

FIRST CONFERENCE REPORT

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

House Bill No. 4325, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending the title and sections 2, 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1602, 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 24c, 26a, 39a, 81, 94a, and 104 as amended by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding sections 22f and articles II, III, and IV; 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 and the intermediate school districts of the state; to make appropriations

for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; 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 the title and sections 2, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1602, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding sections 12, 22f, 147a, 147b and articles II, III, and IV; and to repeal acts and parts of acts.

Bill Rogers

Roger Kahn

Chuck Moss

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Ellen Cogen Lipton

Glenn Anderson

Conferees for the House

Conferees for the Senate

**SUBSTITUTE FOR
HOUSE BILL NO. 4325**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending the title and sections 2, 6, 11, 11a, 11g, 11j, 11k,
11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b,
31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54,
56, 61a, 62, 74, 81, 93, 94a, 98, 99, 104, 107, 109, 147, and 152a
(MCL 388.1602, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j,
388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d,
388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a,
388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f,
388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640,
388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656,
388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a,

388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding sections 12, 22f, 147a, 147b and articles II, III, and IV; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to make appropriations to aid in the support of the
3 public schools, ~~and the intermediate school districts,~~ **COMMUNITY**
4 COLLEGES, AND PUBLIC UNIVERSITIES of the state; to make
5 appropriations for certain other purposes relating to education; to
6 provide for the disbursement of the appropriations; ~~to supplement~~
7 ~~the school aid fund by the levy and collection of certain taxes;~~ to
8 authorize the issuance of certain bonds and provide for the
9 security of those bonds; to prescribe the powers and duties of
10 certain state departments, the state board of education, and
11 certain other boards and officials; to create certain funds and
12 provide for their expenditure; to prescribe penalties; and to
13 repeal acts and parts of acts.

14 ~~Article 1~~ **ARTICLE I**

15 STATE AID TO PUBLIC SCHOOLS, EARLY CHILDHOOD, AND ADULT EDUCATION

16 Sec. 2. ~~For the purposes of this act~~ **AS USED IN THIS ARTICLE**

1 **AND ARTICLE IV**, the words and phrases defined in sections 3 to 6
2 have the meanings ascribed to them in those sections.

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

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

25 (3) "District and high school graduation report" means a
26 report of the number of pupils, excluding adult participants, in

1 the district for the immediately preceding school year, adjusted
2 for those pupils who have transferred into or out of the district
3 or high school, who leave high school with a diploma or other
4 credential of equal status.

5 (4) "Membership", except as otherwise provided in this ~~act~~,
6 **ARTICLE**, means for a district, public school academy, university
7 school, or intermediate district the sum of the product of ~~.75~~.90
8 times the number of full-time equated pupils in grades K to 12
9 actually enrolled and in regular daily attendance on the pupil
10 membership count day for the current school year, plus the product
11 of ~~.25~~.10 times the final audited count from the supplemental
12 count day for the immediately preceding school year. All pupil
13 counts used in this subsection are as determined by the department
14 and calculated by adding the number of pupils registered for
15 attendance plus pupils received by transfer and minus pupils lost
16 as defined by rules promulgated by the superintendent, and as
17 corrected by a subsequent department audit. For the purposes of
18 this section and section 6a, for a school of excellence that is a
19 cyber school, as defined in section 551 of the revised school code,
20 MCL 380.551, and is in compliance with section 553a of the revised
21 school code, MCL 380.553a, a pupil's participation in the cyber
22 school's educational program is considered regular daily
23 attendance. The amount of the foundation allowance for a pupil in
24 membership is determined under section 20. In making the
25 calculation of membership, all of the following, as applicable,
26 apply to determining the membership of a district, public school
27 academy, university school, or intermediate district:

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

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

16 (c) A special education pupil educated by the intermediate
17 district shall be counted in membership in the intermediate
18 district.

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

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

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

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

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

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

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

27 (ii) If operations begin after the pupil membership count day

1 for the fiscal year and not later than the supplemental count day
2 for the fiscal year, membership is the final audited count of the
3 number of full-time equated pupils in grades K to 12 actually
4 enrolled and in regular daily attendance on the supplemental count
5 day for the current school year.

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

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

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

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

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

3 (A) Is enrolled in a public school academy or an alternative
4 education high school diploma program, that is primarily focused on
5 educating homeless pupils and that is located in a city with a
6 population of more than ~~750,000~~.500,000.

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

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

11 (m) An individual who has obtained a high school diploma shall
12 not be counted in membership. An individual who has obtained a
13 general educational development (G.E.D.) certificate shall not be
14 counted in membership **UNLESS THE INDIVIDUAL IS A STUDENT WITH A**
15 **DISABILITY AS DEFINED IN R 340.1702 OF THE MICHIGAN ADMINISTRATIVE**
16 **CODE**. An individual participating in a job training program funded
17 under former section 107a or a jobs program funded under former
18 section 107b, administered by the Michigan strategic fund or the
19 ~~department of energy, labor, and economic growth,~~ **WORKFORCE**
20 **DEVELOPMENT AGENCY**, or participating in any successor of either of
21 those 2 programs, shall not be counted in membership.

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

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

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

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

27 (o) An individual less than 16 years of age as of September 1

1 of the current school year who is being educated in an alternative
2 education program shall not be counted in membership if there are
3 also adult education participants being educated in the same
4 program or classroom.

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

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

15 (r) ~~Except as otherwise provided in this subdivision, full-~~
16 ~~time~~ **FULL-TIME** equated memberships for pupils in kindergarten shall
17 be determined by dividing the number of class hours scheduled and
18 provided per year per kindergarten pupil by a number equal to 1/2
19 the number used for determining full-time equated memberships for
20 pupils in grades 1 to 12. **HOWEVER, BEGINNING IN 2012-2013, FULL-**
21 **TIME EQUATED MEMBERSHIPS FOR PUPILS IN KINDERGARTEN SHALL BE**
22 **DETERMINED BY DIVIDING THE NUMBER OF CLASS HOURS SCHEDULED AND**
23 **PROVIDED PER YEAR PER KINDERGARTEN PUPIL BY THE SAME NUMBER USED**
24 **FOR DETERMINING FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN GRADES**
25 **1 TO 12.**

26 (s) For a district, university school, or public school
27 academy that has pupils enrolled in a grade level that was not

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

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

17 (u) If, as a result of a disciplinary action, a district
18 determines through the district's alternative or disciplinary
19 education program that the best instructional placement for a pupil
20 is in the pupil's home or otherwise apart from the general school
21 population, if that placement is authorized in writing by the
22 district superintendent and district alternative or disciplinary
23 education supervisor, and if the district provides appropriate
24 instruction as described in this subdivision to the pupil at the
25 pupil's home or otherwise apart from the general school population,
26 the district may count the pupil in membership on a pro rata basis,
27 with the proration based on the number of hours of instruction the

1 district actually provides to the pupil divided by the number of
2 hours specified in subdivision (q) for full-time equivalency. For
3 the purposes of this subdivision, a district shall be considered to
4 be providing appropriate instruction if all of the following are
5 met:

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

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

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

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

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

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

1 (x) For a public school academy that has been in operation for
2 at least 2 years and that suspended operations for at least 1
3 semester and is resuming operations, membership is the sum of the
4 product of ~~.75~~.90 times the number of full-time equated pupils in
5 grades K to 12 actually enrolled and in regular daily attendance on
6 the first pupil membership count day or supplemental count day,
7 whichever is first, occurring after operations resume, plus the
8 product of ~~.25~~.10 times the final audited count from the most
9 recent pupil membership count day or supplemental count day that
10 occurred before suspending operations, as determined by the
11 superintendent.

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

27 (i) The average of the district's membership for the 3-fiscal-

1 year period ending with that fiscal year, calculated by adding the
2 district's actual membership for each of those 3 fiscal years, as
3 otherwise calculated under this subsection, and dividing the sum of
4 those 3 membership figures by 3.

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

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

16 (aa) Full-time equated memberships for preprimary-aged special
17 education pupils who are not enrolled in kindergarten but are
18 enrolled in a classroom program under R 340.1754 of the Michigan
19 administrative code shall be determined by dividing the number of
20 class hours scheduled and provided per year by 450. Full-time
21 equated memberships for preprimary-aged special education pupils
22 who are not enrolled in kindergarten but are receiving ~~nonclassroom~~
23 **EARLY CHILDHOOD SPECIAL EDUCATION** services under R 340.1755 of the
24 Michigan administrative code shall be determined by dividing the
25 number of hours of service scheduled and provided per year per
26 pupil by 180.

27 (bb) A pupil of a district that begins its school year after

1 Labor day who is enrolled in an intermediate district program that
2 begins before Labor day shall not be considered to be less than a
3 full-time pupil solely due to instructional time scheduled but not
4 attended by the pupil before Labor day.

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

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

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

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

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

1 following:

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

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

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

8 (d) A pupil enrolled in a district other than the pupil's
9 district of residence under an intermediate district schools of
10 choice pilot program as described in section 91a or former section
11 91 if the intermediate district and its constituent districts have
12 been exempted from section 105.

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

16 (f) A pupil who has made an official written complaint or
17 whose parent or legal guardian has made an official written
18 complaint to law enforcement officials and to school officials of
19 the pupil's district of residence that the pupil has been the
20 victim of a criminal sexual assault or other serious assault, if
21 the official complaint either indicates that the assault occurred
22 at school or that the assault was committed by 1 or more other
23 pupils enrolled in the school the pupil would otherwise attend in
24 the district of residence or by an employee of the district of
25 residence. A person who intentionally makes a false report of a
26 crime to law enforcement officials for the purposes of this
27 subdivision is subject to section 411a of the Michigan penal code,

1 1931 PA 328, MCL 750.411a, which provides criminal penalties for
2 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

27 (v) The pupil is enrolled in an alternative or disciplinary

1 education program described in section 25.

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

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

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

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

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

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

25 (o) A pupil who enrolls in a district other than the pupil's
26 district of residence as a result of the pupil's school not making
27 adequate yearly progress under the no child left behind act of

1 2001, Public Law 107-110.

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

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

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

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

19 (i) Fourth Wednesday in July.

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

21 (iii) Second Wednesday in February.

22 (iv) Fourth Wednesday in April.

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

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

27 (9) "Rule" means a rule promulgated pursuant to the

1 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
2 24.328.

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

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

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

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

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

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

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

26 (17) "State school aid fund" means the state school aid fund
27 established in section 11 of article IX of the state constitution

1 of 1963.

