitive bid process to a single
17 provider of whole-school technology as described in this
18 subsection. The department shall issue a single request for
19 proposal with application rules written and administered by the
20 department, and with a focus on economic and geographic diversity.
21 To be eligible to receive the grant under this section, a provider
22 shall meet all of the following:

23 (a) Agrees to submit evaluation criteria in a form and manner
24 determined by the department.

25 (b) Provides at least all of the following:

26 (i) One-to-one mobile devices.

27 (ii) Laptop or desktop computers for each classroom.

- (iii) On- and off-campus filtering.
- (iv) Wireless networks and peripherals.
- (v) Wireless audio equipment.
- (vi) Operating software.
- (vii) Instructional software.
- (viii) Repairs and replacements.
- (ix) Professional development.
- (x) Ongoing support.

(4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) ARE A WORK PROJECT APPROPRIATION. ANY UNEXPENDED FUNDS FOR 2013-2014 ARE CARRIED FORWARD INTO 2014-2015 AND ANY UNEXPECTED FUNDS FOR 2014-2015 ARE CARRIED FORWARD INTO 2015-2016. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2016.

Sec. 22j. (1) From the appropriation in section 11, there is allocated for ~~2013-2014-2014-2015~~ an amount not to exceed ~~\$46,400,000.00~~ **\$51,100,000.00** to provide separate incentive payments to districts that meet student academic performance funding goals under subsections (2) to (5). Payments received under this section may be used for any purpose for which payments under sections 22a and 22b may be used.

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

1 subsections (3) to (5).

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

10 (a) Using a model determined by the department that
11 incorporates the most recent cut scores adopted for the Michigan
12 educational assessment program for each pupil in grades 3 to 8 in
13 the ~~2011-2012~~-**2012-2013** school year, the department shall calculate
14 a point score using a metric that assigns points to each of those
15 pupils as follows:

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

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

22 (iii) For each pupil who began the school year not performing
23 proficiently in mathematics and who maintains his or her level of
24 proficiency, as determined by the department, over the school year,
25 1 point.

26 (iv) For each pupil who began the school year performing
27 proficiently in mathematics and who maintains his or her level of

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

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

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

9 (b) The department shall then calculate a district average for
10 this metric for the ~~2011-2012~~**-2012-2013** school year by totaling the
11 number of points for all pupils in grades 3 to 8 under subdivision
12 (a) and dividing that total by the number of those pupils.

13 (c) A district is a qualifying district for the payment under
14 this subsection if the district average for the ~~2011-2012~~**-2012-2013**
15 school year under subdivision (b) is at least equal to a factor of
16 1.5, and the district tested at least 95% of its pupils in
17 mathematics, and the district had at least 30 full academic year
18 pupils in grades 3 to 8 with a performance level change designation
19 in mathematics.

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

1 (a) Using a model determined by the department that
2 incorporates the most recent cut scores adopted for the Michigan
3 educational assessment program for each pupil in grades 3 to 8 in
4 the ~~2011-2012~~**2012-2013** school year, the department shall calculate
5 a point score using a metric that assigns points to each of those
6 pupils as follows:

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

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

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

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

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

22 (vi) For each pupil who began the school year performing
23 proficiently in reading and who improves in proficiency, as
24 determined by the department, over the school year, 2 points.

25 (b) The department shall then calculate a district average for
26 this metric for the ~~2011-2012~~**2012-2013** school year by totaling the
27 number of points for all pupils in grades 3 to 8 under subdivision

1 (a) and dividing that total by the number of those pupils.

2 (c) A district is a qualifying district for the payment under
3 this subsection if the district average for the ~~2011-2012-2012-2013~~
4 school year under subdivision (b) is at least equal to a factor of
5 1.5, and the district tested at least 95% of its pupils in reading,
6 and the district had at least 30 full academic year pupils in
7 grades 3 to 8 reading with a performance level change designation
8 in reading.

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

20 (a) Calculate a linear regression of the percentage of high
21 school pupils in the district testing as proficient in all tested
22 subject areas on state assessments of high school pupils on school
23 year over the 4-year period ending with the ~~2011-2012-2012-2013~~
24 school year as adjusted for changes in cut scores most recently
25 adopted for the Michigan merit examination.

26 (b) Calculate a statewide average for all districts operating
27 a high school of the linear regression of the percentage of high

1 school pupils testing as proficient in all tested subject areas on
2 state assessments of high school pupils on school year over the 4-
3 year period ending with the ~~2011-2012~~**2012-2013** school year, as
4 adjusted for changes in cut scores most recently adopted for the
5 Michigan merit examination as the base year for all comparisons.

6 (c) A district is a qualifying district for the payment under
7 this subsection if the district's linear regression over the 4-year
8 period ending with the ~~2011-2012~~**2012-2013** school year under
9 subdivision (a) is at least equal to the statewide average linear
10 regression over the 4-year period ending with the base year under
11 subdivision (b), and the district's linear regression over the 4-
12 year period ending with the ~~2011-2012~~**2012-2013** school year under
13 subdivision (a) is positive, and the district tested 95% of high
14 school pupils in each tested subject on state assessments, and the
15 district had at least 20 full academic year pupils take all tested
16 subjects on state assessments of high school pupils over each of
17 the most recent 4 years.

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

22 Sec. 24. (1) From the appropriation in section 11, there is
23 allocated for ~~2013-2014~~**2014-2015** an amount not to exceed
24 \$8,000,000.00 for payments to the educating district or
25 intermediate district for educating pupils assigned by a court or
26 the department of human services to reside in or to attend a
27 juvenile detention facility or child caring institution licensed by

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

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

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

25 (b) "Department's approved per pupil allocation" for a
26 district or intermediate district shall be determined by dividing
27 the total amount allocated under this section for a fiscal year by

1 the full-time equated membership total for all pupils approved by
2 the department to be funded under this section for that fiscal year
3 for the district or intermediate district.

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

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

15 Sec. 24a. From the appropriation in section 11, there is
16 allocated an amount not to exceed ~~\$2,167,500.00~~ **\$2,195,500.00** for
17 ~~2013-2014-2014-2015~~ for payments to intermediate districts for
18 pupils who are placed in juvenile justice service facilities
19 operated by the department of human services. Each intermediate
20 district shall receive an amount equal to the state share of those
21 costs that are clearly and directly attributable to the educational
22 programs for pupils placed in facilities described in this section
23 that are located within the intermediate district's boundaries. The
24 intermediate districts receiving payments under this section shall
25 cooperate with the department of human services to ensure that all
26 funding allocated under this section is utilized by the
27 intermediate district and department of human services for

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

8 Sec. 24c. From the appropriation in section 11, there is
 9 allocated an amount not to exceed \$1,500,000.00 for ~~2013-2014-2014-~~
 10 **2015** for payments to districts for pupils who are enrolled in a
 11 nationally administered community-based education and youth
 12 mentoring program, known as the youth challenge program, that is
 13 administered by the department of military and veterans affairs.
 14 Both of the following apply to a district receiving payments under
 15 this section:

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

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

23 Sec. 25e. (1) ~~The center shall work with the department,~~
 24 ~~districts, and intermediate districts to develop a~~ **THE** pupil
 25 membership transfer application and a pupil transfer process
 26 **ADMINISTERED BY THE CENTER** under this section **SHALL BE USED FOR**
 27 **PROCESSING PUPIL TRANSFERS.** ~~The center shall complete development~~

~~of this pupil membership transfer application not later than
November 1, 2013.~~

(2) If a pupil counted in membership for the pupil membership count day transfers from a district or intermediate district to enroll in another district or intermediate district after the pupil membership count day and before the supplemental count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating district or intermediate district, the educating district or intermediate district may report the enrollment and attendance information to the center through the pupil transfer process within 30 days after the transfer or within 30 days after the ~~sixth Wednesday after the pupil membership count day,~~

CERTIFICATION DATE, whichever is later. Pupil transfers may be submitted no earlier than the first day after the certification deadline for the pupil membership count day and before the supplemental count day. Upon receipt of the transfer information under this subsection indicating that a pupil has enrolled and is in attendance in an educating district or intermediate district as described in this subsection, the pupil transfer process shall do the following:

(a) Notify the district in which the pupil was previously enrolled.

(b) Notify both the pupil auditing staff of the intermediate district in which the educating district is located and the pupil auditing staff of the intermediate district in which the district that previously enrolled the pupil is located. The pupil auditing

1 staff shall ~~approve or~~ **INVESTIGATE A REPRESENTATIVE SAMPLE BASED ON**
2 **REQUIRED AUDIT SAMPLE SIZES IN THE PUPIL AUDITING MANUAL AND MAY**
3 deny the pupil membership transfer.

4 (c) Aggregate the districtwide changes and notify the
5 department for use in adjusting the state aid payment system.

6 (3) The department shall do all of the following:

7 (a) Adjust the membership calculation for each district or
8 intermediate district in which the pupil was previously counted in
9 membership or that previously received an adjustment in its
10 membership calculation under this section due to a change in the
11 pupil's enrollment and attendance so that the district's or
12 intermediate district's membership is prorated to allow the
13 district or intermediate district to receive for each school day,
14 as determined by the financial calendar furnished by the center, in
15 which the pupil was enrolled and in attendance in the district or
16 intermediate district an amount equal to 1/105 of a full-time
17 equated membership claimed in the fall pupil membership count. The
18 district or intermediate district shall receive a prorated
19 foundation allowance in an amount equal to the product of the
20 adjustment under this subdivision for the district or intermediate
21 district multiplied by the foundation allowance or per pupil
22 payment as calculated under section 20 for the district or
23 intermediate district. The foundation allowance or per pupil
24 payment shall be adjusted by the pupil's full-time equated status
25 as affected by the membership definition under section 6(4).

26 (b) Adjust the membership calculation for the educating
27 district or intermediate district in which the pupil is enrolled

1 and is in attendance so that the district's or intermediate
2 district's membership is increased to allow the district or
3 intermediate district to receive an amount equal to the difference
4 between the full-time equated membership claimed in the fall pupil
5 membership count and the sum of the adjustments calculated under
6 subdivision (a) for each district or intermediate district in which
7 the pupil was previously enrolled and in attendance. The educating
8 district or intermediate district shall receive a prorated
9 foundation allowance in an amount equal to the product of the
10 adjustment under this subdivision for the educating district or
11 intermediate district multiplied by the foundation allowance or per
12 pupil payment as calculated under section 20 for the educating
13 district or intermediate district. The foundation allowance or per
14 pupil payment shall be adjusted by the pupil's full-time equated
15 status as affected by the membership definition under section 6(4).

16 (4) The changes in calculation of state school aid required
17 under subsection (3) shall take effect as of the date that the
18 pupil becomes enrolled and in attendance in the educating district
19 or intermediate district, and the department shall base all
20 subsequent payments under this article for the fiscal year to the
21 affected districts or intermediate districts on this recalculation
22 of state school aid.

23 (5) If a pupil enrolls in an educating district or
24 intermediate district as described in subsection (2), the district
25 or intermediate district in which the pupil is counted in
26 membership or another educating district or intermediate district
27 that received an adjustment in its membership calculation under

1 subsection (3), if any, and the educating district or intermediate
2 district shall provide to the center and the department all
3 information they require to comply with this section.

4 (6) NOT LATER THAN DECEMBER 1, 2014, THE CENTER IN CONJUNCTION
5 WITH THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE DATA RELATED TO
6 THE IMPLEMENTATION OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO,
7 THE NUMBER OF TRANSFER TRANSACTIONS AND THE NET CHANGE IN PUPIL
8 MEMBERSHIPS IN 2013-2014 BY DISTRICT AND INTERMEDIATE DISTRICT.

9 (7) THE PORTION OF THE FULL-TIME EQUATED PUPIL MEMBERSHIP FOR
10 WHICH A PUPIL IS ENROLLED IN 1 OR MORE ONLINE COURSES UNDER SECTION
11 21F SHALL NOT BE COUNTED OR TRANSFERRED UNDER THE PUPIL TRANSFER
12 PROCESS UNDER THIS SECTION.

13 (8) ~~(6)~~ As used in this section: ~~,"educating~~

14 (A) EDUCATING district or intermediate district" means the
15 district or intermediate district in which a pupil enrolls after
16 the pupil membership count day or after an adjustment was made in
17 another district's or intermediate district's membership
18 calculation under this section due to the pupil's enrollment and
19 attendance.

20 (B) "PUPIL" MEANS THAT TERM AS DEFINED UNDER SECTION 6 AND
21 ALSO CHILDREN RECEIVING EARLY CHILDHOOD SPECIAL EDUCATION PROGRAMS
22 AND SERVICES.

23 Sec. 25f. (1) From the state school aid fund money
24 appropriated in section 11, there is allocated an amount not to
25 exceed \$2,000,000.00 for ~~2013-2014-2014-2015~~ for payments to strict
26 discipline academies established under sections 1311b to 1311m of
27 the revised school code, MCL 380.1311b to 380.1311m, as provided

1 under this section **AND FOR THE PURPOSES DESCRIBED IN SUBSECTION**
2 **(5) .**

3 (2) In order to receive funding under this section, a strict
4 discipline academy shall first comply with section 25e and use the
5 pupil transfer process under that section for changes in enrollment
6 as prescribed under that section.

7 (3) Not later than June 30, ~~2014~~, **2015**, a strict discipline
8 academy shall report to the center and to the department, in a
9 manner prescribed by the center and the department, the following
10 information for ~~2013-2014~~: **2014-2015**:

11 (a) The number of pupils enrolled and in attendance at the
12 strict discipline academy.

13 (b) The number of days each pupil enrolled was in attendance
14 at the strict discipline academy, not to exceed 180.

15 (4) The amount of the payment to a strict discipline academy
16 under this section shall be an amount equal to the difference
17 between the product of $1/180$ of the per-pupil payment as calculated
18 under section 20 for the strict discipline academy multiplied by
19 the number of days of pupil attendance reported under subsection
20 (3)(b) minus the product of the per-pupil payment as calculated
21 under section 20 for the strict discipline academy multiplied by
22 the pupils in membership at the strict discipline academy as
23 calculated under section 6 and as adjusted by section 25e.

24 **(5) IF THE OPERATION OF THE SPECIAL MEMBERSHIP COUNTING**
25 **PROVISIONS UNDER SECTION 6(4)(DD) AND THE OTHER MEMBERSHIP COUNTING**
26 **PROVISIONS UNDER SECTION 6(4) RESULT IN A PUPIL BEING COUNTED AS**
27 **MORE THAN 1.0 FTE IN A FISCAL YEAR, THEN THE PAYMENT MADE FOR THE**

1 PUPIL UNDER SECTIONS 22A AND 22B SHALL NOT BE BASED ON MORE THAN
2 1.0 FTE FOR THAT PUPIL, AND THAT PORTION OF THE FTE THAT EXCEEDS
3 1.0 SHALL BE PAID UNDER THIS SECTION IN AN AMOUNT EQUAL TO THAT
4 PORTION MULTIPLIED BY THE EDUCATING DISTRICT'S FOUNDATION ALLOWANCE
5 OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20.

6 (6) ~~(5)~~—If the funds allocated under this section are
7 insufficient to fully fund the adjustments under ~~subsection~~
8 **SUBSECTIONS (4) AND (5)**, payments ~~to eligible strict discipline~~
9 ~~academies~~ **UNDER THIS SECTION** shall be prorated on an equal per-
10 pupil basis.

11 (7) **PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE MADE**
12 **ACCORDING TO THE PAYMENT SCHEDULE UNDER SECTION 17B.**

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

23 ~~—— (2) In addition to the allocation under subsection (1), from~~
24 ~~the general fund money appropriated under section 11, there is~~
25 ~~allocated an amount not to exceed \$3,200,000.00 for 2013-2014 to~~
26 ~~reimburse public libraries pursuant to section 12 of the Michigan~~
27 ~~renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied~~

1 ~~in 2013. The allocations shall be made not later than 60 days after~~
2 ~~the department of treasury certifies to the department and to the~~
3 ~~state budget director that the department of treasury has received~~
4 ~~all necessary information to properly determine the amounts due to~~
5 ~~each eligible recipient.~~

6 Sec. 26b. (1) From the appropriation in section 11, there is
7 allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed
8 ~~\$4,009,500.00~~ **\$4,210,000.00** for payments to districts, intermediate
9 districts, and community college districts for the portion of the
10 payment in lieu of taxes obligation that is attributable to
11 districts, intermediate districts, and community college districts
12 pursuant to section 2154 of the natural resources and environmental
13 protection act, 1994 PA 451, MCL 324.2154.

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

18 Sec. 26c. (1) From the appropriation in section 11, there is
19 allocated an amount not to exceed ~~\$209,400.00 for 2012-2013 and an~~
20 ~~amount not to exceed \$266,200.00 for 2013-2014~~ **\$293,100.00 FOR**
21 **2014-2015** to the promise zone fund created in subsection (3).

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

27 (3) The promise zone fund is created as a separate account

1 within the state school aid fund to be used solely for the purposes
2 of the Michigan promise zone authority act, 2008 PA 549, MCL
3 390.1661 to 390.1679. All of the following apply to the promise
4 zone fund:

5 (a) The state treasurer shall direct the investment of the
6 promise zone fund. The state treasurer shall credit to the promise
7 zone fund interest and earnings from fund investments.

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

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

17 Sec. 31a. (1) From the state school aid fund money
18 appropriated in section 11, there is allocated for ~~2013-2014-2014-~~
19 ~~2015~~ an amount not to exceed \$317,695,500.00 for payments to
20 eligible districts, eligible public school academies, and the
21 education achievement system ~~under this section. Subject to~~
22 ~~subsection (14), the amount of the additional allowance under this~~
23 ~~section, other than funding under subsection (6) or (7), shall be~~
24 ~~based on the number of actual pupils in membership in the district~~
25 ~~or public school academy or the education achievement system who~~
26 ~~met the income eligibility criteria for free breakfast, lunch, or~~
27 ~~milk in the immediately preceding state fiscal year, as determined~~

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

FOR THE PURPOSES OF ENSURING THAT PUPILS ARE PROFICIENT IN READING BY THE END OF GRADE 3 AND THAT HIGH SCHOOL GRADUATES ARE CAREER AND COLLEGE READY AND FOR THE PURPOSES UNDER SUBSECTIONS (6) AND (7) .

~~(2) To~~ **FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM, TO** be eligible to receive funding under this section, other than funding under subsection (6) or (7), ~~a district or public school academy that has not been previously determined to be eligible or the education achievement system shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy or the~~

~~education achievement system must meet all of the following:~~

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

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

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, **42 USC 1751 TO 1769**, and as reported to the department **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT** not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or the public school academy's or the education achievement system's per pupil amount calculated under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal

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

18 (4) Except as otherwise provided in this section, a district
19 or public school academy, or the education achievement system,
20 receiving funding under this section shall use that money only to
21 provide instructional programs and direct noninstructional
22 services, including, but not limited to, medical, **MENTAL HEALTH**, or
23 counseling services, for at-risk pupils; for school health clinics;
24 and for the purposes of subsection (5), (6), ~~or~~ (7), **OR (10)**. In
25 addition, a district that is a school district of the first class
26 or a district or public school academy in which at least 50% of the
27 pupils in membership met the income eligibility criteria for free

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

27 (5) ~~Except as otherwise provided in subsection (12), a A~~

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

10 (6) From the funds allocated under subsection (1), there is
11 allocated for ~~2013-2014-2014-2015~~ an amount not to exceed
12 \$3,557,300.00 to support child and adolescent health centers. These
13 grants shall be awarded for 5 consecutive years beginning with
14 2003-2004 in a form and manner approved jointly by the department
15 and the department of community health. Each grant recipient shall
16 remain in compliance with the terms of the grant award or shall
17 forfeit the grant award for the duration of the 5-year period after
18 the noncompliance. To continue to receive funding for a child and
19 adolescent health center under this section a grant recipient shall
20 ensure that the child and adolescent health center has an advisory
21 committee and that at least one-third of the members of the
22 advisory committee are parents or legal guardians of school-aged
23 children. A child and adolescent health center program shall
24 recognize the role of a child's parents or legal guardian in the
25 physical and emotional well-being of the child. Funding under this
26 subsection shall be used to support child and adolescent health
27 center services provided to children up to age 21. If any funds

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

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

19 (8) Each district or public school academy receiving funds
20 under this section and the education achievement system shall
21 submit to the department by July 15 of each fiscal year a report,
22 not to exceed 10 pages, on the usage by the district or public
23 school academy or the education achievement system of funds under
24 this section, which report shall include ~~at least a~~ brief
25 description of each program conducted **OR SERVICES PERFORMED** by the
26 district or public school academy or the education achievement
27 system using funds under this section, the amount of funds under

1 this section allocated to each of those programs ~~, the number of~~
 2 ~~at-risk pupils eligible for free or reduced price school lunch who~~
 3 ~~were served by each of those programs, and~~ **OR SERVICES**, the total
 4 number of at-risk pupils served by each of those programs **OR**
 5 **SERVICES, AND THE DATA NECESSARY FOR THE DEPARTMENT AND THE**
 6 **DEPARTMENT OF HUMAN SERVICES TO VERIFY MATCHING FUNDS FOR THE**
 7 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.** If a district or
 8 public school academy or the education achievement system does not
 9 comply with this subsection, the department shall withhold an
 10 amount equal to the August payment due under this section until the
 11 district or public school academy or the education achievement
 12 system complies with this subsection. If the district or public
 13 school academy or the education achievement system does not comply
 14 with this subsection by the end of the state fiscal year, the
 15 withheld funds shall be forfeited to the school aid fund.

16 (9) In order to receive funds under this section, a district
 17 or public school academy or the education achievement system shall
 18 allow access for the department or the department's designee to
 19 audit all records related to the program for which it receives
 20 those funds. The district or public school academy or the education
 21 achievement system shall reimburse the state for all disallowances
 22 found in the audit.

23 (10) Subject to subsections (5), (6), **AND** (7), ~~(12), and (13),~~
 24 a district may use up to 100% of the funds it receives under this
 25 section ~~to reduce the ratio of pupils to teachers in grades K-12,~~
 26 ~~or any combination of those grades, in school buildings in which~~
 27 ~~the percentage of pupils described in subsection (1) exceeds the~~

~~district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (12), and (13), a district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-12, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building.~~

**TO IMPLEMENT
SCHOOLWIDE REFORM IN SCHOOLS WITH 40% OR MORE OF THEIR PUPILS
IDENTIFIED AS AT-RISK PUPILS BY PROVIDING SUPPLEMENTAL
INSTRUCTIONAL OR NONINSTRUCTIONAL SERVICES CONSISTENT WITH THE
SCHOOL IMPROVEMENT PLAN.**

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

~~—— (12) For an individual school or schools operated by a district or public school academy receiving funds under this section or the education achievement system that have been determined by the department to meet the adequate yearly progress standards of the no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy or the education achievement system may use not more than 20% of the funds it receives under this section for specific alternative purposes identified by the district or~~

~~public school academy or the education achievement system that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. If a district or public school academy or the education achievement system uses funds for alternative purposes allowed under the flexibility provisions under this subsection, the district or public school academy or the education achievement system shall maintain documentation of the amounts used for those alternative purposes and shall make that information available to the department upon request.~~

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

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

~~—— (b) Provides early intervening strategies using school-wide~~

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

(11) ~~(14)~~—If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection ~~(1)~~-(3).

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

district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. **IN ADDITION, IF A DISTRICT IS DISSOLVED PURSUANT TO SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, THE INTERMEDIATE DISTRICT TO WHICH THE DISSOLVED SCHOOL DISTRICT WAS CONSTITUENT SHALL DETERMINE THE ESTIMATED NUMBER OF PUPILS THAT MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS DESCRIBED UNDER SUBSECTION (3), ENROLLED IN EACH OF THE OTHER DISTRICTS WITHIN THE INTERMEDIATE DISTRICT AND PROVIDE THAT ESTIMATE TO THE DEPARTMENT FOR THE PURPOSES OF DISTRIBUTING FUNDS UNDER THIS SECTION WITHIN 60 DAYS AFTER THE SCHOOL DISTRICT IS DECLARED DISSOLVED.**

(13) ~~(16)~~ As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets ~~at least 2~~ **ANY** of the following criteria: ~~is~~

(A) **IS** a victim of child abuse or neglect. ~~; is below grade level in English language arts or mathematics; is~~

(B) **IS** a pregnant teenager or teenage parent. ~~; is eligible for a federal free or reduced price lunch subsidy; has atypical behavior or attendance patterns; or has~~

(C) **HAS** a family history of school failure, incarceration, or substance abuse. ~~At risk pupil also includes all pupils in a priority school as defined in the elementary and secondary education act of 2001 flexibility request approved by the United States department of education. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at risk pupil also includes a pupil~~

1 ~~who does not meet the other criteria under this subsection but who~~
2 ~~did not achieve at least a score of level 2 on the most recent MEAP~~
3 ~~English language arts, mathematics, science test, or social studies~~
4 ~~for which results for the pupil have been received.~~

5 (D) For pupils for whom the results of the Michigan merit
6 examination have been received, ~~at-risk pupil also includes~~ IS a
7 pupil who does not meet the other criteria under this subsection
8 but who did not achieve proficiency on the reading, writing,
9 mathematics, science, or social studies components of the most
10 recent Michigan merit examination for which results for the pupil
11 have been received.

12 (E) For pupils in grades K-3, ~~at-risk pupil also includes~~ IS a
13 pupil who is at risk of not meeting the district's core academic
14 curricular objectives in English language arts or mathematics.

15 (F) THE PUPIL IS ENROLLED IN A PRIORITY OR PRIORITY-SUCCESSOR
16 SCHOOL, AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF
17 2001 FLEXIBILITY WAIVER APPROVED BY THE UNITED STATES DEPARTMENT OF
18 EDUCATION.

19 (G) THE PUPIL DID NOT ACHIEVE A SCORE OF AT LEAST PROFICIENT
20 ON 2 OR MORE STATE-ADMINISTERED ASSESSMENTS FOR ENGLISH LANGUAGE
21 ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES.

22 (H) FOR HIGH SCHOOL PUPILS IN GRADES NOT ASSESSED BY THE
23 STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE ON 2 OR MORE
24 END-OF-COURSE EXAMINATIONS THAT ARE ALIGNED WITH STATE STANDARDS IN
25 ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES. FOR
26 MIDDLE SCHOOL PUPILS IN GRADES NOT ASSESSED BY THE STATE, THE PUPIL
27 DID NOT RECEIVE A SATISFACTORY SCORE ON 2 OR MORE END-OF-SEMESTER

1 OR END-OF-TRIMESTER EXAMINATIONS THAT ARE ALIGNED WITH STATE
2 STANDARDS IN SCIENCE OR SOCIAL STUDIES. FOR PUPILS IN THE
3 ELEMENTARY GRADES IN GRADES AND SUBJECTS NOT ASSESSED BY THE STATE,
4 THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE OR DID NOT HAVE A
5 SATISFACTORY OUTCOME ON 2 OR MORE INTERIM ASSESSMENTS IN ENGLISH
6 LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES.

7 (I) IN THE ABSENCE OF STATE OR LOCAL ASSESSMENT DATA, THE
8 PUPIL MEETS AT LEAST 2 OF THE FOLLOWING CRITERIA, AS DOCUMENTED IN
9 A FORM AND MANNER APPROVED BY THE DEPARTMENT:

10 (i) THE PUPIL IS ELIGIBLE FOR FREE BREAKFAST, LUNCH, OR MILK.

11 (ii) THE PUPIL IS ABSENT MORE THAN 10% OF ENROLLED DAYS OR 10
12 SCHOOL DAYS DURING THE SCHOOL YEAR.

13 (iii) THE PUPIL IS HOMELESS.

14 (iv) THE PUPIL IS A MIGRANT.

15 (v) THE PUPIL IS AN ENGLISH LANGUAGE LEARNER.

16 (vi) THE PUPIL IS AN IMMIGRANT WHO HAS IMMIGRATED WITHIN THE
17 IMMEDIATELY PRECEDING 3 YEARS.

18 (vii) THE PUPIL DID NOT COMPLETE HIGH SCHOOL IN 4 YEARS AND IS
19 STILL CONTINUING IN SCHOOL AS IDENTIFIED IN THE MICHIGAN COHORT
20 GRADUATION AND DROPOUT REPORT.

21 (14) BEGINNING IN 2014-2015, IF A DISTRICT, PUBLIC SCHOOL
22 ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM DOES NOT DEMONSTRATE
23 TO THE SATISFACTION OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK
24 PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3 AS MEASURED
25 BY THE STATE ASSESSMENT AND DEMONSTRATE TO THE SATISFACTION OF THE
26 DEPARTMENT IMPROVEMENT OVER 3 CONSECUTIVE YEARS IN THE PERCENTAGE
27 OF AT-RISK PUPILS THAT ARE CAREER- AND COLLEGE-READY AS MEASURED BY

1 THE PUPIL'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE
2 COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT
3 EXAMINATION UNDER SECTION 1279G(2) (A) OF THE REVISED SCHOOL CODE,
4 MCL 380.1279G, THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR EDUCATION
5 ACHIEVEMENT SYSTEM SHALL ENSURE ALL OF THE FOLLOWING:

6 (A) THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION
7 ACHIEVEMENT SYSTEM SHALL DETERMINE THE PROPORTION OF TOTAL AT RISK
8 PUPILS THAT REPRESENTS THE NUMBER OF PUPILS IN GRADE 3 THAT ARE NOT
9 READING AT GRADE LEVEL BY THE END OF GRADE 3, AND THE DISTRICT,
10 PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL
11 EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/2 OF ITS TOTAL AT RISK
12 FUNDS UNDER THIS SECTION ON TUTORING AND OTHER METHODS OF IMPROVING
13 GRADE 3 READING LEVELS.

14 (B) THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION
15 ACHIEVEMENT SYSTEM SHALL DETERMINE THE PROPORTION OF TOTAL AT RISK
16 PUPILS THAT REPRESENT THE NUMBER OF PUPILS IN GRADE 11 THAT ARE NOT
17 CAREER- AND COLLEGE-READY AS MEASURED BY THE STUDENT'S SCORE ON
18 EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE
19 EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION
20 1279G(2) (A) OF THE REVISED SCHOOL CODE, MCL 380.1279G, AND THE
21 DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT
22 SYSTEM SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/2 OF ITS
23 TOTAL AT RISK FUNDS UNDER THIS SECTION ON TUTORING AND OTHER
24 ACTIVITIES TO IMPROVE SCORES ON THE COLLEGE ENTRANCE EXAMINATION
25 PORTION OF THE MICHIGAN MERIT EXAMINATION.

26 (15) AS USED IN SUBSECTION (14), "TOTAL AT RISK PUPILS" MEANS
27 THE SUM OF THE NUMBER OF PUPILS IN GRADE 3 THAT ARE NOT READING AT

1 GRADE LEVEL BY THE END OF THIRD GRADE AND THE NUMBER OF PUPILS IN
2 GRADE 11 THAT ARE NOT CAREER- AND COLLEGE-READY AS MEASURED BY THE
3 STUDENT'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE
4 COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT
5 EXAMINATION UNDER SECTION 1279G(2) (A) OF THE REVISED SCHOOL CODE,
6 MCL 380.1279G.

7 (16) ~~(17)~~—A district or public school academy that receives
8 funds under this section or the education achievement system may
9 use funds received under this section to provide an anti-bullying
10 or crisis intervention program.

11 Sec. 31d. (1) From the appropriations in section 11, there is
12 allocated an amount not to exceed \$22,495,100.00 for ~~2013-2014~~
13 2014-2015 for the purpose of making payments to districts and other
14 eligible entities under this section.

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

24 (3) The payments made under this section include all state
25 payments made to districts so that each district receives at least
26 6.0127% of the necessary costs of operating the state mandated
27 portion of the school lunch program in a fiscal year.

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

7 (5) From the federal funds appropriated in section 11, there
8 is allocated for ~~2013-2014~~**2014-2015** all available federal funding,
9 estimated at ~~\$460,000,000.00~~**\$510,000,000.00** for the national
10 school lunch program and all available federal funding, estimated
11 at \$3,200,000.00 for the emergency food assistance program.

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

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

19 Sec. 31f. (1) From the appropriations in section 11, there is
20 allocated an amount not to exceed \$5,625,000.00 for ~~2013-2014~~**2014-**
21 **2015** for the purpose of making payments to districts to reimburse
22 for the cost of providing breakfast.

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

26 (a) The district participates in the federal school breakfast
27 program and meets all standards as prescribed by 7 CFR parts 220

1 and 245.

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

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

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

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

18 **SEC. 31G. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
19 **SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 THE**
20 **AMOUNT OF \$1,200,000.00 FOR A CONTRACT WITH A SINGLE PROVIDER TO**
21 **PROVIDE AN ONLINE, RESEARCH-BASED, SECURE, PERSONAL USER HEALTH AND**
22 **NUTRITION EDUCATION SOFTWARE PLATFORM IN A REPRESENTATIVE SAMPLE OF**
23 **PILOT SCHOOLS IN THIS STATE, TO INCLUDE SCHOOLS OPERATED BY**
24 **DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND INTERMEDIATE DISTRICTS, FOR**
25 **2 SCHOOL YEARS. THE CONTRACT SHALL INCLUDE PLATFORM AND CONTENT**
26 **DEVELOPMENT AND EVALUATION. THE DEPARTMENT SHALL OVERSEE A**
27 **COMPETITIVE REQUEST FOR PROPOSALS PROCESS FOR THE CONTRACT, AND THE**

1 REQUEST FOR PROPOSALS SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL OF
2 THE FOLLOWING REQUIREMENTS:

3 (A) A MICHIGAN-BASED, PLATFORM-NEUTRAL, TECHNOLOGY-DRIVEN
4 ONLINE PLATFORM THAT DOES NOT REQUIRE ADDITIONAL INFORMATION
5 TECHNOLOGY RESOURCES BEYOND INTERNET ACCESS.

6 (B) A SUSTAINABLE, INTERACTIVE HEALTH AND NUTRITION EDUCATION
7 PLATFORM AND PERSONAL RESPONSIBILITY HEALTH BEHAVIOR RECORD THAT IS
8 COST-NEUTRAL TO ALL PARTICIPANTS, INCLUDING PUPILS, PARENTS,
9 GUARDIANS, AND SCHOOLS, AND THAT REQUIRES AN OPT-IN FROM THE PARENT
10 OR LEGAL GUARDIAN OF EACH PUPIL PARTICIPANT.

11 (C) PERSONAL USE HEALTH BEHAVIOR DATA THAT ARE CUMULATIVE AND
12 ACCESSIBLE IN REAL TIME ONLY TO THE USER AND THOSE AUTHORIZED BY
13 THE USER THROUGH A SECURE ONLINE DASHBOARD THAT MEETS ALL FEDERAL,
14 STATE, AND LOCAL HEALTH INFORMATION AND CHILD ONLINE PRIVACY
15 REQUIREMENTS, INCLUDING, BUT NOT LIMITED TO, BEING IN COMPLIANCE
16 WITH THE CHILDREN'S ONLINE PRIVACY PROTECTION ACT OF 1998, 5 USC
17 6501 TO 6505, AND THE KIDSAFE SEAL PROGRAM.

18 (D) A PROGRAM THAT PROVIDES FOR AGE- AND DEVELOPMENTALLY
19 APPROPRIATE SELF-MONITORING THROUGH THE RECORDING OF HEALTH HABITS,
20 INCLUDING, BUT NOT LIMITED TO, DIETARY INTAKE AND PHYSICAL
21 ACTIVITY, THAT IS CONSISTENT WITH CURRENT, ESTABLISHED STANDARDS
22 FOR WELL-CHILD PREVENTIVE HEALTH CARE, AND THAT PROVIDES A PERSONAL
23 RESPONSIBILITY HEALTH RECORD.

24 (E) A PROGRAM THAT PROMOTES A HEALTHY LIFESTYLE AND REINFORCES
25 POSITIVE HEALTH OUTCOMES WHILE ALIGNING WITH CURRENTLY ESTABLISHED
26 SCHOOL HEALTH CURRICULA, PHYSICAL EDUCATION AND PHYSICAL ACTIVITY
27 CURRICULA, FEDERAL SCHOOL MEAL PROGRAMS, SCHOOL-BASED HEALTH

1 PROGRAMS, CURRENT UNITED STATES DIETARY GUIDELINES FOR AMERICANS,
2 AND ESTABLISHED STATE-FUNDED AND FEDERALLY FUNDED FOOD, NUTRITION,
3 AND HEALTH PROMOTION PROGRAMS. THE OVERALL GOAL OF THE PROGRAM
4 SHALL BE IMPROVED DIETARY INTAKE AND INCREASED PHYSICAL ACTIVITY.

5 (2) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE TO BE SPENT
6 OVER 2 YEARS AND SHALL BE CONSIDERED A WORK PROJECT APPROPRIATION.
7 ANY UNEXPENDED FUNDS FOR 2014-2015 ARE CARRIED FORWARD INTO 2015-
8 2016. THE PURPOSE OF THE WORK PROJECT IS AS DESCRIBED UNDER
9 SUBSECTION (1). THE TOTAL ESTIMATED COST OF THESE PROJECTS IS
10 \$1,200,000.00. THE TENTATIVE ESTIMATED COMPLETION DATE OF THE WORK
11 PROJECT IS SEPTEMBER 30, 2017.