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

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

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

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

19 Sec. 11. (1) Subject to subsection ~~(5),~~ **(3)**, for the fiscal
20 year ending September 30, 2011, there is appropriated for the
21 public schools of this state and certain other state purposes
22 relating to education the sum of ~~\$10,937,260,500.00~~
23 **\$10,757,260,500.00** from the state school aid fund and the sum of
24 \$18,642,400.00 from the general fund. For the fiscal year ending
25 September 30, 2011, there is also appropriated the remaining
26 balance of the federal funding awarded to this state under title
27 XIV of the American recovery and reinvestment act of 2009, Public

1 Law 111-5, estimated at \$184,256,600.00, to be used solely for the
 2 purpose of funding the primary funding formula calculated under
 3 section 20, in accordance with federal law. **SUBJECT TO SUBSECTION**
 4 **(3), FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, THERE IS**
 5 **APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER**
 6 **STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$10,887,098,700.00**
 7 **FROM THE STATE SCHOOL AID FUND AND THE SUM OF \$118,642,400.00 FROM**
 8 **THE GENERAL FUND.** In addition, all other available federal funds,
 9 except those otherwise appropriated under section 11p, are
 10 appropriated for the fiscal year ending September 30, 2011 **AND FOR**
 11 **THE FISCAL YEAR ENDING SEPTEMBER 30, 2012.**

12 (2) The appropriations under this section shall be allocated
 13 as provided in this act. ~~ARTICLE.~~ Money appropriated under this
 14 section from the general fund shall be expended to fund the
 15 purposes of this act ~~ARTICLE~~ before the expenditure of money
 16 appropriated under this section from the state school aid fund. ~~If~~
 17 ~~the maximum amount appropriated under this section from the state~~
 18 ~~school aid fund for a fiscal year exceeds the amount necessary to~~
 19 ~~fully fund allocations under this act from the state school aid~~
 20 ~~fund, that excess amount shall not be expended in that state fiscal~~
 21 ~~year and shall not lapse to the general fund, but instead shall be~~
 22 ~~deposited into the school aid stabilization fund created in section~~
 23 ~~11a. For 2009-2010 only, if the department determines before~~
 24 ~~bookclosing for the 2009-2010 state fiscal year that the maximum~~
 25 ~~amount appropriated under this section from the state school aid~~
 26 ~~fund for 2009-2010 exceeds the amount necessary to fully fund~~
 27 ~~allocations under this act from the state school aid fund for 2009-~~

~~2010 and that state support for elementary and secondary education for 2009-2010 will fall below the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, then there is appropriated for 2009-2010 from the school aid stabilization fund an amount equal to \$30,000,000.00 or the amount that the department determines is necessary for the state support for elementary and secondary education to meet the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, whichever is greater. The department shall use any funds appropriated under this subsection as follows:~~

~~—— (a) First, to allocate \$10,000,000.00 to provide funding to each intermediate district in an amount equal to the product of 14.75% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2009-2010 under 2010 PA 110.~~

~~—— (b) Second, to allocate the amount necessary, estimated at \$10,000,000.00, to provide funding under this subdivision to districts for which the amount of per pupil funding calculated and allocated under section 11p(2) is less than \$154.00. The payment to a district under this subdivision is an amount equal to the difference between \$154.00 and the per pupil funding amount calculated and allocated under section 11p(2) for the district, multiplied by the district's 2010-2011 membership used for the October 2010 payment.~~

~~—— (c) Third, to allocate any remaining funds to reduce the~~

~~amount of the per pupil reduction under section 11d(1) for 2009-2010.~~

~~—— (3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51e, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and~~

~~the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.~~

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

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

~~—— (i) Districts.~~

~~—— (ii) Intermediate districts.~~

~~—— (iii) Entities other than districts or intermediate districts.~~

~~—— (b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a) (i) for districts by reducing payments to districts. This reduction shall be made by~~

~~calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51e, 53a, and 152a, by that amount.~~

~~—— (c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal percentage basis.~~

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

~~(3) (5)~~ Any general fund allocations under this act **ARTICLE** that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

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

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

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

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

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

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

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

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

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

1 stabilization fund to the state school aid fund an amount equal to
 2 the projected shortfall as determined by the department of
 3 treasury, but not to exceed available money in the school aid
 4 stabilization fund. If the money in the school aid stabilization
 5 fund is insufficient to fully fund an amount equal to the projected
 6 shortfall, the state budget director shall notify the legislature
 7 as required under section 11(3) and state payments in an amount
 8 equal to the remainder of the projected shortfall shall be prorated
 9 in the manner provided under section 11(4).

10 (7) For ~~2010-2011, 2011-2012~~, **IN ADDITION TO THE**
 11 **APPROPRIATIONS IN SECTION 11**, there is appropriated from the school
 12 aid stabilization fund to the state school aid fund the amount
 13 necessary to fully fund the allocations under this ~~act~~. **ARTICLE.**

14 Sec. 11g. (1) From the appropriation in section 11, there is
 15 allocated for this section an amount not to exceed \$39,000,000.00
 16 for the fiscal year ending September 30, ~~2011-2012~~ and for each
 17 succeeding fiscal year through the fiscal year ending September 30,
 18 2015, after which these payments will cease. These allocations are
 19 for paying the amounts described in subsection (3) to districts and
 20 intermediate districts, other than those receiving a lump-sum
 21 payment under section 11f(2), that were not plaintiffs in the
 22 consolidated cases known as Durant v State of Michigan, Michigan
 23 supreme court docket no. 104458-104492 and that, on or before March
 24 2, 1998, submitted to the state treasurer a waiver resolution
 25 described in section 11f. The amounts paid under this section
 26 represent offers of settlement and compromise of any claim or
 27 claims that were or could have been asserted by these districts and

1 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 ~~act~~**ARTICLE** are not
6 intended to admit liability or waive any defense that is or would
7 be available to this state or its agencies, employees, or agents in
8 any 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, 2013.

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 Sec. 11j. From the appropriation in section 11, there is
26 allocated an amount not to exceed ~~\$5,167,800.00~~ **\$93,575,300.00** for
27 ~~2010-2011-2011-2012~~ for payments to the school loan bond redemption

1 fund in the department of treasury on behalf of districts and
2 intermediate districts. Notwithstanding section 11 or any other
3 provision of this act, funds allocated under this section are not
4 subject to proration and shall be paid in full.

5 Sec. 11k. For ~~2010-2011~~, **2011-2012**, there is appropriated from
6 the general fund to the school loan revolving fund an amount equal
7 to the amount of school bond loans assigned to the Michigan finance
8 authority, not to exceed the total amount of school bond loans held
9 in reserve as long-term assets. As used in this section, "school
10 loan revolving fund" means that fund created in section 16c of the
11 shared credit rating act, 1985 PA 227, MCL 141.1066c.

12 Sec. 11m. From the appropriations in section 11, there is
13 allocated for ~~2009-2010 an amount not to exceed \$12,000,000.00 and~~
14 ~~for 2010-2011 there is allocated an amount not to exceed~~
15 ~~\$45,000,000.00~~ **\$15,000,000.00 AND THERE IS ALLOCATED FOR 2011-2012**
16 **AN AMOUNT NOT TO EXCEED \$20,000,000.00** for fiscal year cash-flow
17 borrowing costs solely related to the state school aid fund
18 established by section 11 of article IX of the state constitution
19 of 1963.

20 **SEC. 12. IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE**
21 **AND ALLOCATE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 THE SAME**
22 **AMOUNTS OF MONEY FROM THE SAME SOURCES FOR THE SAME PURPOSES AS ARE**
23 **APPROPRIATED AND ALLOCATED UNDER THIS ARTICLE FOR THE FISCAL YEAR**
24 **ENDING SEPTEMBER 30, 2012, AS ADJUSTED FOR CHANGES IN PUPIL**
25 **MEMBERSHIP, TAXABLE VALUES, SPECIAL EDUCATION COSTS, AND AVAILABLE**
26 **REVENUE. THESE ADJUSTMENTS WILL BE DETERMINED AFTER THE JANUARY**
27 **2012 CONSENSUS REVENUE ESTIMATING CONFERENCE.**

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

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

1 adjustment if the district would otherwise experience a significant
2 hardship.

3 (3) If, because of the receipt of new or updated data, the
4 department determines during a fiscal year that the amount paid to
5 a district or intermediate district under this act for a prior
6 fiscal year was incorrect under the law in effect for that year,
7 the department may make the appropriate deduction or payment in the
8 district's or intermediate district's allocation for the fiscal
9 year in which the determination is made. The deduction or payment
10 shall be calculated according to the law in effect in the fiscal
11 year in which the improper amount was paid.

12 (4) Expenditures made by the department under this ~~act~~**ARTICLE**
13 that are caused by the write-off of prior year accruals may be
14 funded by revenue from the write-off of prior year accruals.

15 (5) In addition to funds appropriated in section 11 for all
16 programs and services, there is appropriated for ~~2010-2011-2011-~~
17 **2012** for obligations in excess of applicable appropriations an
18 amount equal to the collection of overpayments, but not to exceed
19 amounts available from overpayments.

20 Sec. 18. (1) Except as provided in another section of this
21 ~~act~~**ARTICLE**, each district or other entity shall apply the money
22 received by the district or entity under this ~~act~~**ARTICLE** to
23 salaries and other compensation of teachers and other employees,
24 tuition, transportation, lighting, heating, ventilation, water
25 service, the purchase of textbooks which are designated by the
26 board to be used in the schools under the board's charge, other
27 supplies, and any other school operating expenditures defined in

1 section 7. However, not more than 20% of the total amount received
2 by a district under article 2 or intermediate district under
3 article 8 may be transferred by the board to either the capital
4 projects fund or to the debt retirement fund for debt service. The
5 money shall not be applied or taken for a purpose other than as
6 provided in this section. The department shall determine the
7 reasonableness of expenditures and may withhold from a recipient of
8 funds under this ~~act~~**ARTICLE** the apportionment otherwise due upon a
9 violation by the recipient.

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

17 (a) The annual operating budget and subsequent budget
18 revisions.

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

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

25 (A) Salaries and wages.

26 (B) Employee benefit costs, including, but not limited to,
27 medical, dental, vision, life, disability, and long-term care

1 benefits.

2 (C) Retirement benefit costs.

3 (D) All other personnel costs.

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

6 (A) Instruction.

7 (B) Support services.

8 (C) Business and administration.

9 (D) Operations and maintenance.

10 (c) Links to all of the following:

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

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

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

19 **(iv) THE BIDS REQUIRED UNDER SECTION 5 OF THE PUBLIC EMPLOYEE**
20 **HEALTH BENEFITS ACT, 2007 PA 106, MCL 124.75.**

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

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

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

27 As used in this subdivision, "lobbying" means that term as defined

1 in section 5 of 1978 PA 472, MCL 4.415.

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

6 (4) For the purpose of determining the reasonableness of
7 expenditures and whether a violation of this ~~act~~**ARTICLE** has
8 occurred, all of the following apply:

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

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

1 immediately preceding fiscal year by less than 5%.

2 ~~—— (c) An intermediate district's annual financial audit shall be~~
 3 ~~accompanied by the intermediate district's pupil accounting~~
 4 ~~procedures report.~~

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

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

13 (E) ~~(f) Except as otherwise provided in this subsection, a ALL~~
 14 **OF THE FOLLOWING SHALL BE DONE NOT LATER THAN NOVEMBER 15 EACH**
 15 **YEAR:**

16 (i) **A** district shall file the annual financial audit reports
 17 with the intermediate district ~~not later than 120 days after the~~
 18 ~~end of each school fiscal year and the~~ **DEPARTMENT.**

19 (ii) **THE INTERMEDIATE DISTRICT SHALL FILE THE ANNUAL FINANCIAL**
 20 **AUDIT REPORTS FOR THE INTERMEDIATE DISTRICT WITH THE DEPARTMENT.**

21 (iii) **THE** intermediate district shall ~~forward the annual~~
 22 ~~financial~~ **ENTER THE PUPIL MEMBERSHIP** audit reports for its
 23 constituent districts and for the intermediate district, ~~and the~~
 24 ~~pupil accounting procedures report for the pupil membership count~~
 25 ~~day and supplemental count day, to the department not later than~~
 26 ~~November 15 of each year.~~ **IN THE MICHIGAN STUDENT DATA SYSTEM.**

27 (F) ~~(g)~~ The annual financial audit reports and pupil

1 accounting procedures reports shall be available to the public in
2 compliance with the freedom of information act, 1976 PA 442, MCL
3 15.231 to 15.246.

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

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

1 services, supplies, capital outlay, and other. Districts shall
2 report the required level of detail consistent with the manual as
3 part of the comprehensive annual financial report. ~~The department~~
4 ~~shall make this information available online to districts and~~
5 ~~intermediate districts, and shall include per pupil amounts spent~~
6 ~~on instruction and instructional support service functions, and~~
7 ~~indicate how much of those costs were attributable to salaries.~~
8 ~~Districts and intermediate districts shall include a link on their~~
9 ~~websites to the website where the department posts this~~
10 ~~information.~~

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

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

19 (8) The department shall review its pupil accounting and pupil
20 auditing manuals at least annually and shall periodically update
21 those manuals to reflect changes in this ~~act~~. **ARTICLE.**

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

26 (10) If a district or intermediate district does not comply
27 with subsections (4), (5), (6), and (7), the department shall

1 withhold all state school aid due to the district or intermediate
2 district under this act, **ARTICLE**, beginning with the next payment
3 due to the district or intermediate district, until the district or
4 intermediate district complies with subsections (4), (5), (6), and
5 (7). If the district or intermediate district does not comply with
6 subsections (4), (5), (6), and (7) by the end of the fiscal year,
7 the district or intermediate district forfeits the amount withheld.

8 ~~Article 2~~

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

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

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

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

1 the adjustment from the immediately preceding state fiscal year to
 2 the current state fiscal year made in the basic foundation
 3 allowance and [(the dollar amount of the adjustment from the
 4 immediately preceding state fiscal year to the current state fiscal
 5 year made in the basic foundation allowance minus \$20.00) times
 6 (the difference between the district's foundation allowance for the
 7 immediately preceding state fiscal year and the sum of \$7,108.00
 8 plus the total dollar amount of all adjustments made from 2006-2007
 9 to the immediately preceding state fiscal year in the lowest
 10 foundation allowance among all districts) divided by the difference
 11 between the basic foundation allowance for the current state fiscal
 12 year and the sum of \$7,108.00 plus the total dollar amount of all
 13 adjustments made from 2006-2007 to the immediately preceding state
 14 fiscal year in the lowest foundation allowance among all
 15 districts]. For ~~2009-2010 and for 2010-2011,~~ **2011-2012**, for a
 16 district that had a foundation allowance for the immediately
 17 preceding state fiscal year that was at least equal to the sum of
 18 \$7,108.00 plus the total dollar amount of all adjustments made from
 19 2006-2007 to the immediately preceding state fiscal year in the
 20 lowest foundation allowance among all districts, but less than the
 21 basic foundation allowance for the immediately preceding state
 22 fiscal year, the district shall receive a foundation allowance in
 23 an amount equal to the district's foundation allowance for ~~the~~
 24 ~~immediately preceding state fiscal year.~~ **2010-2011, MINUS \$470.00.**
 25 However, the foundation allowance for a district that had less than
 26 the basic foundation allowance for the immediately preceding state
 27 fiscal year shall not exceed the basic foundation allowance for the

1 current state fiscal year.

2 (b) Except as otherwise provided in this subsection, for a
3 district that in the immediately preceding state fiscal year had a
4 foundation allowance in an amount at least equal to the amount of
5 the basic foundation allowance for the immediately preceding state
6 fiscal year, the district shall receive a foundation allowance **FOR**
7 **2011-2012** in an amount equal to the ~~sum of the district's~~
8 ~~foundation allowance for the immediately preceding state fiscal~~
9 ~~year plus the dollar amount of the adjustment from the immediately~~
10 ~~preceding state fiscal year to the current state fiscal year in the~~
11 ~~basic foundation allowance-2010-2011, MINUS \$470.00.~~

12 (c) Except as otherwise provided in subdivision (d), for a
13 district that in the 1994-95 state fiscal year had a foundation
14 allowance greater than \$6,500.00, the district's foundation
15 allowance is an amount equal to the sum of the district's
16 foundation allowance for the immediately preceding state fiscal
17 year plus the lesser of the increase in the basic foundation
18 allowance for the current state fiscal year, as compared to the
19 immediately preceding state fiscal year, or the product of the
20 district's foundation allowance for the immediately preceding state
21 fiscal year times the percentage increase in the United States
22 consumer price index in the calendar year ending in the immediately
23 preceding fiscal year as reported by the May revenue estimating
24 conference conducted under section 367b of the management and
25 budget act, 1984 PA 431, MCL 18.1367b. **EXCEPT AS OTHERWISE PROVIDED**
26 **IN SUBDIVISION (D), FOR 2011-2012, FOR A DISTRICT THAT IN THE 1994-**
27 **1995 STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN**

1 \$6,500.00, THE DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL
2 TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE 2010-2011 FISCAL
3 YEAR MINUS \$470.00.

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

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

16 (f) For a district that received a payment under section 22c
17 as that section was in effect for 2001-2002, the district's 2001-
18 2002 foundation allowance shall be considered to have been an
19 amount equal to the sum of the district's actual 2001-2002
20 foundation allowance as otherwise calculated under this section
21 plus the per pupil amount of the district's equity payment for
22 2001-2002 under section 22c as that section was in effect for 2001-
23 2002.

24 (g) For a district that received a payment under section 22c
25 as that section was in effect for 2006-2007, the district's 2006-
26 2007 foundation allowance shall be considered to have been an
27 amount equal to the sum of the district's actual 2006-2007

1 foundation allowance as otherwise calculated under this section
2 plus the per pupil amount of the district's equity payment for
3 2006-2007 under section 22c as that section was in effect for 2006-
4 2007.

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 divided by
17 the district's membership excluding special education pupils. For a
18 district described in subsection (3)(c), the state portion of the
19 district's foundation allowance is an amount equal to \$6,962.00
20 plus the difference between the district's foundation allowance for
21 the current state fiscal year and the district's foundation
22 allowance for 1998-99, minus the difference between the sum of the
23 product of the taxable value per membership pupil of all property
24 in the district that is nonexempt property times the district's
25 certified mills and, for a district with certified mills exceeding
26 12, the product of the taxable value per membership pupil of
27 property in the district that is commercial personal property times

1 the certified mills minus 12 mills and the quotient of the ad
2 valorem property tax revenue of the district captured under tax
3 increment financing acts divided by the district's membership
4 excluding special education pupils. For a district that has a
5 millage reduction required under section 31 of article IX of the
6 state constitution of 1963, the state portion of the district's
7 foundation allowance shall be calculated as if that reduction did
8 not occur. ~~For the purposes of state law, federal funding awarded~~
9 ~~to this state under title XIV of the American recovery and~~
10 ~~reinvestment act of 2009, Public Law 111-5, that is appropriated~~
11 ~~under section 11 and allocated under section 22b, is considered to~~
12 ~~be part of the state portion of a district's foundation allowance~~
13 ~~and is considered to be part of the total state school aid paid to~~
14 ~~a public school academy.~~

15 (5) The allocation calculated under this section for a pupil
16 shall be based on the foundation allowance of the pupil's district
17 of residence. However, for a pupil enrolled in a district other
18 than the pupil's district of residence, if the foundation allowance
19 of the pupil's district of residence has been adjusted pursuant to
20 subsection ~~(19)~~, **(15)**, the allocation calculated under this section
21 shall not include the adjustment described in subsection ~~(19)~~. **(15)**.
22 For a pupil enrolled pursuant to section 105 or 105c in a district
23 other than the pupil's district of residence, the allocation
24 calculated under this section shall be based on the lesser of the
25 foundation allowance of the pupil's district of residence or the
26 foundation allowance of the educating district. For a pupil in
27 membership in a K-5, K-6, or K-8 district who is enrolled in

1 another district in a grade not offered by the pupil's district of
2 residence, the allocation calculated under this section shall be
3 based on the foundation allowance of the educating district if the
4 educating district's foundation allowance is greater than the
5 foundation allowance of the pupil's district of residence. ~~The~~
6 ~~calculation under this subsection shall take into account a~~
7 ~~district's per pupil allocation under section 20j(2).~~

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

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

7 (7) If more than 25% of the pupils residing within a district
8 are in membership in 1 or more public school academies located in
9 the district, then the amount per membership pupil calculated under
10 this section for a public school academy located in the district
11 shall be reduced by an amount equal to the difference between the
12 sum of the product of the taxable value per membership pupil of all
13 property in the district that is nonexempt property times the
14 district's certified mills and, for a district with certified mills
15 exceeding 12, the product of the taxable value per membership pupil
16 of property in the district that is commercial personal property
17 times the certified mills minus 12 mills and the quotient of the ad
18 valorem property tax revenue of the district captured under tax
19 increment financing acts divided by the district's membership
20 excluding special education pupils, in the school fiscal year
21 ending in the current state fiscal year, calculated as if the
22 resident pupils in membership in 1 or more public school academies
23 located in the district were in membership in the district. In
24 order to receive state school aid under this act, ~~ARTICLE~~, a
25 district described in this subsection shall pay to the authorizing
26 body that is the fiscal agent for a public school academy located
27 in the district for forwarding to the public school academy an

1 amount equal to that local school operating revenue per membership
2 pupil for each resident pupil in membership other than special
3 education pupils in the public school academy, as determined by the
4 department.

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

19 ~~—— (9) For a district that had combined state and local revenue~~
20 ~~per membership pupil in the 1993-94 state fiscal year of more than~~
21 ~~\$6,500.00 and that had fewer than 350 pupils in membership, if the~~
22 ~~district elects not to reduce the number of mills from which a~~
23 ~~principal residence, qualified agricultural property, qualified~~
24 ~~forest property, supportive housing property, industrial personal~~
25 ~~property, and commercial personal property are exempt and not to~~
26 ~~levy school operating taxes on a principal residence, qualified~~
27 ~~agricultural property, qualified forest property, supportive~~

~~housing property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.~~

(8) ~~(10)~~ Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section,

1 weighted as to the percentage of pupils in total membership in the
2 resulting district who reside in the geographic area of each of the
3 original or affected districts. ~~The calculation under this~~
4 ~~subsection shall take into account a district's per pupil~~
5 ~~allocation under section 20j(2).~~

6 (9) ~~(11)~~ Each fraction used in making calculations under this
7 section shall be rounded to the fourth decimal place and the dollar
8 amount of an increase in the basic foundation allowance shall be
9 rounded to the nearest whole dollar.

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

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

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

1 later than 7 days after the conclusion of the revenue conference.

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

20 (c) The index shall be calculated by multiplying the pupil
21 membership factor by the revenue adjustment factor. However, for
22 ~~2009-2010 and for 2010-2011, 2011-2012~~, the index shall be ~~1.00-~~
23 **0.93575**. If a consensus index is not determined at the revenue
24 estimating conference, the principals of the revenue estimating
25 conference shall report their estimates to the house and senate
26 subcommittees responsible for school aid appropriations not later
27 than 7 days after the conclusion of the revenue conference.

1 (12) ~~(14)~~ If the principals at the revenue estimating
2 conference reach a consensus on the index described in subsection
3 ~~(13)(e), (11)(C)~~, the lowest foundation allowance among all
4 districts for the subsequent state fiscal year shall be at least
5 the amount of that consensus index multiplied by the lowest
6 foundation allowance among all districts for the immediately
7 preceding state fiscal year.

8 ~~—— (15) If at the January revenue estimating conference it is~~
9 ~~estimated that pupil membership, excluding intermediate district~~
10 ~~membership, for the subsequent state fiscal year will be greater~~
11 ~~than 101% of the pupil membership, excluding intermediate district~~
12 ~~membership, for the current state fiscal year, then it is the~~
13 ~~intent of the legislature that the executive budget proposal for~~
14 ~~the school aid budget for the subsequent state fiscal year include~~
15 ~~a general fund/general purpose allocation sufficient to support the~~
16 ~~membership in excess of 101% of the current year pupil membership.~~

17 ~~—— (16) For a district that had combined state and local revenue~~
18 ~~per membership pupil in the 1993-94 state fiscal year of more than~~
19 ~~\$6,500.00, that had fewer than 7 pupils in membership in the 1993-~~
20 ~~94 state fiscal year, that has at least 1 child educated in the~~
21 ~~district in the current state fiscal year, and that levies the~~
22 ~~number of mills of school operating taxes authorized for the~~
23 ~~district under section 1211 of the revised school code, MCL~~
24 ~~380.1211, a minimum amount of combined state and local revenue~~
25 ~~shall be calculated for the district as provided under this~~
26 ~~subsection. The minimum amount of combined state and local revenue~~
27 ~~for 1999-2000 shall be \$67,000.00 plus the district's additional~~

~~expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.~~

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

1 revenue per membership pupil as a base. A district is not entitled
2 to any retroactive payments for fiscal years before 2000-2001 due
3 to this subsection. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS**
4 **SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN**
5 **AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A**
6 **RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT**
7 **BE MADE AFTER 2011-2012.**