12 (3) THE CONTRACT UNDER SUBSECTION (1) SHALL REQUIRE THE
13 PROVIDER TO SUBMIT A PROGRESS REPORT TO THE LEGISLATURE BY
14 SEPTEMBER 30, 2017. THE REPORT SHALL PROVIDE DETAILS ON THE
15 PROGRAM'S PROGRESS AND IMPACT, INCLUDING, BUT NOT LIMITED TO, ALL
16 OF THE FOLLOWING:

17 (A) INCREASE IN THE NUMBER OF ACTIVE REGISTRANTS IN THE
18 PROGRAM AND IN THE LENGTH OF PARTICIPATION BY REGISTRANTS IN THE
19 PROGRAM.

20 (B) IMPROVEMENT AND INCREASE IN THE NUMBER OF HEALTHY OPTIONS
21 SERVED TO PUPILS BY SCHOOL LUNCH PROGRAMS.

22 (C) INCREASE IN PARTICIPATION BY PUPILS IN SCHOOL ATHLETIC AND
23 PHYSICAL ACTIVITIES.

24 (D) CONTINUED ALIGNMENT WITH THE DEPARTMENT OF COMMUNITY
25 HEALTH'S MICHIGAN HEALTH AND WELLNESS 4X4 PLAN.

26 (4) NOT LATER THAN 1 YEAR AFTER THE COMPLETION OF THE WORK
27 PROJECT UNDER THIS SECTION, THE AUDITOR GENERAL SHALL PERFORM A

1 **PERFORMANCE POST-AUDIT OF THE PILOT PROJECT AND SUBMIT A REPORT TO**
2 **THE LEGISLATURE ON THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING**
3 **IMPROVEMENTS IN CHILD HEALTH.**

4 Sec. 32d. (1) From the funds appropriated in section 11, there
5 is allocated to eligible intermediate districts and consortia of
6 intermediate districts for great start readiness programs an amount
7 not to exceed ~~\$149,275,000.00~~ **\$214,275,000.00** for ~~2013-2014.~~ **2014-**
8 **2015.** In addition, from the funds appropriated in section 11, there
9 is allocated to the great start readiness reserve fund created
10 under subsection ~~(14)~~ **(19)** an amount not to exceed \$25,000,000.00
11 for ~~2013-2014.~~ **2014-2015.** Funds allocated under this section for
12 great start readiness programs shall be used to provide part-day,
13 school-day, or GSRP/head start blended comprehensive free
14 compensatory classroom programs designed to improve the readiness
15 and subsequent achievement of educationally disadvantaged children
16 who meet the participant eligibility and prioritization guidelines
17 as defined by the department. ~~Beginning in 2013-2014, for~~ **FOR** a
18 child to be eligible to participate in a program under this
19 section, the child shall be at least 4, but less than 5, years of
20 age as of the date specified for determining a child's eligibility
21 to attend school under section 1147 of the revised school code, MCL
22 380.1147.

23 (2) Funds allocated under subsection (1) shall be allocated to
24 intermediate districts or consortia of intermediate districts based
25 on the formula in section 39. An intermediate district or
26 consortium of intermediate districts receiving funding under this
27 section shall act as the fiduciary for the great start readiness

1 programs. In order to be eligible to receive funds allocated under
2 this subsection from an intermediate district or consortium of
3 intermediate districts, a district, a consortium of districts, or a
4 public or private for-profit or nonprofit legal entity or agency
5 shall comply with this section and section 39.

6 (3) In addition to the allocation under subsection (1), from
7 the general fund money appropriated under section 11, there is
8 allocated an amount not to exceed \$300,000.00 for ~~2013-2014~~**2014-**
9 **2015** for a competitive grant to continue a longitudinal evaluation
10 of children who have participated in great start readiness
11 programs.

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

17 (a) Participation in a collaborative recruitment and
18 enrollment process to assure that each child is enrolled in the
19 program most appropriate to his or her needs and to maximize the
20 use of federal, state, and local funds.

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

24 (c) Nutritional services for all program participants
25 supported by federal, state, and local resources as applicable.

26 (d) ~~Health~~**PHYSICAL AND DENTAL HEALTH** and developmental
27 screening services for all program participants.

1 (e) Referral services for families of program participants to
2 community social service agencies, **INCLUDING MENTAL HEALTH**
3 **SERVICES**, as appropriate.

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

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

9 (h) Participation in a ~~multidistrict, multiagency, school~~
10 readiness advisory committee convened as a workgroup of the great
11 start collaborative that provides for the involvement of classroom
12 teachers, parents or guardians of program participants, and
13 community, volunteer, and social service agencies and
14 organizations, as appropriate. The advisory committee annually
15 shall review **AND MAKE RECOMMENDATIONS REGARDING** the program
16 components listed in this subsection. ~~and make recommendations for~~
17 ~~changes to the great start readiness program for which it is an~~
18 ~~advisory committee.~~ **THE ADVISORY COMMITTEE ALSO SHALL MAKE**
19 **RECOMMENDATIONS TO THE GREAT START COLLABORATIVE REGARDING OTHER**
20 **COMMUNITY SERVICES DESIGNED TO IMPROVE ALL CHILDREN'S SCHOOL**
21 **READINESS.**

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

24 (j) Participation in this state's great start to quality
25 process with a rating of at least 3 stars.

26 (5) An application for funding under this section shall
27 provide for the following, in a form and manner determined by the

1 department:

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

4 (b) ~~Ensure~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION,**
5 **ENSURE** that at least 90% of the children participating in an
6 eligible great start readiness program for whom the ~~provider~~
7 **INTERMEDIATE DISTRICT** is receiving funds under this section are
8 children who live with families with a household income that is
9 equal to or less than 250% of the federal poverty level. **IF THE**
10 **INTERMEDIATE DISTRICT DETERMINES THAT ALL ELIGIBLE CHILDREN ARE**
11 **BEING SERVED AND THAT THERE ARE NO CHILDREN ON THE WAITING LIST**
12 **UNDER SECTION 39(1)(D) WHO LIVE WITH FAMILIES WITH A HOUSEHOLD**
13 **INCOME THAT IS EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY**
14 **LEVEL, THE INTERMEDIATE DISTRICT MAY THEN ENROLL CHILDREN WHO LIVE**
15 **WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS EQUAL TO OR LESS THAN**
16 **300% OF THE FEDERAL POVERTY LEVEL. THE ENROLLMENT PROCESS SHALL**
17 **CONSIDER INCOME AND RISK FACTORS, SUCH THAT CHILDREN DETERMINED**
18 **WITH HIGHER NEED ARE ENROLLED BEFORE CHILDREN WITH LESSER NEED. FOR**
19 **PURPOSES OF THIS SUBDIVISION, ALL AGE-ELIGIBLE CHILDREN SERVED IN**
20 **FOSTER CARE OR WHO ARE EXPERIENCING HOMELESSNESS OR WHO HAVE**
21 **INDIVIDUALIZED EDUCATION PLANS RECOMMENDING PLACEMENT IN AN**
22 **INCLUSIVE PRESCHOOL SETTING SHALL BE CONSIDERED TO LIVE WITH**
23 **FAMILIES WITH HOUSEHOLD INCOME EQUAL TO OR LESS THAN 250% OF THE**
24 **FEDERAL POVERTY LEVEL REGARDLESS OF ACTUAL FAMILY INCOME.**

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

27 (i) Teachers possessing proper training. ~~For programs managed~~

~~directly by a district or intermediate district, A LEAD TEACHER~~
~~MUST HAVE~~ a valid teaching certificate ~~and WITH~~ an early childhood
(ZA or ZS) endorsement ~~are required. This provision does not apply~~
~~to an eligible child development program. In that situation, a~~
~~teacher must have a valid Michigan teaching certificate with an~~
~~early childhood (ZA or ZS) endorsement, a valid Michigan elementary~~
~~teaching certificate with a child development associate credential,~~
or a bachelor's degree in child development **OR EARLY CHILD**
DEVELOPMENT with specialization in preschool teaching. However, if
an applicant demonstrates to the department that it is unable to
fully comply with this subparagraph after making reasonable efforts
to comply, teachers who have significant but incomplete training in
early childhood education or child development may be used if the
applicant provides to the department, and the department approves,
a plan for each teacher to come into compliance with the standards
in this subparagraph. A teacher's compliance plan must be completed
within 2 years of the date of employment. Progress toward
completion of the compliance plan shall consist of at least 2
courses per calendar year.

(ii) Paraprofessionals possessing proper training in early
childhood development, including an associate's degree in early
childhood education or child development or the equivalent, or a
child development associate (CDA) credential. However, if an
applicant demonstrates to the department that it is unable to fully
comply with this subparagraph after making reasonable efforts to
comply, the applicant may use paraprofessionals who have completed
at least 1 course that earns college credit in early childhood

1 education or child development if the applicant provides to the
2 department, and the department approves, a plan for each
3 paraprofessional to come into compliance with the standards in this
4 subparagraph. A paraprofessional's compliance plan must be
5 completed within 2 years of the date of employment. Progress toward
6 completion of the compliance plan shall consist of at least 2
7 courses or 60 clock hours of training per calendar year.

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

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

26 (7) For a grant recipient that enrolls pupils in a GSRP/head
27 start blended program, the grant recipient shall ensure that all

1 head start and GSRP policies and regulations are applied to the
2 blended slots, with adherence to the highest standard from either
3 program, to the extent allowable under federal law.

4 (8) An intermediate district or consortium of intermediate
5 districts receiving a grant under this section **SHALL DESIGNATE AN**
6 **EARLY CHILDHOOD COORDINATOR, AND** may provide services directly or
7 may contract with 1 or more districts or public or private for-
8 profit or nonprofit providers that meet all requirements of
9 subsection (4). ~~and retain for administrative services an amount~~
10 ~~equal to not more than 7% of the grant amount. In addition, an~~

11 (9) **FUNDS RECEIVED UNDER THIS SECTION MAY BE RETAINED FOR**
12 **ADMINISTRATIVE SERVICES AS FOLLOWS:**

13 (A) **FOR THE PORTION OF THE TOTAL GRANT AMOUNT FOR WHICH**
14 **SERVICES ARE PROVIDED DIRECTLY BY AN INTERMEDIATE DISTRICT OR**
15 **CONSORTIUM OF INTERMEDIATE DISTRICTS, THE INTERMEDIATE DISTRICT OR**
16 **CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RETAIN AN AMOUNT EQUAL TO**
17 **NOT MORE THAN 7% OF THAT PORTION OF THE GRANT AMOUNT.**

18 (B) **FOR THE PORTION OF THE TOTAL GRANT AMOUNT FOR WHICH**
19 **SERVICES ARE CONTRACTED, THE INTERMEDIATE DISTRICT OR CONSORTIUM OF**
20 **INTERMEDIATE DISTRICTS RECEIVING THE GRANT MAY RETAIN AN AMOUNT**
21 **EQUAL TO NOT MORE THAN 2% OF THAT PORTION OF THE GRANT AMOUNT AND**
22 **THE SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT TO PROVIDE**
23 **PROGRAM SERVICES MAY RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT**
24 **EQUAL TO NOT MORE THAN 5% OF THAT PORTION OF THE GRANT AMOUNT.**

25 (10) **AN** intermediate district or consortium of intermediate
26 districts may expend not more than 2% of the total grant amount for
27 **OUTREACH**, recruiting, and public awareness of the program.

1 (11) ~~(9)~~—Each grant recipient shall enroll children identified
2 under subsection (5) (b) according to how far the child's household
3 income is below 250% of the federal poverty level by ranking each
4 applicant child's household income from lowest to highest and
5 dividing the applicant children into quintiles based on how far the
6 child's household income is below 250% of the federal poverty
7 level, and then enrolling children in the quintile with the lowest
8 household income before enrolling children in the quintile with the
9 next lowest household income until slots are completely filled. IF
10 THE GRANT RECIPIENT DETERMINES THAT ALL ELIGIBLE CHILDREN ARE BEING
11 SERVED AND THAT THERE ARE NO CHILDREN ON THE WAITING LIST UNDER
12 SECTION 39(1) (D) WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME
13 THAT IS EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY LEVEL,
14 THE GRANT RECIPIENT MAY THEN ENROLL CHILDREN WHO LIVE WITH FAMILIES
15 WITH A HOUSEHOLD INCOME THAT IS EQUAL TO OR LESS THAN 300% OF THE
16 FEDERAL POVERTY LEVEL. THE ENROLLMENT PROCESS SHALL CONSIDER INCOME
17 AND RISK FACTORS, SUCH THAT CHILDREN DETERMINED WITH HIGHER NEED
18 ARE ENROLLED BEFORE CHILDREN WITH LESSER NEED. FOR PURPOSES OF THIS
19 SUBDIVISION, ALL AGE-ELIGIBLE CHILDREN SERVED IN FOSTER CARE OR WHO
20 ARE EXPERIENCING HOMELESSNESS OR WHO HAVE INDIVIDUALIZED EDUCATION
21 PLANS RECOMMENDING PLACEMENT IN AN INCLUSIVE PRESCHOOL SETTING
22 SHALL BE CONSIDERED TO LIVE WITH FAMILIES WITH HOUSEHOLD INCOME
23 EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY LEVEL REGARDLESS
24 OF ACTUAL FAMILY INCOME.

25 (12) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
26 DISTRICTS RECEIVING A GRANT UNDER THIS SECTION SHALL ALLOW PARENTS
27 OF ELIGIBLE CHILDREN WHO ARE RESIDENTS OF THE INTERMEDIATE DISTRICT

1 OR WITHIN THE CONSORTIUM TO CHOOSE A PROGRAM OPERATED BY OR
2 CONTRACTED WITH ANOTHER INTERMEDIATE DISTRICT OR CONSORTIUM OF
3 INTERMEDIATE DISTRICTS AND SHALL PAY TO THE EDUCATING INTERMEDIATE
4 DISTRICT OR CONSORTIUM THE PER-CHILD AMOUNT ATTRIBUTABLE TO EACH
5 CHILD ENROLLED PURSUANT TO THIS SENTENCE, AS DETERMINED UNDER
6 SECTION 39.

7 (13) ~~(10)~~—An intermediate district or consortium of
8 intermediate districts receiving a grant under this section shall
9 conduct a local process to contract with interested and eligible
10 public and private for-profit and nonprofit community-based
11 providers that meet all requirements of subsection (4) for at least
12 30% of its total slot allocation. **THE INTERMEDIATE DISTRICT OR**
13 **CONSORTIUM SHALL REPORT TO THE DEPARTMENT, IN A MANNER PRESCRIBED**
14 **BY THE DEPARTMENT, A DETAILED LIST OF COMMUNITY-BASED PROVIDERS BY**
15 **PROVIDER TYPE, INCLUDING PRIVATE FOR-PROFIT, PRIVATE NONPROFIT,**
16 **COMMUNITY COLLEGE OR UNIVERSITY, HEAD START GRANTEE OR DELEGATE,**
17 **AND DISTRICT OR INTERMEDIATE DISTRICT, AND THE NUMBER AND**
18 **PROPORTION OF ITS TOTAL SLOT ALLOCATION ALLOCATED TO EACH PROVIDER**
19 **AS SUBRECIPIENT.** If the intermediate district or consortium is not
20 able to contract for at least 30% of its total slot allocation, the
21 grant recipient shall notify the department and, if the department
22 verifies that the intermediate district or consortium attempted to
23 contract for at least 30% of its total slot allocation and was not
24 able to do so, then the intermediate district or consortium may
25 retain and use all of its allocated slots as provided under this
26 section. **TO BE ABLE TO USE THIS EXEMPTION, THE INTERMEDIATE**
27 **DISTRICT OR CONSORTIUM SHALL DEMONSTRATE TO THE DEPARTMENT THAT THE**

1 INTERMEDIATE DISTRICT OR CONSORTIUM INCREASED THE PERCENTAGE OF ITS
2 TOTAL SLOT ALLOCATION FOR WHICH IT CONTRACTS WITH A COMMUNITY-BASED
3 PROVIDER AND THE INTERMEDIATE DISTRICT OR CONSORTIUM SHALL SUBMIT
4 EVIDENCE SATISFACTORY TO THE DEPARTMENT, AND THE DEPARTMENT MUST BE
5 ABLE TO VERIFY THIS EVIDENCE, DEMONSTRATING THAT THE INTERMEDIATE
6 DISTRICT OR CONSORTIUM TOOK MEASURES TO CONTRACT FOR AT LEAST 30%
7 OF ITS TOTAL SLOT ALLOCATION AS REQUIRED UNDER THIS SUBSECTION,
8 INCLUDING, BUT NOT LIMITED TO, AT LEAST ALL OF THE FOLLOWING
9 MEASURES:

10 (A) THE INTERMEDIATE DISTRICT OR CONSORTIUM NOTIFIED EACH
11 LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF THE
12 INTERMEDIATE DISTRICT OR CONSORTIUM AT LEAST TWICE REGARDING THE
13 CENTER'S ELIGIBILITY TO PARTICIPATE. ONE OF THESE NOTIFICATIONS MAY
14 BE MADE ELECTRONICALLY, BUT AT LEAST 1 OF THESE NOTIFICATIONS SHALL
15 BE MADE VIA HARD COPY THROUGH THE UNITED STATES MAIL. AT LEAST 1 OF
16 THESE NOTIFICATIONS SHALL BE MADE WITHIN 7 DAYS AFTER THE
17 INTERMEDIATE DISTRICT OR CONSORTIUM RECEIVES NOTICE FROM THE
18 DEPARTMENT OF ITS SLOT ALLOCATIONS.

19 (B) THE INTERMEDIATE DISTRICT OR CONSORTIUM PROVIDED TO EACH
20 LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF THE
21 INTERMEDIATE DISTRICT OR CONSORTIUM INFORMATION REGARDING GREAT
22 START READINESS PROGRAM REQUIREMENTS AND A DESCRIPTION OF THE
23 APPLICATION AND SELECTION PROCESS FOR COMMUNITY-BASED PROVIDERS.

24 (C) THE INTERMEDIATE DISTRICT OR CONSORTIUM PROVIDED TO THE
25 PUBLIC AND TO PARTICIPATING FAMILIES A LIST OF COMMUNITY-BASED
26 GREAT START READINESS PROGRAM SUBRECIPIENTS WITH A GREAT START TO
27 QUALITY RATING OF AT LEAST 3 STARS.

1 (14) IF AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
2 DISTRICTS RECEIVING A GRANT UNDER THIS SECTION FAILS TO SUBMIT
3 SATISFACTORY EVIDENCE TO DEMONSTRATE ITS EFFORT TO CONTRACT FOR AT
4 LEAST 30% OF ITS TOTAL SLOT ALLOCATION, AS REQUIRED UNDER
5 SUBSECTION (1), THE DEPARTMENT SHALL REDUCE THE SLOTS ALLOCATED TO
6 THE INTERMEDIATE DISTRICT OR CONSORTIUM BY A PERCENTAGE EQUAL TO
7 THE DIFFERENCE BETWEEN THE PERCENTAGE OF AN INTERMEDIATE DISTRICT'S
8 OR CONSORTIUM'S TOTAL SLOT ALLOCATION AWARDED TO COMMUNITY-BASED
9 PROVIDERS AND 30% OF ITS TOTAL SLOT ALLOCATION.

10 (15) IN ORDER TO ASSIST INTERMEDIATE DISTRICTS AND CONSORTIA
11 IN COMPLYING WITH THE REQUIREMENT TO CONTRACT WITH COMMUNITY-BASED
12 PROVIDERS FOR AT LEAST 30% OF THEIR TOTAL SLOT ALLOCATION, THE
13 DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

14 (A) ENSURE THAT A GREAT START RESOURCE CENTER OR THE
15 DEPARTMENT PROVIDES EACH INTERMEDIATE DISTRICT OR CONSORTIUM
16 RECEIVING A GRANT UNDER THIS SECTION WITH THE CONTACT INFORMATION
17 FOR EACH LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF
18 THE INTERMEDIATE DISTRICT OR CONSORTIUM BY MARCH 1 OF EACH YEAR.

19 (B) PROVIDE, OR ENSURE THAT AN ORGANIZATION WITH WHICH THE
20 DEPARTMENT CONTRACTS PROVIDES, A COMMUNITY-BASED PROVIDER WITH A
21 VALIDATED GREAT START TO QUALITY RATING WITHIN 90 DAYS OF THE
22 PROVIDER'S HAVING SUBMITTED A REQUEST AND SELF-ASSESSMENT.

23 (C) ENSURE THAT ALL INTERMEDIATE DISTRICT, DISTRICT, COMMUNITY
24 COLLEGE OR UNIVERSITY, HEAD START GRANTEE OR DELEGATE, PRIVATE FOR-
25 PROFIT, AND PRIVATE NONPROFIT PROVIDERS ARE SUBJECT TO A SINGLE
26 GREAT START TO QUALITY RATING SYSTEM. THE RATING SYSTEM SHALL
27 ENSURE THAT REGULATORS PROCESS ALL PROSPECTIVE PROVIDERS AT THE

1 SAME PACE ON A FIRST-COME, FIRST-SERVED BASIS AND SHALL NOT ALLOW 1
2 TYPE OF PROVIDER TO RECEIVE A GREAT START TO QUALITY RATING AHEAD
3 OF ANY OTHER TYPE OF PROVIDER.

4 (D) NOT LATER THAN NOVEMBER 1 OF EACH YEAR, COMPILE THE
5 RESULTS OF THE INFORMATION REPORTED BY EACH INTERMEDIATE DISTRICT
6 OR CONSORTIUM UNDER SUBSECTION (10) AND REPORT TO THE LEGISLATURE A
7 LIST BY INTERMEDIATE DISTRICT OR CONSORTIUM WITH THE NUMBER AND
8 PERCENTAGE OF EACH INTERMEDIATE DISTRICT'S OR CONSORTIUM'S TOTAL
9 SLOT ALLOCATION ALLOCATED TO COMMUNITY-BASED PROVIDERS BY PROVIDER
10 TYPE, INCLUDING PRIVATE FOR-PROFIT, PRIVATE NONPROFIT, COMMUNITY
11 COLLEGE OR UNIVERSITY, HEAD START GRANTEE OR DELEGATE, AND DISTRICT
12 OR INTERMEDIATE DISTRICT.

13 (16) ~~(11)~~—A recipient of funds under this section shall report
14 to the department in a form and manner prescribed by the department
15 the number of children participating in the program who meet the
16 income eligibility criteria under subsection (5)(b) and the total
17 number of children participating in the program. For children
18 participating in the program who meet the income eligibility
19 criteria specified under subsection (5)(b), a recipient shall also
20 report whether or not a parent is available to provide care based
21 on employment status. For the purposes of this subsection,
22 "employment status" shall be defined by the department of human
23 services in a manner consistent with maximizing the amount of
24 spending that may be claimed for temporary assistance for needy
25 families maintenance of effort purposes.

26 (17) ~~(12)~~—As used in this section:

27 (a) "GSRP/head start blended program" means a part-day program

1 funded under this section and a head start program, which are
2 combined for a school-day program.

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

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

12 (18) ~~(13)~~—An intermediate district or consortium of
13 intermediate districts receiving funds under this section shall
14 establish a sliding scale of tuition rates based upon household
15 income for children participating in an eligible great start
16 readiness program who live with families with a household income
17 that is more than 250% of the federal poverty level to be used by
18 all of its providers, as approved by the department. A grant
19 recipient shall charge tuition according to that sliding scale of
20 tuition rates on a uniform basis for any child who does not meet
21 the income eligibility requirements under this section.

22 (19) ~~(14)~~—The great start readiness reserve fund is created as
23 a separate account within the state school aid fund established by
24 section 11 of article IX of the state constitution of 1963. Money
25 available in the great start readiness reserve fund may not be
26 expended for ~~2013-2014~~ **2014-2015** unless transferred by the
27 legislature not later than ~~January 31,~~ **DECEMBER 15,** 2014 to the

1 allocation under subsection (1) for great start readiness programs.
2 Money in the great start readiness reserve fund shall be expended
3 only for purposes for which state school aid fund money may be
4 expended. The state treasurer shall direct the investment of the
5 great start readiness reserve fund. The state treasurer shall
6 credit to the great start readiness reserve fund interest and
7 earnings from fund investments. Money in the great start readiness
8 reserve fund at the close of a fiscal year shall remain in the
9 great start readiness reserve fund and shall not lapse to the
10 unreserved school aid fund balance or the general fund.

11 (20) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), THERE IS
12 ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR REIMBURSEMENT
13 OF TRANSPORTATION COSTS FOR CHILDREN ATTENDING GREAT START
14 READINESS PROGRAMS FUNDED UNDER THIS SECTION. TO RECEIVE
15 REIMBURSEMENT UNDER THIS SUBSECTION, NOT LATER THAN NOVEMBER 1,
16 2014, A PROGRAM FUNDED UNDER THIS SECTION THAT PROVIDES
17 TRANSPORTATION SHALL SUBMIT TO THE INTERMEDIATE DISTRICT THAT IS
18 THE FISCAL AGENT FOR THE PROGRAM A PROJECTED TRANSPORTATION BUDGET.
19 THE AMOUNT OF THE REIMBURSEMENT FOR TRANSPORTATION UNDER THIS
20 SUBSECTION SHALL BE THE LESSER OF THE PROJECTED TRANSPORTATION
21 BUDGET OR \$150.00 MULTIPLIED BY THE NUMBER OF SLOTS FUNDED FOR THE
22 PROGRAM UNDER THIS SECTION. IF THE AMOUNT ALLOCATED UNDER THIS
23 SUBSECTION IS INSUFFICIENT TO FULLY REIMBURSE THE TRANSPORTATION
24 COSTS FOR ALL PROGRAMS THAT PROVIDE TRANSPORTATION AND SUBMIT THE
25 REQUIRED INFORMATION, THE REIMBURSEMENT SHALL BE PRORATED IN AN
26 EQUAL AMOUNT PER SLOT FUNDED. PAYMENTS SHALL BE MADE TO THE
27 INTERMEDIATE DISTRICT THAT IS THE FISCAL AGENT FOR EACH PROGRAM,

1 AND THE INTERMEDIATE DISTRICT SHALL THEN REIMBURSE THE PROGRAM
2 PROVIDER FOR TRANSPORTATION COSTS AS PRESCRIBED UNDER THIS
3 SUBSECTION.

4 Sec. 32p. (1) From the school aid fund appropriation in
5 section 11, there is allocated an amount not to exceed
6 \$10,900,000.00 to intermediate districts for ~~2013-2014-2014-2015~~
7 for the purpose of providing early childhood funding to
8 intermediate school districts in block grants, supporting the
9 activities under subsection (2), and providing early childhood
10 programs for children from birth through age 8. ~~Beginning in 2013-~~
11 ~~2014, the~~ **THE** funding provided to each intermediate district under
12 this section shall be determined by the distribution formula
13 established by the department's office of great start to provide
14 equitable funding statewide. In order to receive funding under this
15 section, each intermediate district shall provide an application to
16 the office of great start not later than September 15 of the
17 immediately preceding fiscal year indicating the activities planned
18 to be provided.

19 (2) Each intermediate district or consortium of intermediate
20 districts that receives funding under this section shall convene a
21 local great start collaborative and a parent coalition. The goal of
22 each great start collaborative and parent coalition shall be to
23 ensure the coordination and expansion of local early childhood
24 infrastructure and programs that allow every child in the community
25 to achieve the following outcomes:

26 (a) Children born healthy.

27 (b) Children healthy, thriving, and developmentally on track

1 from birth to third grade.

2 (c) Children developmentally ready to succeed in school at the
3 time of school entry.

4 (d) Children prepared to succeed in fourth grade and beyond by
5 reading proficiently by the end of third grade.

6 (3) Each local great start collaborative and parent coalition
7 shall convene ~~a workgroup to serve as a school readiness advisory~~
8 ~~committee as required under section 32d and shall~~ **WORKGROUPS TO**

9 **MAKE RECOMMENDATIONS ABOUT COMMUNITY SERVICES DESIGNED TO ACHIEVE**
10 **THE OUTCOMES DESCRIBED IN SUBSECTION (2) AND TO** ensure that its
11 local great start system includes the following supports for
12 children from birth through age 8:

13 (a) Physical health.

14 (b) Social-emotional health.

15 (c) Family supports and basic needs.

16 (d) Parent education and child advocacy.

17 (e) Early education and care.

18 (4) Not later than December 1 of each year, each intermediate
19 district shall provide a report to the department detailing the
20 activities actually provided during the immediately preceding
21 school year and the families and children actually served. The
22 department shall compile and summarize these reports and submit its
23 summary to the house and senate appropriations subcommittees on
24 school aid and to the house and senate fiscal agencies **NOT LATER**
25 **THAN FEBRUARY 15 OF EACH YEAR.** ~~The block grants allocated under~~
26 ~~this section implement legislative intent language for this purpose~~
27 ~~enacted in 2011 PA 62.~~

1 (5) An intermediate district or consortium of intermediate
2 districts that receives funding under this section may carry over
3 any unexpended funds received under this section into the next
4 fiscal year and may expend those unused funds ~~in~~**THROUGH JUNE 30 OF**
5 the next fiscal year. A recipient of a grant shall return any
6 unexpended grant funds to the department in the manner prescribed
7 by the department not later than September 30 of the next fiscal
8 year after the fiscal year in which the funds are received.

9 Sec. 39. (1) An eligible applicant receiving funds under
10 section 32d shall submit ~~a preapplication,~~**AN APPLICATION**, in a
11 form and manner prescribed by the department, by a date specified
12 by the department in the immediately preceding state fiscal year.
13 The ~~preapplication~~**APPLICATION** shall include a comprehensive needs
14 assessment using aggregated data from the applicant's entire
15 service area and a community collaboration plan that is endorsed by
16 the local great start collaborative and is part of the community's
17 great start strategic plan that includes, but is not limited to,
18 great start readiness program and head start providers, and shall
19 identify all of the following:

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

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

27 (c) The number of children the applicant will be able to serve

1 who meet the criteria of section 32d including a verification of
2 physical facility and staff resources capacity.

3 (d) The estimated number of children who meet the criteria of
4 section 32d who will remain unserved after the applicant and
5 community early childhood programs have met their funded
6 enrollments. The applicant shall maintain a waiting list of
7 identified unserved eligible children who would be served when
8 openings are available.

9 (2) ~~An~~ **AFTER NOTIFICATION OF FUNDING ALLOCATIONS, AN** applicant
10 receiving funds under section 32d shall also submit ~~a final~~
11 ~~application~~ **AN IMPLEMENTATION PLAN** for approval, in a form and
12 manner prescribed by the department, by a date specified by the
13 department, that details how the applicant complies with the
14 program components established by the department pursuant to
15 section 32d.

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

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

23 (5) If funds allocated for eligible applicants or to the great
24 start readiness reserve fund under section 32d remain after the
25 initial allocation under subsection (4), the allocation under this
26 subsection shall be distributed to each eligible applicant under
27 section 32d in decreasing order of concentration of eligible

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

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

23 (7) An applicant that offers supplementary child care funded
24 by funds other than those received under section 32d and therefore
25 offers full-day programs as part of its early childhood development
26 program shall receive priority in the allocation of funds under
27 section 32d over other eligible applicants. As used in this

1 subsection, "full-day program" means a program that provides
2 supplementary child care that totals at least 10 hours of
3 programming per day.

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

11 Sec. 39a. (1) From the federal funds appropriated in section
12 11, there is allocated for ~~2013-2014-2014-2015~~ to districts,
13 intermediate districts, and other eligible entities all available
14 federal funding, estimated at ~~\$811,828,500.00~~, **\$807,969,900.00** for
15 the federal programs under the no child left behind act of 2001,
16 Public Law 107-110. These funds are allocated as follows:

17 (a) An amount estimated at ~~\$10,808,600.00~~ **\$8,000,000.00** to
18 provide students with drug- and violence-prevention programs and to
19 implement strategies to improve school safety, funded from DED-
20 OESE, drug-free schools and communities funds.

21 (b) An amount estimated at \$111,111,900.00 for the purpose of
22 preparing, training, and recruiting high-quality teachers and class
23 size reduction, funded from DED-OESE, improving teacher quality
24 funds.

25 (c) An amount estimated at \$12,200,000.00 for programs to
26 teach English to limited English proficient (LEP) children, funded
27 from DED-OESE, language acquisition state grant funds.

1 (d) An amount estimated at \$10,286,500.00 for the Michigan
2 charter school subgrant program, funded from DED-OESE, charter
3 school funds.

4 (e) An amount estimated at \$2,393,500.00 for rural and low
5 income schools, funded from DED-OESE, rural and low income school
6 funds.

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

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

14 (h) An amount estimated at ~~\$40,050,000.00~~ **\$39,000,000.00** for
15 the purpose of providing high-quality extended learning
16 opportunities, after school and during the summer, for children in
17 low-performing schools, funded from DED-OESE, twenty-first century
18 community learning center funds.

19 (i) An amount estimated at \$24,600,000.00 to help support
20 local school improvement efforts, funded from DED-OESE, title I,
21 local school improvement grants.

22 (2) From the federal funds appropriated in section 11, there
23 is allocated for ~~2013-2014~~ **2014-2015** to districts, intermediate
24 districts, and other eligible entities all available federal
25 funding, estimated at ~~\$31,700,000.00~~ **\$31,300,000.00** for the
26 following programs that are funded by federal grants:

27 (a) An amount estimated at ~~\$600,000.00~~ **\$200,000.00** for

1 acquired immunodeficiency syndrome education grants, funded from
2 HHS - center for disease control, AIDS funding.

3 (b) An amount estimated at \$2,600,000.00 to provide services
4 to homeless children and youth, funded from DED-OVAE, homeless
5 children and youth funds.

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

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

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

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

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

25 ~~—— (d) A structured mentoring tutorial reading program for pupils~~
26 ~~in preschool to grade 4 that is a research based, validated program~~
27 ~~that develops individualized educational plans based on each~~

~~pupil's age, assessed needs, reading level, interests, and learning style.~~

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

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

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

(5) ~~(6)~~—As used in this section:

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

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

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

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

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

Sec. 41. ~~(1)~~—From the appropriation in section 11, there is allocated an amount not to exceed \$1,200,000.00 **EACH FISCAL YEAR**

1 for 2013-2014 **AND FOR 2014-2015** to applicant districts and
 2 intermediate districts offering programs of instruction for pupils
 3 of limited English-speaking ability under section 1153 of the
 4 revised school code, MCL 380.1153. ~~Subject to subsection (2),~~
 5 ~~reimbursement~~ **REIMBURSEMENT** shall be on a per-pupil basis and shall
 6 be based on the number of pupils of limited English-speaking
 7 ability in membership on the pupil membership count day. Funds
 8 allocated under this section shall be used solely for instruction
 9 in speaking, reading, writing, or comprehension of English. A pupil
 10 shall not be counted under this section or instructed in a program
 11 under this section for more than 3 years.

12 ~~—— (2) A district or intermediate district shall not receive~~
 13 ~~funds under this section if it allows pupils to participate in the~~
 14 ~~program of instruction who are not residing in the United States~~
 15 ~~legally.~~

16 **SEC. 43. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION**
 17 **11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 AN AMOUNT**
 18 **NOT TO EXCEED \$1,800,000.00 FOR UPDATING TEACHER CERTIFICATION**
 19 **TESTS. THE DEPARTMENT SHALL USE THESE FUNDS TO UPDATE THE SET OF**
 20 **TEACHER CERTIFICATION TESTS, INCLUDING CONTENT-SPECIFIC AND**
 21 **SUBJECT-RELEVANT TESTS, TO REFLECT CURRENT EDUCATION STANDARDS BY**
 22 **NOT LATER THAN SEPTEMBER 30, 2016.**

23 Sec. 51a. (1) From the appropriation in section 11, there is
 24 allocated an amount not to exceed ~~\$919,846,100.00~~ **\$938,946,100.00**
 25 ~~for 2013-2014~~ **2014-2015** from state sources and all available
 26 federal funding under sections 611 to 619 of part B of the
 27 individuals with disabilities education act, 20 USC 1411 to 1419,

1 estimated at \$370,000,000.00 for ~~2013-2014,~~ **2014-2015**, plus any
2 carryover federal funds from previous year appropriations. The
3 allocations under this subsection are for the purpose of
4 reimbursing districts and intermediate districts for special
5 education programs, services, and special education personnel as
6 prescribed in article 3 of the revised school code, MCL 380.1701 to
7 380.1766; net tuition payments made by intermediate districts to
8 the Michigan schools for the deaf and blind; and special education
9 programs and services for pupils who are eligible for special
10 education programs and services according to statute or rule. For
11 meeting the costs of special education programs and services not
12 reimbursed under this article, a district or intermediate district
13 may use money in general funds or special education funds, not
14 otherwise restricted, or contributions from districts to
15 intermediate districts, tuition payments, gifts and contributions
16 from individuals or other entities, or federal funds that may be
17 available for this purpose, as determined by the intermediate
18 district plan prepared pursuant to article 3 of the revised school
19 code, MCL 380.1701 to 380.1766. ~~All federal funds allocated under
20 this section in excess of those allocated under this section for
21 2002-2003 may be distributed in accordance with the flexible
22 funding provisions of the individuals with disabilities education
23 act, Public Law 108-446, including, but not limited to, 34 CFR
24 300.206 and 300.208.~~ Notwithstanding section 17b, payments of
25 federal funds to districts, intermediate districts, and other
26 eligible entities under this section shall be paid on a schedule
27 determined by the department.

1 (2) From the funds allocated under subsection (1), there is
2 allocated the amount necessary, estimated at ~~\$247,000,000.00~~
3 **\$252,000,000.00** for ~~2013-2014, 2014-2015~~, for payments toward
4 reimbursing districts and intermediate districts for 28.6138% of
5 total approved costs of special education, excluding costs
6 reimbursed under section 53a, and 70.4165% of total approved costs
7 of special education transportation. Allocations under this
8 subsection shall be made as follows:

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

1 section 20 for the current fiscal year.