8 (14) ~~(18)~~ For a district in which an industrial facilities
9 exemption certificate that abated taxes on property with a state
10 equalized valuation greater than the total state equalized
11 valuation of the district at the time the certificate was issued or
12 \$700,000,000.00, whichever is greater, was issued under 1974 PA
13 198, MCL 207.551 to 207.572, before the calculation of the
14 district's 1994-95 foundation allowance, the district's foundation
15 allowance for 2002-2003 is an amount equal to the sum of the
16 district's foundation allowance for 2002-2003, as otherwise
17 calculated under this section, plus \$250.00. **A DISTRICT RECEIVING**
18 **AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT**
19 **OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE**
20 **DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011.**
21 **THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

22 (15) ~~(19)~~ For a district that received a grant under former
23 section 32e for 2001-2002, the district's foundation allowance for
24 2002-2003 and each succeeding fiscal year shall be adjusted to be
25 an amount equal to the sum of the district's foundation allowance,
26 as otherwise calculated under this section, plus the quotient of
27 100% of the amount of the grant award to the district for 2001-2002

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

1 application for flexibility in using the funds is approved, the
2 district may use the funds identified in the application for any
3 purpose identified in the plan. **A DISTRICT RECEIVING AN ADJUSTMENT**
4 **UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS**
5 **ADJUSTMENT AN AMOUNT THAT EXCEEDS 68.5% OF THE AMOUNT THE DISTRICT**
6 **RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS**
7 **ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

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

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

23 ~~—— (b) Shall provide early intervening strategies for pupils in~~
24 ~~grades K to 3 using schoolwide systems of academic and behavioral~~
25 ~~supports and shall be scientifically research based. The strategies~~
26 ~~to be provided shall include at least pupil performance indicators~~
27 ~~based upon response to intervention, instructional consultation for~~

1 ~~teachers, and ongoing progress monitoring. A schoolwide system of~~
2 ~~academic and behavioral support should be based on a support team~~
3 ~~available to the classroom teachers. The members of this team could~~
4 ~~include the principal, special education staff, reading teachers,~~
5 ~~and other appropriate personnel who would be available to~~
6 ~~systematically study the needs of the individual child and work~~
7 ~~with the teacher to match instruction to the needs of the~~
8 ~~individual child.~~

9 (16) ~~(21)~~ For a district that levied 1.9 mills in 1993 to
10 finance an operating deficit, the district's foundation allowance
11 shall be calculated as if those mills were included as operating
12 mills in the calculation of the district's 1994-1995 foundation
13 allowance. A district is not entitled to any retroactive payments
14 for fiscal years before 2006-2007 due to this subsection. A
15 district receiving an adjustment under this subsection shall not
16 receive more than \$800,000.00 for a fiscal year as a result of this
17 adjustment. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS**
18 **SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN**
19 **AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A**
20 **RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT**
21 **BE MADE AFTER 2011-2012.**

22 (17) ~~(22)~~ For a district that levied 2.23 mills in 1993 to
23 finance an operating deficit, the district's foundation allowance
24 shall be calculated as if those mills were included as operating
25 mills in the calculation of the district's 1994-1995 foundation
26 allowance. A district is not entitled to any retroactive payments
27 for fiscal years before 2006-2007 due to this subsection. A

1 district receiving an adjustment under this subsection shall not
2 receive more than \$500,000.00 for a fiscal year as a result of this
3 adjustment. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS**
4 **SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN**
5 **AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A**
6 **RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT**
7 **BE MADE AFTER 2011-2012.**

8 (18) ~~(23)~~—Payments to districts, university schools, or public
9 school academies shall not be made under this section. Rather, the
10 calculations under this section shall be used to determine the
11 amount of state payments under section 22b.

12 (19) ~~(24)~~—If an amendment to section 2 of article VIII of the
13 state constitution of 1963 allowing state aid to some or all
14 nonpublic schools is approved by the voters of this state, each
15 foundation allowance or per pupil payment calculation under this
16 section may be reduced.

17 (20) ~~(26)~~—As used in this section:

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

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

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

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

3 (e) "Immediately preceding state fiscal year" means the state
4 fiscal year immediately preceding the current state fiscal year.

5 (f) "Local school operating revenue" means school operating
6 taxes levied under section 1211 of the revised school code, MCL
7 380.1211.

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

11 (h) "Maximum public school academy allocation", except as
12 otherwise provided in this subdivision, means the maximum per-pupil
13 allocation as calculated by adding the highest per-pupil allocation
14 among all public school academies for the immediately preceding
15 state fiscal year plus the difference between twice the dollar
16 amount of the adjustment from the immediately preceding state
17 fiscal year to the current state fiscal year made in the basic
18 foundation allowance and [(the dollar amount of the adjustment from
19 the immediately preceding state fiscal year to the current state
20 fiscal year made in the basic foundation allowance minus \$20.00)
21 times (the difference between the highest per-pupil allocation
22 among all public school academies for the immediately preceding
23 state fiscal year and the sum of \$7,108.00 plus the total dollar
24 amount of all adjustments made from 2006-2007 to the immediately
25 preceding state fiscal year in the lowest per-pupil allocation
26 among all public school academies) divided by the difference
27 between the basic foundation allowance for the current state fiscal

1 year and the sum of \$7,108.00 plus the total dollar amount of all
2 adjustments made from 2006-2007 to the immediately preceding state
3 fiscal year in the lowest per-pupil allocation among all public
4 school academies]. For ~~2009-2010 and 2010-2011~~, **2011-2012**, maximum
5 public school academy allocation means ~~\$7,580.00~~-**\$7,110.00**.

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

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

13 (k) "Principal residence", "qualified agricultural property",
14 "qualified forest property", "supportive housing property",
15 "industrial personal property", and "commercial personal property"
16 mean those terms as defined in section 1211 of the revised school
17 code, MCL 380.1211.

18 (l) "School operating purposes" means the purposes included in
19 the operation costs of the district as prescribed in sections 7 and
20 18.

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

24 (n) "Tax increment financing acts" means 1975 PA 197, MCL
25 125.1651 to 125.1681, the tax increment finance authority act, 1980
26 PA 450, MCL 125.1801 to 125.1830, the local development financing
27 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield

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

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

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

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

1 code, MCL 380.1211, as a result of the adjustment under this
2 subdivision.

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

20 Sec. 22a. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed ~~\$5,796,241,000.00 for 2009-2010~~
22 ~~and an amount not to exceed \$5,764,000,000.00~~ **\$5,737,000,000.00** for
23 2010-2011 **AND AN AMOUNT NOT TO EXCEED \$5,691,000,000.00 FOR 2011-**
24 **2012** for payments to districts, qualifying university schools, and
25 qualifying public school academies to guarantee each district,
26 qualifying university school, and qualifying public school academy
27 an amount equal to its 1994-95 total state and local per pupil

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

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

17 (a) Except as otherwise provided in this subsection, the state
18 portion of a district's 1994-95 foundation allowance is an amount
19 equal to the district's 1994-95 foundation allowance or \$6,500.00,
20 whichever is less, minus the difference between the sum of the
21 product of the taxable value per membership pupil of all property
22 in the district that is nonexempt property times the district's
23 certified mills and, for a district with certified mills exceeding
24 12, the product of the taxable value per membership pupil of
25 property in the district that is commercial personal property times
26 the certified mills minus 12 mills and the quotient of the ad
27 valorem property tax revenue of the district captured under tax

1 increment financing acts divided by the district's membership. For
2 a district that has a millage reduction required under section 31
3 of article IX of the state constitution of 1963, the state portion
4 of the district's foundation allowance shall be calculated as if
5 that reduction did not occur.

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.

22 (3) Beginning in 2003-2004, for pupils in membership in a
23 qualifying public school academy or qualifying university school,
24 there is allocated under this section to the authorizing body that
25 is the fiscal agent for the qualifying public school academy for
26 forwarding to the qualifying public school academy, or to the board
27 of the public university operating the qualifying university

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

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

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

24 (6) As used in this section:

25 (a) "1994-95 foundation allowance" means a district's 1994-95
26 foundation allowance calculated and certified by the department of
27 treasury or the superintendent under former section 20a as enacted

1 in 1993 PA 336 and as amended by 1994 PA 283.

2 (b) "Certified mills" means the lesser of 18 mills or the
3 number of mills of school operating taxes levied by the district in
4 1993-94.

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

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

11 (e) "Hold harmless millage" means, for a district with a 1994-
12 95 foundation allowance greater than \$6,500.00, the number of mills
13 by which the exemption from the levy of school operating taxes on a
14 homestead, qualified agricultural property, qualified forest
15 property, supportive housing property, industrial personal
16 property, and commercial personal property could be reduced as
17 provided in section 1211 of the revised school code, MCL 380.1211,
18 and the number of mills of school operating taxes that could be
19 levied on all property as provided in section 1211(2) of the
20 revised school code, MCL 380.1211, as certified by the department
21 of treasury for the 1994 tax year.

22 (f) "Homestead", "qualified agricultural property", "qualified
23 forest property", "supportive housing property", "industrial
24 personal property", and "commercial personal property" mean those
25 terms as defined in section 1211 of the revised school code, MCL
26 380.1211.

27 (g) "Membership" means the definition of that term under

1 section 6 as in effect for the particular fiscal year for which a
2 particular calculation is made.

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

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

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

13 (k) "School operating taxes" means local ad valorem property
14 taxes levied under section 1211 of the revised school code, MCL
15 380.1211, and retained for school operating purposes.

16 (l) "Tax increment financing acts" means 1975 PA 197, MCL
17 125.1651 to 125.1681, the tax increment finance authority act, 1980
18 PA 450, MCL 125.1801 to 125.1830, the local development financing
19 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
20 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
21 or the corridor improvement authority act, 2005 PA 280, MCL
22 125.2871 to 125.2899.

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

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

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

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

13 Sec. 22b. (1) From the state funds appropriated in section 11,
 14 there is allocated for ~~2009-2010 an amount not to exceed~~
 15 ~~\$3,289,000,000.00 and there is allocated for 2010-2011 an amount~~
 16 ~~not to exceed \$3,573,500,000.00~~ **\$3,558,424,700.00 AND THERE IS**
 17 **ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$3,032,300,000.00**
 18 for discretionary nonmandated payments to districts under this
 19 section. Funds allocated under this section that are not expended
 20 in the state fiscal year for which they were allocated, as
 21 determined by the department, may be used to supplement the
 22 allocations under sections 22a and 51c in order to fully fund those
 23 calculated allocations for the same fiscal year.

24 (2) In addition to the funds allocated in subsection (1),
 25 ~~there is allocated an amount estimated at \$450,000,000.00 for 2009-~~
 26 ~~2010 and there is allocated an amount estimated at \$184,256,600.00~~
 27 for 2010-2011 from the federal funds awarded to this state under

1 title XIV of the American recovery and reinvestment act of 2009,
2 Public Law 111-5. These funds shall be distributed in a form and
3 manner determined by the department based on an equal dollar amount
4 per the number of membership pupils used to calculate the final
5 state aid payment of the immediately preceding fiscal year and
6 shall be expended in a manner prescribed by federal law.

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

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

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

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

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

27 (d) Comply with section 1230g of the revised school code, MCL

1 380.1230g.

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

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

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

20 (8) It is the intent of the legislature that all
21 constitutional obligations of this state have been fully funded
22 under sections 22a, 31d, 51a, ~~and 51e.~~ **51C, AND 152A.** If a claim is
23 made by an entity receiving funds under this ~~act~~ **ARTICLE** that
24 challenges the legislative determination of the adequacy of this
25 funding or alleges that there exists an unfunded constitutional
26 requirement, the state budget director may escrow or allocate from
27 the discretionary funds for nonmandated payments under this section

1 the amount as may be necessary to satisfy the claim before making
2 any payments to districts under subsection (3). If funds are
3 escrowed, the escrowed funds are a work project appropriation and
4 the funds are carried forward into the following fiscal year. The
5 purpose of the work project is to provide for any payments that may
6 be awarded to districts as a result of litigation. The work project
7 shall be completed upon resolution of the litigation.