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

7 (3) From the funds allocated under subsection (1), there is
8 allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed
9 \$1,000,000.00 to make payments to districts and intermediate
10 districts under this subsection. If the amount allocated to a
11 district or intermediate district for a fiscal year under
12 subsection (2)(b) is less than the sum of the amounts allocated to
13 the district or intermediate district for 1996-97 under sections 52
14 and 58, there is allocated to the district or intermediate district
15 for the fiscal year an amount equal to that difference, adjusted by
16 applying the same proration factor that was used in the
17 distribution of funds under section 52 in 1996-97 as adjusted to
18 the district's or intermediate district's necessary costs of
19 special education used in calculations for the fiscal year. This
20 adjustment is to reflect reductions in special education program
21 operations or services between 1996-97 and subsequent fiscal years.
22 Adjustments for reductions in special education program operations
23 or services shall be made in a manner determined by the department
24 and shall include adjustments for program or service shifts.

25 (4) If the department determines that the sum of the amounts
26 allocated for a fiscal year to a district or intermediate district
27 under subsection (2)(a) and (b) is not sufficient to fulfill the

1 specified percentages in subsection (2), then the shortfall shall
2 be paid to the district or intermediate district during the fiscal
3 year beginning on the October 1 following the determination and
4 payments under subsection (3) shall be adjusted as necessary. If
5 the department determines that the sum of the amounts allocated for
6 a fiscal year to a district or intermediate district under
7 subsection (2)(a) and (b) exceeds the sum of the amount necessary
8 to fulfill the specified percentages in subsection (2), then the
9 department shall deduct the amount of the excess from the
10 district's or intermediate district's payments under this article
11 for the fiscal year beginning on the October 1 following the
12 determination and payments under subsection (3) shall be adjusted
13 as necessary. However, if the amount allocated under subsection
14 (2)(a) in itself exceeds the amount necessary to fulfill the
15 specified percentages in subsection (2), there shall be no
16 deduction under this subsection.

17 (5) State funds shall be allocated on a total approved cost
18 basis. Federal funds shall be allocated under applicable federal
19 requirements, except that an amount not to exceed \$3,500,000.00 may
20 be allocated by the department for ~~2013-2014~~ **2014-2015** to
21 districts, intermediate districts, or other eligible entities on a
22 competitive grant basis for programs, equipment, and services that
23 the department determines to be designed to benefit or improve
24 special education on a statewide scale.

25 (6) From the amount allocated in subsection (1), there is
26 allocated an amount not to exceed \$2,200,000.00 for ~~2013-2014~~ **2014-**
27 **2015** to reimburse 100% of the net increase in necessary costs

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

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

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

1 services, with the exception of special education programs and
2 services provided to youth placed in child caring institutions or
3 juvenile detention programs approved by the department to provide
4 an on-grounds education program.

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

19 (c) If the department determines before bookclosing for a
20 fiscal year that the amounts allocated for that fiscal year under
21 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
22 will exceed expenditures for that fiscal year under subsections
23 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
24 district or intermediate district whose reimbursement for that
25 fiscal year would otherwise be affected by subdivision (b),
26 subdivision (b) does not apply to the calculation of the
27 reimbursement for that district or intermediate district and

1 reimbursement for that district or intermediate district shall be
2 calculated in the same manner as it was for 2003-2004. If the
3 amount of the excess allocations under subsections (2), (3), (6),
4 and (11) and sections 53a, 54, and 56 is not sufficient to fully
5 fund the calculation of reimbursement to those districts and
6 intermediate districts under this subdivision, then the
7 calculations and resulting reimbursement under this subdivision
8 shall be prorated on an equal percentage basis. This reimbursement
9 shall not be made after 2014-2015.

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

22 (e) Beginning with calculations for 2004-2005, if an
23 intermediate district purchases a special education pupil
24 transportation service from a constituent district that was
25 previously purchased from a private entity; if the purchase from
26 the constituent district is at a lower cost, adjusted for changes
27 in fuel costs; and if the cost shift from the intermediate district

1 to the constituent does not result in any net change in the revenue
2 the constituent district receives from payments under sections 22b
3 and 51c, then upon application by the intermediate district, the
4 department shall direct the intermediate district to continue to
5 report the cost associated with the specific identified special
6 education pupil transportation service and shall adjust the costs
7 reported by the constituent district to remove the cost associated
8 with that specific service.

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

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

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

26 (11) From the funds allocated in subsection (1), there is
27 allocated the amount necessary, estimated at ~~\$3,500,000.00~~

1 **\$3,300,000.00** for ~~2013-2014,~~**2014-2015**, to pay the foundation
2 allowances for pupils described in this subsection. The allocation
3 to a district under this subsection shall be calculated by
4 multiplying the number of pupils described in this subsection who
5 are counted in membership in the district times the foundation
6 allowance under section 20 of the pupil's district of residence,
7 not to exceed the basic foundation allowance under section 20 for
8 the current fiscal year, or, for a pupil described in this
9 subsection who is counted in membership in a district that is a
10 public school academy, times an amount equal to the amount per
11 membership pupil under section 20(6) or, for a pupil described in
12 this subsection who is counted in membership in the education
13 achievement system, times an amount equal to the amount per
14 membership pupil under section 20(7). The allocation to an
15 intermediate district under this subsection shall be calculated in
16 the same manner as for a district, using the foundation allowance
17 under section 20 of the pupil's district of residence, not to
18 exceed the basic foundation allowance under section 20 for the
19 current fiscal year. This subsection applies to all of the
20 following pupils:

21 (a) Pupils described in section 53a.

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

26 (c) Pupils with an emotional impairment counted in membership
27 by an intermediate district and provided educational services by

1 the department of community health.

2 (12) If it is determined that funds allocated under subsection
3 (2) or (11) or under section 51c will not be expended, funds up to
4 the amount necessary and available may be used to supplement the
5 allocations under subsection (2) or (11) or under section 51c in
6 order to fully fund those allocations. After payments under
7 subsections (2) and (11) and section 51c, the remaining
8 expenditures from the allocation in subsection (1) shall be made in
9 the 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)
16 shall be allocations to intermediate districts only and shall not
17 be allocations to districts, but instead shall be calculations used
18 only to determine the state payments under section 22b.

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

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

9 Sec. 51c. As required by the court in the consolidated cases
10 known as Durant v State of Michigan, Michigan supreme court docket
11 no. 104458-104492, from the allocation under section 51a(1), there
12 is allocated for ~~2013-2014-2014-2015~~ the amount necessary,
13 estimated at ~~\$613,200,000.00,~~ **\$630,500,000.00**, for payments to
14 reimburse districts for 28.6138% of total approved costs of special
15 education excluding costs reimbursed under section 53a, and
16 70.4165% of total approved costs of special education
17 transportation. Funds allocated under this section that are not
18 expended in the state fiscal year for which they were allocated, as
19 determined by the department, may be used to supplement the
20 allocations under sections 22a and 22b in order to fully fund those
21 calculated allocations for the same fiscal year.

22 Sec. 51d. (1) From the federal funds appropriated in section
23 11, there is allocated for ~~2013-2014-2014-2015~~, all available
24 federal funding, estimated at \$74,000,000.00, for special education
25 programs **AND SERVICES** that are funded by federal grants. All
26 federal funds allocated under this section shall be distributed in
27 accordance with federal law. Notwithstanding section 17b, payments

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

4 (2) From the federal funds allocated under subsection (1), the
5 following amounts are allocated for ~~2013-2014~~ **2014-2015**:

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

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

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

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

18 Sec. 53a. (1) For districts, reimbursement for pupils
19 described in subsection (2) shall be 100% of the total approved
20 costs of operating special education programs and services approved
21 by the department and included in the intermediate district plan
22 adopted pursuant to article 3 of the revised school code, MCL
23 380.1701 to 380.1766, minus the district's foundation allowance
24 calculated under section 20. For intermediate districts,
25 reimbursement for pupils described in subsection (2) shall be
26 calculated in the same manner as for a district, using the
27 foundation allowance under section 20 of the pupil's district of

1 residence, not to exceed the basic foundation allowance under
2 section 20 for the current fiscal year.

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

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

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

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

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

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

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

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

3 (5) Not more than ~~\$13,500,000.00~~ **\$10,500,000.00** of the
4 allocation for ~~2013-2014~~ **2014-2015** in section 51a(1) shall be
5 allocated under this section.

6 Sec. 54. Each intermediate district shall receive an amount
7 per pupil for each pupil in attendance at the Michigan schools for
8 the deaf and blind. The amount shall be proportionate to the total
9 instructional cost at each school. Not more than \$1,688,000.00 of
10 the allocation for ~~2013-2014~~ **2014-2015** in section 51a(1) shall be
11 allocated under this section.

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

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

17 (b) "Millage levied" means the millage levied for special
18 education pursuant to part 30 of the revised school code, MCL
19 380.1711 to 380.1743, including a levy for debt service
20 obligations.

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

27 (2) From the allocation under section 51a(1), there is

1 allocated an amount not to exceed \$37,758,100.00 for ~~2013-2014~~
2 **2014-2015** to reimburse intermediate districts levying millages for
3 special education pursuant to part 30 of the revised school code,
4 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
5 reimbursement shall be limited as if the funds were generated by
6 these millages and governed by the intermediate district plan
7 adopted pursuant to article 3 of the revised school code, MCL
8 380.1701 to 380.1766. As a condition of receiving funds under this
9 section, an intermediate district distributing any portion of
10 special education millage funds to its constituent districts shall
11 submit for departmental approval and implement a distribution plan.

12 (3) Reimbursement for those millages levied in ~~2012-2013-2013-~~
13 **2014** shall be made in ~~2013-2014-2014-2015~~ at an amount per ~~2012-~~
14 ~~2013-2013-2014~~ membership pupil computed by subtracting from
15 ~~\$169,900.00-\$172,200.00~~ the ~~2012-2013-2013-2014~~ taxable value
16 behind each membership pupil and multiplying the resulting
17 difference by the ~~2012-2013-2013-2014~~ millage levied.

18 (4) The amount paid to a single intermediate district under
19 this section shall not exceed 62.9% of the total amount allocated
20 under subsection (2).

21 (5) The amount paid to a single intermediate district under
22 this section shall not be less than 75% of the amount allocated to
23 the intermediate district under this section for the immediately
24 preceding fiscal year.

25 Sec. 61a. (1) From the appropriation in section 11, there is
26 allocated an amount not to exceed \$26,611,300.00 for ~~2013-2014~~
27 **2014-2015** to reimburse on an added cost basis districts, except for

1 a district that served as the fiscal agent for a vocational
2 education consortium in the 1993-94 school year, and secondary area
3 vocational-technical education centers for secondary-level career
4 and technical education programs according to rules approved by the
5 superintendent. Applications for participation in the programs
6 shall be submitted in the form prescribed by the department. The
7 department shall determine the added cost for each career and
8 technical education program area. The allocation of added cost
9 funds shall be based on the type of career and technical education
10 programs provided, the number of pupils enrolled, and the length of
11 the training period provided, and shall not exceed 75% of the added
12 cost of any program. With the approval of the department, the board
13 of a district maintaining a secondary career and technical
14 education program may offer the program for the period from the
15 close of the school year until September 1. The program shall use
16 existing facilities and shall be operated as prescribed by rules
17 promulgated by the superintendent.

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

1 (3) In addition to the funds allocated in subsection (1), from
2 the appropriation in section 11, there is allocated an amount not
3 to exceed \$1,000,000.00 for ~~2013-2014~~ **2014-2015** to districts or
4 intermediate districts for area career and technical education
5 centers for the purpose of integrating the Michigan merit
6 curriculum content standards under sections 1278a and 1278b of the
7 revised school code, MCL 380.1278a and 380.1278b, into state-
8 approved career and technical education instructional programs for
9 the purpose of awarding academic credit. The department shall
10 determine the allocation to each career and technical education
11 center in a manner that provides for maximum integration of
12 Michigan merit curriculum content standards statewide.

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

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

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

25 (c) "Taxable value" means the total taxable value of the
26 districts constituent to an intermediate district or area
27 vocational-technical education program, except that if a district

1 has elected not to come under sections 681 to 690 of the revised
2 school code, MCL 380.681 to 380.690, the membership and taxable
3 value of that district shall not be included in the membership and
4 taxable value of the intermediate district. However, the membership
5 and taxable value of a district that has elected not to come under
6 sections 681 to 690 of the revised school code, MCL 380.681 to
7 380.690, shall be included in the membership and taxable value of
8 the intermediate district if the district meets both of the
9 following:

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

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

18 (2) From the appropriation in section 11, there is allocated
19 an amount not to exceed \$9,190,000.00 for ~~2013-2014-2014-2015~~ to
20 reimburse intermediate districts and area vocational-technical
21 education programs established under section 690(3) of the revised
22 school code, MCL 380.690, levying millages for area vocational-
23 technical education pursuant to sections 681 to 690 of the revised
24 school code, MCL 380.681 to 380.690. The purpose, use, and
25 expenditure of the reimbursement shall be limited as if the funds
26 were generated by those millages.

27 (3) Reimbursement for the millages levied in ~~2012-2013-2013-~~

1 2014 shall be made in ~~2013-2014~~ 2014-2015 at an amount per ~~2012-~~
2 ~~2013-2013-2014~~ membership pupil computed by subtracting from
3 ~~\$186,500.00~~ \$188,100.00 the ~~2012-2013~~ 2013-2014 taxable value
4 behind each membership pupil and multiplying the resulting
5 difference by the ~~2012-2013~~ 2013-2014 millage levied.

6 (4) The amount paid to a single intermediate district under
7 this section shall not exceed 38.4% of the total amount allocated
8 under subsection (2).

9 (5) The amount paid to a single intermediate district under
10 this section shall not be less than 75% of the amount allocated to
11 the intermediate district under this section for the immediately
12 preceding fiscal year.

13 SEC. 64B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
14 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,750,000.00 FOR 2014-2015 FOR
15 SUPPLEMENTAL PAYMENTS TO DISTRICTS THAT SUPPORT THE ATTENDANCE OF
16 DISTRICT PUPILS IN GRADES 9 TO 12 UNDER THE POSTSECONDARY
17 ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR
18 UNDER THE CAREER AND TECHNICAL PREPARATION ACT, 2000 PA 258, MCL
19 388.1901 TO 388.1913, CONSISTENT WITH SECTION 21B, OR THAT SUPPORT
20 THE ATTENDANCE OF DISTRICT PUPILS IN A CONCURRENT ENROLLMENT
21 PROGRAM IF THE DISTRICT MEETS THE REQUIREMENTS UNDER SUBSECTION
22 (3).

23 (2) TO BE ELIGIBLE FOR PAYMENTS UNDER THIS SECTION FOR
24 SUPPORTING THE ATTENDANCE OF DISTRICT PUPILS UNDER THE
25 POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO
26 388.524, OR UNDER THE CAREER AND TECHNICAL PREPARATION ACT, 2000 PA
27 258, MCL 388.1901 TO 388.1913, A DISTRICT SHALL DO ALL OF THE

1 FOLLOWING:

2 (A) PROVIDE INFORMATION TO ALL HIGH SCHOOL PUPILS ON
3 POSTSECONDARY ENROLLMENT OPTIONS, INCLUDING ENROLLMENT ELIGIBILITY,
4 THE INSTITUTIONS AND TYPES OF COURSES THAT ARE ELIGIBLE FOR
5 PARTICIPATION, THE DECISION-MAKING PROCESS FOR GRANTING ACADEMIC
6 CREDIT, AND AN EXPLANATION OF ELIGIBLE CHARGES THAT WILL BE PAID BY
7 THE DISTRICT.

8 (B) ENTER INTO A WRITTEN AGREEMENT WITH A POSTSECONDARY
9 INSTITUTION BEFORE THE ENROLLMENT OF DISTRICT PUPILS.

10 (C) AGREE TO PAY ALL ELIGIBLE CHARGES PURSUANT TO SECTION 21B.

11 (D) AWARD HIGH SCHOOL CREDIT FOR THE POSTSECONDARY COURSE IF
12 THE PUPIL SUCCESSFULLY COMPLETES THE COURSE.

13 (3) TO BE ELIGIBLE FOR PAYMENTS UNDER THIS SECTION FOR PUPILS
14 ENROLLED IN A CONCURRENT ENROLLMENT PROGRAM, A DISTRICT SHALL DO
15 ALL OF THE FOLLOWING:

16 (A) PROVIDE INFORMATION TO ALL HIGH SCHOOL PUPILS ON
17 POSTSECONDARY ENROLLMENT OPTIONS, INCLUDING ENROLLMENT ELIGIBILITY,
18 THE INSTITUTIONS AND TYPES OF COURSES THAT ARE ELIGIBLE FOR
19 PARTICIPATION, THE DECISION-MAKING PROCESS FOR GRANTING ACADEMIC
20 CREDIT, AND AN EXPLANATION OF ELIGIBLE CHARGES THAT WILL BE PAID BY
21 THE DISTRICT.

22 (B) ENTER INTO A WRITTEN AGREEMENT WITH A POSTSECONDARY
23 INSTITUTION ESTABLISHING THE CONCURRENT ENROLLMENT PROGRAM BEFORE
24 THE ENROLLMENT OF DISTRICT PUPILS IN A POSTSECONDARY COURSE THROUGH
25 THE POSTSECONDARY INSTITUTION.

26 (C) ENSURE THAT THE COURSE IS TAUGHT BY EITHER A HIGH SCHOOL
27 TEACHER OR POSTSECONDARY FACULTY PURSUANT TO STANDARDS ESTABLISHED

1 BY THE POSTSECONDARY INSTITUTION WITH WHICH THE DISTRICT HAS
2 ENTERED INTO A WRITTEN AGREEMENT TO OPERATE THE CONCURRENT
3 ENROLLMENT PROGRAM.

4 (D) ENSURE THAT THE WRITTEN AGREEMENT PROVIDES THAT THE
5 POSTSECONDARY INSTITUTION AGREES NOT TO CHARGE THE PUPIL FOR ANY
6 COST OF THE PROGRAM.

7 (E) ENSURE THAT THE COURSE IS TAUGHT IN THE LOCAL DISTRICT OR
8 INTERMEDIATE DISTRICT.

9 (F) ENSURE THAT THE PUPIL IS AWARDED BOTH HIGH SCHOOL AND
10 COLLEGE CREDIT UPON SUCCESSFUL COMPLETION OF THE COURSE AS OUTLINED
11 IN THE AGREEMENT WITH THE POSTSECONDARY INSTITUTION.

12 (4) FUNDS SHALL BE AWARDED TO ELIGIBLE DISTRICTS UNDER THIS
13 SECTION IN THE FOLLOWING MANNER:

14 (A) A PAYMENT OF \$10.00 PER CREDIT, FOR UP TO 3 CREDITS, FOR A
15 CREDIT-BEARING COURSE IN WHICH A PUPIL ENROLLS DURING THE 2014-2015
16 SCHOOL YEAR AS DESCRIBED UNDER EITHER SUBSECTION (2) OR (3).

17 (B) AN ADDITIONAL PAYMENT OF \$30.00 PER PUPIL PER COURSE
18 IDENTIFIED IN SUBDIVISION (A), IF THE PUPIL SUCCESSFULLY COMPLETES,
19 AND IS AWARDED BOTH HIGH SCHOOL AND POSTSECONDARY CREDIT FOR, THE
20 COURSE DURING THE 2014-2015 SCHOOL YEAR.

21 (5) A DISTRICT REQUESTING PAYMENT UNDER THIS SECTION SHALL
22 SUBMIT AN APPLICATION TO THE DEPARTMENT IN THE FORM AND MANNER
23 PRESCRIBED BY THE DEPARTMENT. NOTWITHSTANDING SECTION 17B, PAYMENTS
24 UNDER THIS SECTION SHALL BE MADE ON A SCHEDULE DETERMINED BY THE
25 DEPARTMENT.

26 SEC. 64C. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
27 SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 AN

1 AMOUNT NOT TO EXCEED \$250,000.00 FOR A STUDY UNDER THIS SECTION.
2 THE DEPARTMENT SHALL COMMISSION AN INDEPENDENT THIRD PARTY TO
3 CONDUCT A STUDY AND PREPARE A REPORT ANALYZING THE STATE'S CURRENT
4 CAREER READINESS EDUCATION SYSTEM.

5 (2) THE PURPOSE OF THE STUDY UNDER THIS SECTION SHALL BE TO
6 RESEARCH CURRENT HIGH SCHOOL AND POSTSECONDARY CURRICULA AND
7 FACILITIES AND DEVELOP RECOMMENDATIONS FOR THE IMPLEMENTATION OF A
8 STATEWIDE SYSTEM TO SUPPORT CAREER PATHWAYS THAT LEAD TO EDUCATION
9 AND TRAINING OPPORTUNITIES TO LESSEN THE EXISTING TALENT GAP IN THE
10 STATE.

11 (3) THE STUDY UNDER THIS SECTION SHALL, AT A MINIMUM, INCLUDE
12 RECOMMENDATIONS THAT ADDRESS AT LEAST ALL OF THE FOLLOWING:

13 (A) IDENTIFICATION OF REDUNDANCY OF ROLES, PROGRAMS, AND
14 CAPITAL INFRASTRUCTURE AMONG PUBLIC SCHOOLS, INTERMEDIATE
15 DISTRICTS, COMMUNITY COLLEGES, AND UNIVERSITIES IN PROVIDING HIGH-
16 SKILLED DEGREES AND CREDENTIALS AND MAKE RECOMMENDATIONS TO BETTER
17 COORDINATE THOSE ROLES, PROGRAMS, AND FACILITIES.

18 (B) DEVELOPMENT OF A STATEWIDE STRATEGY AND RELATED POLICIES
19 THAT WILL RESULT IN MORE COORDINATED AND EXPEDITED PATHWAYS FOR
20 STUDENTS TO OBTAIN HIGH-SKILLED COLLEGE DEGREES AND CREDENTIALS,
21 REGARDLESS OF POINT OF ENTRY.

22 (C) PROPOSED METRICS THAT CAN BE USED TO MEASURE THIS STATE'S
23 SUCCESS TOWARDS ACHIEVING THE DESIRED OUTCOMES.

24 (D) IDENTIFICATION OF SPECIFIC BARRIERS FOR STUDENTS AND
25 POTENTIAL WAYS TO ADDRESS THOSE BARRIERS.

26 (4) THE DEPARTMENT SHALL ENSURE THAT EDUCATORS AND THE
27 BUSINESS COMMUNITY ARE SOLICITED FOR THEIR INPUT AS PART OF THE

1 STUDY.

2 (5) THE REPORT SUMMARIZING THE RESULTS OF THE STUDY UNDER THIS
3 SECTION SHALL BE PRESENTED TO THE DEPARTMENT NO LATER THAN
4 SEPTEMBER 30, 2015.

5 Sec. 74. (1) From the amount appropriated in section 11, there
6 is allocated an amount not to exceed ~~\$3,299,000.00 for 2013-2014~~
7 **\$3,316,500.00 FOR 2014-2015** for the purposes of this section.

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

22 (3) From the allocation in subsection (1), there is allocated
23 ~~each fiscal year~~ **FOR 2014-2015** the amount necessary to pay the
24 reasonable costs of nonspecial education auxiliary services
25 transportation provided pursuant to section 1323 of the revised
26 school code, MCL 380.1323. Districts funded under this subsection
27 shall not receive funding under any other section of this article

1 for nonspecial education auxiliary services transportation.

2 (4) From the funds allocated in subsection (1), there is
3 allocated an amount not to exceed ~~\$1,674,000.00 for 2013-2014~~
4 **\$1,691,500.00 FOR 2014-2015** for reimbursement to districts and
5 intermediate districts for costs associated with the inspection of
6 school buses and pupil transportation vehicles by the department of
7 state police as required under section 715a of the Michigan vehicle
8 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
9 transportation act, 1990 PA 187, MCL 257.1839. The department of
10 state police shall prepare a statement of costs attributable to
11 each district for which bus inspections are provided and submit it
12 to the department and to an intermediate district serving as
13 fiduciary in a time and manner determined jointly by the department
14 and the department of state police. Upon review and approval of the
15 statement of cost, the department shall forward to the designated
16 intermediate district serving as fiduciary the amount of the
17 reimbursement on behalf of each district and intermediate district
18 for costs detailed on the statement within 45 days after receipt of
19 the statement. The designated intermediate district shall make
20 payment in the amount specified on the statement to the department
21 of state police within 45 days after receipt of the statement. The
22 total reimbursement of costs under this subsection shall not exceed
23 the amount allocated under this subsection. Notwithstanding section
24 17b, payments to eligible entities under this subsection shall be
25 paid on a schedule prescribed by the department.

26 **SEC. 74A. FROM THE SCHOOL AID FUND MONEY APPROPRIATED IN**
27 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**

1 \$3,000,000.00 FOR 2014-2015 FOR A PILOT PROJECT PROVIDING GRANTS TO
 2 DISTRICTS TO CONVERT BUSES FROM DIESEL FUEL TO NATURAL GAS. IN
 3 ORDER TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL PROVIDE THE
 4 DEPARTMENT WITH INFORMATION ON THE COST OF FUEL FOR THE CONVERTED
 5 BUSES, EXPRESSED IN DOLLARS PER MILE DRIVEN. GRANTS TO ELIGIBLE
 6 DISTRICTS SHALL NOT EXCEED \$8,000.00 PER BUS CONVERTED, WITH A
 7 MAXIMUM GRANT PER DISTRICT NOT TO EXCEED \$30,000.00. DISTRICTS
 8 SEEKING GRANTS UNDER THIS SECTION SHALL APPLY TO THE DEPARTMENT NOT
 9 LATER THAN NOVEMBER 1, 2014. THE DEPARTMENT SHALL RANK ORDER ALL
 10 DISTRICTS THAT APPLY FOR GRANTS BASED ON MILES DRIVEN IN THE
 11 PREVIOUS SCHOOL YEAR, AND SHALL AWARD GRANTS TO DISTRICTS WITH THE
 12 HIGHEST NUMBER OF MILES DRIVEN, UNTIL ALL FUNDING IS AWARDED.

13 Sec. 81. (1) Except as otherwise provided in this section,
 14 from the appropriation in section 11, there is allocated each
 15 ~~fiscal year for 2012-2013 and for 2013-2014~~ **FOR 2014-2015** to the
 16 intermediate districts the sum necessary, but not to exceed
 17 ~~\$64,115,100.00 each fiscal year,~~ **\$67,115,000.00** to provide state
 18 aid to intermediate districts under this section.

19 (2) From the allocation in subsection (1), there is allocated
 20 **FOR 2014-2015** an amount not to exceed ~~\$62,108,000.00~~ **\$65,108,000.00**
 21 for allocations to each intermediate district ~~for 2012-2013 in an~~
 22 ~~amount equal to 100% of the amount allocated to the intermediate~~
 23 ~~district under this subsection for 2011-2012. From the allocation~~
 24 ~~in subsection (1), there is allocated an amount not to exceed~~
 25 ~~\$62,108,000.00 for allocations to each intermediate district for~~
 26 ~~2013-2014 in an amount equal to 100.0%~~ **104.8%** of the amount
 27 allocated to the intermediate district under this subsection for

1 ~~2012-2013.~~**2013-2014.** Funding provided under this section shall be
2 used to comply with requirements of this article and the revised
3 school code that are applicable to intermediate districts, and for
4 which funding is not provided elsewhere in this article, and to
5 provide technical assistance to districts as authorized by the
6 intermediate school board.

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

12 (4) From the allocation in subsection (1), there is allocated
13 to an intermediate district, formed by the consolidation or
14 annexation of 2 or more intermediate districts or the attachment of
15 a total intermediate district to another intermediate school
16 district or the annexation of all of the constituent K-12 districts
17 of a previously existing intermediate school district which has
18 disorganized, an additional allotment of \$3,500.00 each fiscal year
19 for each intermediate district included in the new intermediate
20 district for 3 years following consolidation, annexation, or
21 attachment. From the allocation in subsection (1), there is
22 allocated \$7,000.00 for purposes of this subsection for 2012-2013,
23 for 2013-2014, and for 2014-2015, after which the payment under
24 this subsection will cease.

25 (5) In order to receive funding under subsection (2), an
26 intermediate district shall do all of the following:

27 (a) Demonstrate to the satisfaction of the department that the

1 intermediate district employs at least 1 person who is trained in
2 pupil accounting and auditing procedures, rules, and regulations.

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

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

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

14 (e) Comply with section 1230g of the revised school code, MCL
15 380.1230g.

16 (f) Comply with section 761 of the revised school code, MCL
17 380.761.

18 ~~—— (6) From the allocation in subsection (1), there is allocated~~
19 ~~an amount not to exceed \$2,000,000.00 for 2012-2013 for an~~
20 ~~incentive payment to each intermediate district that meets best~~
21 ~~practices as determined by the department under this subsection.~~
22 ~~The amount of the incentive payment is an amount equal to 3.2% of~~
23 ~~the amount allocated to the intermediate district under subsection~~
24 ~~(2). An intermediate district is eligible for an incentive payment~~
25 ~~under this subsection if the intermediate district satisfies at~~
26 ~~least 4 of the following requirements not later than June 1, 2013:~~

27 ~~—— (a) The intermediate district enters into an agreement with~~

1 ~~the department to do all of the following:~~

2 ~~—— (i) Develop a service consolidation plan in 2012-2013 to~~
3 ~~reduce operating costs that is in compliance with guidelines that~~
4 ~~were developed by the department for former section 11d as that~~
5 ~~section was in effect for 2010-2011.~~

6 ~~—— (ii) Implement the service consolidation plan in 2013-2014 and~~
7 ~~report to the department not later than February 1, 2014 on the~~
8 ~~intermediate district's progress in implementing the service~~
9 ~~consolidation plan.~~

10 ~~—— (b) The intermediate district has obtained competitive bids on~~
11 ~~the provision of 1 or more noninstructional services for the~~
12 ~~intermediate district or its constituent districts with a value of~~
13 ~~at least \$50,000.00.~~

14 ~~—— (c) The intermediate district develops a technology plan in~~
15 ~~accordance with department policy on behalf of all constituent~~
16 ~~districts within the intermediate district that integrates~~
17 ~~technology into the classroom and prepares teachers to use digital~~
18 ~~technologies as part of the instructional program of each of its~~
19 ~~constituent districts.~~

20 ~~—— (d) The intermediate district provides to parents and~~
21 ~~community members a dashboard or report card demonstrating the~~
22 ~~intermediate district's efforts to manage its finances responsibly.~~
23 ~~The dashboard or report card shall include at least all of the~~
24 ~~following for the 3 most recent school years for which the data are~~
25 ~~available:~~

26 ~~—— (i) A list of services offered by the intermediate district~~
27 ~~that are shared by other local or intermediate districts and a list~~

~~of the districts or intermediate districts that participate.~~

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

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

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

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

~~—— (e) The intermediate district works in a consortium with 1 or more other intermediate districts to develop information management system requirements and bid specifications that can be used as statewide models. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.~~

(6) ~~(7)~~ From the allocation in subsection (1), there is allocated an amount not to exceed \$2,000,000.00 for ~~2013-2014-2014-~~ **2015** for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to ~~3.2%~~ **3.1%** of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate

1 district satisfies at least 5 of the following requirements not
2 later than June 1, ~~2014~~**2015**:

3 (a) The intermediate district enters into an agreement with
4 the department to comply with all of the following:

5 (i) If the intermediate district developed a service
6 consolidation plan in ~~2012-2013~~**, 2013-2014**, implement the service
7 consolidation plan in ~~2013-2014~~**2014-2015** and report to the
8 department not later than February 1, ~~2014~~**2015** on the intermediate
9 district's progress in implementing the service consolidation plan.

10 (ii) If the intermediate district did not develop a service
11 consolidation plan in 2012-2013 **OR 2013-2014**, develop a service
12 consolidation plan in ~~2013-2014~~**2014-2015** to reduce operating costs
13 that is in compliance with guidelines that were developed by the
14 department for former section 11d as that section was in effect for
15 2010-2011.

16 ~~—— (iii) If the intermediate district developed a service~~
17 ~~consolidation plan in 2013-2014, implement the service~~
18 ~~consolidation plan in 2014-2015 and report to the department not~~
19 ~~later than February 1, 2015 on the intermediate district's progress~~
20 ~~in implementing the service consolidation plan.~~

21 **(iii)** ~~(iv)~~ Make the intermediate district's service
22 consolidation plan publicly available on the intermediate
23 district's website.

24 (b) The intermediate district has obtained competitive bids on
25 the provision of 1 or more noninstructional services for the
26 intermediate district or its constituent districts with a value of
27 at least \$50,000.00. The unfunded accrued liability costs for

1 retirement and other benefits shall be excluded from the
2 intermediate district's current costs for the purpose of comparing
3 competitive bids to the current costs of providing services.

4 (c) The intermediate district develops a technology plan in
5 accordance with department policy on behalf of all constituent
6 districts within the intermediate district that integrates
7 technology into the classroom and prepares teachers to use digital
8 technologies as part of the instructional program of each of its
9 constituent districts. An intermediate district that developed a
10 technology plan in 2012-2013 **OR 2013-2014** shall ~~begin implementing~~
11 **CONTINUE TO IMPLEMENT** that technology plan in ~~2013-2014, 2014-2015.~~

12 (d) The intermediate district provides to parents and
13 community members a dashboard or report card demonstrating the
14 intermediate district's efforts to manage its finances responsibly.
15 The dashboard or report card shall include revenue and expenditure
16 projections for the intermediate district for ~~2013-2014 and 2014-~~
17 **2015 AND 2015-2016**, a listing of all debt service obligations,
18 detailed by project, including anticipated ~~2013-2014-2014-2015~~
19 payment for each project, a listing of total outstanding debt, and
20 at least all of the following for the 3 most recent school years
21 for which the data are available:

22 (i) A list of services offered by the intermediate district
23 that are shared by other local or intermediate districts and a list
24 of the districts or intermediate districts that participate.

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

27 (iii) The number and percentage of teachers in the

1 intermediate district service area that are trained to integrate
2 technology into the classroom.

3 (iv) The total funds received from levying special education
4 and vocational education millages, and the number of special
5 education and vocational education pupils served with those
6 dollars.

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

10 (e) The intermediate district works in a consortium with 1 or
11 more other intermediate districts and the center to develop local
12 information management system requirements and bid specifications
13 that result in a recommended model information system that supports
14 interoperability to ensure linkage and connectivity in a manner
15 that facilitates the efficient exchange of data among districts,
16 intermediate districts, and the center. At a minimum, these
17 specifications shall include pupil management systems for both
18 general and special education, learning management tools, and
19 business services.

20 (f) If an intermediate district provides medical, pharmacy,
21 dental, vision, disability, long-term care, or any other type of
22 benefit that would constitute a health care services benefit, to
23 employees and their dependents, the intermediate district is the
24 policyholder for each of its insurance policies that covers 1 or
25 more of these benefits. An intermediate district that does not
26 directly employ its staff or an intermediate district with a
27 voluntary employee beneficiary association that pays no more than

1 the maximum per employee contribution amount and that contributes
2 no more than the maximum employer contribution percentage of total
3 annual costs for the medical benefit plans as described in sections
4 3 and 4 of the publicly funded health insurance contribution act,
5 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied
6 this requirement.

7 Sec. 94. (1) From the general fund appropriation in section
8 11, there is allocated to the department for ~~2013-2014~~**2014-2015** an
9 amount not to exceed \$250,000.00 for efforts to increase the number
10 of pupils who participate and succeed in advanced placement and
11 international baccalaureate programs.

12 (2) From the funds allocated under this section, the
13 department shall award funds to cover all or part of the costs of
14 advanced placement test fees or international baccalaureate test
15 fees for low-income pupils who take an advanced placement or an
16 international baccalaureate test. Payments shall not exceed \$20.00
17 per test completed.

18 (3) The department shall only award funds under this section
19 if the department determines that all of the following criteria are
20 met:

21 (a) Each pupil for whom payment is made meets eligibility
22 requirements of the federal advanced placement test fee program
23 under section 1701 of the no child left behind act of 2001, Public
24 Law 107-110.

25 (b) The tests are administered by the college board, the
26 international baccalaureate organization, or another test provider
27 approved by the department.

1 (c) The pupil for whom payment is made pays at least \$5.00
2 toward the cost of each test for which payment is made.

3 (4) The department shall establish procedures for awarding
4 funds under this section.

5 (5) Notwithstanding section 17b, payments under this section
6 shall be made on a schedule determined by the department.

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

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

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

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

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

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

1 principal evaluation systems.

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

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

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

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

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

13 (2) Each state department, officer, or agency that collects
14 information from districts, intermediate districts, or
15 postsecondary institutions as required under state or federal law
16 shall make arrangements with the center to ensure that the state
17 department, officer, or agency is in compliance with subsection
18 (1). This subsection does not apply to information collected by the
19 department of treasury under the uniform budgeting and accounting
20 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
21 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
22 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
23 388.1939; or section 1351a of the revised school code, MCL
24 380.1351a.

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

27 (4) The center shall ensure that the P-20 longitudinal data

1 system required under subsection (1)(b) meets all of the following:

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

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

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

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

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

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

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

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

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

27 (ii) Contains student-level enrollment, demographic, and

1 program participation information.

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

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

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

9 (i) Contains yearly test records of individual students for
10 assessments approved by DED-OESE for accountability purposes under
11 section 1111(b) of the elementary and secondary education act of
12 1965, 20 USC 6311, including information on individual students not
13 tested, by grade and subject.

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

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

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

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

22 (A) Enrollment in remedial coursework.