8 (9) If the local claims review board or a court of competent
9 jurisdiction makes a final determination that this state is in
10 violation of section 29 of article IX of the state constitution of
11 1963 regarding state payments to districts, the state budget
12 director shall use work project funds under subsection (8) or
13 allocate from the discretionary funds for nonmandated payments
14 under this section the amount as may be necessary to satisfy the
15 amount owed to districts before making any payments to districts
16 under subsection (3).

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

25 (11) If payments resulting from a final determination by the
26 local claims review board or a court of competent jurisdiction that
27 there has been a violation of section 29 of article IX of the state

1 constitution of 1963 exceed the amount allocated for discretionary
2 nonmandated payments under this section, the legislature shall
3 provide for adequate funding for this state's constitutional
4 obligations at its next legislative session.

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

23 Sec. 22d. (1) From the appropriation in section 11, an amount
24 not to exceed \$2,025,000.00 is allocated for ~~2010-2011~~**2011-2012**
25 ~~for additional payments to small, geographically isolated~~
26 **SUPPLEMENTAL PAYMENTS TO RURAL** districts under this section.

27 (2) From the allocation under subsection (1), there is

1 allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed
2 \$750,000.00 for payments under this subsection to districts that
3 meet all of the following:

4 (a) Operates grades K to 12.

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

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

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

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

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

1 (4) Subject to subsection (6), from the allocation in
2 subsection (1), there is allocated for ~~2010-2011~~**2011-2012** an
3 amount not to exceed \$1,275,000.00 for payments under this
4 subsection to districts that meet all of the following:

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

7 (b) The district has a total square mileage greater than 200.0
8 or is 1 of 2 districts that have consolidated transportation
9 services and have a combined total square mileage greater than
10 200.0.

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

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

15 Sec. 22e. (1) ~~Beginning in 2008-2009, an~~**FOR 2011-2012, AN**
16 amount ~~will be~~**IS** allocated ~~each fiscal year~~ from the appropriation
17 in section 11 for additional payments under this subsection to
18 districts that meet the eligibility requirements under subsection
19 (2). For ~~2010-2011~~**2011-2012**, there is allocated for this purpose
20 from the appropriation in section 11 an amount not to exceed
21 ~~\$1,300,000.00~~**\$700,000.00. THESE ADDITIONAL PAYMENTS SHALL NOT BE**
22 **MADE AFTER 2011-2012.**

23 (2) To be eligible for a payment under subsection (1), a
24 district must be determined by the department and the department of
25 treasury to meet all of the following:

26 (a) The district levies 1 of the following operating millage
27 amounts:

1 (i) All of the operating millage it is authorized to levy under
2 section 1211 of the revised school code, MCL 380.1211.

3 (ii) The amount of operating millage it is authorized to levy
4 after a voluntary reduction of its operating millage rate adopted
5 by the board of the district.

6 (iii) The amount of operating millage it is authorized to levy
7 after a millage reduction required under the limitation of section
8 31 of article IX of the state constitution of 1963, if a ballot
9 question asking for approval to levy millage in excess of the
10 limitation has been rejected in the district.

11 (b) The district receives a reduced amount of local school
12 operating revenue under section 1211 of the revised school code,
13 MCL 380.1211, as a result of the exemptions of industrial personal
14 property and commercial personal property that were enacted in 2007
15 PA 37.

16 (c) The district does not receive any state portion of its
17 foundation allowance, as calculated under section 20(4).

18 **(D) THE DISTRICT HAS 500 OR FEWER PUPILS IN MEMBERSHIP.**

19 (3) Subject to subsection (4), the amount of the additional
20 funding to each eligible district under subsection (1) is the sum
21 of the following and shall be paid to the eligible districts in the
22 same manner as payments under section 22b:

23 (a) The product of the taxable value of the district's
24 industrial personal property for the calendar year ending in the
25 fiscal year multiplied by the total number of mills the district
26 levies on nonexempt property under section 1211 of the revised
27 school code, MCL 380.1211, for that calendar year.

1 (b) The product of the taxable value of the district's
2 commercial personal property for the calendar year ending in the
3 fiscal year multiplied by the lesser of 12 mills or the total
4 number of mills the district levies on nonexempt property under
5 section 1211 of the revised school code, MCL 380.1211, for that
6 calendar year.

7 (4) The amount of the additional funding to an eligible
8 district under subsection (1) for a fiscal year shall not exceed
9 15% of the total amount allocated under subsection (1) for that
10 fiscal year.

11 (5) If the total amount of the payments calculated under
12 subsection (3) for a fiscal year exceeds the allocation under
13 subsection (1) for that fiscal year, the payment to each district
14 under subsection (1) shall be prorated on an equal percentage
15 basis.

16 ~~----- (6) In addition to the amount allocated under subsection (1),~~
17 ~~for 2010-2011 only there is also allocated from the appropriation~~
18 ~~in section 11 the amount of \$500,000.00 to a district that is~~
19 ~~eligible for a payment under subsection (1) and that levied 1.8~~
20 ~~mills in 1993 to finance an operating deficit.~~

21 **SEC. 22F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
22 **ALLOCATED FOR 2011-2012 ONLY AN AMOUNT NOT TO EXCEED**
23 **\$154,000,000.00 TO PROVIDE INCENTIVE PAYMENTS TO DISTRICTS THAT**
24 **MEET FINANCIAL BEST PRACTICES UNDER THIS SECTION. THE MONEY**
25 **ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END**
26 **STATE SCHOOL AID FUND BALANCE FOR 2010-2011. THE AMOUNT OF THE**
27 **INCENTIVE PAYMENT IS AN AMOUNT EQUAL TO \$100.00 PER PUPIL. A**

1 DISTRICT SHALL RECEIVE AN INCENTIVE PAYMENT UNDER THIS SECTION IF
2 THE DISTRICT SATISFIES AT LEAST 4 OF THE FOLLOWING REQUIREMENTS NOT
3 LATER THAN JUNE 1, 2012:

4 (A) IF A DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION,
5 DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD
6 CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR
7 DEPENDENTS, THE DISTRICT DOES NOT PAY ON BEHALF OF ANY EMPLOYEE A
8 TOTAL AMOUNT THAT IS GREATER THAN THE STATE MAXIMUM ALLOWABLE
9 EMPLOYER CONTRIBUTION FOR HEALTH CARE SERVICES BENEFITS, AS
10 DESCRIBED IN SUBSECTION (3), DEPENDING ON THE COVERAGE OPTION.

11 (B) IF A DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION,
12 DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD
13 CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR
14 DEPENDENTS, THE DISTRICT IS THE POLICYHOLDER FOR EACH OF ITS
15 INSURANCE POLICIES THAT COVERS 1 OR MORE OF THESE BENEFITS. A
16 DISTRICT THAT DOES NOT DIRECTLY EMPLOY ITS STAFF IS CONSIDERED TO
17 HAVE SATISFIED THIS REQUIREMENT.

18 (C) IF A DISTRICT DID NOT ENTER INTO AN AGREEMENT WITH THE
19 DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN TO REDUCE SCHOOL
20 OPERATING COSTS UNDER FORMER SECTION 11D AS IT WAS IN EFFECT FOR
21 2010-2011, THE DISTRICT ENTERS INTO AN AGREEMENT WITH THE
22 DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN THAT IS IN
23 COMPLIANCE WITH DEPARTMENT GUIDELINES DESCRIBED IN SUBSECTION (2).
24 IF A DISTRICT ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT TO
25 DEVELOP A SERVICE CONSOLIDATION PLAN UNDER FORMER SECTION 11D, THE
26 DISTRICT CONTINUES TO IMPLEMENT THAT PLAN AND REPORT TO THE
27 DEPARTMENT NOT LATER THAN FEBRUARY 1 OF EACH FISCAL YEAR THE

1 DISTRICT'S PROGRESS IN IMPLEMENTING THAT PLAN.

2 (D) THE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON THE
3 PROVISION OF PUPIL TRANSPORTATION, FOOD SERVICE, CUSTODIAL, OR 1 OR
4 MORE OTHER NONINSTRUCTIONAL SERVICES WITH A VALUE OF AT LEAST
5 \$50,000.00.

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

11 (i) GRADUATION AND DROPOUT RATES.

12 (ii) AVERAGE CLASS SIZE IN GRADES KINDERGARTEN TO 3.

13 (iii) COLLEGE READINESS AS MEASURED BY MICHIGAN MERIT
14 EXAMINATION TEST SCORES.

15 (iv) ELEMENTARY AND MIDDLE SCHOOL MEAP SCORES.

16 (v) TEACHER, PRINCIPAL, AND SUPERINTENDENT SALARY INFORMATION
17 INCLUDING AT LEAST MINIMUM, AVERAGE, AND MAXIMUM PAY LEVELS.

18 (vi) GENERAL FUND BALANCE.

19 (vii) THE TOTAL NUMBER OF DAYS OF INSTRUCTION PROVIDED.

20 (2) THE DEPARTMENT SHALL MAINTAIN THE GUIDELINES FOR THE
21 SERVICE CONSOLIDATION PLANS THAT WERE DEVELOPED FOR FORMER SECTION
22 11D AS IT WAS IN EFFECT FOR 2010-2011. THE GUIDELINES MAY IDENTIFY,
23 BUT ARE NOT LIMITED TO, ALLOWABLE COST-SHARING ARRANGEMENTS FOR THE
24 PROVISION OF NONINSTRUCTIONAL AND INSTRUCTIONAL SERVICES AND THE
25 CREATION OF JOINT OPERATING AGREEMENTS BETWEEN AND AMONG DISTRICTS,
26 INTERMEDIATE DISTRICTS, AND OTHER UNITS OF LOCAL GOVERNMENT. THE
27 DEPARTMENT SHALL CREATE BENCHMARKS TO MEASURE SUCCESS IN

1 IMPLEMENTING SERVICE CONSOLIDATION PLANS, INCLUDING, BUT NOT
2 LIMITED TO, DEMONSTRATED COST REDUCTIONS AND EFFICIENCY. IN
3 DETERMINING ELIGIBILITY FOR INCENTIVE PAYMENTS, THE DEPARTMENT
4 SHALL RECOGNIZE SERVICE CONSOLIDATION AND COOPERATION AND COST
5 REDUCTIONS ALREADY IN EFFECT AS WELL AS CONTINUED PROGRESS.

6 (3) FOR THE PURPOSES OF THIS SECTION, THE STATE MAXIMUM
7 ALLOWABLE EMPLOYER CONTRIBUTION ON BEHALF OF ANY EMPLOYEE IS AN
8 AMOUNT EQUAL TO 90% OF THE COMBINED TOTAL COSTS FOR THE EMPLOYEE
9 FOR THE SCHOOL FISCAL YEAR FOR MEDICAL, PHARMACY, DENTAL, VISION,
10 DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD
11 CONSTITUTE A HEALTH CARE SERVICES BENEFIT FOR EACH OF THE FOLLOWING
12 COVERAGE OPTIONS:

13 (A) EMPLOYEE ONLY COVERAGE.

14 (B) EMPLOYEE AND SPOUSE COVERAGE.

15 (C) EMPLOYEE AND CHILDREN COVERAGE.

16 (D) FULL FAMILY COVERAGE.

17 (4) A DISTRICT THAT ACCEPTS FUNDS ALLOCATED UNDER THIS SECTION
18 ACKNOWLEDGES THAT THE INCENTIVE PAYMENT UNDER THIS SECTION IS FOR
19 2011-2012 ONLY AND THAT FUNDS WILL NOT BE APPROPRIATED FOR THE
20 PURPOSES OF THIS SECTION FOR SUBSEQUENT FISCAL YEARS.

21 (5) IF THE DEPARTMENT DETERMINES THAT A DISTRICT HAS
22 INTENTIONALLY SUBMITTED FALSE INFORMATION IN ORDER TO QUALIFY FOR
23 AN INCENTIVE PAYMENT UNDER THIS SECTION, THE DISTRICT FORFEITS AN
24 AMOUNT EQUAL TO THE AMOUNT IT RECEIVED UNDER THIS SECTION FROM ITS
25 TOTAL STATE SCHOOL AID FOR 2012-2013.

26 Sec. 24. (1) From the appropriation in section 11, there is
27 allocated for ~~2010-2011-2011-2012~~ 2011-2012 an amount not to exceed

1 \$8,000,000.00 for payments to the educating district or
2 intermediate district for educating pupils assigned by a court or
3 the department of human services to reside in or to attend a
4 juvenile detention facility or child caring institution licensed by
5 the department of human services and approved by the department to
6 provide an on-grounds education program. The amount of the payment
7 under this section to a district or intermediate district shall be
8 calculated as prescribed under subsection (2).

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

15 (a) "Added cost" means 100% of the added cost each fiscal year
16 for educating all pupils assigned by a court or the department of
17 human services to reside in or to attend a juvenile detention
18 facility or child caring institution licensed by the department of
19 human services or the department of ~~energy, labor, and economic~~
20 ~~growth~~ **LICENSING AND REGULATORY AFFAIRS** and approved by the
21 department to provide an on-grounds education program. Added cost
22 shall be computed by deducting all other revenue received under
23 this act for pupils described in this section from total costs, as
24 approved by the department, in whole or in part, for educating
25 those pupils in the on-grounds education program or in a program
26 approved by the department that is located on property adjacent to
27 a juvenile detention facility or child caring institution. Costs

1 reimbursed by federal funds are not included.

2 (b) "Department's approved per pupil allocation" for a
3 district or intermediate district shall be determined by dividing
4 the total amount allocated under this section for a fiscal year by
5 the full-time equated membership total for all pupils approved by
6 the department to be funded under this section for that fiscal year
7 for the district or intermediate district.

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

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

19 Sec. 24a. From the appropriation in section 11, ~~there is~~
20 ~~allocated an amount not to exceed \$1,751,300.00 for 2009-2010 and~~
21 ~~there is allocated an amount not to exceed \$1,440,000.00~~
22 **\$1,197,500.00 for 2010-2011-2011-2012** for payments to intermediate
23 districts for pupils who are placed in juvenile justice service
24 facilities operated by the department of human services. Each
25 intermediate district shall receive an amount equal to the state
26 share of those costs that are clearly and directly attributable to
27 the educational programs for pupils placed in facilities described

1 in this section that are located within the intermediate district's
2 boundaries. The intermediate districts receiving payments under
3 this section shall cooperate with the department of human services
4 to ensure that all funding allocated under this section is utilized
5 by the intermediate district and department of human services for
6 educational programs for pupils described in this section. Pupils
7 described in this section are not eligible to be funded under
8 section 24. However, a program responsibility or other fiscal
9 responsibility associated with these pupils shall not be
10 transferred from the department of human services to a district or
11 intermediate district unless the district or intermediate district
12 consents to the transfer.

13 Sec. 24c. From the appropriation in section 11, there is
14 allocated an amount not to exceed \$742,300.00 for ~~2010-2011-2011-~~
15 **2012** for payments to districts for pupils who are enrolled in a
16 nationally administered community-based education and youth
17 mentoring program, known as the youth challenge program, that is
18 located within the district and is administered by the department
19 of military and veterans affairs. Both of the following apply to a
20 district receiving payments under this section:

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

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

1 Sec. 26a. From the state school aid fund appropriation in
 2 section 11, there is allocated an amount not to exceed
 3 \$26,300,000.00 for ~~2010-2011~~**2011-2012** to reimburse districts and
 4 intermediate districts pursuant to section 12 of the Michigan
 5 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
 6 in ~~2010-2011~~. The allocations shall be made not later than 60 days
 7 after the department of treasury certifies to the department and to
 8 the state budget director that the department of treasury has
 9 received all necessary information to properly determine the
 10 amounts due to each eligible recipient.

11 Sec. 26b. (1) From the appropriation in section 11, there is
 12 allocated for ~~2010-2011~~**2011-2012** an amount not to exceed
 13 ~~\$3,400,000.00~~**\$2,890,000.00** for payments to districts, intermediate
 14 districts, and community college districts for the portion of the
 15 payment in lieu of taxes obligation that is attributable to
 16 districts, intermediate districts, and community college districts
 17 pursuant to section 2154 of the natural resources and environmental
 18 protection act, 1994 PA 451, MCL 324.2154.

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

23 ~~Article 3~~

24 Sec. 31a. (1) From the state school aid fund money
 25 appropriated in section 11, there is allocated for ~~2010-2011~~**2011-**
 26 **2012** an amount not to exceed \$317,695,500.00 for payments to
 27 eligible districts and eligible public school academies under this

1 section. Subject to subsection (14), the amount of the additional
2 allowance under this section, other than funding under subsection
3 (6) or (7), shall be based on the number of actual pupils in
4 membership in the district or public school academy who met the
5 income eligibility criteria for free breakfast, lunch, or milk in
6 the immediately preceding state fiscal year, as determined under
7 the Richard B. Russell national school lunch act, 42 USC 1751 to
8 1769i, and reported to the department by October 31 of the
9 immediately preceding fiscal year and adjusted not later than
10 December 31 of the immediately preceding fiscal year **IN THE FORM**
11 **AND MANNER PRESCRIBED BY THE CENTER**. However, for a public school
12 academy that began operations as a public school academy after the
13 pupil membership count day of the immediately preceding school
14 year, the basis for the additional allowance under this section
15 shall be the number of actual pupils in membership in the public
16 school academy who met the income eligibility criteria for free
17 breakfast, lunch, or milk in the current state fiscal year, as
18 determined under the Richard B. Russell national school lunch act.

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

25 (a) The sum of the district's or public school academy's
26 combined state and local revenue per membership pupil in the
27 current state fiscal year, as calculated under section 20, ~~plus the~~

1 ~~amount of the district's per pupil allocation under section 20j(2),~~
2 is less than or equal to the basic foundation allowance under
3 section 20 for the current state fiscal year.

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

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

1 determined under the Richard B. Russell national school lunch act
2 and as reported to the department by October 31 of the current
3 fiscal year and adjusted not later than December 31 of the current
4 fiscal year, an amount per pupil equal to 11.5% of the public
5 school academy's per membership pupil amount calculated under
6 section 20 for the current state fiscal year.

7 (4) Except as otherwise provided in this section, a district
8 or public school academy receiving funding under this section shall
9 use that money only to provide instructional programs and direct
10 noninstructional services, including, but not limited to, medical
11 or counseling services, for at-risk pupils; for school health
12 clinics; and for the purposes of subsection (5), (6), or (7). In
13 addition, a district that is a school district of the first class
14 or a district or public school academy in which at least 50% of the
15 pupils in membership met the income eligibility criteria for free
16 breakfast, lunch, or milk in the immediately preceding state fiscal
17 year, as determined and reported as described in subsection (1),
18 may use not more than 20% of the funds it receives under this
19 section for school security. A district or public school academy
20 shall not use any of that money for administrative costs or to
21 supplant another program or other funds, except for funds allocated
22 to the district or public school academy under this section in the
23 immediately preceding year and already being used by the district
24 or public school academy for at-risk pupils. The instruction or
25 direct noninstructional services provided under this section may be
26 conducted before or after regular school hours or by adding extra
27 school days to the school year and may include, but are not limited

1 to, tutorial services, early childhood programs to serve children
2 age 0 to 5, and reading programs as described in former section 32f
3 as in effect for 2001-2002. A tutorial method may be conducted with
4 paraprofessionals working under the supervision of a certificated
5 teacher. The ratio of pupils to paraprofessionals shall be between
6 10:1 and 15:1. Only 1 certificated teacher is required to supervise
7 instruction using a tutorial method. As used in this subsection,
8 "to supplant another program" means to take the place of a
9 previously existing instructional program or direct
10 noninstructional services funded from a funding source other than
11 funding under this section.

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

20 (6) From the funds allocated under subsection (1), there is
21 allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed
22 \$3,557,300.00 to support child and adolescent health centers. These
23 grants shall be awarded for 5 consecutive years beginning with
24 2003-2004 in a form and manner approved jointly by the department
25 and the department of community health. Each grant recipient shall
26 remain in compliance with the terms of the grant award or shall
27 forfeit the grant award for the duration of the 5-year period after

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

16 (7) From the funds allocated under subsection (1), there is
17 allocated for ~~2010-2011~~**2011-2012** an amount not to exceed
18 \$5,150,000.00 for the state portion of the hearing and vision
19 screenings as described in section 9301 of the public health code,
20 1978 PA 368, MCL 333.9301. A local public health department shall
21 pay at least 50% of the total cost of the screenings. The frequency
22 of the screenings shall be as required under R 325.13091 to R
23 325.13096 and R 325.3271 to R 325.3276 of the Michigan
24 administrative code. Funds shall be awarded in a form and manner
25 approved jointly by the department and the department of community
26 health. Notwithstanding section 17b, payments to eligible entities
27 under this subsection shall be paid on a schedule determined by the

1 department.

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

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

25 (10) Subject to subsections (5), (6), (7), (12), and (13), any
26 district may use up to 100% of the funds it receives under this
27 section to reduce the ratio of pupils to teachers in grades K-6, or

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

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

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

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

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

20 (a) Monitors individual pupil learning and provides specific
21 support or learning strategies to pupils as early as possible in
22 order to reduce the need for special education placement. The
23 program shall include literacy and numeracy supports, sensory motor
24 skill development, behavior supports, instructional consultation
25 for teachers, and the development of a parent/school learning plan.
26 Specific support or learning strategies may include support in or
27 out of the general classroom in areas including reading, writing,

1 math, visual memory, motor skill development, behavior, or language
2 development. These would be provided based on an understanding of
3 the individual child's learning needs.

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

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

26 (15) If a district is formed by consolidation after June 1,
27 1995, and if 1 or more of the original districts was not eligible

1 before the consolidation for an additional allowance under this
2 section, the amount of the additional allowance under this section
3 for the consolidated district shall be based on the number of
4 pupils described in subsection (1) enrolled in the consolidated
5 district who reside in the territory of an original district that
6 was eligible before the consolidation for an additional allowance
7 under this section.

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

1 ~~allocation under section 20, plus the amount of the district's per~~
2 ~~pupil allocation under section 20j(2), not to exceed the basic~~
3 ~~foundation allowance under section 20 for the current state fiscal~~
4 ~~year.~~

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

23 ~~—— (18) For a district described in subsection (16), the total~~
24 ~~allocation to the district otherwise due under this section, after~~
25 ~~any reduction under subsection (14), shall be further reduced by~~
26 ~~25%.~~

27 ~~(16) (19)~~ As used in this section, "at-risk pupil" means a

pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; 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 a family history of school failure, incarceration, or substance abuse. 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 who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

(17) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS

1 UNDER THIS SECTION MAY USE FUNDS RECEIVED UNDER THIS SECTION TO
2 PROVIDE AN ANTI-BULLYING OR CRISIS INTERVENTION PROGRAM.

3 Sec. 31d. (1) From the appropriations in section 11, there is
4 allocated an amount not to exceed \$22,495,100.00 for ~~2010-2011~~
5 **2011-2012** for the purpose of making payments to districts and other
6 eligible entities under this section.

7 (2) The amounts allocated from state sources under this
8 section shall be used to pay the amount necessary to reimburse
9 districts for 6.0127% of the necessary costs of the state mandated
10 portion of the school lunch programs provided by those districts.
11 The amount due to each district under this section shall be
12 computed by the department using the methods of calculation adopted
13 by the Michigan supreme court in the consolidated cases known as
14 Durant v State of Michigan, Michigan supreme court docket no.
15 104458-104492.

16 (3) The payments made under this section include all state
17 payments made to districts so that each district receives at least
18 6.0127% of the necessary costs of operating the state mandated
19 portion of the school lunch program in a fiscal year.

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

26 (5) From the federal funds appropriated in section 11, there
27 is allocated for ~~2010-2011~~**2011-2012** all available federal funding,

1 estimated at \$400,000,000.00, for the national school lunch program
2 and all available federal funding, estimated at \$2,506,000.00, for
3 the emergency food assistance program.