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

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

1 (5) From the general fund appropriation in section 11, there
2 is allocated an amount not to exceed ~~\$9,535,100.00 for 2013-2014~~
3 **\$12,022,800.00 FOR 2014-2015** to the department of technology,
4 management, and budget to support the operations of the center. In
5 addition, from the federal funds appropriated in section 11 there
6 is allocated for ~~2013-2014-2014-2015~~ the amount necessary,
7 estimated at \$193,500.00, to support the operations of the center
8 and to establish a P-20 longitudinal data system as provided under
9 this section in compliance with the assurance provided to the
10 United States department of education in order to receive state
11 fiscal stabilization funds. The center shall cooperate with the
12 department to ensure that this state is in compliance with federal
13 law and is maximizing opportunities for increased federal funding
14 to improve education in this state.

15 (6) From the funds allocated in subsection (5), there is
16 allocated for ~~2013-2014-2014-2015~~ an amount not to exceed
17 \$850,000.00 for competitive grants to support collaborative efforts
18 on the P-20 longitudinal data system. All of the following apply to
19 grants awarded under this subsection:

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

23 (b) Activities funded under the grant shall support the P-20
24 longitudinal data system portal and may include portal hosting,
25 hardware and software acquisition, maintenance, enhancements, user
26 support and related materials, and professional learning tools and
27 activities aimed at improving the utility of the P-20 longitudinal

1 data system.

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

7 ~~—— (7) From the funds allocated in subsection (5), there is~~
8 ~~allocated for 2013-2014 an amount not to exceed \$100,000.00 for the~~
9 ~~center to develop the pupil transfer application as required under~~
10 ~~section 25e.~~

11 (7) ~~(8)~~ Funds allocated under this section that are not
12 expended in the fiscal year in which they were allocated may be
13 carried forward to a subsequent fiscal year and are appropriated
14 for the purposes for which the funds were originally allocated.

15 ~~—— (9) It is the intent of the legislature that, beginning in~~
16 ~~2014-2015, a district shall report to the center by June 30, in a~~
17 ~~manner prescribed by the center, the number of pupils in the~~
18 ~~district who have had 10 or more unexcused absences each school~~
19 ~~year. For pupils in grades 9 to 12, the report shall include both~~
20 ~~the total number of unexcused absences in any single course and the~~
21 ~~total number of unexcused absences in all courses. Each district~~
22 ~~shall define unexcused absence. It is the intent of the legislature~~
23 ~~that a district that reports false information under this~~
24 ~~subsection shall forfeit an amount equal to 5% of its total state~~
25 ~~aid allocation under this act.~~

26 (8) ~~(10)~~ The center may bill departments as necessary in order
27 to fulfill reporting requirements of state and federal law. The

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

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

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

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

SEC. 95A. (1) THE EDUCATOR EVALUATION RESERVE FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND.

(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE EDUCATOR EVALUATION RESERVE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE EDUCATOR EVALUATION RESERVE FUND. THE STATE TREASURER SHALL CREDIT TO THE EDUCATOR EVALUATION RESERVE FUND INTEREST AND EARNINGS FROM THE EDUCATOR EVALUATION RESERVE FUND.

(3) MONEY IN THE EDUCATOR EVALUATION RESERVE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE EDUCATOR EVALUATION RESERVE FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF THE EDUCATOR EVALUATION RESERVE FUND FOR AUDITING PURPOSES.

(4) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED TO THE EDUCATOR EVALUATION RESERVE FUND FOR 2014-2015 AN AMOUNT NOT

1 TO EXCEED \$12,100,000.00 FROM THE STATE SCHOOL AID FUND AND AN
2 AMOUNT NOT TO EXCEED \$2,700,000.00 FROM THE GENERAL FUND. SUBJECT
3 TO SUBSECTIONS (5) AND (6), THE DEPARTMENT SHALL EXPEND THE MONEY
4 IN THE EDUCATOR EVALUATION RESERVE FUND FOR IMPLEMENTING EVALUATION
5 SYSTEMS FOR PUBLIC SCHOOL TEACHERS AND SCHOOL ADMINISTRATORS.

6 (5) FUNDS IN THE EDUCATOR EVALUATION RESERVE FUND SHALL NOT BE
7 EXPENDED UNLESS HOUSE BILL NOS. 5223 AND 5224 OF THE 97TH
8 LEGISLATURE ARE ENACTED INTO LAW.

9 (6) FUNDS IN THE EDUCATOR EVALUATION RESERVE FUND SHALL NOT BE
10 EXPENDED UNLESS THE STATE BUDGET OFFICE HAS APPROVED THE
11 DEPARTMENT'S SPENDING PLAN.

12 Sec. 98. (1) From the general fund money appropriated in
13 section 11, there is allocated an amount not to exceed
14 ~~\$9,387,500.00 for 2013-2014~~ **\$7,387,500.00 FOR 2014-2015** for the
15 purposes described in this section.

16 (2) The Michigan virtual university shall operate the Michigan
17 virtual learning research institute. The Michigan virtual learning
18 research institute shall do all of the following:

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

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

23 (ii) Research, design, and recommend digital education
24 delivery models for use by pupils and teachers that include age-
25 appropriate multimedia instructional content.

26 ~~—— (iii) Research, design, and recommend competency based online~~
27 ~~assessments.~~

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

5 (iv) ~~(v)~~—Based on pupil completion and performance data
6 reported to the department or the center for educational
7 performance and information from cyber schools and other online
8 course providers operating in this state, analyze the effectiveness
9 of online learning delivery models in preparing pupils to be
10 college- and career-ready and publish a report that highlights
11 enrollment totals, completion rates, and the overall impact on
12 pupils. The report shall be submitted to the house and senate
13 appropriations subcommittees on state school aid, the state budget
14 director, the house and senate fiscal agencies, and the department
15 not later than December 1, ~~2014~~-2015.

16 (v) ~~(vi)~~—Before August 31, ~~2014~~,~~2015~~, provide an extensive
17 professional development program to at least 500 educational
18 personnel, including teachers, school administrators, and school
19 board members, that focuses on the effective integration of digital
20 learning into curricula and instruction. Not later than December 1,
21 ~~2014~~,~~2015~~, the Michigan virtual learning research institute shall
22 submit a report to the house and senate appropriations
23 subcommittees on state school aid, the state budget director, the
24 house and senate fiscal agencies, and the department on the number
25 and percentage of teachers, school administrators, and school board
26 members who have received professional development services from
27 the Michigan virtual university. The report shall also identify

1 barriers and other opportunities to encourage the adoption of
2 digital learning in the public education system.

3 (vi) ~~(vii)~~—Identify and share best practices for planning,
4 implementing, and evaluating online and blended education delivery
5 models with intermediate districts, districts, and public school
6 academies to accelerate the adoption of innovative education
7 delivery models statewide.

8 (b) Provide leadership for this state's system of digital
9 learning education by doing the following activities:

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

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

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

18 (iv) In collaboration with the department and interested
19 colleges and universities in this state, ~~recommend to the~~
20 ~~superintendent guidelines and standards for a new teacher~~

21 ~~endorsement credential~~ **SUPPORT IMPLEMENTATION AND IMPROVEMENTS**
22 related to effective digital learning instruction.

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

26 (vi) Convene focus groups and conduct annual surveys of
27 teachers, administrators, pupils, parents, and others to identify

1 barriers and opportunities related to online learning.

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

6 (viii) Research and establish an internet-based platform that
7 educators can use to create student-centric learning tools and
8 resources and facilitate a user network that assists educators in
9 using the platform. As part of this initiative, the Michigan
10 virtual university shall work collaboratively with districts and
11 intermediate districts to establish a plan to make available online
12 resources that align to Michigan's K-12 curriculum standards for
13 use by students, educators, and parents.

14 (ix) Create and maintain a public statewide catalog of online
15 learning courses being offered by all public schools in this state.
16 The Michigan virtual learning research institute shall identify and
17 develop a list of nationally recognized best practices for online
18 learning and use this list to ~~provide~~**SUPPORT** reviews of online
19 course vendors, courses, and instructional practices. The Michigan
20 virtual learning research institute shall also provide a mechanism
21 for intermediate districts to use the identified best practices to
22 review content offered by constituent districts. The Michigan
23 virtual learning research institute shall review the online course
24 offerings of the Michigan virtual university, and make the results
25 from these reviews available to the public as part of the statewide
26 catalog. The Michigan virtual learning research institute shall
27 ensure that the statewide catalog is made available to the public

1 on the Michigan virtual university website and ~~linked~~ **SHALL ALLOW**
2 **THE ABILITY TO LINK IT** to each district's website as provided for
3 in section 21f. Beginning in 2014-2015, the statewide catalog shall
4 also contain all of the following:

5 (A) The number of ~~pupils enrolled~~ **ENROLLMENTS** in each online
6 course in the ~~2012-2013~~ **IMMEDIATELY PRECEDING** school year.

7 (B) The number of ~~pupils who successfully completed~~
8 **ENROLLMENTS THAT EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR**
9 each online course in the ~~2012-2013~~ **IMMEDIATELY PRECEDING** school
10 year.

11 (C) The completion rate for each online course.

12 (x) **COLLABORATE WITH KEY STAKEHOLDERS TO EXAMINE THE NEED AND**
13 **PROCESS FOR INCORPORATING REGISTRATION, PAYMENT SERVICES, AND**
14 **TRANSCRIPT FUNCTIONALITY TO THE STATEWIDE CATALOG.**

15 (xi) **COLLABORATE WITH KEY STAKEHOLDERS TO EXAMINE DISTRICT**
16 **LEVEL ACCOUNTABILITY AND TEACHER EFFECTIVENESS ISSUES RELATED TO**
17 **ONLINE LEARNING UNDER SECTION 21F AND MAKE FINDINGS AND**
18 **RECOMMENDATIONS PUBLICLY AVAILABLE.**

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

23 (4) If the course offerings are included in the statewide
24 catalog of online courses under subsection (2) (b) (ix), the Michigan
25 virtual school operated by the Michigan virtual university may
26 offer online course offerings, including, but not limited to, all
27 of the following:

1 (a) Information technology courses.

2 (b) College level equivalent courses, as defined in section
3 1471 of the revised school code, MCL 380.1471.

4 (c) Courses and dual enrollment opportunities.

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

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

8 (f) Special interest courses.

9 (g) Professional development programs for teachers, school
10 administrators, other school employees, and school board members.

11 (5) If a home-schooled or nonpublic school student is a
12 resident of a district that subscribes to services provided by the
13 Michigan virtual school, the student may use the services provided
14 by the Michigan virtual school to the district without charge to
15 the student beyond what is charged to a district pupil using the
16 same services.

17 (6) Not later than December 1 of each fiscal year, the
18 Michigan virtual university shall provide a report to the house and
19 senate appropriations subcommittees on state school aid, the state
20 budget director, the house and senate fiscal agencies, and the
21 department that includes at least all of the following information
22 related to the Michigan virtual school for the preceding state
23 fiscal year:

24 (a) A list of the districts served by the Michigan virtual
25 school.

26 (b) A list of online course titles available to districts.

27 (c) The total number of online course enrollments and

1 information on registrations and completions by course.

2 (d) The overall course completion rate percentage.

3 (7) The governor may appoint an advisory group for the
4 Michigan virtual learning research institute established under
5 subsection (2). The members of the advisory group shall serve at
6 the pleasure of the governor and shall serve without compensation.
7 The purpose of the advisory group is to make recommendations to the
8 governor, the legislature, and the president and board of the
9 Michigan virtual university that will accelerate innovation in this
10 state's education system in a manner that will prepare elementary
11 and secondary students to be career and college ready and that will
12 promote the goal of increasing the percentage of citizens of this
13 state with high-quality degrees and credentials to at least 60% by
14 2025.

15 (8) Not later than November 1, ~~2013,~~**2014**, the Michigan
16 virtual university shall submit to the house and senate
17 appropriations subcommittees on state school aid, the state budget
18 director, and the house and senate fiscal agencies a detailed
19 budget for the ~~2013-2014~~**2014-2015** fiscal year that includes a
20 breakdown on its projected costs to deliver online educational
21 services to districts and a summary of the anticipated fees to be
22 paid by districts for those services. Beginning in 2013-2014, not
23 later than February 1, the Michigan virtual university shall submit
24 to the house and senate appropriations subcommittees on state
25 school aid, the state budget director, and the house and senate
26 fiscal agencies a breakdown on its actual costs to deliver online
27 educational services to districts and a summary of the actual fees

1 paid by districts for those services based on audited financial
2 statements for the immediately preceding fiscal year.

3 (9) As used in this section:

4 (a) "Blended learning" means a hybrid instructional delivery
5 model where pupils are provided content, instruction, and
6 assessment, in part at a supervised educational facility away from
7 home where the pupil and a teacher with a valid Michigan teaching
8 certificate are in the same physical location and in part through
9 internet-connected learning environments with some degree of pupil
10 control over time, location, and pace of instruction.

11 (b) "Cyber school" means a full-time instructional program of
12 online courses for pupils that may or may not require attendance at
13 a physical school location.

14 (c) "Digital learning" means instruction delivered via a web-
15 based educational delivery system that uses various information
16 technologies to provide a structured learning environment,
17 including online and blended learning instructional methods.

18 (d) "Online course" means a course of study that is capable of
19 generating a credit or a grade, that is provided in an interactive
20 internet-connected learning environment, in which pupils are
21 separated from their teachers by time or location, or both, and in
22 which a teacher who holds a valid Michigan teaching certificate is
23 responsible for determining appropriate instructional methods for
24 each pupil, diagnosing learning needs, assessing pupil learning,
25 prescribing intervention strategies, reporting outcomes, and
26 evaluating the effects of instruction and support strategies.

27 Sec. 99. (1) From the funds appropriated in section 11, there

1 is allocated for ~~2013-2014~~**2014-2015** an amount not to exceed
2 ~~\$2,850,000.00~~**\$2,750,000.00** from the state school aid fund and an
3 amount not to exceed ~~\$375,000.00~~**\$475,000.00** from the general fund
4 to support the activities and programs of mathematics and science
5 centers and for other purposes as described in this section. In
6 addition, from the federal funds appropriated in section 11, there
7 is allocated for ~~2013-2014~~**2014-2015** an amount estimated at
8 \$5,249,300.00 from DED-OESE, title II, mathematics and science
9 partnership grants.

10 (2) Within a service area designated locally, approved by the
11 department, and consistent with the comprehensive master plan for
12 mathematics and science centers developed by the department and
13 approved by the state board, an established mathematics and science
14 center shall provide 2 or more of the following 6 basic services,
15 as described in the master plan, to constituent districts and
16 communities: leadership, pupil services, curriculum support,
17 community involvement, professional development, and resource
18 clearinghouse services.

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

25 (4) As part of the technical assistance process, the
26 department shall provide minimum standard guidelines that may be
27 used by the mathematics and science center for providing fair

1 access for qualified pupils and professional staff as prescribed in
2 this section.

3 (5) Allocations under this section to support the activities
4 and programs of mathematics and science centers shall be continuing
5 support grants to all 33 established mathematics and science
6 centers. Each established mathematics and science center that was
7 funded in the immediately preceding fiscal year shall receive state
8 funding in an amount equal to 100% of the amount it was allocated
9 under this subsection for the immediately preceding fiscal year. If
10 a center declines state funding or a center closes, the remaining
11 money available under this section shall be distributed to the
12 remaining centers, as determined by the department.

13 (6) From the funds allocated in subsection (1), there is
14 allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed
15 \$750,000.00 in a form and manner determined by the department to
16 those centers able to provide curriculum and professional
17 development support to assist districts in implementing the
18 Michigan merit curriculum components for mathematics and science.
19 Funding under this subsection is in addition to funding allocated
20 under subsection (5).

21 (7) From the ~~state school aid~~ **GENERAL** fund money allocated in
22 subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an
23 amount not to exceed \$100,000.00 ~~in a form and manner determined by~~
24 ~~the department to a single mathematics and science center that is a~~
25 ~~participant in~~ **TO** the Michigan STEM partnership, to be used to
26 administer the grant process under this subsection. From the
27 general fund money allocated in subsection (1), there is allocated

1 for ~~2013-2014~~**2014-2015** an amount not to exceed \$375,000.00 to the
2 Michigan STEM partnership to be used for a competitive grant
3 process to award competitive grants to organizations conducting
4 student-focused, project-based programs and competitions, either in
5 the classroom or extracurricular, in science, technology,
6 engineering, and mathematics subjects such as, but not limited to,
7 robotics, coding, and design-build-test projects, from pre-
8 kindergarten through college level. Funding under this subsection
9 is in addition to funding allocated under subsection (5) and shall
10 be used for connecting mathematics and science centers for science,
11 technology, engineering, and mathematics purposes **AND TO SUPPORT**
12 **THE GOALS OF THE MICHIGAN STEM PARTNERSHIP**. A program receiving
13 funds under section 99h may not receive funds under this
14 subsection.

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

20 (9) Not later than September 30, ~~2013~~**2018**, the department
21 shall reevaluate and update the comprehensive master plan described
22 in subsection (1).

23 (10) The department shall give preference in awarding the
24 federal grants allocated in subsection (1) to eligible existing
25 mathematics and science centers.

26 (11) In order to receive state funds under this section, a
27 grant recipient shall provide at least a 10% local match from local

1 public or private resources for the funds received under this
2 section.

3 (12) Not later than July 1 of each year, a mathematics and
4 science center that receives funds under this section shall report
5 to the department in a form and manner prescribed by the department
6 on the following performance measures:

7 (a) Statistical change in pre- and post-assessment scores for
8 students who enrolled in mathematics and science activities
9 provided to districts by the mathematics and science center.

10 (b) Statistical change in pre- and post-assessment scores for
11 teachers who enrolled in professional development activities
12 provided by the mathematics and science center.

13 (13) As used in this section:

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

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

17 **SEC. 99B. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
18 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$330,000.00 FOR 2014-2015 FOR**
19 **GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR**
20 **TEACHERS IN A DEPARTMENT-APPROVED TRAINING PROGRAM FOR SCIENCE,**
21 **TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) INSTRUCTION.**

22 **(2) ANY DISTRICT MAY APPLY FOR FUNDING UNDER THIS SECTION FOR**
23 **2014-2015 BY A DATE DETERMINED BY THE DEPARTMENT. BEGINNING IN**
24 **2014-2015, IN AWARDING GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY,**
25 **IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, TO APPLICANT**
26 **DISTRICTS WITH TEACHERS WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING**
27 **IN PROGRAMS FUNDED UNDER THIS SECTION.**

1 (3) FOR A TRAINING PROGRAM TO BE APPROVED BY THE DEPARTMENT
2 FOR THE PURPOSES OF THIS SECTION, THE PROGRAM SHALL MEET ALL OF THE
3 FOLLOWING CRITERIA:

4 (A) UTILIZES AN INTEGRATIVE STEM APPROACH TO CONTENT
5 ORGANIZATION AND DELIVERY. THE INTEGRATIVE STEM APPROACH SHALL
6 INCLUDE CONTENT DERIVED FROM SCIENCE, TECHNOLOGY, ENGINEERING, AND
7 MATHEMATICS.

8 (B) OFFERS EVIDENCE THAT THE PROGRAM OUTCOMES ADDRESS
9 MATHEMATICS, SCIENCE, AND TECHNOLOGICAL LITERACY STANDARDS IN AN
10 EXPLORATORY MIDDLE SCHOOL OR HIGH SCHOOL OFFERING.

11 (C) OFFERS EVIDENCE THAT THE PROGRAM POSITIVELY INFLUENCES
12 STUDENT CAREER CHOICES ALONG STEM CAREER PATHS AND INCREASES
13 STUDENT ENGAGEMENT THROUGH PEER-REVIEWED RESEARCH.

14 (D) PRESENTS EVIDENCE OF THE PERIODIC IMPROVEMENT OF THE
15 CURRICULUM.

16 (E) UTILIZES OUTCOME MEASURES FOR TEACHER PROFESSIONAL
17 DEVELOPMENT.

18 (F) PROVIDES PEER-REVIEWED EVIDENCE THAT THE PROGRAM IS
19 EFFECTIVE WITH DISADVANTAGED STUDENTS AND THOSE WITH LANGUAGE
20 BARRIERS.

21 (4) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS IN AN
22 AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$3,200.00
23 PER PARTICIPANT.

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

27 Sec. 99h. (1) From the appropriation in section 11, there is

1 allocated an amount not to exceed ~~\$3,000,000.00~~ **\$2,000,000.00** for
2 ~~2013-2014-2014-2015~~ for competitive grants to districts that
3 provide pupils in grades 7 to 12 with expanded opportunities to
4 improve mathematics, science, and technology skills by
5 participating in events hosted by a science and technology
6 development program known as FIRST (for inspiration and recognition
7 of science and technology) robotics.

8 (2) A district applying for a FIRST tech challenge or FIRST
9 robotics competition program grant shall submit an application in a
10 form and manner determined by the department. To be eligible for a
11 grant, a district shall demonstrate in its application that the
12 district has established a partnership for the purposes of the
13 FIRST program with at least 1 sponsor, business entity, higher
14 education institution, or technical school, **SHALL SUBMIT A SPENDING**
15 **PLAN, AND SHALL PAY AT LEAST 25% OF THE COST OF THE FIRST ROBOTICS**
16 **PROGRAM.**

17 (3) The department shall distribute the grant funding under
18 this section for the following purposes:

19 (a) ~~Except as otherwise provided in subparagraph (iii), an~~
20 ~~amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to districts to
21 pay for stipends of \$1,500.00 for 1 coach per team, distributed as
22 follows:

23 (i) Not more than 500 stipends for coaches of high school
24 teams, including existing teams.

25 (ii) Not more than 100 stipends for coaches of middle school
26 or junior high teams, including existing teams.

27 (iii) If the requests for stipends exceed the numbers of

1 stipends allowed under subparagraphs (i) and (ii), and if there is
2 funding remaining unspent under subdivisions (b) and (c), the
3 department shall use that remaining unspent funding for grants to
4 districts to pay for additional stipends in a manner that expands
5 the geographical distribution of teams.

6 (b) ~~An amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to
7 districts for event registrations, materials, travel costs, and
8 other expenses associated with the preparation for and attendance
9 at FIRST tech challenge and FIRST robotics competitions. Each grant
10 recipient shall provide a local match from other private or local
11 funds for the funds received under this subdivision equal to at
12 least 50% of the costs of participating in an event. The department
13 shall set maximum grant amounts under this subdivision in a manner
14 that maximizes the number of teams that will be able to receive
15 funding.

16 (c) ~~An amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to
17 districts for awards to teams that advance to the state and world
18 championship competitions. The department shall determine an equal
19 amount per team for those teams that advance to the state
20 championship and a second equal award amount to those teams that
21 advance to the world championship.

22 (4) The funds allocated under this section are a work project
23 appropriation, and any unexpended funds for ~~2013-2014~~ **2014-2015** are
24 carried forward into ~~2014-2015~~ **2015-2016**. The purpose of the work
25 project is to continue to implement the projects described under
26 subsection (1). The estimated completion date of the work project
27 is September 30, ~~2016~~ **2017**.

1 Sec. 101. (1) To be eligible to receive state aid under this
2 article, not later than the fifth Wednesday after the pupil
3 membership count day and not later than the fifth Wednesday after
4 the supplemental count day, each district superintendent shall
5 submit to the center and the intermediate superintendent, in the
6 form and manner prescribed by the center, the number of pupils
7 enrolled and in regular daily attendance in the district as of the
8 pupil membership count day and as of the supplemental count day, as
9 applicable, for the current school year. In addition, a district
10 maintaining school during the entire year, as provided under
11 section 1561 of the revised school code, MCL 380.1561, shall submit
12 to the center and the intermediate superintendent, in the form and
13 manner prescribed by the center, the number of pupils enrolled and
14 in regular daily attendance in the district for the current school
15 year pursuant to rules promulgated by the superintendent. Not later
16 than the sixth Wednesday after the pupil membership count day and
17 not later than the sixth Wednesday after the supplemental count
18 day, the district shall certify the data in a form and manner
19 prescribed by the center and file the certified data with the
20 intermediate superintendent. If a district fails to submit and
21 certify the attendance data, as required under this subsection, the
22 center shall notify the department and state aid due to be
23 distributed under this article shall be withheld from the
24 defaulting district immediately, beginning with the next payment
25 after the failure and continuing with each payment until the
26 district complies with this subsection. If a district does not
27 comply with this subsection by the end of the fiscal year, the

1 district forfeits the amount withheld. A person who willfully
2 falsifies a figure or statement in the certified and sworn copy of
3 enrollment shall be punished in the manner prescribed by section
4 161.

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

21 (3) Except as otherwise provided in subsections (11) and (12),
22 all of the following apply to the provision of pupil instruction:

23 (a) Except as otherwise provided in this section, each
24 district shall provide at least 1,098 hours and, beginning in 2010-
25 2011, the required minimum number of days of pupil instruction.
26 ~~Beginning in 2012-2013, the required minimum number of days of~~
27 ~~pupil instruction is 170. Beginning in 2014-2015, the required~~

1 minimum number of days of pupil instruction is 175. However, all of
2 the following apply to these requirements:

3 ~~—— (i) Except as otherwise provided in subparagraph (ii), a~~
4 ~~district shall not provide fewer days of pupil instruction than the~~
5 ~~district provided for 2009-2010.~~

6 ~~—— (ii) For 2013-2014 only, if a district is scheduled to provide~~
7 ~~more than 174 days of instruction, the district shall provide at~~
8 ~~least 174 days of instruction and 1,098 hours of pupil instruction.~~

9 ~~—— (iii) If a collective bargaining agreement that provides for~~
10 ~~at least 170 days but less than 175 days, and at least 1,098 hours,~~
11 ~~of pupil instruction is in effect for employees of a district as of~~
12 ~~June 13, 2013, then until the school year that begins after the~~
13 ~~expiration of that collective bargaining agreement the district~~
14 ~~shall provide at least the number of days of pupil instruction~~
15 ~~identified in the collective bargaining agreement, and at least~~
16 ~~1,098 hours of pupil instruction.~~

17 (i) IF A COLLECTIVE BARGAINING AGREEMENT THAT PROVIDES A
18 COMPLETE SCHOOL CALENDAR WAS IN EFFECT FOR EMPLOYEES OF A DISTRICT
19 AS OF JULY 1, 2013, AND IF THAT SCHOOL CALENDAR IS NOT IN
20 COMPLIANCE WITH THIS SUBSECTION, THEN THIS SUBSECTION DOES NOT
21 APPLY TO THAT DISTRICT UNTIL AFTER THE EXPIRATION OF THAT
22 COLLECTIVE BARGAINING AGREEMENT. IF A DISTRICT ENTERED INTO A
23 COLLECTIVE BARGAINING AGREEMENT ON OR AFTER JULY 1, 2013 AND IF
24 THAT COLLECTIVE BARGAINING AGREEMENT DID NOT PROVIDE FOR AT LEAST
25 175 DAYS OF PUPIL INSTRUCTION BEGINNING IN 2014-2015, THEN THE
26 DEPARTMENT SHALL WITHHOLD FROM THE DISTRICT'S TOTAL STATE SCHOOL
27 AID AN AMOUNT EQUAL TO 5% OF THE FUNDING THE DISTRICT RECEIVES IN

1 2014-2015 UNDER SECTIONS 22A AND 22B.

2 (ii) ~~(iv)~~—A district may apply for a waiver under subsection
3 (9) from the requirements of this subdivision.

4 (B) BEGINNING IN 2016-2017, THE REQUIRED MINIMUM NUMBER OF
5 DAYS OF PUPIL INSTRUCTION IS 180. IF A COLLECTIVE BARGAINING
6 AGREEMENT THAT PROVIDES A COMPLETE SCHOOL CALENDAR WAS IN EFFECT
7 FOR EMPLOYEES OF A DISTRICT AS OF THE EFFECTIVE DATE OF THE
8 AMENDATORY ACT THAT ADDED THIS SUBDIVISION, AND IF THAT SCHOOL
9 CALENDAR IS NOT IN COMPLIANCE WITH THIS SUBDIVISION, THEN THIS
10 SUBDIVISION DOES NOT APPLY TO THAT DISTRICT UNTIL AFTER THE
11 EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT. A DISTRICT MAY
12 APPLY FOR A WAIVER UNDER SUBSECTION (9) FROM THE REQUIREMENTS OF
13 THIS SUBDIVISION.

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

1 year in which a forfeiture was already imposed under subsection
2 (6).

3 (D) ~~(e)~~—Hours or days lost because of strikes or teachers'
4 conferences shall not be counted as hours or days of pupil
5 instruction.

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

12 (F) ~~(e)~~—Except as otherwise provided in subdivisions ~~(f)~~—(G)
13 and ~~(g)~~,—(H), a district not having at least 75% of the district's
14 membership in attendance on any day of pupil instruction shall
15 receive state aid in that proportion of 1/180 that the actual
16 percent of attendance bears to the specified percentage.

17 (G) ~~(f)~~—If a district adds 1 or more days of pupil instruction
18 to the end of its instructional calendar for a school year to
19 comply with subdivision (a) because the district otherwise would
20 fail to provide the required minimum number of days of pupil
21 instruction even after the operation of subsection (4) due to
22 conditions not within the control of school authorities, then
23 subdivision ~~(e)~~—(F) does not apply for any day of pupil instruction
24 that is added to the end of the instructional calendar. Instead,
25 for any of those days, if the district does not have at least 60%
26 of the district's membership in attendance on that day, the
27 district shall receive state aid in that proportion of 1/180 that

1 the actual percentage of attendance bears to the specified
 2 percentage. For any day of pupil instruction added to the
 3 instructional calendar as described in this subdivision, the
 4 district shall report to the department the percentage of the
 5 district's membership that is in attendance, in the form and manner
 6 prescribed by the department.

7 **(H)** ~~(g)~~—At the request of a district that operates a
 8 department-approved alternative education program and that does not
 9 provide instruction for pupils in all of grades K to 12, the
 10 superintendent may grant a waiver from the requirements of
 11 subdivision ~~(e)~~. **(F)**. The waiver shall indicate that an eligible
 12 district is subject to the proration provisions of subdivision ~~(e)~~
 13 **(F)** only if the district does not have at least 50% of the
 14 district's membership in attendance on any day of pupil
 15 instruction. In order to be eligible for this waiver, a district
 16 must maintain records to substantiate its compliance with the
 17 following requirements:

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

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

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

26 **(I)** ~~(h)~~—All of the following apply to a waiver granted under
 27 subdivision ~~(g)~~: **(H)** :

1 (i) If the waiver is for a blended model of delivery, a waiver
2 that is granted for the 2011-2012 fiscal year or a subsequent
3 fiscal year remains in effect unless it is revoked by the
4 superintendent.

5 (ii) If the waiver is for a 100% online model of delivery and
6 the educational program for which the waiver is granted makes
7 educational services available to pupils for a minimum of at least
8 1,098 hours during a school year and ensures that each pupil
9 participates in the educational program for at least 1,098 hours
10 during a school year, a waiver that is granted for the 2011-2012
11 fiscal year or a subsequent fiscal year remains in effect unless it
12 is revoked by the superintendent.

13 (iii) A waiver that is not a waiver described in subparagraph
14 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
15 to remain in effect.

16 (J) ~~(i)~~—The superintendent shall promulgate rules for the
17 implementation of this subsection.

18 (4) Except as otherwise provided in this subsection, the first
19 6 days or the equivalent number of hours for which pupil
20 instruction is not provided because of conditions not within the
21 control of school authorities, such as severe storms, fires,
22 epidemics, utility power unavailability, water or sewer failure, or
23 health conditions as defined by the city, county, or state health
24 authorities, shall be counted as hours and days of pupil
25 instruction. With the approval of the superintendent of public
26 instruction, the department shall count as hours and days of pupil
27 instruction for a fiscal year not more than 6 additional days or

1 the equivalent number of additional hours for which pupil
2 instruction is not provided in a district after April 1 of the
3 applicable school year due to unusual and extenuating occurrences
4 resulting from conditions not within the control of school
5 authorities such as those conditions described in this subsection.
6 Subsequent such hours or days shall not be counted as hours or days
7 of pupil instruction.

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

14 (6) In addition to any other penalty or forfeiture under this
15 section, if at any time the department determines that 1 or more of
16 the following have occurred in a district, the district shall
17 forfeit in the current fiscal year beginning in the next payment to
18 be calculated by the department a proportion of the funds due to
19 the district under this article that is equal to the proportion
20 below the required minimum number of hours and days of pupil
21 instruction under subsection (3), as specified in the following:

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

26 (b) The board of the district takes formal action not to
27 operate its schools for at least the required minimum number of

1 hours and days of pupil instruction under subsection (3) in a
2 school year, including hours and days counted under subsection (4).

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

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

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

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

26 (d) If a pupil in grades 9 to 12 who is enrolled in a
27 cooperative education program or a special education pupil cannot

1 receive the required minimum number of hours of pupil instruction
2 solely because of travel time between instructional sites during
3 the school day, that travel time, up to a maximum of 3 hours per
4 school week, shall be considered to be pupil instruction time for
5 the purpose of determining whether the pupil is receiving the
6 required minimum number of hours of pupil instruction. However, if
7 a district demonstrates to the satisfaction of the department that
8 the travel time limitation under this subdivision would create
9 undue costs or hardship to the district, the department may
10 consider more travel time to be pupil instruction time for this
11 purpose.

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

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

21 (ii) The board of the district or intermediate district
22 employing or assigning the instructor complies with the
23 requirements of sections 1230 and 1230a of the revised school code,
24 MCL 380.1230 and 380.1230a, with respect to the instructor to the
25 same extent as if employing the instructor as a regular classroom
26 teacher.

27 (8) Except as otherwise provided in subsections (11) and (12),

1 the department shall apply the guidelines under subsection (7) in
2 calculating the full-time equivalency of pupils.

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

21 (a) If the waiver is for a blended model of delivery, a waiver
22 that is granted for the 2011-2012 fiscal year or a subsequent
23 fiscal year remains in effect unless it is revoked by the
24 superintendent.

25 (b) If the waiver is for a 100% online model of delivery and
26 the educational program for which the waiver is granted makes
27 educational services available to pupils for a minimum of at least

1 1,098 hours during a school year and ensures that each pupil
2 participates in the educational program for at least 1,098 hours
3 during a school year, a waiver that is granted for the 2011-2012
4 fiscal year or a subsequent fiscal year remains in effect unless it
5 is revoked by the superintendent.

6 (c) A waiver that is not a waiver described in subdivision (a)
7 or (b) is valid for 1 fiscal year and must be renewed annually to
8 remain in effect.

9 (10) Until 2014-2015, a district may count up to 38 hours of
10 qualifying professional development for teachers as hours of pupil
11 instruction. However, if a collective bargaining agreement that
12 provides for the counting of up to 38 hours of qualifying
13 professional development for teachers as pupil instruction is in
14 effect for employees of a district as of ~~June 13,~~ **JULY 1,** 2013,
15 then until the school year that begins after the expiration of that
16 collective bargaining agreement a district may count up to the
17 contractually specified number of hours of qualifying professional
18 development for teachers as hours of pupil instruction.
19 Professional development provided online is allowable and
20 encouraged, as long as the instruction has been approved by the
21 district. The department shall issue a list of approved online
22 professional development providers, which shall include the
23 Michigan virtual school. As used in this subsection, "qualifying
24 professional development" means professional development that is
25 focused on 1 or more of the following:

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

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

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

6 (d) Integrating technology into classroom instruction.

7 (e) Maintaining teacher certification.

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

12 (12) Subsections (3) and (8) do not apply to eligible pupils
13 enrolled in a dropout recovery program that meets the requirements
14 of section 23a. As used in this subsection, "eligible pupil" means
15 that term as defined in section 23a.

16 (13) Beginning in 2013, at least every 2 years the
17 superintendent shall review the waiver standards set forth in the
18 pupil accounting and auditing manuals to ensure that the waiver
19 standards and waiver process continue to be appropriate and
20 responsive to changing trends in online learning. The
21 superintendent shall solicit and consider input from stakeholders
22 as part of this review.

23 Sec. 104. (1) In order to receive state aid under this
24 article, a district shall comply with sections 1249, 1278a, 1278b,
25 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
26 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
27 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from

1 the state school aid fund money appropriated in section 11, there
2 is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed
3 ~~\$26,694,400.00~~ **\$41,394,400.00** for payments on behalf of districts
4 for costs associated with complying with those provisions of law.
5 In addition, from the federal funds appropriated in section 11,
6 there is allocated for ~~2013-2014~~ **2014-2015** an amount estimated at
7 ~~\$8,250,000.00~~ **\$6,250,000.00**, funded from DED-OESE, title VI, state
8 assessment funds, and from DED-OSERS, section 504 of part B of the
9 individuals with disabilities education act, Public Law 94-142,
10 plus any carryover federal funds from previous year appropriations,
11 for the purposes of complying with the federal no child left behind
12 act of 2001, Public Law 107-110.

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

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

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

27 **(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**

1 AN AMOUNT NOT TO EXCEED \$8,500,000.00 FOR THE FOLLOWING PURPOSES:

2 (A) CONVERTING EXISTING STUDENT ASSESSMENTS TO ONLINE
3 ASSESSMENTS.

4 (B) PROVIDING PAPER AND PENCIL TEST VERSIONS TO DISTRICTS NOT
5 PREPARED TO IMPLEMENT ONLINE ASSESSMENTS.

6 (C) EXPANDING WRITING ASSESSMENTS TO ADDITIONAL GRADE LEVELS.

7 (D) PROVIDING AN INCREASED NUMBER OF CONSTRUCTED RESPONSE TEST
8 QUESTIONS SO THAT PUPILS CAN DEMONSTRATE HIGHER-ORDER SKILLS SUCH
9 AS PROBLEM SOLVING AND COMMUNICATING REASONING.

10 (6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
11 AN AMOUNT NOT TO EXCEED \$3,200,000.00 FOR THE DEVELOPMENT OR
12 SELECTION OF AN ONLINE REPORTING TOOL TO PROVIDE STUDENT-LEVEL
13 ASSESSMENT DATA IN A SECURE ENVIRONMENT TO EDUCATORS, PARENTS, AND
14 PUPILS IMMEDIATELY AFTER ASSESSMENTS ARE SCORED. THE DEPARTMENT AND
15 THE CENTER SHALL ENSURE THAT ANY DATA COLLECTED BY THE ONLINE
16 REPORTING TOOL DO NOT PROVIDE INDIVIDUALLY IDENTIFIABLE STUDENT
17 DATA TO THE FEDERAL GOVERNMENT.

18 (7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
19 AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF
20 IMPLEMENTING A SUMMATIVE ASSESSMENT SYSTEM PURSUANT TO SECTION
21 104C.

22 (8) ~~(5)~~—As used in this section:

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

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

26 (c) "DED-OSERS" means the DED office of special education and
27 rehabilitative services.

1 Sec. 104b. (1) In order to receive state aid under this ~~act,~~
2 **ARTICLE**, a district shall comply with this section and shall
3 administer the Michigan merit examination to pupils in grade 11,
4 and to pupils in grade 12 who did not take the complete Michigan
5 merit examination in grade 11, as provided in this section.

6 (2) For the purposes of this section, the department of
7 **TECHNOLOGY**, management, and budget shall contract with 1 or more
8 providers to develop, supply, and score the Michigan merit
9 examination. The Michigan merit examination shall consist of all of
10 the following:

11 (a) Assessment instruments that measure English language arts,
12 mathematics, reading, and science and are used by colleges and
13 universities in this state for entrance or placement purposes. This
14 shall include ~~a writing component in which the pupil produces an~~
15 ~~extended writing sample. The Michigan merit examination shall not~~
16 ~~require any other extended writing sample.~~ **1 OR MORE WRITING**
17 **COMPONENTS.**

18 (b) One or more tests from 1 or more test developers that
19 assess a pupil's ability to apply at least reading and mathematics
20 skills in a manner that is intended to allow employers to use the
21 results in making employment decisions. The department of
22 **TECHNOLOGY**, management, and budget and the superintendent shall
23 ensure that any test or tests selected under this subdivision have
24 all the components necessary to allow a pupil to be eligible to
25 receive the results of a nationally recognized evaluation of
26 workforce readiness if the pupil's test performance is adequate.

27 (c) A social studies component.

1 (d) Any other component that is necessary to obtain the
2 approval of the United States department of education to use the
3 Michigan merit examination for the purposes of the no child left
4 behind act of 2001, Public Law 107-110.

5 (3) In addition to all other requirements of this section, all
6 of the following apply to the Michigan merit examination:

7 (a) The department of **TECHNOLOGY**, management, and budget and
8 the superintendent shall ensure that any contractor used for
9 scoring the Michigan merit examination supplies an individual
10 report for each pupil that will identify for the pupil's parents
11 and teachers whether the pupil met expectations or failed to meet
12 expectations for each standard, to allow the pupil's parents and
13 teachers to assess and remedy problems before the pupil moves to
14 the next grade.

15 (b) The department of **TECHNOLOGY**, management, and budget and
16 the superintendent shall ensure that any contractor used for
17 scoring, developing, or processing the Michigan merit examination
18 meets quality management standards commonly used in the assessment
19 industry, including at least meeting level 2 of the capability
20 maturity model developed by the software engineering institute of
21 Carnegie Mellon university for the first year the Michigan merit
22 examination is offered to all grade 11 pupils and at least meeting
23 level 3 of the capability maturity model for subsequent years.

24 (c) The department of **TECHNOLOGY**, management, and budget and
25 the superintendent shall ensure that any contract for scoring,
26 administering, or developing the Michigan merit examination
27 includes specific deadlines for all steps of the assessment

1 process, including, but not limited to, deadlines for the correct
2 testing materials to be supplied to schools and for the correct
3 results to be returned to schools, and includes penalties for
4 noncompliance with these deadlines.

5 (d) The superintendent shall ensure that the Michigan merit
6 examination meets all of the following:

7 (i) Is designed to test pupils on grade level content
8 expectations or course content expectations, as appropriate, in all
9 subjects tested.

10 (ii) Complies with requirements of the no child left behind
11 act of 2001, Public Law 107-110.

12 (iii) Is consistent with the code of fair testing practices in
13 education prepared by the joint committee on testing practices of
14 the American psychological association.

15 (iv) Is factually accurate. If the superintendent determines
16 that a question is not factually accurate and should be excluded
17 from scoring, the state board and the superintendent shall ensure
18 that the question is excluded from scoring.

19 (4) A district shall include on each pupil's high school
20 transcript all of the following:

21 (a) For each high school graduate who has completed the
22 Michigan merit examination under this section, the pupil's scaled
23 score on each subject area component of the Michigan merit
24 examination.

25 (b) The number of school days the pupil was in attendance at
26 school each school year during high school and the total number of
27 school days in session for each of those school years.

1 (5) The superintendent shall work with the provider or
2 providers of the Michigan merit examination to produce Michigan
3 merit examination subject area scores for each pupil participating
4 in the Michigan merit examination, including scaling and merging of
5 test items for the different subject area components. The
6 superintendent shall design and distribute to districts,
7 intermediate districts, and nonpublic schools a simple and concise
8 document that describes the scoring for each subject area and
9 indicates the scaled score ranges for each subject area.

10 (6) The Michigan merit examination shall be administered ~~each~~
11 ~~year after March 1 and before June 1 to pupils in grade 11.~~ **IN EACH**
12 **DISTRICT DURING THE LAST 12 WEEKS OF THE DISTRICT'S SCHOOL YEAR.**

13 The superintendent shall ensure that the Michigan merit examination
14 is scored and the scores are returned to pupils, their parents or
15 legal guardians, and districts not later than the beginning of the
16 pupil's first semester of grade 12. The returned scores shall
17 indicate at least the pupil's scaled score for each subject area
18 component and the range of scaled scores for each subject area. In
19 reporting the scores to pupils, parents, and schools, the
20 superintendent shall provide standards-specific, meaningful, and
21 timely feedback on the pupil's performance on the Michigan merit
22 examination.

23 (7) A district shall administer the complete Michigan merit
24 examination to a pupil only once and shall not administer the
25 complete Michigan merit examination to the same pupil more than
26 once. If a pupil does not take the complete Michigan merit
27 examination in grade 11, the district shall administer the complete

1 Michigan merit examination to the pupil in grade 12. If a pupil
2 chooses to retake the college entrance examination component of the
3 Michigan merit examination, as described in subsection (2)(a), the
4 pupil may do so through the provider of the college entrance
5 examination component and the cost of the retake is the
6 responsibility of the pupil unless all of the following are met:

7 (a) The pupil has taken the complete Michigan merit
8 examination.

9 (b) The pupil did not qualify for a Michigan promise grant
10 under section 6 of the Michigan promise grant act, 2006 PA 479, MCL
11 390.1626, based on the pupil's performance on the complete Michigan
12 merit examination.

13 (c) The pupil meets the income eligibility criteria for free
14 breakfast, lunch, or milk, as determined under the Richard B.
15 Russell national school lunch act, 42 USC 1751 to 1769i.

16 (d) The pupil has applied to the provider of the college
17 entrance examination component for a scholarship or fee waiver to
18 cover the cost of the retake and that application has been denied.

19 (e) After taking the complete Michigan merit examination, the
20 pupil has not already received a free retake of the college
21 entrance examination component paid for either by this state or
22 through a scholarship or fee waiver by the provider.

23 (8) The superintendent shall ensure that the length of the
24 Michigan merit examination and the combined total time necessary to
25 administer all of the components of the Michigan merit examination
26 are the shortest possible that will still maintain the degree of
27 reliability and validity of the Michigan merit examination results

1 determined necessary by the superintendent. The superintendent
2 shall ensure that the maximum total combined length of time that
3 schools are required to set aside for pupils to answer all test
4 questions on the Michigan merit examination does not exceed 8 hours
5 if the superintendent determines that sufficient alignment to
6 applicable Michigan merit curriculum content standards can be
7 achieved within that time limit.

8 (9) A district shall provide accommodations to a pupil with
9 disabilities for the Michigan merit examination, as provided under
10 section 504 of title V of the rehabilitation act of 1973, 29 USC
11 794; subtitle A of title II of the Americans with disabilities act
12 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
13 education act amendments of 1997, Public Law 105-17; and the
14 implementing regulations for those statutes. The provider or
15 providers of the Michigan merit examination and the superintendent
16 shall mutually agree upon the accommodations to be provided under
17 this subsection.

18 (10) To the greatest extent possible, the Michigan merit
19 examination shall be based on grade level content expectations or
20 course content expectations, as appropriate. Not later than July 1,
21 2008, the department shall identify specific grade level content
22 expectations to be taught before and after the middle of grade 11,
23 so that teachers will know what content will be covered within the
24 Michigan merit examination.

25 (11) A child who is a student in a nonpublic school or home
26 school may take the Michigan merit examination under this section.
27 To take the Michigan merit examination, a child who is a student in

1 a home school shall contact the district in which the child
2 resides, and that district shall administer the Michigan merit
3 examination, or the child may take the Michigan merit examination
4 at a nonpublic school if allowed by the nonpublic school. Upon
5 request from a nonpublic school, the superintendent shall direct
6 the provider or providers to supply the Michigan merit examination
7 to the nonpublic school and the nonpublic school may administer the
8 Michigan merit examination. If a district administers the Michigan
9 merit examination under this subsection to a child who is not
10 enrolled in the district, the scores for that child are not
11 considered for any purpose to be scores of a pupil of the district.

12 (12) In contracting under subsection (2), the department of
13 management and budget shall consider a contractor that provides
14 electronically-scored essays with the ability to score constructed
15 response feedback in multiple languages and provide ongoing
16 instruction and feedback.

17 (13) The purpose of the Michigan merit examination is to
18 assess pupil performance in mathematics, science, social studies,
19 and English language arts for the purpose of improving academic
20 achievement and establishing a statewide standard of competency.
21 The assessment under this section provides a common measure of data
22 that will contribute to the improvement of Michigan schools'
23 curriculum and instruction by encouraging alignment with Michigan's
24 curriculum framework standards and promotes pupil participation in
25 higher level mathematics, science, social studies, and English
26 language arts courses. These standards are based upon the
27 expectations of what pupils should learn through high school and

1 are aligned with national standards.

2 (14) For a pupil enrolled in a middle college program, other
3 than a middle college operated as a shared educational entity or a
4 specialized shared educational entity, if the pupil receives at
5 least 50% of his or her instruction at the high school while in
6 grade 11, the Michigan merit examination shall be administered to
7 the pupil at the high school at which the pupil receives high
8 school instruction, and the department shall include the pupil's
9 scores on the Michigan merit examination in the scores for that
10 high school for all purposes for which a school's or district's
11 results are reported. The department shall allow the middle college
12 program to use a 5-year graduation rate for determining adequate
13 yearly progress. As used in this subsection, "middle college" means
14 a program consisting of a series of courses and other requirements
15 and conditions, including an early college or other program created
16 under a memorandum of understanding, that allows a pupil to
17 graduate from high school with both a high school diploma and a
18 certificate or degree from a community college or state public
19 university.

20 (15) As used in this section:

21 (a) "English language arts" means reading and writing.

22 (b) "Social studies" means United States history, world
23 history, world geography, economics, and American government.

24 **SEC. 104C. (1) IN ORDER TO RECEIVE STATE AID UNDER THIS**
25 **ARTICLE, A DISTRICT SHALL ADMINISTER THE STATE ASSESSMENTS**
26 **DESCRIBED IN THIS SECTION.**

27 (2) FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT SHALL

1 DEVELOP FOR USE IN THE SPRING OF 2014-2015 NEW MICHIGAN EDUCATION
2 ASSESSMENT PROGRAM (MEAP) ASSESSMENTS IN ENGLISH LANGUAGE ARTS AND
3 MATHEMATICS. THESE ASSESSMENTS SHALL BE ALIGNED TO STATE STANDARDS.

4 (3) FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT SHALL
5 IMPLEMENT BEGINNING IN THE 2015-2016 SCHOOL YEAR A SUMMATIVE
6 ASSESSMENT SYSTEM THAT IS PROVEN TO BE VALID AND RELIABLE FOR
7 ADMINISTRATION TO PUPILS AS PROVIDED UNDER THIS SUBSECTION. THE
8 SUMMATIVE ASSESSMENT SYSTEM SHALL MEET ALL OF THE FOLLOWING
9 REQUIREMENTS:

10 (A) THE SUMMATIVE ASSESSMENT SYSTEM SHALL MEASURE STUDENT
11 PROFICIENCY ON THE CURRENT STATE STANDARDS, SHALL MEASURE STUDENT
12 GROWTH FOR CONSECUTIVE GRADE LEVELS IN WHICH STUDENTS ARE ASSESSED
13 IN THE SAME SUBJECT AREA IN BOTH GRADE LEVELS, AND SHALL BE CAPABLE
14 OF MEASURING INDIVIDUAL STUDENT PERFORMANCE.

15 (B) THE SUMMATIVE ASSESSMENTS FOR ENGLISH LANGUAGE ARTS AND
16 MATHEMATICS SHALL BE ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN
17 GRADES 3 TO 10, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL
18 INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446,
19 AND BY TITLE I OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION
20 ACT.

21 (C) THE SUMMATIVE ASSESSMENTS FOR SCIENCE SHALL BE
22 ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN AT LEAST GRADES 4 AND
23 7, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS
24 WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I
25 OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

26 (D) THE SUMMATIVE ASSESSMENTS FOR SOCIAL STUDIES SHALL BE
27 ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN AT LEAST GRADES 5 AND

1 8, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS
2 WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I
3 OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

4 (E) THE CONTENT OF THE SUMMATIVE ASSESSMENTS SHALL BE ALIGNED
5 TO STATE STANDARDS.

6 (F) THE POOL OF QUESTIONS FOR THE SUMMATIVE ASSESSMENTS SHALL
7 BE SUBJECT TO A TRANSPARENT REVIEW PROCESS FOR QUALITY, BIAS, AND
8 SENSITIVE ISSUES INVOLVING EDUCATOR REVIEW AND COMMENT. THE
9 DEPARTMENT SHALL POST SAMPLES FROM TESTS OR RETIRED TESTS FEATURING
10 QUESTIONS FROM THIS POOL FOR REVIEW BY THE PUBLIC.

11 (G) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT
12 STUDENTS, PARENTS, AND TEACHERS ARE PROVIDED WITH REPORTS THAT
13 CONVEY INDIVIDUAL STUDENT PROFICIENCY AND GROWTH ON THE ASSESSMENT
14 AND THAT CONVEY INDIVIDUAL STUDENT DOMAIN-LEVEL PERFORMANCE IN EACH
15 SUBJECT AREA, INCLUDING REPRESENTATIVE QUESTIONS, AND INDIVIDUAL
16 STUDENT PERFORMANCE IN MEETING STATE STANDARDS.

17 (H) THE SUMMATIVE ASSESSMENT SYSTEM SHALL BE CAPABLE OF
18 PROVIDING, AND THE DEPARTMENT SHALL ENSURE THAT STUDENTS, PARENTS,
19 TEACHERS, ADMINISTRATORS, AND COMMUNITY MEMBERS ARE PROVIDED WITH,
20 REPORTS THAT CONVEY AGGREGATE STUDENT PROFICIENCY AND GROWTH DATA
21 BY TEACHER, GRADE, SCHOOL, AND DISTRICT.

22 (I) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THE
23 CAPABILITY OF REPORTING THE AVAILABLE DATA TO SUPPORT EDUCATOR
24 EVALUATIONS.

25 (J) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT THE
26 REPORTS PROVIDED TO DISTRICTS CONTAINING INDIVIDUAL STUDENT DATA
27 ARE AVAILABLE WITHIN 60 DAYS AFTER COMPLETION OF THE ASSESSMENTS.

1 (K) THE ASSESSMENTS SHALL BE CAPABLE OF BEING IMPLEMENTED
2 STATEWIDE IN A FULLY OPERATIONAL MANNER NO LATER THAN THE 2015-2016
3 SCHOOL YEAR.

4 (I) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT ACCESS
5 TO INDIVIDUALLY IDENTIFIABLE STUDENT DATA MEETS ALL OF THE
6 FOLLOWING:

7 (i) IS IN COMPLIANCE WITH 20 USC 1232G, COMMONLY REFERRED TO
8 AS THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974.

9 (ii) EXCEPT AS MAY BE PROVIDED FOR IN AN AGREEMENT WITH A
10 VENDOR TO PROVIDE ASSESSMENT SERVICES, AS NECESSARY TO SUPPORT
11 EDUCATOR EVALUATIONS PURSUANT TO SUBDIVISION (I), OR FOR RESEARCH
12 OR PROGRAM EVALUATION PURPOSES, IS AVAILABLE ONLY TO THE STUDENT;
13 TO THE STUDENT'S PARENT OR LEGAL GUARDIAN; AND TO A SCHOOL
14 ADMINISTRATOR OR TEACHER, TO THE EXTENT THAT HE OR SHE HAS A
15 LEGITIMATE EDUCATIONAL INTEREST.

16 (M) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT THE
17 ASSESSMENTS ARE PILOT TESTED BEFORE STATEWIDE IMPLEMENTATION.

18 (N) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT
19 ASSESSMENTS ARE DESIGNED SO THAT THE MAXIMUM TOTAL COMBINED LENGTH
20 OF TIME THAT SCHOOLS ARE REQUIRED TO SET ASIDE FOR A PUPIL TO
21 ANSWER ALL TEST QUESTIONS ON ALL ASSESSMENTS THAT ARE PART OF THE
22 SYSTEM FOR THE PUPIL'S GRADE LEVEL DOES NOT EXCEED THAT MAXIMUM
23 TOTAL COMBINED LENGTH OF TIME FOR THE PREVIOUS STATEWIDE ASSESSMENT
24 SYSTEM OR 9 HOURS, WHICHEVER IS LESS. THIS SUBDIVISION DOES NOT
25 LIMIT THE AMOUNT OF TIME A DISTRICT MAY ALLOW A PUPIL TO COMPLETE A
26 TEST.

27 (O) THE TOTAL COST OF EXECUTING THE SUMMATIVE ASSESSMENT

1 SYSTEM STATEWIDE EACH YEAR, INCLUDING, BUT NOT LIMITED TO, THE COST
2 OF CONTRACTS FOR ADMINISTRATION, SCORING, AND REPORTING, SHALL NOT
3 EXCEED AN AMOUNT EQUAL TO 2 TIMES THE COST OF EXECUTING THE
4 PREVIOUS STATEWIDE ASSESSMENT AFTER ADJUSTMENT FOR INFLATION.

5 (4) TO BEGIN THE PROCESS REQUIRED UNDER SUBSECTION (3), NOT
6 LATER THAN SEPTEMBER 1, 2014, THE DEPARTMENT SHALL ISSUE A REQUEST
7 FOR PROPOSALS FOR THE SUMMATIVE ASSESSMENT SYSTEM DESCRIBED IN THAT
8 SUBSECTION.

9 (5) THIS SECTION DOES NOT PROHIBIT DISTRICTS FROM ADOPTING
10 INTERIM ASSESSMENTS.

11 (6) THE DEPARTMENT SHALL SEEK A WAIVER OR AMENDMENT TO AN
12 EXISTING WAIVER FOR FEDERAL APPROVAL OF THE ASSESSMENT FRAMEWORK
13 UNDER THIS SECTION AND SHALL NOTIFY THE UNITED STATES DEPARTMENT OF
14 EDUCATION ABOUT THE PROVISIONS OF THIS SECTION AND TAKE NECESSARY
15 STEPS TO ASSURE THE UNITED STATES DEPARTMENT OF EDUCATION THAT THIS
16 STATE IS ON TRACK TO DEVELOP AND IMPLEMENT A SUMMATIVE ASSESSMENT
17 SYSTEM AS REQUIRED BY FEDERAL LAW.

18 (7) AS USED IN THIS SECTION, "ENGLISH LANGUAGE ARTS" MEANS
19 THAT TERM AS DEFINED IN SECTION 104B.

20 Sec. 107. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed \$22,000,000.00 for ~~2013-2014~~
22 2014-2015 for adult education programs authorized under this
23 section. Funds allocated under this section are restricted for
24 adult education programs as authorized under this section only. A
25 recipient of funds under this section shall not use those funds for
26 any other purpose.

27 (2) To be eligible for funding under this section, a program

1 shall employ certificated teachers and qualified administrative
2 staff and shall offer continuing education opportunities for
3 teachers to allow them to maintain certification.

4 (3) To be eligible to be a participant funded under this
5 section, a person shall be enrolled in an adult basic education
6 program, an adult English as a second language program, a general
7 educational development (G.E.D.) test preparation program, a job-
8 or employment-related program, or a high school completion program,
9 that meets the requirements of this section, **AND FOR WHICH**

10 **INSTRUCTION IS PROVIDED**, and shall meet either of the following, as
11 applicable:

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

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

18 (ii) Is less than 20 years of age on September 1 of the school
19 year, is not attending an institution of higher education, and is
20 enrolled in a job- or employment-related program through a referral
21 by an employer **OR BY A MICHIGAN WORKFORCE AGENCY**.

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

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

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

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

1 (ii) Is at least 16 years of age on September 1 of the school
2 year, has been permanently expelled from school under section
3 1311(2) or 1311a of the revised school code, MCL 380.1311 and
4 380.1311a, and has no appropriate alternative education program
5 available through his or her district of residence.

6 ~~—— (4) Except as otherwise provided in subsection (5), the money~~
7 ~~allocated under this section shall be distributed as follows:~~

8 ~~—— (a) For districts and consortia that received payments for~~
9 ~~2012-2013 under this section, the amount allocated to each for~~
10 ~~2013-2014 shall be based on the number of participants served by~~
11 ~~the district or consortium for 2013-2014, using the amount~~
12 ~~allocated per full-time equated participant under subsection (7),~~
13 ~~up to a maximum total allocation under this subsection in an amount~~
14 ~~equal to the amount the district or consortium received for 2012-~~
15 ~~2013 under this section before any reallocations made for 2012-2013~~
16 ~~under subsection (5).~~

17 ~~—— (b) A district or consortium that received funding in 2012-~~
18 ~~2013 under this section may operate independently of a consortium~~
19 ~~or join or form a consortium for 2013-2014. The allocation for~~
20 ~~2013-2014 to the district or the newly formed consortium under this~~
21 ~~subsection shall be determined by the department and shall be based~~
22 ~~on the proportion of the amounts that are attributable to the~~
23 ~~district or consortium that received funding in 2012-2013. A~~
24 ~~district or consortium described in this subdivision shall notify~~
25 ~~the department of its intention with regard to 2013-2014 by October~~
26 ~~1, 2013.~~

27 ~~—— (5) A district that operated an adult education program in~~

~~2012-2013 and does not intend to operate a program in 2013-2014 shall notify the department by October 1, 2013 of its intention. The money intended to be allocated under this section to a district that does not operate a program in 2013-2014 and the unspent money originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (4) and any other unallocated money under this section shall instead be proportionately reallocated to the other districts described in subsection (4)(a) that are operating an adult education program in 2013-2014 under this section.~~

(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR ADULT EDUCATION PROGRAMS IN EACH OF THE 10 PROSPERITY REGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR ADMINISTRATION COSTS FOR SERVING AS THE FISCAL AGENT. THE DEPARTMENT SHALL ENSURE THAT THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2014-2015 WILL PROVIDE SERVICES IN 2014-2015 TO AT LEAST THE SAME NUMBER OF INDIVIDUALS AS THE NUMBER OF INDIVIDUALS WHO WERE ENROLLED IN PROGRAMS FUNDED UNDER THIS SECTION IN 2013-2014. FOR 2014-2015, 67% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT SHALL BE BASED ON THE PROPORTION OF TOTAL FUNDING FORMERLY RECEIVED BY THE ADULT EDUCATION PROVIDERS IN THAT PROSPERITY REGION IN 2013-2014, AND 33% SHALL BE ALLOCATED BASED ON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). FOR 2015-2016, 33%

1 OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS
2 A FISCAL AGENT SHALL BE BASED UPON THE PROPORTION OF TOTAL FUNDING
3 FORMERLY RECEIVED BY THE ADULT EDUCATION PROVIDERS IN THAT
4 PROSPERITY REGION IN 2013-2014 AND 67% OF THE ALLOCATION SHALL BE
5 BASED UPON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). FOR 2016-
6 2017, 100% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT
7 SERVING AS A FISCAL AGENT SHALL BE BASED ON THE FACTORS IN
8 SUBDIVISIONS (A), (B), AND (C). THE FUNDING FACTORS FOR THIS
9 SECTION ARE AS FOLLOWS:

10 (A) SIXTY PERCENT OF THIS PORTION OF THE FUNDING SHALL BE
11 DISTRIBUTED BASED UPON THE PROPORTION OF THE STATE POPULATION OF
12 INDIVIDUALS BETWEEN THE AGES OF 18 AND 24 THAT ARE NOT HIGH SCHOOL
13 GRADUATES THAT RESIDES IN EACH OF THE PROSPERITY REGIONS, AS
14 REPORTED BY THE MOST RECENT 5-YEAR ESTIMATES FROM THE AMERICAN
15 COMMUNITY SURVEY (ACS) FROM THE UNITED STATES CENSUS BUREAU.

16 (B) THIRTY-FIVE PERCENT OF THIS PORTION OF THE FUNDING SHALL
17 BE DISTRIBUTED BASED UPON THE PROPORTION OF THE STATE POPULATION OF
18 INDIVIDUALS AGE 25 OR OLDER WHO ARE NOT HIGH SCHOOL GRADUATES THAT
19 RESIDES IN EACH OF THE PROSPERITY REGIONS, AS REPORTED BY THE MOST
20 RECENT 5-YEAR ESTIMATES FROM THE AMERICAN COMMUNITY SURVEY (ACS)
21 FROM THE UNITED STATES CENSUS BUREAU.

22 (C) FIVE PERCENT OF THIS PORTION OF THE FUNDING SHALL BE
23 DISTRIBUTED BASED UPON THE PROPORTION OF THE STATE POPULATION OF
24 INDIVIDUALS AGE 18 OR OLDER WHO LACK BASIC ENGLISH LANGUAGE
25 PROFICIENCY THAT RESIDES IN EACH OF THE PROSPERITY REGIONS, AS
26 REPORTED BY THE MOST RECENT 5-YEAR ESTIMATES FROM THE AMERICAN
27 COMMUNITY SURVEY (ACS) FROM THE UNITED STATES CENSUS BUREAU.

1 (5) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT
2 MUST AGREE TO DO THE FOLLOWING IN A FORM AND MANNER DETERMINED BY
3 THE DEPARTMENT:

4 (A) DISTRIBUTE FUNDS TO ADULT EDUCATION PROGRAMS IN A
5 PROSPERITY REGION AS DESCRIBED IN THIS SECTION.

6 (B) COLLABORATE WITH EDUCATION ADVISORY GROUPS OF THE
7 WORKFORCE DEVELOPMENT BOARDS LOCATED IN THE PROSPERITY REGION TO
8 DEVELOP A REGIONAL STRATEGY THAT ALIGNS ADULT EDUCATION PROGRAMS
9 AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY SYSTEM FOR
10 ADULT EDUCATION LEARNERS.

11 (C) COLLABORATE WITH EDUCATION ADVISORY GROUPS OF THE
12 WORKFORCE DEVELOPMENT BOARDS LOCATED IN THE PROSPERITY REGION TO
13 CREATE A LOCAL PROCESS AND CRITERIA THAT WILL IDENTIFY ELIGIBLE
14 ADULT EDUCATION PROVIDERS TO RECEIVE FUNDS ALLOCATED UNDER THIS
15 SECTION BASED ON LOCATION, DEMAND FOR SERVICES, AND COST TO PROVIDE
16 INSTRUCTIONAL SERVICES. ALL LOCAL PROCESSES, CRITERIA, AND PROVIDER
17 DETERMINATIONS MUST BE APPROVED BY THE DEPARTMENT BEFORE FUNDS MAY
18 BE DISTRIBUTED TO THE FISCAL AGENT.

19 (D) REPORT ADULT EDUCATION PROGRAM AND PARTICIPANT DATA AND
20 INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

21 (6) The amount allocated under this section per full-time
22 equated participant ~~is~~ **SHALL NOT EXCEED** \$2,850.00 for a 450-hour
23 program. The amount shall be proportionately reduced for a program
24 offering less than 450 hours of instruction.

25 (7) An adult basic education program or an adult English as a
26 second language program operated on a year-round or school year
27 basis may be funded under this section, subject to all of the

1 following:

2 (a) The program enrolls adults who are determined by a
3 department-approved assessment, in a form and manner prescribed by
4 the department, to be below ninth grade level in reading or
5 mathematics, or both, or to lack basic English proficiency.

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

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

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

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

16 (d) A funding recipient enrolling a participant in an English
17 as a second language program is eligible for funding according to
18 subsection (11) until the participant meets 1 of the following:

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

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

27 (8) A general educational development (G.E.D.) test

1 preparation program operated on a year-round or school year basis
2 may be funded under this section, subject to all of the following:

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

5 (b) The program shall administer a ~~G.E.D.~~ pre-test approved by
6 the department before enrolling an individual to determine the
7 individual's **LITERACY LEVELS, SHALL ADMINISTER A G.E.D. PRACTICE**
8 **TEST TO DETERMINE THE INDIVIDUAL'S** potential for success on the
9 G.E.D. test, and shall administer a post-test upon completion of
10 the program in compliance with the state-approved assessment
11 policy.

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

15 (i) The participant ~~passes~~ **OBTAINS** the G.E.D. ~~test~~.

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

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

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

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

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

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

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

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

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

17 (b) The program tests participants described in subdivision
18 (a) before enrollment and upon completion of the program in
19 compliance with the department-approved assessment policy.

20 (c) An individual may be enrolled in this program and the
21 grant recipient shall receive funding according to subsection (11)
22 until 1 of the following occurs:

23 (i) The individual achieves the requisite skills as determined
24 by department-approved assessment instruments.

25 (ii) The individual fails to show progress on 2 successive
26 assessments after having completed at least 450 hours of
27 instruction.

1 (11) A funding recipient shall receive payments under this
2 section in accordance with the following:

3 (a) ~~Ninety~~ **SEVENTY-FIVE** percent for enrollment of eligible
4 participants.

5 (b) ~~Ten~~ **TWENTY-FIVE** percent for **PARTICIPANT** completion of the
6 adult basic education objectives by achieving an ~~increase of at~~
7 ~~least 1 grade level of proficiency in reading or mathematics;~~
8 **EDUCATIONAL GAIN AS DETERMINED BY THE NATIONAL REPORTING SYSTEM**
9 **LEVELS;** for achieving basic English proficiency; ~~, as defined by~~
10 ~~the department in the adult education guidebook;~~ for obtaining a
11 G.E.D. or passage of 1 or more individual G.E.D. tests; for
12 attainment of a high school diploma or passage of a course required
13 for a participant to attain a high school diploma; ~~or for~~
14 ~~completion of the course and demonstrated proficiency in the~~
15 ~~academic skills to be learned in the course,~~ **FOR ENROLLMENT IN A**
16 **POSTSECONDARY INSTITUTION, OR FOR ENTRY INTO OR RETENTION OF**
17 **EMPLOYMENT,** as applicable.

18 ~~—— (12) As used in this section, "participant" means the sum of~~
19 ~~the number of full-time equated individuals enrolled in and~~
20 ~~attending a department-approved adult education program under this~~
21 ~~section, using quarterly participant count days on the schedule~~
22 ~~described in section 6(7)(b).~~

23 **(12)** ~~(13)~~ A person who is not eligible to be a participant
24 funded under this section may receive adult education services upon
25 the payment of tuition. In addition, a person who is not eligible
26 to be served in a program under this section due to the program
27 limitations specified in subsection (7), (8), (9), or (10) may

1 continue to receive adult education services in that program upon
2 the payment of tuition. The tuition level shall be determined by
3 the local or intermediate district conducting the program.

4 (13) ~~(14)~~ An individual who is an inmate in a state
5 correctional facility shall not be counted as a participant under
6 this section.

7 (14) ~~(15)~~ A ~~district~~ **FUNDING RECIPIENT** shall not commingle
8 money received under this section or from another source for adult
9 education purposes with any other funds ~~of the district. A district~~
10 ~~receiving adult education funds~~ **AND** shall establish a separate
11 ledger account for ~~those~~ funds **RECEIVED UNDER THIS SECTION**. This
12 subsection does not prohibit a district from using general funds of
13 the district to support an adult education or community education
14 program.

15 (15) ~~(16)~~ A ~~district or intermediate district~~ **FUNDING**
16 **RECIPIENT** receiving funds under this section may establish a
17 sliding scale of tuition rates based upon a participant's family
18 income. A ~~district or intermediate district~~ **FUNDING RECIPIENT** may
19 charge a participant tuition to receive adult education services
20 under this section from that sliding scale of tuition rates on a
21 uniform basis. The amount of tuition charged per participant shall
22 not exceed the actual operating cost per participant minus any
23 funds received under this section per participant. A ~~district or~~
24 ~~intermediate district~~ **FUNDING RECIPIENT** may not charge a
25 participant tuition under this section if the participant's income
26 is at or below 200% of the federal poverty guidelines published by
27 the United States department of health and human services.

1 (16) ~~(17)~~—In order to receive funds under this section, a
 2 ~~district~~**FUNDING RECIPIENT** shall furnish to the department, in a
 3 form and manner determined by the department, all information
 4 needed to administer this program and meet federal reporting
 5 requirements; shall allow the department or the department's
 6 designee to review all records related to the program for which it
 7 receives funds; and shall reimburse the state for all disallowances
 8 found in the review, as determined by the department.

9 (17) ~~(18)~~—All intermediate district participant audits of
 10 adult education programs shall be performed pursuant to the adult
 11 education participant auditing and accounting manuals published by
 12 the department.

13 ~~—— (19) It is the intent of the legislature to study allocating~~
 14 ~~funds under this section on a competitive basis beginning for 2014~~
 15 ~~2015.~~

16 (18) ~~(20)~~—As used in this section: ~~—"department"~~

17 (A) **"DEPARTMENT"** means the Michigan strategic fund.

18 (B) **"ELIGIBLE ADULT EDUCATION PROVIDER"** MEANS A DISTRICT,
 19 INTERMEDIATE DISTRICT, A CONSORTIUM OF DISTRICTS, A CONSORTIUM OF
 20 INTERMEDIATE DISTRICTS, OR A CONSORTIUM OF DISTRICTS AND
 21 INTERMEDIATE DISTRICTS THAT IS IDENTIFIED AS PART OF THE LOCAL
 22 PROCESS DESCRIBED IN SUBSECTION (5) (C) AND APPROVED BY THE
 23 DEPARTMENT.

24 (C) **"PARTICIPANT"** MEANS THE SUM OF THE NUMBER OF FULL-TIME
 25 EQUATED INDIVIDUALS ENROLLED IN AND ATTENDING A DEPARTMENT-APPROVED
 26 ADULT EDUCATION PROGRAM UNDER THIS SECTION, USING QUARTERLY
 27 PARTICIPANT COUNT DAYS ON THE SCHEDULE DESCRIBED IN SECTION

1 6 (7) (B) .

2 Sec. 147. (1) The allocation ~~each fiscal year for 2013-2014~~
3 ~~and~~ for 2014-2015 for the public school employees' retirement
4 system pursuant to the public school employees retirement act of
5 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the
6 individual projected benefit entry age normal cost method of
7 valuation and risk assumptions adopted by the public school
8 employees retirement board and the department of technology,
9 management, and budget.

10 ~~—— (2) The annual level percentage of payroll contribution rates~~
11 ~~for the 2013-2014 fiscal year, as determined by the retirement~~
12 ~~system, are estimated as follows:~~

13 ~~—— (a) For public school employees who first worked for a public~~
14 ~~school reporting unit before July 1, 2010 and who are enrolled in~~
15 ~~the health premium subsidy, the annual level percentage of payroll~~
16 ~~contribution rate is estimated at 29.35%, with 24.79% paid directly~~
17 ~~by the employer.~~

18 ~~—— (b) For public school employees who first worked for a public~~
19 ~~school reporting unit on or after July 1, 2010 and who are enrolled~~
20 ~~in the health premium subsidy, the annual level percentage of~~
21 ~~payroll contribution rate is estimated at 29.12%, with 24.56% paid~~
22 ~~directly by the employer.~~

23 ~~—— (c) For public school employees who first worked for a public~~
24 ~~school reporting unit on or after July 1, 2010 and who participate~~
25 ~~in the pension plus plan and in the personal healthcare fund, the~~
26 ~~annual level percentage of payroll contribution rate is estimated~~
27 ~~at 28.19%, with 23.63% paid directly by the employer.~~

1 ~~—— (d) For public school employees who first worked for a public~~
2 ~~school reporting unit on or after September 4, 2012, who elect~~
3 ~~defined contribution, and who participate in the personal~~
4 ~~healthcare fund, the annual level percentage of payroll~~
5 ~~contribution rate is estimated at 25.52%, with 20.96% paid directly~~
6 ~~by the employer.~~

7 ~~—— (e) For public school employees who first worked for a public~~
8 ~~school reporting unit before July 1, 2010, who elect defined~~
9 ~~contribution, and who are enrolled in the health premium subsidy,~~
10 ~~the annual level percentage of payroll contribution rate is~~
11 ~~estimated at 26.45%, with 21.89% paid directly by the employer.~~

12 ~~—— (f) For public school employees who first worked for a public~~
13 ~~school reporting unit before July 1, 2010, who elect defined~~
14 ~~contribution, and who participate in the personal healthcare fund,~~
15 ~~the annual level percentage of payroll contribution rate is~~
16 ~~estimated at 25.52%, with 20.96% paid directly by the employer.~~

17 ~~—— (g) For public school employees who first worked for a public~~
18 ~~school reporting unit before July 1, 2010 and who participate in~~
19 ~~the personal healthcare fund, the annual level percentage of~~
20 ~~payroll contribution rate is estimated at 28.42%, with 23.86% paid~~
21 ~~directly by the employer.~~

22 (2) ~~(3)~~ The annual level percentage of payroll contribution
23 rates for the 2014-2015 fiscal year, as determined by the
24 retirement system, are estimated as follows:

25 (a) For public school employees who first worked for a public
26 school reporting unit before July 1, 2010 and who are enrolled in
27 the health premium subsidy, the annual level percentage of payroll

1 contribution rate is estimated at ~~33.10%~~, **33.41%**, with 25.78% paid
2 directly by the employer.