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

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

11 Sec. 31f. (1) From the appropriations in section 11, there is
12 allocated an amount not to exceed \$9,625,000.00 for ~~2010-2011-2011-~~
13 **2012** for the purpose of making payments to districts to reimburse
14 for the cost of providing breakfast.

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

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

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

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

1 average cost shall be determined by the department using costs as
2 reported in a manner approved by the department for the preceding
3 school year.

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

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

10 Sec. 32b. (1) From the funds appropriated under section 11,
11 there is allocated an amount not to exceed ~~\$6,000,000.00~~
12 **\$5,900,000.00** for ~~2010-2011-2011-2012~~ for competitive grants to
13 intermediate districts for the creation and continuance of great
14 start communities or other community purposes as identified by the
15 early childhood investment corporation. These dollars may not be
16 expended until both of the following conditions have been met:

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

20 (b) The executive committee of the corporation includes, in
21 addition to the members of the executive committee provided for by
22 the interlocal agreement creating the corporation under the urban
23 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to
24 124.512, 4 members appointed by the governor as provided in this
25 subdivision. Not later than 30 days after the convening of a
26 regular legislative session in an odd-numbered year, the speaker of
27 the house of representatives, the house minority leader, the senate

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

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

25 (3) In order to receive funding, each intermediate district
26 applicant shall agree to convene a local great start collaborative
27 to address the availability of the 6 components of a great start

1 system in its communities: physical health, social-emotional
2 health, family supports, basic needs, economic stability and
3 safety, and parenting education and early education and care, to
4 ensure that every child in the community is ready for kindergarten.
5 Specifically, each grant will fund the following:

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

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

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

15 (d) Evaluation of local programs.

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

26 (5) An intermediate district receiving funds under this
27 section may carry over any unexpended funds received under this

1 section into the next fiscal year and may expend those unused funds
2 in the next fiscal year. A recipient of a grant shall return any
3 unexpended grant funds to the department in the manner prescribed
4 by the department not later than September 30 of the next fiscal
5 year after the fiscal year in which the funds are received.

6 (6) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE
7 LEGISLATURE TO TRANSFER FUNDING FOR GREAT START COLLABORATIVES
8 UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM,
9 ALONG WITH FUNDING FOR GREAT START READINESS PROGRAMS UNDER SECTION
10 32D AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER
11 SECTION 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE
12 FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE
13 DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF
14 REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR
15 REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY,
16 EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE
17 DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT
18 START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT
19 CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION
20 PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR
21 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL
22 REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS
23 REQUIRED UNDER THIS SUBSECTION.

24 (7) ~~(6)~~—Notwithstanding section 17b, payments under this
25 section may be made pursuant to an agreement with the department.

26 Sec. 32d. (1) For ~~2010-2011~~, **2011-2012**, there is allocated to
27 eligible ~~districts~~ **INTERMEDIATE DISTRICTS AND CONSORTIA OF**

1 **INTERMEDIATE DISTRICTS** for great start readiness programs an amount
2 not to exceed ~~\$89,400,000.00~~ **\$104,275,000.00** from the state school
3 aid fund money appropriated in section 11. ~~In addition, from the~~
4 ~~general fund appropriation in section 11, there is allocated an~~
5 ~~amount not to exceed \$8,875,000.00 for competitive great start~~
6 ~~readiness program grants.~~ Funds allocated under this section shall
7 be used to provide part-day or full-day comprehensive free
8 compensatory programs designed to do 1 or both of the following:

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

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

23 (2) ~~To be eligible to receive payments under this section, a~~
24 ~~district shall comply with this section and section 39. To receive~~
25 ~~competitive grant payments under this section, an eligible grant~~
26 ~~recipient shall comply with this section and section 32/.~~ **FUNDS**
27 **ALLOCATED UNDER THIS SECTION SHALL BE ALLOCATED TO INTERMEDIATE**

1 DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS. AN INTERMEDIATE
2 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING FUNDING
3 UNDER THIS SECTION SHALL ACT AS THE FIDUCIARY FOR THE GREAT START
4 READINESS PROGRAMS. FOR 2011-2012, THE FIDUCIARY INTERMEDIATE
5 DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS SHALL ALLOCATE
6 THE FUNDING UNDER THIS SECTION AS FOLLOWS:

7 (A) AN AMOUNT NOT TO EXCEED \$95,400,000.00 ALLOCATED TO
8 DISTRICTS AND CONSORTIA OF DISTRICTS AS DIRECTED BY THE DEPARTMENT
9 BASED ON THE FORMULA IN SECTION 39. IN ORDER TO BE ELIGIBLE TO
10 RECEIVE FUNDS ALLOCATED UNDER THIS SUBDIVISION FROM AN INTERMEDIATE
11 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A DISTRICT OR
12 CONSORTIUM OF DISTRICTS SHALL COMPLY WITH THIS SECTION AND SECTION
13 39.

14 (B) AN AMOUNT NOT TO EXCEED \$8,875,000.00 ALLOCATED IN GRANTS
15 TO COMPETITIVE GREAT START READINESS PROGRAMS AS DIRECTED BY THE
16 DEPARTMENT BASED ON THE GRANT AWARD PROCESS IN SECTION 32/. IN ORDER
17 TO BE ELIGIBLE TO RECEIVE FUNDS ALLOCATED UNDER THIS SECTION FROM
18 AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A
19 COMPETITIVE GREAT START READINESS PROGRAM SHALL COMPLY WITH THIS
20 SECTION AND SECTION 32/.

21 (3) In addition to the allocation under subsection (1), from
22 the general fund money appropriated under section 11, there is
23 allocated an amount not to exceed \$300,000.00 for ~~2010-2011-2011-~~
24 ~~2012~~ for a competitive grant to continue a longitudinal evaluation
25 of children who have participated in great start readiness
26 programs.

27 (4) To be eligible for funding under this section, a program

1 shall prepare children for success in school through comprehensive
2 part-day or ~~full-day~~ **SCHOOL-DAY** programs that contain all of the
3 following program components, as determined by the department:

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

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

13 (c) Nutritional services for all program participants.

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

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

18 (f) Active and continuous involvement of the parents or
19 guardians of the program participants.

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

23 (h) Participation in a multidistrict, multiagency, school
24 readiness advisory committee that provides for the involvement of
25 classroom teachers, parents or guardians of program participants,
26 and community, volunteer, and social service agencies and
27 organizations, as appropriate. The advisory committee shall review

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

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

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

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

13 (b) Ensure that more than 75% of the children participating in
 14 an eligible great start readiness program are children who live
 15 with families with a household income that is equal to or less than
 16 300% of the federal poverty level.

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

19 (i) Teachers possessing proper training. For programs ~~the~~
 20 ~~district manages itself,~~ **MANAGED DIRECTLY BY AN INTERMEDIATE**
 21 **DISTRICT**, a valid teaching certificate and an early childhood ~~(ZA)~~
 22 **(ZA OR ZS)** endorsement are required. This provision does not apply
 23 to ~~a~~ **AN INTERMEDIATE district OR COMPETITIVE PROGRAM** that
 24 subcontracts with an eligible child development program. In that
 25 situation, a teacher must have a valid Michigan teaching
 26 certificate with an early childhood ~~(ZA)~~ **(ZA OR ZS)** endorsement, a
 27 valid Michigan **ELEMENTARY** teaching certificate with a child

1 development associate credential, or a bachelor's degree in child
2 development with specialization in preschool teaching. However,
3 ~~both of the following apply to this subparagraph:~~

4 ~~—— (A) If a~~ **IF AN INTERMEDIATE** district demonstrates to the
5 department that it is unable to fully comply with this subparagraph
6 after making reasonable efforts to comply, teachers who have
7 significant but incomplete training in early childhood education or
8 child development may be employed by the **INTERMEDIATE** district if
9 the **INTERMEDIATE** district provides to the department, and the
10 department approves, a plan for each teacher to come into
11 compliance with the standards in this subparagraph. A teacher's
12 compliance plan must be completed within ~~4~~**2** years of the date of
13 employment. Progress toward completion of the compliance plan shall
14 consist of at least 2 courses per calendar year.

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

19 (ii) Paraprofessionals possessing proper training in early
20 childhood development, including an associate's degree in early
21 childhood education or child development or the equivalent, or a
22 child development associate (CDA) credential. ~~, or the equivalent~~
23 ~~as approved by the state board.~~ However, if a **AN INTERMEDIATE**
24 district demonstrates to the department that it is unable to fully
25 comply with this subparagraph after making reasonable efforts to
26 comply, the **INTERMEDIATE** district may employ paraprofessionals who
27 have completed at least 1 course **THAT EARNS COLLEGE CREDIT** in early

1 childhood education or child development if the **INTERMEDIATE**
2 district provides to the department, and the department approves, a
3 plan for each paraprofessional to come into compliance with the
4 standards in this subparagraph. A paraprofessional's compliance
5 plan must be completed within 2 years of the date of employment.
6 Progress toward completion of the compliance plan shall consist of
7 at least 2 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. The program budget shall indicate the extent to
13 which these funds will supplement other federal, state, local, or
14 private funds. Funds received under this section shall not be used
15 to supplant any federal funds by the applicant to serve children
16 eligible for a federally funded existing preschool program that has
17 the capacity to serve those children.

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

1 ~~that offers a full day program must enroll all children for the~~
 2 ~~full day to be considered a full day program.~~

3 (7) ~~A district or consortium of districts~~ **AN INTERMEDIATE**
 4 **DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** receiving a grant
 5 under this section may contract with for-profit or nonprofit
 6 preschool center providers that meet all requirements of subsection
 7 (4) and retain for administrative services an amount equal to not
 8 more than 5% of the grant amount. ~~A~~ **AN INTERMEDIATE** district, ~~or~~
 9 consortium of **INTERMEDIATE** districts, **OR COMPETITIVE GRANT PROGRAM**
 10 may expend not more than 10% of the total grant amount for
 11 administration of the program.

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

19 (9) A recipient of funds under this section shall report to
 20 the department ~~on the midyear report~~ **IN A FORM AND MANNER**
 21 **PRESCRIBED BY THE DEPARTMENT** the number of children participating
 22 in the program who meet the income or other eligibility criteria
 23 prescribed by the department and the total number of children
 24 participating in the program. For children participating in the
 25 program who meet the income or other eligibility criteria specified
 26 under subsection (5)(b), a recipient shall also report whether or
 27 not a parent is available to provide care based on employment

1 status. For the purposes of this subsection, "employment status"
2 shall be defined by the department of human services in a manner
3 consistent with maximizing the amount of spending that may be
4 claimed for temporary assistance for needy families maintenance of
5 effort purposes.

6 (10) As used in this section: ~~,"part-day~~

7 (A) **"PART-DAY** program" means a program that operates at least
8 4 days per week, 30 weeks per year, for at least 3 hours of
9 teacher-child contact time per day but for fewer hours of teacher-
10 child contact time per day than a ~~full-day~~ **SCHOOL-DAY** program. ~~as~~
11 ~~defined in subsection (6).~~

12 (B) **"SCHOOL-DAY PROGRAM"** MEANS A PROGRAM THAT OPERATES FOR AT
13 LEAST THE SAME LENGTH OF DAY AS A DISTRICT'S FIRST GRADE PROGRAM
14 FOR A MINIMUM OF 4 DAYS PER WEEK, 30 WEEKS PER YEAR. A CLASSROOM
15 THAT OFFERS A SCHOOL-DAY PROGRAM MUST ENROLL ALL CHILDREN FOR THE
16 SCHOOL DAY TO BE CONSIDERED A SCHOOL-DAY PROGRAM.

17 (11) A ~~district or intermediate district~~ **GRANT RECIPIENT**
18 receiving funds under this section is encouraged to establish a
19 sliding scale of tuition rates based upon a child's family income
20 for the purpose of expanding eligible programs under this section.
21 A ~~district or intermediate district~~ **GRANT RECIPIENT** may charge
22 tuition for programs provided under this section according to that
23 sliding scale of tuition rates on a uniform basis for any child who
24 does not meet the program eligibility requirements under this
25 section.