3 (b) For public school employees who first worked for a public
4 school reporting unit on or after July 1, 2010 and who are enrolled
5 in the health premium subsidy, the annual level percentage of
6 payroll contribution rate is estimated at ~~32.02%~~, **32.33%**, with
7 24.70% paid directly by the employer.

8 (c) For public school employees who first worked for a public
9 school reporting unit on or after July 1, 2010 and who participate
10 in the personal healthcare fund, the annual level percentage of
11 payroll contribution rate is estimated at ~~31.51%~~, **31.82%**, with
12 24.19% paid directly by the employer.

13 (d) For public school employees who first worked for a public
14 school reporting unit on or after September 4, 2012, who elect
15 defined contribution, and who participate in the personal
16 healthcare fund, the annual level percentage of payroll
17 contribution rate is estimated at ~~28.28%~~, **28.59%**, with 20.96% paid
18 directly by the employer.

19 (e) For public school employees who first worked for a public
20 school reporting unit before July 1, 2010, who elect defined
21 contribution, and who are enrolled in the health premium subsidy,
22 the annual level percentage of payroll contribution rate is
23 estimated at ~~28.79%~~, **29.10%**, with 21.47% paid directly by the
24 employer.

25 (f) For public school employees who first worked for a public
26 school reporting unit before July 1, 2010, who elect defined
27 contribution, and who participate in the personal healthcare fund,

1 the annual level percentage of payroll contribution rate is
2 estimated at ~~28.28%~~, **28.59%**, with 20.96% paid directly by the
3 employer.

4 (g) For public school employees who first worked for a public
5 school reporting unit before July 1, 2010 and who participate in
6 the personal healthcare fund, the annual level percentage of
7 payroll contribution rate is estimated at ~~32.59%~~, **32.90%**, with
8 25.27% paid directly by the employer.

9 (3) ~~(4)~~—In addition to the employer payments described in
10 ~~subsections (2) and (3)~~, **SUBSECTION (2)**, the employer shall pay the
11 applicable contributions to the Tier 2 plan, as determined by the
12 public school employees retirement act of 1979, 1980 PA 300 MCL
13 38.1301 to 38.1408.

14 (4) ~~(5)~~—The contribution rates in subsection (2) reflect an
15 amortization period of ~~25–24~~ years for ~~2013–2014–2014–2015~~. The
16 public school employees' retirement system board shall notify each
17 district and intermediate district by February 28 of each fiscal
18 year of the estimated contribution rate for the next fiscal year.

19 Sec. 147a. From the appropriation in section 11, there is
20 allocated for ~~2013–2014–2014–2015~~ an amount not to exceed
21 \$100,000,000.00 for payments to participating districts. A district
22 that receives money under this section shall use that money solely
23 for the purpose of offsetting a portion of the retirement
24 contributions owed by the district for the fiscal year in which it
25 is received. The amount allocated to each participating district
26 under this section shall be based on each participating district's
27 percentage of the total statewide payroll for all participating

1 districts for the immediately preceding fiscal year. As used in
 2 this section, "participating district" means a district that is a
 3 reporting unit of the Michigan public school employees' retirement
 4 system under the public school employees retirement act of 1979,
 5 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
 6 the Michigan public school employees' retirement system for the
 7 applicable fiscal year.

8 Sec. 147c. (1) From the appropriation in section 11, there is
 9 allocated for ~~2013-2014-2014-2015~~ an amount not to exceed
 10 ~~\$249,500,000.00-\$656,700,000.00~~ from the state school aid fund, and
 11 there is appropriated for ~~2013-2014-2014-2015~~ an amount not to
 12 exceed ~~\$156,000,000.00-\$18,000,000.00~~ from the MPSERS retirement
 13 obligation reform reserve fund, for payments to districts and
 14 intermediate districts that are participating entities of the
 15 Michigan public school employees' retirement system.

16 ~~—— (2) In addition to the allocation under subsection (1), from~~
 17 ~~the general fund money appropriated under section 11, there is~~
 18 ~~allocated for payments to district libraries that are participating~~
 19 ~~entities of the retirement system an amount not to exceed~~
 20 ~~\$1,300,000.00 for 2013-2014.~~

21 **(2) FOR 2014-2015, THE AMOUNTS ALLOCATED UNDER SUBSECTION (1)**
 22 **ARE ESTIMATED TO PROVIDE AN AVERAGE MPSERS RATE CAP PER PUPIL**
 23 **AMOUNT OF \$441.00 AND ARE ESTIMATED TO PROVIDE A RATE CAP PER PUPIL**
 24 **FOR DISTRICTS RANGING BETWEEN \$4.00 AND \$1,400.00.**

25 (3) Payments made under this section for ~~2013-2014-2014-2015~~
 26 shall be equal to the difference between the unfunded actuarial
 27 accrued liability contribution rate as calculated pursuant to

1 section 41 of the public school employees retirement act of 1979,
2 1980 PA 300, MCL 38.1341, as calculated without taking into account
3 the maximum employer rate of 20.96% included in section 41 of the
4 public school employees retirement act of 1979, 1980 PA 300, MCL
5 38.1341, and the maximum employer rate of 20.96% included in
6 section 41 of the public school employees retirement act of 1979,
7 1980 PA 300, MCL 38.1341.

8 (4) The amount allocated to each participating entity under
9 this section shall be based on each participating entity's
10 proportion of the total covered payroll for the immediately
11 preceding fiscal year for the same type of participating entities.
12 A participating entity that receives funds under this section shall
13 use the funds solely for the purpose of retirement contributions as
14 specified in subsection (5).

15 (5) Each participating entity receiving funds under this
16 section shall forward an amount equal to the amount allocated under
17 subsection (4) to the retirement system in a form, manner, and time
18 frame determined by the retirement system.

19 (6) Funds allocated under this section should be considered
20 when comparing a district's growth in total state aid funding from
21 1 fiscal year to the next.

22 (7) **NOT LATER THAN OCTOBER 20, 2014, THE DEPARTMENT SHALL**
23 **PUBLISH AND POST ON ITS WEBSITE AN ESTIMATED MPSERS RATE CAP PER**
24 **PUPIL FOR EACH DISTRICT.**

25 (8) ~~(7)~~As used in this section:

26 (A) **"MPSERS RATE CAP PER PUPIL" MEANS AN AMOUNT EQUAL TO THE**
27 **QUOTIENT OF THE DISTRICT'S PAYMENT UNDER THIS SECTION DIVIDED BY**

1 **THE DISTRICT'S PUPILS IN MEMBERSHIP.**

2 **(B)** ~~(a)~~—"Participating entity" means a district, intermediate
3 district, or district library that is a reporting unit of the
4 Michigan public school employees' retirement system under the
5 public school employees retirement act of 1979, 1980 PA 300, MCL
6 38.1301 to 38.1437, and that reports employees to the Michigan
7 public school employees' retirement system for the applicable
8 fiscal year.

9 **(C)** ~~(b)~~—"Retirement board" means the board that administers
10 the retirement system under the public school employees retirement
11 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

12 **(D)** ~~(c)~~—"Retirement system" means the Michigan public school
13 employees' retirement system under the public school employees
14 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

15 **SEC. 147D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
16 **ALLOCATED FOR 2014-2015 ONLY AN AMOUNT NOT TO EXCEED**
17 **\$108,000,000.00 FOR PAYMENTS TO PARTICIPATING ENTITIES.**

18 **(2) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER**
19 **THIS SECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S**
20 **PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY**
21 **PRECEDING FISCAL YEAR. A PARTICIPATING ENTITY THAT RECEIVES FUNDS**
22 **UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR PURPOSES OF THIS**
23 **SECTION.**

24 **(3) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS**
25 **SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE SUM OF THE AMOUNT**
26 **ALLOCATED UNDER THIS SECTION AND THE AMOUNT ALLOCATED UNDER SECTION**
27 **147C TO THE RETIREMENT SYSTEM IN A FORM, MANNER, AND TIME FRAME**

1 PRESCRIBED BY THE RETIREMENT SYSTEM.

2 (4) PAYMENTS UNDER THIS SECTION SHALL BE USED BY THE
3 RETIREMENT SYSTEM SPECIFICALLY FOR THE PAYMENT OR PREPAYMENT OF THE
4 FINAL YEARS OR PARTIAL YEARS OF ANY ADDITIONAL COSTS TO THE
5 RETIREMENT SYSTEM DUE TO THE OPERATION OF SECTION 81B OF THE PUBLIC
6 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1381B,
7 WITHOUT REGARD TO THE AMORTIZATION OF THOSE COSTS UNDER SECTION
8 81B(5) OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980
9 PA 300, MCL 38.1381B, AND IN A MANNER AND FORM AS DETERMINED BY THE
10 OFFICE OF RETIREMENT SERVICES.

11 (5) AS USED IN THIS SECTION:

12 (A) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE
13 DISTRICT, COMMUNITY COLLEGE, OR DISTRICT LIBRARY THAT IS A
14 REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
15 SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,
16 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO
17 THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE
18 APPLICABLE FISCAL YEAR.

19 (B) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
20 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
21 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

22 Sec. 152a. (1) As required by the court in the consolidated
23 cases known as Adair v State of Michigan, Michigan supreme court
24 docket nos. 137424 and 137453, from the state school aid fund money
25 appropriated in section 11 there is allocated for ~~2013-2014-2014-~~
26 2015 an amount not to exceed \$38,000,500.00 to be used solely for
27 the purpose of paying necessary costs related to the state-mandated

1 collection, maintenance, and reporting of data to this state.

2 (2) From the allocation in subsection (1), the department
3 shall make payments to districts and intermediate districts in an
4 equal amount per pupil based on the total number of pupils in
5 membership in each district and intermediate district. The
6 department shall not make any adjustment to these payments after
7 the final installment payment under section 17b is made.

8 Sec. 161. A school official or member of a board or other
9 person who neglects or refuses to do or perform an act required by
10 this act or who violates or knowingly permits or consents to the
11 violation of this act is guilty of a misdemeanor, punishable by
12 imprisonment for not more than 90 days, or a fine of not more than
13 \$1,500.00, or both. **THIS PENALTY IS IN ADDITION TO ALL OTHER**
14 **FINANCIAL PENALTIES OTHERWISE SPECIFIED IN THIS ARTICLE.**

15 Sec. 163. (1) Except as provided in the revised school code,
16 the board of a district or intermediate district shall not permit
17 any of the following:

18 (a) A noncertificated teacher to teach in an elementary or
19 secondary school or in an adult basic education or high school
20 completion program.

21 (b) A noncertificated counselor to provide counseling services
22 to pupils in an elementary or secondary school or in an adult basic
23 education or high school completion program.

24 (2) Except as provided in the revised school code, a district
25 or intermediate district employing teachers or counselors not
26 legally certificated shall have deducted the sum equal to the
27 amount paid the teachers or counselors for the period of

1 noncertificated or illegal employment. Each intermediate
2 superintendent shall notify the department of the name of the
3 noncertificated teacher or counselor, and the district employing
4 that individual and the amount of salary the noncertificated
5 teacher or counselor was paid within a constituent district.

6 (3) If a school official is notified by the department that he
7 or she is employing a nonapproved noncertificated teacher or
8 counselor in violation of this section and knowingly continues to
9 employ that teacher or counselor, the school official is guilty of
10 a misdemeanor, punishable by a fine of \$1,500.00 for each
11 incidence. **THIS PENALTY IS IN ADDITION TO ALL OTHER FINANCIAL**
12 **PENALTIES OTHERWISE SPECIFIED IN THIS ARTICLE.**

13 **SEC. 164F. THE INTERMEDIATE BOARD OF AN INTERMEDIATE DISTRICT,**
14 **THE BOARD OF A DISTRICT, OR THE BOARD OF DIRECTORS OF A PUBLIC**
15 **SCHOOL ACADEMY MAY USE FUNDS APPROPRIATED UNDER THIS ARTICLE TO**
16 **ENTER INTO A SWAP, HEDGE, DERIVATIVE, OR SIMILAR AGREEMENT IN**
17 **CONNECTION WITH THE PROCUREMENT OF DIESEL FUEL. HOWEVER, NOT MORE**
18 **THAN 25% OF A DISTRICT'S, PUBLIC SCHOOL ACADEMY'S, OR INTERMEDIATE**
19 **DISTRICT'S ANNUAL DIESEL FUEL BUDGET MAY BE PROCURED IN THE MANNER**
20 **ALLOWED UNDER THIS SECTION.**

21 Sec. 168. In order to receive funds under this ~~act~~, **ARTICLE**, a
22 district, intermediate district, grant recipient, contractor, or
23 other entity that directly or indirectly receives funds under this
24 ~~act~~ **ARTICLE** shall allow access for the department or the
25 department's designee to audit all records related to a program for
26 which it receives ~~such~~ funds **UNDER THIS ARTICLE OR HAS RECEIVED**
27 **FUNDS UNDER THIS ARTICLE FOR ANY OF THE 3 IMMEDIATELY PRECEDING**

1 **FISCAL YEARS.** The district, intermediate district, grant recipient,
 2 contractor, or other entity shall reimburse the state for all
 3 disallowances found in ~~the audit.~~ **ANY AUDIT CONDUCTED UNDER THIS**
 4 **ARTICLE.**

5 Sec. 201. (1) Subject to the conditions set forth in this
 6 article, the amounts listed in ~~subsections (2), (4), (5), (6), and~~
 7 ~~(7)~~ **THIS SECTION** are appropriated for community colleges for the
 8 fiscal year ending September 30, ~~2014,~~ **2015**, from the funds
 9 indicated in this section. The following is a summary of the
 10 appropriations in ~~subsections (2), (4), (5), (6), and (7)~~ **THIS**
 11 **SECTION:**

12 (a) The gross appropriation is ~~\$335,977,600.00.~~
 13 **\$364,724,900.00.** After deducting total interdepartmental grants and
 14 intradepartmental transfers in the amount of \$0.00, the adjusted
 15 gross appropriation is ~~\$335,977,600.00.~~ **\$364,724,900.00.**

16 (b) The sources of the adjusted gross appropriation described
 17 in subdivision (a) are as follows:

18 (i) Total federal revenues, \$0.00.

19 (ii) Total local revenues, \$0.00.

20 (iii) Total private revenues, \$0.00.

21 (iv) Total other state restricted revenues, \$197,614,100.00.

22 (v) State general fund/general purpose money,
 23 ~~\$138,363,500.00.~~ **\$167,110,800.00.**

24 (2) Subject to subsection (3), the amount appropriated for
 25 community college operations is ~~\$298,244,000.00,~~ **\$307,191,300.00,**
 26 allocated as follows:

27 (a) **THE APPROPRIATION FOR** Alpena Community College 7

1 ~~\$5,221,100.00~~ IS \$5,390,700.00, \$5,236,500.00 FOR OPERATIONS AND
2 \$154,200.00 FOR PERFORMANCE FUNDING.

3 (b) THE APPROPRIATION FOR Bay de Noc Community College ~~7~~
4 ~~\$5,263,800.00~~ IS \$5,419,500.00, \$5,279,300.00 FOR OPERATIONS AND
5 \$140,200.00 FOR PERFORMANCE FUNDING.

6 (c) THE APPROPRIATION FOR Delta College ~~7~~ ~~\$14,022,200.00~~ IS
7 \$14,498,900.00, \$14,063,500.00 FOR OPERATIONS AND \$435,400.00 FOR
8 PERFORMANCE FUNDING.

9 (d) THE APPROPRIATION FOR Glen Oaks Community College ~~7~~
10 ~~\$2,434,300.00~~ IS \$2,516,100.00, \$2,441,500.00 FOR OPERATIONS AND
11 \$74,600.00 FOR PERFORMANCE FUNDING.

12 (e) THE APPROPRIATION FOR Gogebic Community College ~~7~~
13 ~~\$4,317,500.00~~ IS \$4,451,400.00, \$4,330,300.00 FOR OPERATIONS AND
14 \$121,100.00 FOR PERFORMANCE FUNDING.

15 (f) THE APPROPRIATION FOR Grand Rapids Community College ~~7~~
16 ~~\$17,403,500.00~~ IS \$17,947,500.00, \$17,454,900.00 FOR OPERATIONS AND
17 \$492,600.00 FOR PERFORMANCE FUNDING.

18 (g) THE APPROPRIATION FOR Henry Ford Community College ~~7~~
19 ~~\$20,997,900.00~~ IS \$21,623,800.00, \$21,060,000.00 FOR OPERATIONS AND
20 \$563,800.00 FOR PERFORMANCE FUNDING.

21 (h) THE APPROPRIATION FOR Jackson Community College ~~7~~
22 ~~\$11,723,600.00~~ IS \$12,087,300.00, \$11,758,200.00 FOR OPERATIONS AND
23 \$329,100.00 FOR PERFORMANCE FUNDING.

24 (i) THE APPROPRIATION FOR Kalamazoo Valley Community College ~~7~~
25 ~~\$12,086,900.00~~ IS \$12,503,100.00, \$12,122,500.00 FOR OPERATIONS AND
26 \$380,600.00 FOR PERFORMANCE FUNDING.

27 (j) THE APPROPRIATION FOR Kellogg Community College ~~7~~

1 ~~\$9,494,000.00~~-IS \$9,813,500.00, \$9,522,000.00 FOR OPERATIONS AND
2 \$291,500.00 FOR PERFORMANCE FUNDING.

3 (k) THE APPROPRIATION FOR Kirtland Community College 7
4 ~~\$3,046,800.00~~-IS \$3,167,700.00, \$3,055,700.00 FOR OPERATIONS AND
5 \$112,000.00 FOR PERFORMANCE FUNDING.

6 (l) THE APPROPRIATION FOR Lake Michigan College 7
7 ~~\$5,162,900.00~~-IS \$5,342,900.00, \$5,178,100.00 FOR OPERATIONS AND
8 \$164,800.00 FOR PERFORMANCE FUNDING.

9 (m) THE APPROPRIATION FOR Lansing Community College 7
10 ~~\$29,935,300.00~~-IS \$30,877,600.00, \$30,023,700.00 FOR OPERATIONS AND
11 \$853,900.00 FOR PERFORMANCE FUNDING.

12 (n) THE APPROPRIATION FOR Macomb Community College 7
13 ~~\$31,837,200.00~~-IS \$32,816,600.00, \$31,931,200.00 FOR OPERATIONS AND
14 \$885,400.00 FOR PERFORMANCE FUNDING.

15 (o) THE APPROPRIATION FOR Mid Michigan Community College 7
16 ~~\$4,504,700.00~~-IS \$4,682,000.00, \$4,517,900.00 FOR OPERATIONS AND
17 \$164,100.00 FOR PERFORMANCE FUNDING.

18 (p) THE APPROPRIATION FOR Monroe County Community College 7
19 ~~\$4,329,900.00~~-IS \$4,492,900.00, \$4,342,600.00 FOR OPERATIONS AND
20 \$150,300.00 FOR PERFORMANCE FUNDING.

21 (q) THE APPROPRIATION FOR Montcalm Community College 7
22 ~~\$3,112,000.00~~-IS \$3,226,700.00, \$3,121,200.00 FOR OPERATIONS AND
23 \$105,500.00 FOR PERFORMANCE FUNDING.

24 (r) THE APPROPRIATION FOR C.S. Mott Community College 7
25 ~~\$15,202,200.00~~-IS \$15,686,100.00, \$15,247,100.00 FOR OPERATIONS AND
26 \$439,000.00 FOR PERFORMANCE FUNDING.

27 (s) THE APPROPRIATION FOR Muskegon Community College 7

1 ~~\$8,628,000.00~~-IS \$8,901,000.00, \$8,653,500.00 FOR OPERATIONS AND
2 \$247,500.00 FOR PERFORMANCE FUNDING.

3 (t) THE APPROPRIATION FOR North Central Michigan College 7
4 ~~\$3,055,400.00~~-IS \$3,172,400.00, \$3,064,400.00 FOR OPERATIONS AND
5 \$108,000.00 FOR PERFORMANCE FUNDING.

6 (u) THE APPROPRIATION FOR Northwestern Michigan College 7
7 ~~\$8,799,300.00~~-IS \$9,078,800.00, \$8,825,300.00 FOR OPERATIONS AND
8 \$253,500.00 FOR PERFORMANCE FUNDING.

9 (v) THE APPROPRIATION FOR Oakland Community College 7
10 ~~\$20,422,900.00~~-IS \$21,123,300.00, \$20,483,100.00 FOR OPERATIONS AND
11 \$640,200.00 FOR PERFORMANCE FUNDING.

12 (w) THE APPROPRIATION FOR St. Clair County Community College 7
13 ~~\$6,839,900.00~~-IS \$7,061,600.00, \$6,860,100.00 FOR OPERATIONS AND
14 \$201,500.00 FOR PERFORMANCE FUNDING.

15 (x) THE APPROPRIATION FOR Schoolcraft College 7
16 ~~\$12,076,700.00~~-IS \$12,513,700.00, \$12,112,200.00 FOR OPERATIONS AND
17 \$401,500.00 FOR PERFORMANCE FUNDING.

18 (y) THE APPROPRIATION FOR Southwestern Michigan College 7
19 ~~\$6,385,400.00~~-IS \$6,576,400.00, \$6,404,300.00 FOR OPERATIONS AND
20 \$172,100.00 FOR PERFORMANCE FUNDING.

21 (z) THE APPROPRIATION FOR Washtenaw Community College 7
22 ~~\$12,573,900.00~~-IS \$13,077,300.00, \$12,610,800.00 FOR OPERATIONS AND
23 \$466,500.00 FOR PERFORMANCE FUNDING.

24 (aa) THE APPROPRIATION FOR Wayne County Community College 7
25 ~~\$16,146,700.00~~-IS \$16,727,600.00, \$16,194,300.00 FOR OPERATIONS AND
26 \$533,300.00 FOR PERFORMANCE FUNDING.

27 (bb) THE APPROPRIATION FOR West Shore Community College 7

1 ~~\$2,342,900.00~~ IS \$2,414,900.00, \$2,349,800.00 FOR OPERATIONS AND
 2 \$65,100.00 FOR PERFORMANCE FUNDING.

3 ~~—— (cc) Local strategic value, \$877,100.00.~~

4 (3) The amount appropriated in subsection (2) for community
 5 college operations is appropriated from the following:

6 (a) State school aid fund, \$195,880,500.00.

7 (b) State general fund/general purpose money,
 8 ~~\$102,363,500.00~~ \$111,310,800.00.

9 (4) From the appropriations described in subsection (1), there
 10 ~~is~~ SUBJECT TO SECTION 207A, THE AMOUNT appropriated for fiscal year
 11 ~~2013-2014 an amount not to exceed \$1,733,600.00 for payments to~~
 12 ~~community colleges from the state school aid fund. A community~~
 13 ~~college that receives money under this subsection shall use that~~
 14 ~~money solely for the purpose of offsetting a portion of the~~
 15 ~~retirement contributions owed by the college for the fiscal year~~
 16 ~~ending September 30, 2014. The amount allocated to each~~
 17 ~~participating community college under this section shall be based~~
 18 ~~on each participating college's total payroll covered by the~~
 19 ~~retirement system covered payroll for all participating colleges~~
 20 ~~for the immediately preceding state fiscal year.~~ 2014-2015 TO OFFSET
 21 CERTAIN FISCAL YEAR 2014-2015 RETIREMENT CONTRIBUTIONS IS
 22 \$1,733,600.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.

23 (5) From the appropriations described in subsection (1), there
 24 ~~is~~ SUBJECT TO SECTION 207B, THE AMOUNT appropriated ~~an amount not~~
 25 ~~to exceed \$31,400,000.00 from the state general fund for payments~~
 26 to community colleges that are participating entities of the
 27 retirement system IS \$52,300,000.00, APPROPRIATED FROM GENERAL

~~FUND/GENERAL PURPOSE MONEY. All of the following apply to the appropriations described in this subsection.~~

~~—— (a) The amount of a payment under this subsection shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.~~

~~—— (b) The amount allocated to each community college under this subsection shall be based on each community college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions under subdivision (c).~~

~~—— (c) Each participating college receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.~~

~~(6) All of the following apply to community colleges described in section 12(3) of the Michigan renaissance zone act, MCL 125.2692.~~

~~—— (a) From the appropriations described in subsection (1), the following~~ **SUBJECT TO SECTION 207C, THE** ~~amount is appropriated for reimbursement to community colleges under section 12(3) of the Michigan renaissance zone act, MCL 125.2692.~~ **RENAISSANCE ZONE TAX**

1 REIMBURSEMENTS IS \$3,500,000.00, APPROPRIATED FROM GENERAL
2 FUND/GENERAL PURPOSE MONEY.

3 ~~—— (i) If the amount of tax revenue lost by community colleges as~~
4 ~~a result of the exemption of property under the Michigan~~
5 ~~renaissance zone act in fiscal year 2012-2013 is \$3,500,000.00 or~~
6 ~~more, \$3,500,000.00 from the state general fund.~~

7 ~~—— (ii) If the amount of tax revenue lost by community colleges~~
8 ~~as a result of the exemption of property under the Michigan~~
9 ~~renaissance zone act in fiscal year 2012-2013 is less than~~
10 ~~\$3,500,000.00, the actual amount of tax revenue lost by the~~
11 ~~community colleges.~~

12 ~~—— (b) The amount allocated to each community college under this~~
13 ~~subsection shall be based on that community college's proportion of~~
14 ~~total revenue lost by community colleges in fiscal year 2012-2013~~
15 ~~as a result of the exemption of property under the Michigan~~
16 ~~renaissance zone act.~~

17 ~~—— (c) The appropriations described in this subsection shall be~~
18 ~~made to each eligible community college within 60 days after the~~
19 ~~department of treasury certifies to the state budget director that~~
20 ~~it has received all necessary information to properly determine the~~
21 ~~amounts of tax revenue lost by each eligible community college in~~
22 ~~fiscal year 2012-2013 under section 12 of the Michigan renaissance~~
23 ~~zone act, MCL 125.2692.~~

24 ~~—— (7) From the appropriations described in subsection (1), there~~
25 ~~is appropriated \$1,100,000.00 from the state general fund, for~~
26 ~~fiscal year 2013-2014 only, to the Michigan community college~~
27 ~~association, for the purpose of expanding the Michigan community~~

~~college virtual learning collaborative. The Michigan community college association shall provide information on request to the house and senate subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director on the use of these funds until the project is completed.~~

~~—— (8) As used in this section:~~

~~—— (a) "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.~~

~~—— (b) "Participating college" means a community college that is a reporting unit of the retirement system and that reports employees to the retirement system for the state fiscal year.~~

~~—— (c) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

~~—— (d) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2015~~ **2016** for the items listed in section 201. The fiscal year ~~2014-2015~~ **2015-2016** appropriations are anticipated to be the same as those for fiscal year ~~2013-2014, 2014-2015~~, except that the amounts will be adjusted for changes in **RETIREMENT COSTS**, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2014-2015~~ consensus revenue estimating conference.

Sec. 202a. As used in this article: ~~,"workforce~~

1 (A) "MICHIGAN RENAISSANCE ZONE ACT" MEANS THE MICHIGAN
2 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.

3 (B) "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS
4 A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT REPORTS
5 EMPLOYEES TO THE RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

6 (C) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE
7 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
8 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

9 (D) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
10 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
11 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

12 (E) "WORKFORCE development agency" means the workforce
13 development agency of the Michigan strategic fund.

14 Sec. 206. The funds appropriated in section 201 are
15 appropriated for community colleges with fiscal years ending June
16 30, ~~2014-2015~~ and shall be paid out of the state treasury and
17 distributed by the state treasurer to the respective community
18 colleges in 11 monthly installments on the sixteenth of each month,
19 or the next succeeding business day, beginning with October 16,
20 ~~2013-2014~~. Each community college shall accrue its July and August
21 ~~2014-2015~~ payments to its institutional fiscal year ending June 30,
22 ~~2014-2015~~. However, if the state budget director determines that a
23 community college failed to submit all verified Michigan community
24 colleges activities classification structure data for school year
25 ~~2012-2013-2013-2014~~ to the workforce development agency by November
26 1, ~~2013-2014~~, or failed to submit its longitudinal data system
27 data set for school year ~~2012-2013-2013-2014~~ to the center for

1 educational performance and information under section 219, the
2 state treasurer shall withhold the monthly installments from that
3 community college until those data are submitted. The state budget
4 director shall notify the chairs of the house and senate
5 appropriations subcommittees on community colleges at least 10 days
6 before withholding funds from any community college.

7 **SEC. 207A. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE**
8 **APPROPRIATIONS DESCRIBED IN SECTION 201(4):**

9 **(A) A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER SECTION**
10 **201(4) SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A**
11 **PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE**
12 **FISCAL YEAR ENDING SEPTEMBER 30, 2015.**

13 **(B) THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY**
14 **COLLEGE UNDER SECTION 201(4) SHALL BE BASED ON EACH PARTICIPATING**
15 **COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM-COVERED**
16 **PAYROLL FOR ALL PARTICIPATING COLLEGES FOR FISCAL YEAR 2013-2014.**

17 **SEC. 207B. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE**
18 **APPROPRIATIONS DESCRIBED IN SECTION 201(5) FOR PAYMENTS TO**
19 **COMMUNITY COLLEGES THAT ARE PARTICIPATING ENTITIES OF THE**
20 **RETIREMENT SYSTEM:**

21 **(A) THE AMOUNT OF A PAYMENT UNDER SECTION 201(5) SHALL BE THE**
22 **DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY**
23 **CONTRIBUTION RATE AS CALCULATED UNDER SECTION 41 OF THE PUBLIC**
24 **SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341,**
25 **AND THE MAXIMUM EMPLOYER RATE OF 20.96% UNDER SECTION 41 OF THE**
26 **PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL**
27 **38.1341.**

1 (B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER
2 SECTION 201(5) SHALL BE BASED ON EACH COMMUNITY COLLEGE'S
3 PERCENTAGE OF THE TOTAL COVERED PAYROLL FOR ALL COMMUNITY COLLEGES
4 THAT ARE PARTICIPATING COLLEGES IN THE IMMEDIATELY PRECEDING FISCAL
5 YEAR. A COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS
6 SUBDIVISION SHALL USE THE FUNDS SOLELY FOR THE PURPOSE OF
7 RETIREMENT CONTRIBUTIONS UNDER SECTION 201(5).

8 (C) EACH PARTICIPATING COLLEGE THAT RECEIVES FUNDS UNDER
9 SECTION 201(5) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT
10 ALLOCATED UNDER SUBDIVISION (B) TO THE RETIREMENT SYSTEM IN A FORM
11 AND MANNER DETERMINED BY THE RETIREMENT SYSTEM.

12 SEC. 207C. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE
13 APPROPRIATIONS DESCRIBED IN SECTION 201(6) TO COMMUNITY COLLEGES
14 DESCRIBED IN SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT,
15 MCL 125.2692:

16 (A) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER
17 SECTION 201(6) SHALL BE BASED ON THAT COMMUNITY COLLEGE'S
18 PROPORTION OF TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL
19 YEAR 2013-2014 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE
20 MICHIGAN RENAISSANCE ZONE ACT.

21 (B) THE APPROPRIATIONS DESCRIBED IN SECTION 201(6) SHALL BE
22 MADE TO EACH ELIGIBLE COMMUNITY COLLEGE WITHIN 60 DAYS AFTER THE
23 DEPARTMENT OF TREASURY CERTIFIES TO THE STATE BUDGET DIRECTOR THAT
24 IT HAS RECEIVED ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE
25 AMOUNTS OF TAX REVENUE LOST BY EACH ELIGIBLE COMMUNITY COLLEGE IN
26 FISCAL YEAR 2013-2014 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE
27 ZONE ACT, MCL 125.2692.

1 Sec. 209. (1) Within 30 days after the board of a community
2 college adopts its annual operating budget for the following school
3 fiscal year, or after the board adopts a subsequent revision to
4 that budget, the community college shall make all of the following
5 available through a link on its website homepage:

6 (a) The annual operating budget and subsequent budget
7 revisions.

8 (b) A link to the most recent "Activities Classification
9 Structure ~~Manual for Michigan Community Colleges~~".**DATA BOOK AND**
10 **COMPANION"**.

11 (c) General fund revenue and expenditure projections for
12 fiscal year ~~2013-2014-2014-2015~~ and fiscal year ~~2014-2015-2015-~~
13 **2016**.

14 (d) A listing of all debt service obligations, detailed by
15 project, anticipated fiscal year ~~2013-2014-2014-2015~~ payment of
16 each project, and total outstanding debt.

17 (e) The estimated cost to the community college resulting from
18 the patient protection and affordable care act, Public Law 111-148,
19 as amended by the health care and education reconciliation act of
20 2010, Public Law 111-152.

21 (f) Links to all of the following for the community college:

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

24 (ii) Each health care benefits plan, including, but not
25 limited to, medical, dental, vision, disability, long-term care, or
26 any other type of benefits that would constitute health care
27 services, offered to any bargaining unit or employee of the

1 community college.

2 (iii) Audits and financial reports for the most recent fiscal
3 year for which they are available.

4 (iv) A copy of the board of trustees resolution regarding
5 compliance with best practices for the local strategic value
6 component described in section ~~230(3)~~.230(2).

7 (2) For statewide consistency and public visibility, community
8 colleges must use the icon badge provided by the department of
9 technology, management, and budget consistent with the icon badge
10 developed by the department of education for K-12 school districts.
11 It must appear on the front of each community college's homepage.
12 The size of the icon may be reduced to 150 x 150 pixels.

13 (3) The state budget director shall determine whether a
14 community college has complied with this section. The state budget
15 director may withhold a community college's monthly installments
16 described in section 206 until the community college complies with
17 this section. The state budget director shall notify the chairs of
18 the house and senate appropriations subcommittee on community
19 colleges at least 10 days before withholding funds from any
20 community college.

21 (4) Each community college shall report the following
22 information to the senate and house appropriations subcommittees on
23 community colleges, the senate and house fiscal agencies, and the
24 state budget office by November 15 ~~, 2013,~~ **OF EACH FISCAL YEAR** and
25 post that information on the internet website required under
26 subsection (1):

27 (a) Budgeted fiscal year ~~2013-2014-2014-2015~~ general fund

1 revenue from tuition and fees.

2 (b) Budgeted fiscal year ~~2013-2014~~ **2014-2015** general fund
3 revenue from state appropriations.

4 (c) Budgeted fiscal year ~~2013-2014~~ **2014-2015** general fund
5 revenue from property taxes.

6 (d) Budgeted fiscal year ~~2013-2014~~ **2014-2015** total general
7 fund revenue.

8 (e) Budgeted fiscal year ~~2013-2014~~ **2014-2015** total general
9 fund expenditures.

10 (5) BY NOVEMBER 15 OF EACH YEAR, A COMMUNITY COLLEGE SHALL
11 REPORT THE FOLLOWING INFORMATION TO THE CENTER FOR EDUCATIONAL
12 PERFORMANCE AND INFORMATION AND POST THE INFORMATION ON ITS WEBSITE
13 UNDER THE BUDGET TRANSPARENCY ICON BADGE:

14 (A) OPPORTUNITIES FOR EARNING COLLEGE CREDIT THROUGH THE
15 FOLLOWING PROGRAMS:

16 (i) STATE APPROVED CAREER AND TECHNICAL EDUCATION OR A TECH
17 PREP ARTICULATED PROGRAM OF STUDY.

18 (ii) DIRECT COLLEGE CREDIT OR CONCURRENT ENROLLMENT.

19 (iii) DUAL ENROLLMENT.

20 (iv) AN EARLY COLLEGE/MIDDLE COLLEGE PROGRAM.

21 (B) FOR EACH PROGRAM DESCRIBED IN SUBDIVISION (A) THAT THE
22 COMMUNITY COLLEGE OFFERS, ALL OF THE FOLLOWING INFORMATION:

23 (i) THE NUMBER OF HIGH SCHOOL STUDENTS PARTICIPATING IN THE
24 PROGRAM.

25 (ii) THE NUMBER OF SCHOOL DISTRICTS THAT PARTICIPATE IN THE
26 PROGRAM WITH THE COMMUNITY COLLEGE.

27 (iii) WHETHER A COLLEGE PROFESSOR, QUALIFIED LOCAL SCHOOL

1 DISTRICT EMPLOYEE, OR OTHER INDIVIDUAL TEACHES THE COURSE OR
2 COURSES IN THE PROGRAM.

3 (iv) THE TOTAL COST TO THE COMMUNITY COLLEGE TO OPERATE THE
4 PROGRAM.

5 (v) THE COST PER CREDIT HOUR FOR THE COURSE OR COURSES IN THE
6 PROGRAM.

7 (vi) THE LOCATION WHERE THE COURSE OR COURSES IN THE PROGRAM
8 ARE HELD.

9 (vii) INSTRUCTIONAL RESOURCES OFFERED TO THE PROGRAM
10 INSTRUCTORS.

11 (viii) RESOURCES OFFERED TO THE STUDENT IN THE PROGRAM.

12 (ix) TRANSPORTATION SERVICES PROVIDED TO STUDENTS IN THE
13 PROGRAM.

14 Sec. 210b. (1) It is the intent of the legislature that the
15 Michigan association of collegiate registrars and admissions
16 officers implement any agreement or agreements among the community
17 colleges and universities concerning the transferability of college
18 courses resulting from the recommendations of the committee created
19 under former section 210a.

20 (2) It is the intent of the legislature that the Michigan
21 association of collegiate registrars and admissions officers, the
22 Michigan community college association, and the presidents council,
23 state universities of Michigan shall together submit an
24 implementation update report to the senate and house appropriations
25 subcommittees on community colleges and higher education, the
26 senate and house fiscal agencies, and the state budget director by
27 March 1, ~~2014~~2015.

1 Sec. 217. (1) ~~Unless otherwise specifically stated, all data~~
2 ~~items used in determining state aid in this article are as defined~~
3 ~~in the "2001 Manual for Uniform Financial Reporting, Michigan~~
4 ~~Public Community Colleges", which shall be the basis for reporting~~
5 ~~data, and the "Activities Classification Structure Manual for~~
6 ~~Michigan Community Colleges", as amended, which shall be used to~~
7 ~~document financial needs of the community colleges.~~ THE WORKFORCE
8 DEVELOPMENT AGENCY SHALL DO ALL OF THE FOLLOWING:

9 (A) ESTABLISH, MAINTAIN, AND COORDINATE THE STATE COMMUNITY
10 COLLEGE DATABASE COMMONLY KNOWN AS THE "ACTIVITIES CLASSIFICATION
11 STRUCTURE" OR "ACS" DATABASE.

12 (B) COLLECT DATA CONCERNING COMMUNITY COLLEGES AND COMMUNITY
13 COLLEGE PROGRAMS IN THIS STATE, INCLUDING DATA REQUIRED BY LAW.

14 (C) ESTABLISH PROCEDURES TO ENSURE THE VALIDITY AND
15 RELIABILITY OF THE DATA AND THE COLLECTION PROCESS.

16 (D) DEVELOP MODEL DATA COLLECTION POLICIES, INCLUDING, BUT NOT
17 LIMITED TO, POLICIES THAT ENSURE THE PRIVACY OF ANY INDIVIDUAL
18 STUDENT DATA. PRIVACY POLICIES SHALL ENSURE THAT STUDENT SOCIAL
19 SECURITY NUMBERS ARE NOT RELEASED TO THE PUBLIC FOR ANY PURPOSE.

20 (E) PROVIDE DATA IN A USEFUL MANNER TO ALLOW STATE
21 POLICYMAKERS AND COMMUNITY COLLEGE OFFICIALS TO MAKE INFORMED
22 POLICY DECISIONS.

23 (F) ASSIST COMMUNITY COLLEGES IN COMPLYING WITH AUDITS UNDER
24 THIS SECTION OR FEDERAL LAW.

25 (2) THERE IS CREATED WITHIN THE WORKFORCE DEVELOPMENT AGENCY
26 THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE. THE
27 COMMITTEE SHALL PROVIDE ADVICE TO THE DIRECTOR OF THE WORKFORCE

1 DEVELOPMENT AGENCY REGARDING THE MANAGEMENT OF THE STATE COMMUNITY
2 COLLEGE DATABASE, INCLUDING, BUT NOT LIMITED TO:

3 (A) DETERMINING WHAT DATA ARE NECESSARY TO COLLECT AND
4 MAINTAIN TO ENABLE STATE AND COMMUNITY COLLEGE OFFICIALS TO MAKE
5 INFORMED POLICY DECISIONS.

6 (B) DEFINING THE ROLES OF ALL STAKEHOLDERS IN THE DATA
7 COLLECTION SYSTEM.

8 (C) RECOMMENDING TIMELINES FOR THE IMPLEMENTATION AND ONGOING
9 COLLECTION OF DATA.

10 (D) ESTABLISHING AND MAINTAINING DATA DEFINITIONS, DATA
11 TRANSMISSION PROTOCOLS, AND SYSTEM SPECIFICATIONS AND PROCEDURES
12 FOR THE EFFICIENT AND ACCURATE TRANSMISSION AND COLLECTION OF DATA.

13 (E) ESTABLISHING AND MAINTAINING A PROCESS FOR ENSURING THE
14 ACCURACY OF THE DATA.

15 (F) ESTABLISHING AND MAINTAINING POLICIES RELATED TO DATA
16 COLLECTION, INCLUDING, BUT NOT LIMITED TO, PRIVACY POLICIES RELATED
17 TO INDIVIDUAL STUDENT DATA.

18 (G) ENSURING THAT THE DATA ARE MADE AVAILABLE TO STATE
19 POLICYMAKERS AND CITIZENS OF THIS STATE IN THE MOST USEFUL FORMAT
20 POSSIBLE.

21 (H) ADDRESSING OTHER MATTERS AS DETERMINED BY THE DIRECTOR OF
22 THE WORKFORCE DEVELOPMENT AGENCY OR AS REQUIRED BY LAW.

23 (3) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE
24 CREATED IN SUBSECTION (2) SHALL CONSIST OF THE FOLLOWING MEMBERS:

25 (A) ONE REPRESENTATIVE FROM THE HOUSE FISCAL AGENCY, APPOINTED
26 BY THE DIRECTOR OF THE HOUSE FISCAL AGENCY.

27 (B) ONE REPRESENTATIVE FROM THE SENATE FISCAL AGENCY,

1 APPOINTED BY THE DIRECTOR OF THE SENATE FISCAL AGENCY.

2 (C) ONE REPRESENTATIVE FROM THE WORKFORCE DEVELOPMENT AGENCY,
3 APPOINTED BY THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY.

4 (D) ONE REPRESENTATIVE FROM THE STATE BUDGET OFFICE, APPOINTED
5 BY THE STATE BUDGET DIRECTOR.

6 (E) ONE REPRESENTATIVE FROM THE GOVERNOR'S POLICY OFFICE,
7 APPOINTED BY THAT OFFICE.

8 (F) FOUR REPRESENTATIVES OF THE MICHIGAN COMMUNITY COLLEGES
9 ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE ASSOCIATION. FROM
10 THE GROUPINGS OF COMMUNITY COLLEGES GIVEN IN TABLE 17 OF THE
11 ACTIVITIES CLASSIFICATION STRUCTURE REPORT DESCRIBED IN SUBSECTION
12 (4), THE ASSOCIATION SHALL APPOINT 1 REPRESENTATIVE EACH FROM GROUP
13 1, GROUP 2, AND GROUP 3, AND 1 REPRESENTATIVE FROM EITHER GROUP 3
14 OR 4.

15 (4) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE
16 SHALL REVIEW THE EXISTING ACTIVITIES CLASSIFICATION STRUCTURE
17 REPORT, DATA, DEFINITIONS, PROCESSES, AND OTHER ITEMS AS NEEDED AND
18 PUBLISH AN INITIAL REPORT ON THEIR FINDINGS AND RECOMMENDATIONS BY
19 JULY 30, 2015. THIS REPORT SHALL BE SUBMITTED TO THE SENATE AND
20 HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE
21 SENATE AND HOUSE FISCAL AGENCIES, THE DIRECTOR OF THE WORKFORCE
22 DEVELOPMENT AGENCY, THE STATE BUDGET DIRECTOR, AND THE MICHIGAN
23 COMMUNITY COLLEGES ASSOCIATION.

24 Sec. 224. A community college shall use the P-20 longitudinal
25 data system to inform interested Michigan high schools **AND THE**
26 **PUBLIC** of the aggregate academic status of its students for the
27 previous academic year, in a manner prescribed by the Michigan

1 community college association and in cooperation with the Michigan
2 association of secondary school principals. Community colleges
3 shall cooperate with the center for educational performance and
4 information to ~~design and implement~~ **MAINTAIN** a systematic approach
5 for accomplishing this work.

6 Sec. 225. Each community college shall report to the house and
7 senate fiscal agencies, the state budget director, and the
8 workforce development agency by August 31, ~~2013,~~ **2014**, the tuition
9 and mandatory fees paid by a full-time in-district student and a
10 full-time out-of-district student as established by the college
11 governing board for the ~~2013-2014~~ **2014-2015** academic year. This
12 report should also include the annual cost of attendance based on a
13 full-time course load of 30 credits. Each community college shall
14 also report any revisions to the reported ~~2012-2013 or 2013-2014~~
15 **2014-2015** academic year tuition and mandatory fees adopted by the
16 college governing board to the house and senate fiscal agencies,
17 the state budget director, and the workforce development agency
18 within 15 days of being adopted.

19 Sec. 229. (1) It is the intent of the legislature that each
20 community college that receives an appropriation in section 201
21 include in its admission application process a specific question as
22 to whether an applicant for admission ~~is a veteran, an active~~
23 ~~member of the military, a member of the national guard or military~~
24 ~~reserves, or the spouse or dependent of a veteran, active member of~~
25 ~~the military, or member of the national guard or military reserves,~~
26 **HAS EVER SERVED OR IS CURRENTLY SERVING IN THE UNITED STATES ARMED**
27 **FORCES OR IS THE SPOUSE OR DEPENDENT OF AN INDIVIDUAL WHO HAS**

1 **SERVED OR IS CURRENTLY SERVING IN THE UNITED STATES ARMED FORCES,**
 2 in order to more quickly identify potential educational assistance
 3 available to that applicant.

4 (2) It is the intent of the legislature that each public
 5 community college that receives an appropriation in section 201
 6 shall work with the house and senate community college
 7 subcommittees, the Michigan community college association, and
 8 veterans groups to review the issue of in-district tuition for
 9 veterans of this state when determining tuition rates and fees.

10 (3) As used in this section, "veteran" means an honorably
 11 discharged veteran entitled to educational assistance under the
 12 provisions of section 5003 of the post-911 veterans educational
 13 assistance act of 2008, 38 USC 3301 to 3324.

14 Sec. 229a. Included in the fiscal year ~~2013-2014~~**2014-2015**
 15 appropriations for the department of technology, management, and
 16 budget are appropriations to provide funding for the state share of
 17 costs for previously constructed capital projects for community
 18 colleges. Those appropriations for state building authority rent
 19 represent additional state general fund support for community
 20 colleges, and the following is an estimate of the amount of that
 21 support to each community college:

22 (a) Alpena Community College, ~~\$434,500.00~~**\$485,400.00.**

23 (b) Bay de Noc Community College, ~~\$644,500.00~~**\$636,600.00.**

24 (c) Delta College, ~~\$2,877,700.00~~**\$2,842,800.00.**

25 (d) Glen Oaks Community College, ~~\$124,900.00~~**\$123,300.00.**

26 (e) Gogebic Community College, ~~\$78,100.00~~**\$16,900.00.**

27 (f) Grand Rapids Community College,

1 ~~\$1,700,400.00.~~**\$1,792,400.00.**
 2 (g) Henry Ford Community College, ~~\$1,126,800.00.~~**\$1,030,800.00.**
 3 (h) Jackson Community College, ~~\$1,809,500.00.~~**\$1,787,300.00.**
 4 (i) Kalamazoo Valley Community College,
 5 ~~\$1,489,300.00.~~**\$1,471,000.00.**
 6 (j) Kellogg Community College, ~~\$527,900.00.~~**\$521,400.00.**
 7 (k) Kirtland Community College, ~~\$368,800.00.~~**\$364,000.00.**
 8 (l) Lake Michigan College, ~~\$345,200.00.~~**\$340,900.00.**
 9 (m) Lansing Community College, ~~\$617,600.00.~~**\$610,100.00.**
 10 (n) Macomb Community College, ~~\$1,332,900.00.~~**\$1,316,600.00.**
 11 (o) Mid Michigan Community College, ~~\$928,900.00.~~**\$1,117,300.00.**
 12 (p) Monroe County Community College,
 13 ~~\$1,375,600.00.~~**\$1,266,500.00.**
 14 (q) Montcalm Community College, ~~\$1,015,700.00.~~**\$973,700.00.**
 15 (r) C.S. Mott Community College, ~~\$1,830,400.00.~~**\$1,808,000.00.**
 16 (s) Muskegon Community College, ~~\$201,000.00.~~**\$198,500.00.**
 17 (t) North Central Michigan College, ~~\$476,300.00.~~**\$117,600.00.**
 18 (u) Northwestern Michigan College,
 19 ~~\$1,324,800.00.~~**\$1,308,600.00.**
 20 (v) Oakland Community College, ~~\$472,100.00.~~**\$466,300.00.**
 21 (w) St. Clair County Community College,
 22 ~~\$361,400.00.~~**\$357,000.00.**
 23 (x) Schoolcraft College, ~~\$1,569,500.00.~~**\$1,550,300.00.**
 24 (y) Southwestern Michigan College, ~~\$538,600.00.~~**\$231,100.00.**
 25 (z) Washtenaw Community College, ~~\$2,023,100.00.~~**\$1,680,600.00.**
 26 (aa) Wayne County Community College,
 27 ~~\$1,918,700.00.~~**\$1,466,000.00.**

(bb) West Shore Community College, ~~\$585,800.00~~ **\$578,600.00**.

Sec. 230. (1) ~~It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed under section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years.~~

~~—— (2) Any additional funding provided to~~ **MONEY INCLUDED IN THE APPROPRIATIONS FOR** community college operations under section 201(2) in fiscal year ~~2013-2014~~ **that exceeds the amounts**

~~appropriated for operations in fiscal year 2012-2013-2014-2015~~ **FOR PERFORMANCE FUNDING** is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2012-2013-2013-2014~~ base appropriations, 50%.

(b) Based on contact hour equated students, 10%.

(c) Based on administrative costs, 7.5%.

(d) Based on a weighted degree formula as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.

(e) Based on the local strategic value component, as developed in cooperation with the Michigan community college association and described in subsection ~~(3)~~, **(2)**, 15%.

(2) ~~(3) The appropriation in section 201(2)(cc)~~ MONEY INCLUDED IN THE APPROPRIATIONS FOR COMMUNITY COLLEGE OPERATIONS UNDER SECTION 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before ~~November 1, 2013,~~ **OCTOBER 15, 2014**, that the college has met 4 out of 5 best

1 practices listed in each category described in subsection ~~(4)~~—(3).

2 The resolution shall provide specifics as to how the community

3 college meets each best practice measure within each category. One-

4 third of funding available under the strategic value component

5 shall be allocated to each category described in subsection ~~(4)~~—

6 (3). Amounts distributed under local strategic value shall be on a

7 proportionate basis to each college's fiscal year ~~2012–2013~~—2013–

8 2014 operations funding. Payments to community colleges that

9 qualify for local strategic value funding shall be distributed with

10 the November installment payment described in section 206.

11 (3) ~~(4)~~—For purposes of subsection ~~(3)~~—(2), the following

12 categories of best practices reflect functional activities of

13 community colleges that have strategic value to the local

14 communities and regional economies:

15 (a) For Category A, economic development and business or

16 industry partnerships, the following:

17 (i) The community college has active partnerships with local

18 employers including hospitals and health care providers.

19 (ii) The community college provides customized on-site

20 training for area companies, employees, or both.

21 (iii) The community college supports entrepreneurship through

22 a small business assistance center or other training or consulting

23 activities targeted toward small businesses.

24 (iv) The community college supports technological advancement

25 through industry partnerships, incubation activities, or operation

26 of a Michigan technical education center or other advanced

27 technology center.

1 (v) The community college has active partnerships with local
2 or regional workforce and economic development agencies.

3 (b) For Category B, educational partnerships, the following:

4 (i) The community college has active partnerships with
5 regional high schools, intermediate school districts, and career-
6 tech centers to provide instruction through dual enrollment,
7 **CONCURRENT ENROLLMENT**, direct credit, middle college, or academy
8 programs.

9 (ii) The community college hosts, sponsors, or participates in
10 enrichment programs for area K-12 students, such as college days,
11 summer or after-school programming, or science Olympiad.

12 (iii) The community college provides, supports, or
13 participates in programming to promote successful transitions to
14 college for traditional age students, including grant programs such
15 as talent search, upward bound, or other activities to promote
16 college readiness in area high schools and community centers.

17 (iv) The community college provides, supports, or participates
18 in programming to promote successful transitions to college for new
19 or reentering adult students, such as adult basic education, ~~GED~~
20 ~~preparation, GED testing,~~ **GENERAL EDUCATION DEVELOPMENT CERTIFICATE**
21 **PREPARATION AND TESTING**, or recruiting, advising, or orientation
22 activities specific to adults.

23 (v) The community college has active partnerships with
24 regional 4-year colleges and universities to promote successful
25 transfer, such as articulation, 2+2, or reverse transfer agreements
26 or operation of a university center.

27 (c) For Category C, community services, the following:

(i) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.

(ii) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.

(iii) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.

(iv) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiums, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.

(v) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsections (2) to (6)~~ **THIS SECTION** are appropriated for higher education for the fiscal year ending September 30, ~~2014,~~ **2015**, from the funds indicated in this section. The following is a summary of the appropriations in ~~subsections (2) to (6)~~ **THIS SECTION:**

(a) The gross appropriation is ~~\$1,430,573,500.00-~~ **\$1,516,496,300.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the

1 adjusted gross appropriation is

2 ~~\$1,430,573,500.00.~~ **\$1,516,496,300.00.**

3 (b) The sources of the adjusted gross appropriation described
4 in subdivision (a) are as follows:

5 (i) Total federal revenues, \$97,026,400.00.

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues,

9 ~~\$200,565,700.00.~~ **\$204,567,900.00.**

10 (v) State general fund/general purpose money,

11 ~~\$1,132,981,400.00.~~ **\$1,214,902,000.00.**

12 (2) Amounts appropriated for public universities are as
13 follows:

14 (a) The appropriation for Central Michigan University is

15 ~~\$73,486,600.00, \$71,352,300.00~~ **\$79,115,000.00, \$73,540,100.00** for
16 operations and ~~\$2,134,300.00~~ **\$5,574,900.00** for performance funding.
17 ~~, appropriated from the following:~~

18 ~~—— (i) State school aid fund, \$11,284,600.00.~~

19 ~~—— (ii) State general fund/general purpose money, \$62,202,000.00.~~

20 (b) The appropriation for Eastern Michigan University is

21 ~~\$67,255,600.00, \$66,466,700.00~~ **\$71,771,100.00, \$67,275,400.00** for
22 operations and ~~\$788,900.00~~ **\$4,495,700.00** for performance funding. ~~7~~
23 ~~appropriated from the following:~~

24 ~~—— (i) State school aid fund, \$10,706,400.00.~~

25 ~~—— (ii) State general fund/general purpose money, \$56,549,200.00.~~

26 (c) The appropriation for Ferris State University is

27 ~~\$45,602,600.00, \$44,250,700.00~~ **\$49,087,000.00, \$45,636,500.00** for

operations and ~~\$1,351,900.00~~ **\$3,450,500.00** for performance funding.
~~, appropriated from the following:~~

~~—— (i) State school aid fund, \$6,846,800.00.~~

~~—— (ii) State general fund/general purpose money, \$38,755,800.00.~~

(d) The appropriation for Grand Valley State University is
~~\$57,765,100.00, \$55,436,000.00~~ **\$63,136,000.00, \$57,823,500.00** for
 operations and ~~\$2,329,100.00~~ **\$5,312,500.00** for performance funding.
~~, appropriated from the following:~~

~~—— (i) State school aid fund, \$8,727,800.00.~~

~~—— (ii) State general fund/general purpose money, \$49,037,300.00.~~

(e) The appropriation for Lake Superior State University is
~~\$12,226,500.00, \$12,046,100.00~~ **\$12,782,500.00, \$12,231,000.00** for
 operations and ~~\$180,400.00~~ **\$551,500.00** for performance funding. ~~,~~
~~appropriated from the following:~~

~~—— (i) State school aid fund, \$1,787,600.00.~~

~~—— (ii) State general fund/general purpose money, \$10,438,900.00.~~

(f) The appropriation for Michigan State University is
~~\$305,775,000.00, \$245,037,000.00~~ **\$324,038,100.00, \$249,597,800.00**
 for operations, ~~\$4,449,300.00~~ **\$14,831,300.00** for performance
 funding, ~~\$30,243,900.00~~ **\$32,027,900.00** for MSU AgBioResearch, and
~~\$26,044,800.00~~ **\$27,581,100.00** for MSU extension. ~~, appropriated~~
~~from the following:~~

~~—— (i) State school aid fund, \$39,949,900.00.~~

~~—— (ii) State general fund/general purpose money,~~
~~\$265,825,100.00.~~

(g) The appropriation for Michigan Technological University is
~~\$43,451,900.00, \$42,579,100.00~~ **\$45,923,100.00, \$43,473,800.00** for

operations and ~~\$872,800.00~~ **\$2,449,300.00** for performance funding. ~~7~~
~~appropriated from the following:~~

~~—— (i) State school aid fund, \$6,748,900.00.~~

~~—— (ii) State general fund/general purpose money, \$36,703,000.00.~~

(h) The appropriation for Northern Michigan University is
~~\$41,719,800.00, \$40,856,600.00~~ **\$44,277,200.00, \$41,741,400.00** for
 operations and ~~\$863,200.00~~ **\$2,535,800.00** for performance funding. ~~7~~
~~appropriated from the following:~~

~~—— (i) State school aid fund, \$6,356,900.00.~~

~~—— (ii) State general fund/general purpose money, \$35,362,900.00.~~

(i) The appropriation for Oakland University is
~~\$45,634,800.00, \$44,964,100.00~~ **\$48,364,100.00, \$45,651,600.00** for
 operations and ~~\$670,700.00~~ **\$2,712,500.00** for performance funding. ~~7~~
~~appropriated from the following:~~

~~—— (i) State school aid fund, \$7,148,400.00.~~

~~—— (ii) State general fund/general purpose money, \$38,486,400.00.~~

(j) The appropriation for Saginaw Valley State University is
~~\$25,982,800.00, \$25,656,700.00~~ **\$27,610,200.00, \$25,991,000.00** for
 operations and ~~\$326,100.00~~ **\$1,619,200.00** for performance funding. ~~7~~
~~appropriated from the following:~~

~~—— (i) State school aid fund, \$3,903,800.00.~~

~~—— (ii) State general fund/general purpose money, \$22,079,000.00.~~

(k) The appropriation for University of Michigan - Ann Arbor
 is ~~\$279,108,700.00, \$274,156,700.00~~ **\$295,174,100.00,**
\$279,232,700.00 for operations and ~~\$4,952,000.00~~ **\$15,941,400.00** for
 performance funding. ~~7~~ ~~appropriated from the following:~~

~~—— (i) State school aid fund, \$44,536,300.00.~~

~~1 (ii) State general fund/general purpose money,
2 \$234,572,400.00.~~

3 (l) The appropriation for University of Michigan - Dearborn is
4 \$22,503,700.00, ~~\$22,237,300.00~~ **\$23,689,300.00, \$22,510,400.00** for
5 operations and ~~\$266,400.00~~ **\$1,178,900.00** for performance funding. ~~7~~
6 ~~appropriated from the following:~~

7 ~~(i) State school aid fund, \$3,482,100.00.~~

8 ~~(ii) State general fund/general purpose money, \$19,021,600.00.~~

9 (m) The appropriation for University of Michigan - Flint is
10 \$19,928,100.00, ~~\$19,526,600.00~~ **\$21,337,700.00, \$19,938,200.00** for
11 operations and ~~\$401,500.00~~ **\$1,399,500.00** for performance funding. ~~7~~
12 ~~appropriated from the following:~~

13 ~~(i) State school aid fund, \$2,942,900.00.~~

14 ~~(ii) State general fund/general purpose money, \$16,985,200.00.~~

15 (n) The appropriation for Wayne State University is
16 \$183,933,000.00, ~~\$190,519,800.00,~~ \$183,398,300.00 for operations
17 and ~~\$534,700.00~~ **\$7,121,500.00** for performance funding. ~~7~~
18 ~~appropriated from the following:~~

19 ~~(i) State school aid fund, \$30,160,600.00.~~

20 ~~(ii) State general fund/general purpose money,
21 \$153,772,400.00.~~

22 (o) The appropriation for Western Michigan University is
23 \$97,235,200.00, ~~\$95,487,500.00~~ **\$102,742,000.00, \$97,279,000.00** for
24 operations and ~~\$1,747,700.00~~ **\$5,463,000.00** for performance funding.
25 ~~7 appropriated from the following:~~

26 ~~(i) State school aid fund, \$15,436,500.00.~~

27 ~~(ii) State general fund/general purpose money, \$81,798,700.00.~~

1 (3) THE AMOUNT APPROPRIATED IN SUBSECTION (2) FOR PUBLIC
2 UNIVERSITIES IS APPROPRIATED FROM THE FOLLOWING:

3 (A) STATE SCHOOL AID FUND, \$200,019,500.00.

4 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY,
5 \$1,199,547,700.00.

6 (4) ~~(3)~~—The amount appropriated for Michigan public school
7 employees' retirement system reimbursement is \$2,446,200.00,
8 \$446,200.00 appropriated from the state school aid fund and
9 \$2,000,000.00 appropriated from general fund/general purpose money.

10 (5) FOR FISCAL YEAR 2014-2015 ONLY, IN ADDITION TO THE AMOUNT
11 APPROPRIATED UNDER SUBSECTION (4), \$4,002,200.00 IS APPROPRIATED
12 FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
13 REIMBURSEMENT, APPROPRIATED FROM THE STATE SCHOOL AID FUND.

14 (6) ~~(4)~~—The amount appropriated for state and regional
15 programs is ~~\$2,200,000.00~~ \$2,295,000.00 appropriated from general
16 fund/general purpose money and allocated as follows:

17 (a) College access program, \$2,000,000.00.

18 (b) Higher education database modernization and conversion,
19 ~~\$105,000.00~~ \$200,000.00.

20 (c) Midwestern higher education compact, \$95,000.00.

21 (7) ~~(5)~~—The amount appropriated for the Martin Luther King,
22 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
23 appropriated from general fund/general purpose money and allocated
24 as follows:

25 (a) Select student support services, \$1,956,100.00.

26 (b) Michigan college/university partnership program,
27 \$586,800.00.

(c) Morris Hood, Jr. educator development program,
\$148,600.00.

(8) ~~(6)~~—Subject to subsection ~~(7)~~, ~~(9)~~, the amount
appropriated for grants and financial aid is ~~\$101,626,400.00~~,
\$105,494,200.00, allocated as follows:

(a) State competitive scholarships, \$18,361,700.00.

(b) Tuition grants, ~~\$31,664,700.00~~ **\$33,532,500.00**.

(c) Tuition incentive program, ~~\$47,000,000.00~~ **\$48,500,000.00**.

(d) Children of veterans and officer's survivor tuition grant
programs, \$1,400,000.00.

(e) Project GEAR-UP, \$3,200,000.00.

(F) NORTH AMERICAN INDIAN TUITION WAIVERS, \$500,000.00.

(9) ~~(7)~~—The money appropriated in subsection ~~(6)~~ ~~(8)~~ for
grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States department of
education, office of elementary and secondary education, GEAR-UP
program, \$3,200,000.00.

(b) Federal revenues under the social security act, temporary
assistance for needy families, \$93,826,400.00.

(c) Contributions to children of veterans tuition grant
program, \$100,000.00.

(d) State general fund/general purpose money,
~~\$4,500,000.00~~ **\$8,367,800.00**.

Sec. 236a. It is the intent of the legislature to provide
appropriations for the fiscal year ending on September 30, ~~2015~~
2016 for the items listed in section 236. The fiscal year ~~2014-2015~~
2015-2016 appropriations are anticipated to be the same as those

1 for fiscal year ~~2013-2014~~, **2014-2015**, except that the amounts will
 2 be adjusted for changes in caseload and related costs, federal fund
 3 match rates, economic factors, and available revenue. These
 4 adjustments will be determined after the January ~~2014-2015~~
 5 consensus revenue estimating conference.

6 Sec. 236b. In addition to the funds appropriated in section
 7 236, there is appropriated for grants and financial aid in fiscal
 8 year ~~2013-2014~~ **2014-2015** an amount not to exceed \$6,000,000.00 for
 9 federal contingency funds. These funds are not available for
 10 expenditure until they have been transferred under section 393(2)
 11 of the management and budget act, 1984 PA 431, MCL 18.1393, for
 12 another purpose under this article.

13 Sec. 236c. In addition to the funds appropriated for fiscal
 14 year ~~2013-2014~~ **2014-2015** in section 236, appropriations to the
 15 department of technology, management, and budget in the act
 16 providing general appropriations for fiscal year ~~2013-2014~~ **2014-**
 17 **2015** for state building authority rent, totaling an estimated
 18 ~~\$125,370,600.00~~, **\$124,825,300.00**, provide funding for the state
 19 share of costs for previously constructed capital projects for
 20 state universities. These appropriations for state building
 21 authority rent represent additional state general fund support
 22 provided to public universities, and the following is an estimate
 23 of the amount of that support to each university:

24 (a) Central Michigan University, ~~\$9,155,600.00~~ **\$9,103,200.00**.

25 (b) Eastern Michigan University, ~~\$5,234,800.00~~ **\$4,861,700.00**.

26 (c) Ferris State University, ~~\$6,360,600.00~~ **\$6,252,200.00**.

27 (d) Grand Valley State University,

1 ~~\$4,277,000.00.~~**\$4,252,500.00.**

2 (e) Lake Superior State University, ~~\$915,600.00.~~**\$1,112,900.00.**

3 (f) Michigan State University, ~~\$16,194,400.00.~~**\$16,101,200.00.**

4 (g) Michigan Technological University,

5 ~~\$7,692,200.00.~~**\$7,444,600.00.**

6 (h) Northern Michigan University, ~~\$8,062,600.00.~~**\$8,016,400.00.**

7 (i) Oakland University, ~~\$10,791,500.00.~~**\$10,969,800.00.**

8 (j) Saginaw Valley State University,

9 ~~\$9,833,700.00.~~**\$9,777,400.00.**

10 (k) University of Michigan - Ann Arbor,

11 ~~\$9,212,000.00.~~**\$9,159,200.00.**

12 (l) University of Michigan - Dearborn,

13 ~~\$6,332,400.00.~~**\$6,296,200.00.**

14 (m) University of Michigan - Flint,

15 ~~\$2,871,400.00.~~**\$2,855,000.00.**

16 (n) Wayne State University, ~~\$13,079,500.00.~~**\$13,679,800.00.**

17 (o) Western Michigan University,

18 ~~\$15,357,300.00.~~**\$14,943,200.00.**

19 Sec. 241. (1) Subject to section 265a, the funds appropriated
 20 in section 236 to public universities shall be paid out of the
 21 state treasury and distributed by the state treasurer to the
 22 respective institutions in 11 equal monthly installments on the
 23 sixteenth of each month, or the next succeeding business day,
 24 beginning with October 16, ~~2013.~~**2014.** Except for Wayne State
 25 University, each institution shall accrue its July and August ~~2014~~
 26 **2015** payments to its institutional fiscal year ending June 30,
 27 ~~2014.~~**2015.**

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2013~~, **2014**, these data shall be submitted to the state budget director by October 15, ~~2013~~. **2014**. Public universities with a fiscal year ending September 30, ~~2013~~ **2014** shall submit preliminary HEIDI data by November 15, ~~2013~~ **2014** and final data by December 15, ~~2013~~. **2014**. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 245. (1) ~~Within 30 days after the board of a public university adopts its annual operating budget for the following school fiscal year, or after the board adopts a subsequent revision to that budget, the~~ A public university shall ~~make all of the following~~ **MAINTAIN A PUBLIC TRANSPARENCY WEBSITE** available through a link on its website homepage. ~~+~~ **THE PUBLIC UNIVERSITY SHALL UPDATE THIS WEBSITE WITHIN 30 DAYS AFTER THE UNIVERSITY'S GOVERNING BOARD ADOPTS ITS ANNUAL OPERATING BUDGET FOR THE NEXT ACADEMIC YEAR, OR AFTER THE GOVERNING BOARD ADOPTS A SUBSEQUENT REVISION TO THAT BUDGET.**

(2) **THE WEBSITE REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL OF THE FOLLOWING CONCERNING THE PUBLIC UNIVERSITY:**

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

1 (b) A summary of current expenditures for the most recent
2 fiscal year for which they are available, expressed as pie charts
3 in the following 2 categories:

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

6 (A) Earnings and wages.

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

10 (C) Retirement benefit costs.

11 (D) All other personnel costs.

12 (ii) A chart of all current expenditures the public university
13 reported as part of its higher education institutional data
14 inventory data under section 241(2), broken into the same
15 subcategories in which it reported those data.

16 (c) Links to all of the following for the public university:

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

19 (ii) Each health care benefits plan, including, but not
20 limited to, medical, dental, vision, disability, long-term care, or
21 any other type of benefits that would constitute health care
22 services, offered to any bargaining unit or employee of the public
23 university.

24 (iii) Audits and financial reports for the most recent fiscal
25 year for which they are available.

26 (iv) Campus security policies and crime statistics pursuant to
27 the student right-to-know and campus security act, Public Law 101-

542, 104 Stat. 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

(d) A list of all positions funded partially or wholly through institutional general fund revenue that includes the position title and annual salary or wage amount for each position.

(e) General fund revenue and expenditure projections for **THE CURRENT** fiscal year ~~2013-2014~~ and **THE NEXT** fiscal year. ~~2014-2015.~~

(f) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2013-2014~~ payment for each project, and total outstanding debt **FOR THE CURRENT FISCAL YEAR.**

(g) The institution's policy regarding the transferability of core college courses between community colleges and the university.

(h) A listing of all community colleges that have entered into reverse transfer agreements with the university.

(3) ~~(2)~~ A-ON THE WEBSITE REQUIRED UNDER SUBSECTION (1), A public university shall provide a dashboard or report card demonstrating the university's performance in several "best practice" measures. The dashboard or report card shall include at least all of the following for the 3 most recent ~~school~~-**ACADEMIC** years for which the data are available:

(a) Enrollment.

(b) Student retention rate.

(c) Six-year graduation rates.

(d) Number of Pell grant recipients and graduating Pell grant

1 recipients.

2 (e) Geographic origination of students, categorized as in-
3 state, out-of-state, and international.

4 (f) Faculty to student ratios and total university employee to
5 student ratios.

6 (g) Teaching load by faculty classification.

7 (h) Graduation outcome rates, including employment and
8 continuing education.

9 (4) ~~(3)~~—For statewide consistency and public visibility,
10 public universities must use the icon badge provided by the
11 department of technology, management, and budget consistent with
12 the icon badge developed by the department of education for K-12
13 school districts. It must appear on the front of each public
14 university's homepage. The size of the icon may be reduced to 150 x
15 150 pixels. The font size and style for this reporting must be
16 consistent with other documents on each university's website.

17 (5) ~~(4)~~—The state budget director shall determine whether a
18 public university has complied with this section. The state budget
19 director may withhold a public university's monthly installments
20 described in section 241 until the public university complies with
21 this section.

22 (6) BY NOVEMBER 15 OF EACH YEAR, A PUBLIC UNIVERSITY SHALL
23 REPORT THE FOLLOWING INFORMATION TO THE CENTER FOR EDUCATIONAL
24 PERFORMANCE AND INFORMATION AND POST THE INFORMATION ON ITS WEBSITE
25 UNDER THE BUDGET TRANSPARENCY ICON BADGE:

26 (A) OPPORTUNITIES FOR EARNING COLLEGE CREDIT THROUGH THE
27 FOLLOWING PROGRAMS:

1 (i) STATE APPROVED CAREER AND TECHNICAL EDUCATION OR A TECH
2 PREP ARTICULATED PROGRAM OF STUDY.

3 (ii) DIRECT COLLEGE CREDIT OR CONCURRENT ENROLLMENT.

4 (iii) DUAL ENROLLMENT.

5 (iv) AN EARLY COLLEGE/MIDDLE COLLEGE PROGRAM.

6 (B) FOR EACH PROGRAM DESCRIBED IN SUBDIVISION (A) THAT THE
7 PUBLIC UNIVERSITY OFFERS, ALL OF THE FOLLOWING INFORMATION:

8 (i) THE NUMBER OF HIGH SCHOOL STUDENTS PARTICIPATING IN THE
9 PROGRAM.

10 (ii) THE NUMBER OF SCHOOL DISTRICTS THAT PARTICIPATE IN THE
11 PROGRAM WITH THE PUBLIC UNIVERSITY.

12 (iii) WHETHER A UNIVERSITY PROFESSOR, QUALIFIED LOCAL SCHOOL
13 DISTRICT EMPLOYEE, OR OTHER INDIVIDUAL TEACHES THE COURSE OR
14 COURSES IN THE PROGRAM.

15 (iv) THE TOTAL COST TO THE PUBLIC UNIVERSITY TO OPERATE THE
16 PROGRAM.

17 (v) THE COST PER CREDIT HOUR FOR THE COURSE OR COURSES IN THE
18 PROGRAM.

19 (vi) THE LOCATION WHERE THE COURSE OR COURSES IN THE PROGRAM
20 ARE HELD.

21 (vii) INSTRUCTIONAL RESOURCES OFFERED TO THE PROGRAM
22 INSTRUCTORS.

23 (viii) RESOURCES OFFERED TO THE STUDENT IN THE PROGRAM.

24 (ix) TRANSPORTATION SERVICES PROVIDED TO STUDENTS IN THE
25 PROGRAM.

26 Sec. 246. (1) The funds appropriated in section 236 for
27 Michigan public school employees' retirement system reimbursement

1 shall be allocated to each participating public university under
 2 this section based on each participating public university's ~~total~~
 3 ~~retiree health care premiums paid for Michigan public school~~
 4 ~~employees' retirement system retirants in proportion to the total~~
 5 ~~retiree health care premiums paid for Michigan public school~~
 6 ~~employees' retirement system retirants for all participating public~~
 7 ~~universities~~ **PERCENTAGE OF THE TOTAL COMBINED PAYROLLS OF THE**
 8 **UNIVERSITIES' EMPLOYEES WHO ARE MEMBERS OF THE RETIREMENT SYSTEM**
 9 **AND WHO WERE HIRED BEFORE JANUARY 1, 1996 AND THE UNIVERSITIES'**
 10 **EMPLOYEES WHO WOULD HAVE BEEN MEMBERS OF THE RETIREMENT SYSTEM ON**
 11 **OR AFTER JANUARY 1, 1996, BUT FOR THE ENACTMENT OF 1995 PA 272 FOR**
 12 **ALL PUBLIC UNIVERSITIES THAT ARE PARTICIPATING PUBLIC UNIVERSITIES**
 13 for the immediately preceding state fiscal year. Payments shall be
 14 made in a form and manner determined by the office of retirement
 15 services. A public university that receives money under this
 16 section shall use that money solely for the purpose of offsetting a
 17 portion of the retirement contributions owed by the university.

18 (2) As used in this section, "participating public university"
 19 means a public university that is a reporting unit of the Michigan
 20 public school employees' retirement system under the public school
 21 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 22 38.1408, and that pays ~~retiree health care premiums~~ **CONTRIBUTIONS**
 23 to the Michigan public school employees' retirement system for the
 24 state fiscal year.

25 Sec. 252. (1) The amounts appropriated in section 236 for the
 26 state tuition grant program shall be distributed pursuant to 1966
 27 PA 313, MCL 390.991 to 390.997a.

1 (2) Tuition grant awards shall be made to all eligible
2 Michigan residents enrolled in undergraduate degree programs who
3 are qualified and who apply before July 1 , ~~2012 for the 2012-2013~~
4 ~~school year or July 1, 2013 for the 2013-2014 school year, as~~
5 ~~applicable.~~ **OF EACH YEAR FOR THE NEXT ACADEMIC YEAR.**

6 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
7 subject to ~~subsection~~ **SUBSECTIONS (7) AND (8)**, the department of
8 treasury shall determine an actual maximum tuition grant award per
9 student, which shall be no less than \$1,512.00, that ensures that
10 the aggregate payments for the tuition grant program do not exceed
11 the appropriation contained in section 236 for the state tuition
12 grant program. If the department determines that insufficient funds
13 are available to establish a maximum award amount equal to at least
14 \$1,512.00, the department shall immediately report to the house and
15 senate appropriations subcommittees on higher education, the house
16 and senate fiscal agencies, and the state budget director regarding
17 the estimated amount of additional funds necessary to establish a
18 \$1,512.00 maximum award amount. If the department determines that
19 sufficient funds are available to establish a maximum award amount
20 equal to at least \$1,512.00, the department shall immediately
21 report to the house and senate appropriations subcommittees on
22 higher education, the house and senate fiscal agencies, and the
23 state budget director regarding the maximum award amount
24 established and the projected amount of any projected year-end
25 appropriation balance based on that maximum award amount. By
26 December 15, and again by February 18 of each fiscal year, the
27 department shall analyze the status of award commitments, shall

1 make any necessary adjustments, and shall confirm that those award
2 commitments will not exceed the appropriation contained in section
3 236 for the tuition grant program. The determination and actions
4 shall be reported to the state budget director and the house and
5 senate fiscal agencies no later than the final day of February of
6 each year. If award adjustments are necessary, the students shall
7 be notified of the adjustment by March 4 of each year.

8 (4) ~~Any unexpended and unencumbered funds remaining on~~
9 ~~September 30, 2013 from the amounts appropriated in section 236 for~~
10 ~~the tuition grant program for fiscal year 2012-2013 shall not lapse~~
11 ~~on September 30, 2013, but shall continue to be available for~~
12 ~~expenditure for tuition grants provided in the 2013-2014 fiscal~~
13 ~~year under a work project account. The use of these unexpended~~
14 ~~fiscal year 2012-2013 funds shall terminate at the end of the 2013-~~
15 ~~2014 fiscal year. Any unexpended and unencumbered funds remaining~~
16 ~~on September 30, 2014-2015 from the amounts appropriated in section~~
17 ~~236 for the tuition grant program for fiscal year 2013-2014-2014-~~
18 ~~2015 shall not lapse on September 30, 2014, 2015, but shall~~
19 ~~continue to be available for expenditure for tuition grants~~
20 ~~provided in the 2014-2015-2015-2016 fiscal year under a work~~
21 ~~project account. The use of these unexpended fiscal year 2013-2014~~
22 ~~2014-2015 funds shall terminate at the end of the 2014-2015-2015-~~
23 ~~2016 fiscal year.~~

24 (5) The department of treasury shall continue a proportional
25 tuition grant maximum award level for recipients enrolled less than
26 full-time in a given semester or term.

27 (6) If the department of treasury increases the maximum award

1 per eligible student from that provided in the previous fiscal
2 year, it shall not have the effect of reducing the number of
3 eligible students receiving awards in relation to the total number
4 of eligible applicants. Any increase in the maximum grant shall be
5 proportional for all eligible students receiving awards for that
6 fiscal year.

7 (7) ~~In any fiscal year,~~ **EXCEPT AS PROVIDED IN SUBSECTION (4),**
8 the department of treasury shall not award more than ~~\$3,000,000.00~~
9 **\$3,200,000.00** in tuition grants to eligible students enrolled in
10 the same independent nonprofit college or university in this state.
11 Any decrease in the maximum grant shall be proportional for all
12 eligible students enrolled in that college or university, as
13 determined by the department.

14 (8) **THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS**
15 **TO OTHERWISE ELIGIBLE STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE**
16 **OR UNIVERSITY THAT DOES NOT REPORT, IN A FORM AND MANNER DIRECTED**
17 **BY AND SATISFACTORY TO THE DEPARTMENT OF TREASURY, BY AUGUST 31 OF**
18 **EACH YEAR, BEGINNING WITH AUGUST 31, 2015, ALL OF THE FOLLOWING:**

19 (A) **THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED**
20 **ACADEMIC YEAR THAT RECEIVED A STATE TUITION GRANT AND SUCCESSFULLY**
21 **COMPLETED A PROGRAM OR GRADUATED.**

22 (B) **THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED**
23 **ACADEMIC YEAR THAT RECEIVED A STATE TUITION GRANT AND TOOK A**
24 **REMEDIAL EDUCATION CLASS.**

25 (C) **THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED**
26 **ACADEMIC YEAR THAT RECEIVED A PELL GRANT AND SUCCESSFULLY COMPLETED**
27 **A PROGRAM OR GRADUATED.**

1 Sec. 256. (1) The funds appropriated in section 236 for the
2 tuition incentive program shall be distributed as provided in this
3 section and pursuant to the administrative procedures for the
4 tuition incentive program of the department of treasury.

5 (2) As used in this section:

6 (a) "Phase I" means the first part of the tuition incentive
7 assistance program defined as the academic period of 80 semester or
8 120 term credits, or less, leading to an associate degree or
9 certificate.

10 (b) "Phase II" means the second part of the tuition incentive
11 assistance program which provides assistance in the third and
12 fourth year of 4-year degree programs.

13 (c) "Department" means the department of treasury.

14 (3) An individual shall meet the following basic criteria and
15 financial thresholds to be eligible for tuition incentive benefits:

16 (a) To be eligible for phase I, an individual shall meet all
17 of the following criteria:

18 (i) Apply for certification to the department **ANY TIME AFTER**
19 **HE OR SHE BEGINS THE SIXTH GRADE BUT** before ~~graduating~~ **AUGUST 31 OF**
20 **THE SCHOOL YEAR IN WHICH HE OR SHE GRADUATES** from high school or
21 **BEFORE** completing ~~the~~ **A** general education development ~~(GED)~~
22 certificate.

23 (ii) Be less than 20 years of age at the time he or she
24 graduates from high school with a diploma or certificate of
25 completion or completes ~~his or her GED.~~ **A GENERAL EDUCATION**
26 **DEVELOPMENT CERTIFICATE.**

27 (iii) Be a United States citizen and a resident of Michigan

1 according to institutional criteria.

2 (iv) Be at least a half-time student, earning less than 80
3 semester or 120 term credits at a participating educational
4 institution within 4 years of high school graduation or ~~GED~~
5 ~~certificate completion~~.

6 **COMPLETION OF A GENERAL EDUCATION
DEVELOPMENT CERTIFICATE.**

7 (v) Request information on filing a FAFSA.

8 **(vi) MUST MEET THE SATISFACTORY ACADEMIC PROGRESS POLICY OF**
9 **THE EDUCATIONAL INSTITUTION HE OR SHE ATTENDS.**

10 (b) To be eligible for phase II, an individual shall meet
11 either of the following criteria in addition to the criteria in
12 subdivision (a):

13 (i) Complete at least 56 transferable semester or 84
14 transferable term credits.

15 (ii) Obtain an associate degree or certificate at a
16 participating institution.

17 (c) To be eligible for phase I or phase II, an individual must
18 not be incarcerated and must be financially eligible as determined
19 by the department. An individual is financially eligible for the
20 tuition incentive program if he or she was eligible for Medicaid
21 from the state of Michigan for 24 months within the 36 months
22 before application. The department shall accept certification of
23 Medicaid eligibility only from the department of human services for
24 the purposes of verifying if a person is Medicaid eligible for 24
25 months within the 36 months before application. Certification of
26 eligibility may begin in the sixth grade. As used in this
27 subdivision, "incarcerated" does not include detention of a

1 juvenile in a state-operated or privately operated juvenile
2 detention facility.

3 (4) For phase I, the department shall provide payment on
4 behalf of a person eligible under subsection (3). The department
5 shall reject billings that are excessive or outside the guidelines
6 for the type of educational institution.

7 (5) For phase I, all of the following apply:

8 (a) Payments for associate degree or certificate programs
9 shall not be made for more than 80 semester or 120 term credits for
10 any individual student at any participating institution.

11 (b) For persons enrolled at a Michigan community college, the
12 department shall pay the current in-district tuition and mandatory
13 fees. For persons residing in an area that is not included in any
14 community college district, the out-of-district tuition rate may be
15 authorized.

16 (c) For persons enrolled at a Michigan public university, the
17 department shall pay lower division resident tuition and mandatory
18 fees for the current year.

19 (d) For persons enrolled at a Michigan independent, nonprofit
20 degree-granting college or university, or a Michigan federal
21 tribally controlled community college, or Focus: HOPE, the
22 department shall pay mandatory fees for the current year and a per-
23 credit payment that does not exceed the average community college
24 in-district per-credit tuition rate as reported on August 1, for
25 the immediately preceding academic year.

26 (6) A person participating in phase II may be eligible for
27 additional funds not to exceed \$500.00 per semester or \$400.00 per

1 term up to a maximum of \$2,000.00 subject to the following
2 conditions:

3 (a) Credits are earned in a 4-year program at a Michigan
4 degree-granting 4-year college or university.

5 (b) The tuition reimbursement is for coursework completed
6 within 30 months of completion of the phase I requirements.

7 (7) The department shall work closely with participating
8 institutions to develop an application and eligibility
9 determination process that will provide the highest level of
10 participation and ensure that all requirements of the program are
11 met.

12 (8) Applications for the tuition incentive program may be
13 approved at any time after the student begins the sixth grade. If a
14 determination of financial eligibility is made, that determination
15 is valid as long as the student meets all other program
16 requirements and conditions.

17 (9) Each institution shall ensure that all known available
18 restricted grants for tuition and fees are used prior to billing
19 the tuition incentive program for any portion of a student's
20 tuition and fees.

21 (10) The department shall ensure that the tuition incentive
22 program is well publicized and that eligible Medicaid clients are
23 provided information on the program. The department shall provide
24 the necessary funding and staff to fully operate the program.

25 Sec. 263. (1) Included in the appropriation in section 236 **FOR**
26 **FISCAL YEAR 2014-2015** for MSU AgBioResearch is \$2,982,900.00 and
27 included in the appropriation in section 236 for MSU extension is

1 \$2,645,200.00 for project GREEN. Project GREEN is intended to
2 address critical regulatory, food safety, economic, and
3 environmental problems faced by this state's plant-based
4 agriculture, forestry, and processing industries. "GREEN" is an
5 acronym for generating research and extension to meet environmental
6 and economic needs.

7 (2) The department of agriculture and rural development and
8 Michigan State University, in consultation with agricultural
9 commodity groups and other interested parties, shall develop
10 project GREEN and its program priorities.

11 Sec. 263a. (1) Not later than September 30 of each year,
12 Michigan State University shall submit a report on MSU
13 AgBioResearch and MSU extension to the house and senate
14 appropriations subcommittees on agriculture and on higher
15 education, the house and senate standing committees on agriculture,
16 the house and senate fiscal agencies, and the state budget director
17 for the preceding ~~school~~**ACADEMIC** fiscal year.

18 (2) The report required under subsection (1) shall include all
19 of the following:

20 (a) Total funds expended by MSU AgBioResearch and by MSU
21 extension service identified by state, local, private, federal, and
22 university fund sources.

23 (b) The metric goals that were used to evaluate the impacts of
24 programs operated by MSU extension and MSU AgBioResearch. It is the
25 intent of the legislature that the following metric goals will be
26 used to evaluate the impacts of those programs:

27 (i) Increasing the number of agriculture and food-related

1 firms collaborating with and using services of research and
2 extension faculty and staff by 3% per year.

3 (ii) Increasing the number of individuals utilizing MSU
4 extension's educational services by 5% per year.

5 (iii) Increasing external funds generated in support of
6 research and extension, beyond state appropriations, by 10% over
7 the amounts generated in the past 3 state fiscal years.

8 (iv) Increasing the sector's total economic impact from
9 today's \$71,000,000,000.00 to \$100,000,000,000.00.

10 (v) Doubling Michigan's agricultural exports from
11 \$1,750,000,000.00 to \$3,500,000,000.00.

12 (vi) Increasing jobs in the food and agriculture sector by
13 10%.

14 (vii) Improving access by Michigan consumers to healthy foods
15 by 20%.

16 (c) A review of major programs within both MSU AgBioResearch
17 and MSU extension with specific reference to accomplishments,
18 impacts, and the metrics described in subdivision (b), including a
19 specific accounting of Project GREEN expenditures and the impact
20 of those expenditures.

21 Sec. 264. Included in the appropriation in section 236 for
22 fiscal year ~~2013-2014~~**2014-2015** for Michigan State University is
23 \$80,000.00 for the Michigan future farmers of America association.
24 This \$80,000.00 allocation shall not supplant any existing support
25 that Michigan State University provides to the Michigan future
26 farmers of America association.

27 Sec. 265. (1) Payments under section 265a for performance

1 funding shall only be made to a public university that certifies to
2 the state budget director by August 31, ~~2013~~ **2014** that its board
3 did not adopt an increase in tuition and fee rates for resident
4 undergraduate students after September 1, ~~2012~~ **2013** for the ~~2012~~ **2013**
5 ~~2013~~ **2013-2014** academic year and that its board will not adopt an
6 increase in tuition and fee rates for resident undergraduate
7 students for the ~~2013-2014~~ **2014-2015** academic year that is greater
8 than ~~3.75%~~ **3.2%**. As used in this subsection:

9 (a) Subject to subdivision (c), "fee" means any board-
10 authorized fee that will be paid by more than 1/2 of all resident
11 undergraduate students at least once during their enrollment at a
12 public university. A university increasing a fee that applies to a
13 specific subset of students or courses shall provide sufficient
14 information to prove that the increase applied to that subset will
15 not cause the increase in the average amount of board-authorized
16 total tuition and fees paid by resident undergraduate students in
17 the ~~2013-2014~~ **2014-2015** academic year to exceed the limit
18 established in this subsection.

19 (b) "Tuition and fee rate" means the average of full-time
20 rates for all undergraduate classes, based on an average of the
21 rates authorized by the university board and actually charged to
22 students, deducting any uniformly-rebated or refunded amounts, for
23 the 2 semesters with the highest levels of full-time equated
24 resident undergraduate enrollment during the academic year.

25 (c) For purposes of subdivision (a), for a public university
26 that compels resident undergraduate students to be covered by
27 health insurance as a condition to enroll at the university, "fee"

1 includes the annual amount a student is charged for coverage by the
2 university-affiliated group health insurance policy if he or she
3 does not provide proof that he or she is otherwise covered by
4 health insurance. This subdivision does not apply to limited
5 subsets of resident undergraduate students to be covered by health
6 insurance for specific reasons other than general enrollment at the
7 university.

8 (2) The state budget director shall implement uniform
9 reporting requirements to ensure that a public university receiving
10 a payment under section 265a for performance funding has satisfied
11 the tuition restraint requirements of this section. The state
12 budget director shall have the sole authority to determine if a
13 public university has met the requirements of this section.
14 Information reported by a public university to the state budget
15 director under this subsection shall also be reported to the house
16 and senate appropriations subcommittees on higher education and the
17 house and senate fiscal agencies.

18 Sec. 265a. (1) Appropriations to public universities in
19 section 236 **FOR FISCAL YEAR 2014-2015** for performance funding shall
20 be paid only to a public university that complies with section 265
21 and certifies to the state budget director, the house and senate
22 appropriations subcommittees on higher education, and the house and
23 senate fiscal agencies by August 31, ~~2013~~**2014** that it complies
24 with all of the following requirements:

25 (a) The university participates in reverse transfer agreements
26 described in section 286 with at least 3 Michigan community
27 colleges or has made a good-faith effort to enter into reverse

1 transfer agreements.

2 (b) The university does not and will not consider whether dual
3 enrollment credits earned by an incoming student were utilized
4 towards his or her high school graduation requirements when making
5 a determination as to whether those credits may be used by the
6 student toward completion of a university degree or certificate
7 program.

8 (c) The university participates in the Michigan transfer
9 network created as part of the Michigan association of collegiate
10 registrars and admissions officers transfer agreement.

11 (2) Any performance funding amounts under section 236 that are
12 not paid to a public university because it did not comply with 1 or
13 more requirements under subsection (1) are unappropriated and
14 reappropriated for performance funding to those public universities
15 that meet the requirements under subsection (1), distributed in
16 proportion to their performance funding appropriation amounts under
17 section 236.

18 (3) The state budget director shall report to the house and
19 senate appropriations subcommittees on higher education and the
20 house and senate fiscal agencies by September 17, ~~2013~~, **2014**,
21 regarding any performance funding amounts that are not paid to a
22 public university because it did not comply with 1 or more
23 requirements under subsection (1) and any reappropriation of funds
24 under subsection (2).

25 (4) Performance funding amounts described in section 236 are
26 distributed based on the following formula:

27 **(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL**

1 **OPERATIONS FUNDING APPROPRIATED IN FISCAL YEAR 2010-2011, 50.0%.**

2 (B) ~~(a)~~ Based on weighted undergraduate completions in
3 critical skills areas, ~~22.2%-11.1%~~.

4 (C) ~~(b)~~ Based on research and development expenditures, for
5 universities classified in Carnegie classifications as
6 doctoral/research universities, research universities (high
7 research activity), or research universities (very high research
8 activity) only, ~~11.1%-5.6%~~.

9 (D) ~~(e)~~ Based on 6-year graduation rate, total degree
10 completions, and institutional support as a percentage of core
11 expenditures, **AND STUDENTS RECEIVING PELL GRANTS**, scored against
12 national Carnegie classification peers and weighted by total
13 undergraduate fiscal year equated students, ~~66.7%-33.3%~~.

14 (5) For purposes of determining the score of a university
15 under subsection ~~(4)(e)~~, **(4)(D)**, each university is assigned 1 of
16 the following scores:

17 (a) A university classified as in the top 20%, a score of 3.

18 (b) A university classified as above national median, a score
19 of 2.

20 (c) A university classified as improving, a score of 2. It is
21 the intent of the legislature that, beginning in the ~~2014-2015~~
22 **2015-2016** state fiscal year, a university classified as improving
23 is assigned a score of 1.

24 (d) A university that is not included in subdivision (a), (b),
25 or (c), a score of 0.

26 (6) For purposes of this section, "Carnegie classification"
27 shall mean the basic classification of the university according to

1 the most recent version of the Carnegie classification of
2 institutions of higher education, published by the Carnegie
3 foundation for the advancement of teaching.

4 Sec. 267. All public universities shall submit the amount of
5 tuition and fees actually charged to a full-time resident
6 undergraduate student for academic year ~~2013-2014~~ **2014-2015** as part
7 of their higher education institutional data inventory (HEIDI) data
8 by August 31 of each year. A public university shall report any
9 revisions for any semester of the reported academic year ~~2013-2014~~
10 **2014-2015** tuition and fee charges to HEIDI within 15 days of being
11 adopted.

12 Sec. 268. (1) For the fiscal year ending September 30, ~~2013,~~
13 **2014**, it is the intent of the legislature that funds be allocated
14 for unfunded North American Indian tuition waiver costs incurred by
15 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
16 from the general fund.

17 **(2) APPROPRIATIONS IN SECTION 236(8)(F) FOR NORTH AMERICAN**
18 **INDIAN TUITION WAIVERS SHALL BE PAID TO UNIVERSITIES UNDER SECTION**
19 **2A OF 1976 PA 174, MCL 390.1252A. ALLOCATIONS SHALL BE ADJUSTED FOR**
20 **AMOUNTS INCLUDED IN UNIVERSITY OPERATIONS APPROPRIATIONS. IF FUNDS**
21 **ARE INSUFFICIENT TO SUPPORT THE ENTIRE COST OF WAIVERS, AMOUNTS**
22 **SHALL BE PRORATED.**

23 **(3) ~~(2)~~**By February 15 of each year, the department of civil
24 rights shall annually submit to the state budget director, the
25 house and senate appropriations subcommittees on higher education,
26 and the house and senate fiscal agencies ~~for the preceding fiscal~~
27 ~~year~~ a report on North American Indian tuition waivers **FOR THE**

1 **PRECEDING FISCAL YEAR** that includes, but is not limited to, all of
2 the following information for each postsecondary institution:

3 (a) The total number of waiver applications.

4 (b) The total number of waivers granted and the monetary value
5 of each waiver.

6 (c) The number of students who withdraw from classes.

7 (d) The number of students who successfully complete a degree
8 or certificate program and the 6-year graduation rate.

9 Sec. 269. For fiscal year ~~2013-2014~~, **2014-2015**, from the
10 amount appropriated in section 236 to Central Michigan University
11 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
12 College for the costs of waiving tuition for North American Indians
13 under 1976 PA 174, MCL 390.1251 to 390.1253.

14 Sec. 270. For fiscal year ~~2013-2014~~ **2014-2015** from the amount
15 appropriated in section 236 to Lake Superior State University for
16 operations, \$100,000.00 shall be paid to Bay Mills Community
17 College for the costs of waiving tuition for North American Indians
18 under 1976 PA 174, MCL 390.1251 to 390.1253.

19 **SEC. 271A. IT IS THE INTENT OF THE LEGISLATURE THAT A PUBLIC**
20 **UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236 SHALL NOT**
21 **KNOWINGLY AND DIRECTLY USE ANY PORTION OF THOSE FUNDS TO OFFER ANY**
22 **INSTRUCTIONAL ACTIVITY THAT TARGETS SPECIFIC COMPANIES OR SPECIFIC**
23 **GROUPS OF COMPANIES FOR UNIONIZATION OR DECERTIFICATION OF A UNION.**

24 Sec. 272a. By February 15, ~~2014~~, **OF EACH YEAR**, each public
25 university receiving funds under section 236 shall submit a report
26 to the house and senate appropriations subcommittees on higher
27 education, the house and senate fiscal agencies, and the state

1 budget director regarding the rejection of transfer credits by the
2 university in the prior year. The report shall include information
3 on the number of credits earned by incoming **RESIDENT** students at
4 other postsecondary institutions **IN THIS STATE**, with the equivalent
5 of a letter grade of C or higher, that were rejected by the
6 university for transfer, reported by both academic program area and
7 prior institution, along with explanatory information regarding the
8 rationale for the rejection of the credits. Data may be reported on
9 either an academic or calendar year basis.

10 Sec. 273. It is the intent of the legislature that each public
11 university shall submit a report to the house and senate
12 appropriations committees, the house and senate fiscal agencies,
13 and the state budget director by October 15, ~~2013~~, **2014**, on the
14 university's efforts to accommodate the sincerely held religious
15 beliefs of students enrolled in accredited counseling degree
16 programs at the university.

17 Sec. 274. It is the intent of the legislature that public and
18 private organizations that conduct human embryonic stem cell
19 derivation subject to section 27 of article I of the state
20 constitution of 1963 will provide information to the director of
21 the department of community health by December 1, ~~2013~~ **2014** that
22 includes all of the following:

23 (a) Documentation that the organization conducting human
24 embryonic stem cell derivation is conducting its activities in
25 compliance with the requirements of section 27 of article I of the
26 state constitution of 1963 and all relevant national institutes of
27 health guidelines pertaining to embryonic stem cell derivation.

1 (b) A list of all human embryonic stem cell lines submitted by
2 the organization to the national institutes of health for inclusion
3 in the human embryonic stem cell registry before and during fiscal
4 year ~~2012-2013~~, **2013-2014**, and the status of each submission as
5 approved, pending approval, or review completed but not yet
6 accepted.

7 (c) Number of human embryonic stem cell lines derived and not
8 submitted for inclusion in the human embryonic stem cell registry,
9 before and during fiscal year ~~2012-2013~~. **2013-2014**.

10 Sec. 274a. (1) It is the intent of the legislature that a
11 public university that receives funds in section 236 not provide
12 health insurance or other fringe benefits for any adult coresident
13 of an employee of the university who is not married to or a
14 dependent of that employee or for any dependent of such an adult
15 coresident.

16 (2) It is the intent of the legislature that each public
17 university receiving funds in section 236 submit a report by
18 December 1, ~~2013-2014~~ to the house and senate appropriations
19 subcommittees on higher education, the house and senate fiscal
20 agencies, and the state budget director containing the number of
21 individuals described in subsection (1) who received health
22 insurance or other fringe benefits provided by the university in
23 fiscal year ~~2012-2013~~ **2013-2014** and the cost to the university of
24 providing those benefits.

25 Sec. 275. (1) It is the intent of the legislature that each
26 public university that receives an appropriation in section 236 do
27 all of the following:

1 (a) Meet the provisions of section 5003 of the post-911
2 veterans educational assistance act of 2008, 38 USC 3301 to 3324,
3 including voluntary participation in the yellow ribbon GI education
4 enhancement program established in that act in 38 USC 3317. By
5 October 1 of each year, each public university shall report to the
6 house and senate appropriations subcommittees on higher education,
7 the house and senate fiscal agencies, and the presidents council,
8 state universities of Michigan on whether or not it has chosen to
9 participate in the yellow ribbon GI education enhancement program.
10 If at any time during the fiscal year a university participating in
11 the yellow ribbon program chooses to leave the yellow ribbon
12 program, it shall notify the house and senate appropriations
13 subcommittees on higher education, the house and senate fiscal
14 agencies, and the presidents council, state universities of
15 Michigan.

16 (b) Establish an on-campus veterans' liaison to provide
17 information and assistance to all student veterans.

18 (c) Provide flexible enrollment application deadlines for all
19 veterans.

20 (d) Include in its admission application process a specific
21 question as to whether an applicant for admission is a veteran, an
22 active member of the military, a member of the national guard or
23 military reserves, or the spouse or dependent of a veteran, active
24 member of the military, or member of the national guard or military
25 reserves, in order to more quickly identify potential educational
26 assistance available to that applicant.

27 (e) Consider all veterans residents of this state for

1 determining their tuition rates and fees.

2 (f) Waive enrollment fees for all veterans.

3 (2) BY OCTOBER 1 OF EACH YEAR, EACH PUBLIC UNIVERSITY SHALL
4 REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON
5 HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE
6 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS REGARDING SERVICES
7 PROVIDED SPECIFICALLY TO VETERANS AND ACTIVE MILITARY DUTY
8 PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE SERVICES DESCRIBED IN
9 SUBSECTION (1).

10 (3) ~~(2)~~As used in this section, "veteran" means an honorably
11 discharged veteran entitled to educational assistance under the
12 provisions of section 5003 of the post-911 veterans educational
13 assistance act of 2008, 38 USC 3301 to 3324.

14 Sec. 276. (1) Included in the appropriation for fiscal year
15 ~~2013-2014-2014-2015~~ for each public university in section 236 is
16 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
17 future faculty program that is intended to increase the pool of
18 academically or economically disadvantaged candidates pursuing
19 faculty teaching careers in postsecondary education. Preference may
20 not be given to applicants on the basis of race, color, ethnicity,
21 gender, or national origin. Institutions should encourage
22 applications from applicants who would otherwise not adequately be
23 represented in the graduate student and faculty populations. Each
24 public university shall apply the percentage change applicable to
25 every public university in the calculation of appropriations in
26 section 236 to the amount of funds allocated to the future faculty
27 program.

1 (2) The program shall be administered by each public
2 university in a manner prescribed by the workforce development
3 agency. The workforce development agency shall use a good faith
4 effort standard to evaluate whether a fellowship is in default.

5 Sec. 277. (1) Included in the appropriation for fiscal year
6 ~~2013-2014-2014-2015~~ for each public university in section 236 is
7 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
8 college day program that is intended to introduce academically or
9 economically disadvantaged schoolchildren to the potential of a
10 college education. Preference may not be given to participants on
11 the basis of race, color, ethnicity, gender, or national origin.
12 Public universities should encourage participation from those who
13 would otherwise not adequately be represented in the student
14 population.

15 (2) Individual program plans of each public university shall
16 include a budget of equal contributions from this program, the
17 participating public university, the participating school district,
18 and the participating independent degree-granting college. College
19 day funds shall not be expended to cover indirect costs. Not more
20 than 20% of the university match shall be attributable to indirect
21 costs. Each public university shall apply the percentage change
22 applicable to every public university in the calculation of
23 appropriations in section 236 to the amount of funds allocated to
24 the college day program.

25 (3) The program described in this section shall be
26 administered by each public university in a manner prescribed by
27 the workforce development agency.

1 Sec. 278. (1) Included in section 236 for fiscal year ~~2013-~~
2 ~~2014-2014-2015~~ is funding for the Martin Luther King, Jr. - Cesar
3 Chavez - Rosa Parks select student support services program for
4 developing academically or economically disadvantaged student
5 retention programs for 4-year public and independent educational
6 institutions in this state. Preference may not be given to
7 participants on the basis of race, color, ethnicity, gender, or
8 national origin. Institutions should encourage participation from
9 those who would otherwise not adequately be represented in the
10 student population.

11 (2) An award made under this program to any 1 institution
12 shall not be greater than \$150,000.00, and the amount awarded shall
13 be matched on a 70% state, 30% college or university basis.

14 (3) The program described in this section shall be
15 administered by the workforce development agency.

16 Sec. 279. (1) Included in section 236 for fiscal year ~~2013-~~
17 ~~2014-2014-2015~~ is funding for the Martin Luther King, Jr. - Cesar
18 Chavez - Rosa Parks college/university partnership program between
19 4-year public and independent colleges and universities and public
20 community colleges, which is intended to increase the number of
21 academically or economically disadvantaged students who transfer
22 from community colleges into baccalaureate programs. Preference may
23 not be given to participants on the basis of race, color,
24 ethnicity, gender, or national origin. Institutions should
25 encourage participation from those who would otherwise not
26 adequately be represented in the transfer student population.

27 (2) The grants shall be made under the program described in

1 this section to Michigan public and independent colleges and
2 universities. An award to any 1 institution shall not be greater
3 than \$150,000.00, and the amount awarded shall be matched on a 70%
4 state, 30% college or university basis.

5 (3) The program described in this section shall be
6 administered by the workforce development agency.

7 Sec. 280. (1) Included in the appropriation for fiscal year
8 ~~2013-2014~~ **2014-2015** for each public university in section 236 is
9 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
10 visiting professors program which is intended to increase the
11 number of instructors in the classroom to provide role models for
12 academically or economically disadvantaged students. Preference may
13 not be given to participants on the basis of race, color,
14 ethnicity, gender, or national origin. Public universities should
15 encourage participation from those who would otherwise not
16 adequately be represented in the student population.

17 (2) The program described in this section shall be
18 administered by the workforce development agency.

19 Sec. 281. (1) Included in the appropriation for fiscal year
20 ~~2013-2014~~ **2014-2015** in section 236 is funding under the Martin
21 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
22 Morris Hood, Jr. educator development program which is intended to
23 increase the number of academically or economically disadvantaged
24 students who enroll in and complete K-12 teacher education programs
25 at the baccalaureate level. Preference may not be given to
26 participants on the basis of race, color, ethnicity, gender, or
27 national origin. Institutions should encourage participation from

1 those who would otherwise not adequately be represented in the
2 teacher education student population.

3 (2) The program described in this section shall be
4 administered by each state-approved teacher education institution
5 in a manner prescribed by the workforce development agency.

6 (3) Approved teacher education institutions may and are
7 encouraged to use student support services funding in coordination
8 with the Morris Hood, Jr. funding to achieve the goals of the
9 program described in this section.

10 Sec. 282. Each institution receiving funds under section 278,
11 279, or 281 shall notify the workforce development agency by April
12 15, ~~2014~~ **OF EACH YEAR** as to whether it will expend by the end of
13 its fiscal year the funds received under section 278, 279, or 281.
14 Notwithstanding the award limitations in sections 278 and 279, the
15 amount of funding reported as not being expended will be
16 reallocated to the institutions that intend to expend all funding
17 received under section 278, 279, or 281.

18 Sec. 283. (1) From the amount appropriated in section 236, the
19 public universities shall systematically inform Michigan high
20 schools regarding the academic status of students from each high
21 school in a manner prescribed by the presidents council, state
22 universities of Michigan in cooperation with the Michigan
23 association of secondary school principals. Public universities
24 shall also work with the center for educational performance and
25 information to ~~design and implement~~ **MAINTAIN** a systematic approach
26 for accomplishing this task.

27 (2) Michigan high schools shall systematically inform the

1 public universities about the use of information received under
2 this section in a manner prescribed by the Michigan association of
3 secondary school principals in cooperation with the presidents
4 council, state universities of Michigan.

5 Sec. 284. From the amount appropriated in section 236, the
6 public universities shall inform Michigan community colleges
7 regarding the academic status of community college transfer
8 students in a manner prescribed by the presidents council, state
9 universities of Michigan in cooperation with the Michigan community
10 college association. Public universities shall also work with the
11 center for educational performance and information to ~~design and~~
12 ~~implement~~ **MAINTAIN** a systematic approach for accomplishing this
13 task.

14 Enacting section 1. (1) In accordance with section 30 of
15 article IX of the state constitution of 1963, total state spending
16 on school aid under 2013 PA 60, 2013 PA 130, 2014 PA 116, and this
17 amendatory act from state sources for fiscal year 2013-2014 is
18 estimated at \$11,506,132,300.00 and state appropriations for school
19 aid to be paid to local units of government for fiscal year 2013-
20 2014 are estimated at \$11,343,224,700.00. In accordance with
21 section 30 of article I of the state constitution of 1963, total
22 state spending on school aid under article I as amended by this
23 amendatory act from state sources for fiscal year 2014-2015 is
24 estimated at \$12,062,162,900.00 and state appropriations for school
25 aid to be paid to local units of government for fiscal year 2014-
26 2015 are estimated at \$11,905,777,600.00.

27 (2) In accordance with section 30 of article IX of the state

1 constitution of 1963, total state spending from state sources for
2 community colleges for fiscal year 2014-2015 under article II is
3 estimated at \$364,724,900.00 and the amount of that state spending
4 from state sources to be paid to local units of government for
5 fiscal year 2014-2015 is estimated at \$364,724,900.00.

6 (3) In accordance with section 30 of article IX of the state
7 constitution of 1963, total state spending from state sources for
8 higher education for fiscal year 2014-2015 under article III is
9 estimated at \$1,419,469,900.00 and the amount of that state
10 spending from state sources to be paid to local units of government
11 for fiscal year 2014-2015 is estimated at \$0.

12 Enacting section 2. Sections 22k, 64a, 82, 95, and 229b of the
13 state school aid act of 1979, 1979 PA 94, MCL 388.1622k, 388.1664a,
14 388.1682, 388.1695, and 388.1829b, are repealed.

15 Enacting section 3. (1) Except as otherwise provided in
16 subsection (2), this amendatory act takes effect October 1, 2014.

17 (2) Sections 11, 22i, 41, and 101 of the state school aid act
18 of 1979, 1979 PA 94, MCL 388.1611, 388.1622i, 388.1641, and
19 388.1701, as amended by this amendatory act, and section 104c of
20 the state school aid act of 1979, 1979 PA 94, MCL 388.1704c, as
21 added by this amendatory act, take effect upon enactment of this
22 amendatory act.