26 (12) **BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE**
27 **LEGISLATURE TO TRANSFER FUNDING FOR GREAT START READINESS PROGRAMS**

1 UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM,
2 ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER SECTION 32B
3 AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION
4 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO
5 INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO
6 ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY
7 CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START
8 COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND
9 EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK
10 WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES,
11 AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A
12 REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND
13 DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY
14 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS
15 RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.

16 Sec. 32j. (1) From the appropriations in section 11, there is
17 allocated an amount not to exceed \$5,000,000.00 for ~~2010-2011-2011-~~
18 2012 for great parents, great start grants to intermediate
19 districts to provide programs for parents with young children. The
20 purpose of these programs is to encourage early mathematics and
21 reading literacy, improve school readiness, reduce the need for
22 special education services, and foster the maintenance of stable
23 families by encouraging positive parenting skills.

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

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

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

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

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

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

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

25 (b) Demonstrate an adequate collaboration of local entities
26 involved in providing programs and services for preschool children
27 and their parents and, where there is a great start collaborative,

1 demonstrate that the planned services are part of the community's
2 great start strategic plan.

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

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

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

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

26 (b) The department shall ensure that all programs funded under
27 this section utilize the most current validated research-based

1 methods and curriculum for providing the program components
2 described in subsection (2).

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

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

16 (7) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE
17 LEGISLATURE TO TRANSFER FUNDING FOR GREAT PARENTS, GREAT START
18 PROGRAMS UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT
19 PROGRAM, ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER
20 SECTION 32B AND FUNDING FOR GREAT START READINESS PROGRAMS UNDER
21 SECTION 32D. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE
22 FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE
23 DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF
24 REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR
25 REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY,
26 EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE
27 DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT

1 START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT
2 CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION
3 PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR
4 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL
5 REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS
6 REQUIRED UNDER THIS SUBSECTION.

7 Sec. 39. (1) A district receiving funds **FROM AN INTERMEDIATE**
8 **DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** under section 32d
9 shall submit a preapplication, in a form and manner prescribed by
10 the department, by a date specified by the department in the
11 immediately preceding state fiscal year. The preapplication shall
12 include a comprehensive needs assessment and community
13 collaboration plan, which is endorsed by the local great start
14 collaborative and is part of the community's great start strategic
15 plan that includes, but is not limited to, great start readiness
16 program and head start providers, and shall identify all of the
17 following:

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

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

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

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

7 (2) A district receiving funds **FROM AN INTERMEDIATE DISTRICT**
8 **OR CONSORTIUM OF INTERMEDIATE DISTRICTS** under section 32d shall
9 also submit a final application for approval, in a form and manner
10 prescribed by the department, by a date specified by the
11 department, that details how the district complies with the program
12 components established by the department pursuant to section 32d.

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

24 (4) ~~Beginning in 2008-2009, the~~ **THE** initial allocation for
25 each fiscal year to each eligible district under section 32d shall
26 be determined by multiplying the number of children determined by
27 the formula under subsection (3) or the number of children the

1 district indicates it will be able to serve under subsection
2 (1)(c), whichever is less, by \$3,400.00 and shall be distributed
3 among districts in decreasing order of concentration of eligible
4 children as determined by the formula under subsection (3). If the
5 number of children a district indicates it will be able to serve
6 under subsection (1)(c) includes children able to be served in a
7 ~~full-day-SCHOOL-DAY~~ program, then the number able to be served in a
8 ~~full-day-SCHOOL-DAY~~ program shall be doubled for the purposes of
9 making this calculation of the lesser of the number of children
10 determined by the formula under subsection (3) and the number of
11 children the district indicates it will be able to serve under
12 subsection (1)(c) and determining the amount of the initial
13 allocation to the district under section 32d. A district may
14 contract with a head start agency to serve children enrolled in
15 head start with a ~~full-day-SCHOOL-DAY~~ program by blending head
16 start funds with a part-day great start readiness program
17 allocation. All head start and great start readiness program
18 policies and regulations apply to the blended program.

19 (5) If funds ~~appropriated~~ **ALLOCATED** for eligible districts in
20 section 32d remain after the initial allocation under subsection
21 (4), the allocation under this subsection shall be distributed to
22 each eligible district under section 32d in decreasing order of
23 concentration of eligible children as determined by the formula
24 under subsection (3). The allocation shall be determined by
25 multiplying the number of children each eligible district served in
26 the immediately preceding fiscal year ~~, including the number of~~
27 ~~children the district would have served if it had not satisfied all~~

1 ~~or part of the reduction under section 11d from funding under this~~
2 ~~section,~~ or the number of children the district indicates it will
3 be able to serve under subsection (1)(c), whichever is less, minus
4 the number of children for which the district received funding in
5 subsection (4) by \$3,400.00.

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

20 (7) If a district is participating in a program under section
21 32d for the first year, the maximum allocation under this section
22 is 32 multiplied by \$3,400.00.

23 (8) A district that offers supplementary ~~day~~ **CHILD** care funded
24 by funds other than those received under this section 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 districts. **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 (9) For any district with 315 or more eligible pupils, the
5 number of eligible pupils shall be 65% of the number calculated
6 using the formula under subsection (3). However, none of these
7 districts may have less than 315 pupils for purposes of calculating
8 the tentative allocation for eligible districts under section 32d.

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

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

26 Sec. 39a. (1) From the federal funds appropriated in section
27 11, there is allocated for ~~2010-2011~~**2011-2012** to districts,

1 intermediate districts, and other eligible entities all available
2 federal funding, estimated at \$761,973,600.00, for the federal
3 programs under the no child left behind act of 2001, Public Law
4 107-110. These funds are allocated as follows:

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

9 (b) An amount estimated at \$7,461,800.00 for the purpose of
10 improving teaching and learning through a more effective use of
11 technology, funded from DED-OESE, educational technology state
12 grant funds.

13 (c) An amount estimated at \$109,411,900.00 for the purpose of
14 preparing, training, and recruiting high-quality teachers and class
15 size reduction, funded from DED-OESE, improving teacher quality
16 funds.

17 (d) An amount estimated at \$10,322,300.00 for programs to
18 teach English to limited English proficient (LEP) children, funded
19 from DED-OESE, language acquisition state grant funds.

20 (e) An amount estimated at \$8,550,000.00 for the Michigan
21 charter school subgrant program, funded from DED-OESE, charter
22 school funds.

23 (f) An amount estimated at \$1,760,000.00 for rural and low
24 income schools, funded from DED-OESE, rural and low income school
25 funds.

26 (g) An amount estimated at \$1,000.00 to help schools develop
27 and implement comprehensive school reform programs, funded from

1 DED-OESE, title I and title X, comprehensive school reform funds.

2 (h) An amount estimated at \$517,479,800.00 to provide
3 supplemental programs to enable educationally disadvantaged
4 children to meet challenging academic standards, funded from DED-
5 OESE, title I, disadvantaged children funds.

6 (i) An amount estimated at \$2,152,700.00 for the purpose of
7 providing unified family literacy programs, funded from DED-OESE,
8 title I, even start funds.

9 (j) An amount estimated at \$8,807,200.00 for the purpose of
10 identifying and serving migrant children, funded from DED-OESE,
11 title I, migrant education funds.

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

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

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

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

27 (2) From the federal funds appropriated in section 11, there

1 is allocated for ~~2010-2011~~**2011-2012** to districts, intermediate
2 districts, and other eligible entities all available federal
3 funding, estimated at \$32,359,700.00, for the following programs
4 that are funded by federal grants:

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

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

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

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

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

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

25 (b) A mentoring program that is a research-based, validated
26 program or a statewide 1-to-1 mentoring program and is designed to
27 enhance the independence and life quality of pupils who are

1 mentally impaired by providing opportunities for mentoring and
2 integrated employment.

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

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

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

20 (5) For the purposes of applying for federal grants
21 appropriated under this act, ~~ARTICLE~~, the department shall allow an
22 intermediate district to submit a ~~consolidated~~ **CONSORTIUM**
23 application on behalf of 2 or more districts with the agreement of
24 those districts **AS APPROPRIATE ACCORDING TO FEDERAL RULES AND**
25 **GUIDELINES.**

26 (6) As used in this section:

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

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

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

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

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

9 ~~Article 4~~

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

18 ~~Article 5~~

19 Sec. 51a. (1) From the appropriation in section 11, there is
20 allocated for ~~2009-2010 an amount not to exceed \$1,016,342,000.00~~
21 ~~and there is allocated for 2010-2011 an amount not to exceed~~
22 ~~\$1,057,883,000.00~~ **\$947,683,000.00 AND THERE IS ALLOCATED FOR 2011-**
23 **2012 AN AMOUNT NOT TO EXCEED \$977,469,100.00** from state sources and
24 all available federal funding under sections 611 to 619 of part B
25 of the individuals with disabilities education act, 20 USC 1411 to
26 1419, estimated at ~~\$350,700,000.00 for 2009-2010 and estimated at~~
27 ~~\$385,700,000.00 for 2010-2011,~~ **AND ESTIMATED AT \$363,400,000.00 FOR**

1 2011-2012, plus any carryover federal funds from previous year
2 appropriations. The allocations under this subsection are for the
3 purpose of reimbursing districts and intermediate districts for
4 special education programs, services, and special education
5 personnel as prescribed in article 3 of the revised school code,
6 MCL 380.1701 to 380.1766; net tuition payments made by intermediate
7 districts to the Michigan schools for the deaf and blind; and
8 special education programs and services for pupils who are eligible
9 for special education programs and services according to statute or
10 rule. For meeting the costs of special education programs and
11 services not reimbursed under this article, a district or
12 intermediate district may use money in general funds or special
13 education funds, not otherwise restricted, or contributions from
14 districts to intermediate districts, tuition payments, gifts and
15 contributions from individuals, or federal funds that may be
16 available for this purpose, as determined by the intermediate
17 district plan prepared pursuant to article 3 of the revised school
18 code, MCL 380.1701 to 380.1766. All federal funds allocated under
19 this section in excess of those allocated under this section for
20 2002-2003 may be distributed in accordance with the flexible
21 funding provisions of the individuals with disabilities education
22 act, Public Law 108-446, including, but not limited to, 34 CFR
23 300.206 and 300.208. Notwithstanding section 17b, payments of
24 federal funds to districts, intermediate districts, and other
25 eligible entities under this section shall be paid on a schedule
26 determined by the department.

27 (2) From the funds allocated under subsection (1), there is

1 allocated each fiscal year the amount necessary, estimated at
2 ~~\$234,780,000.00 for 2009-2010 and estimated at \$248,200,000.00~~
3 **\$236,300,000.00 for 2010-2011 AND ESTIMATED AT \$245,500,000.00 FOR**
4 **2011-2012**, for payments toward reimbursing districts and
5 intermediate districts for 28.6138% of total approved costs of
6 special education, excluding costs reimbursed under section 53a,
7 and 70.4165% of total approved costs of special education
8 transportation. Allocations under this subsection shall be made as
9 follows:

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

1 year. ~~and that district's per pupil allocation under section~~
2 ~~20j(2).~~

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

8 (3) From the funds allocated under subsection (1), there is
9 allocated ~~each fiscal year for 2009-2010 and for 2010-2011 the~~
10 amount necessary, estimated at ~~\$1,329,000.00 for 2009-2010 and~~
11 ~~estimated at \$1,400,000.00 for 2010-2011,~~ to make payments to
12 districts and intermediate districts under this subsection. **FROM**
13 **THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR**
14 **2011-2012 AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO MAKE PAYMENTS TO**
15 **DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION.** If the
16 amount allocated to a district or intermediate district for a
17 fiscal year under subsection (2)(b) is less than the sum of the
18 amounts allocated to the district or intermediate district for
19 1996-97 under sections 52 and 58, there is allocated to the
20 district or intermediate district for the fiscal year an amount
21 equal to that difference, adjusted by applying the same proration
22 factor that was used in the distribution of funds under section 52
23 in 1996-97 as adjusted to the district's or intermediate district's
24 necessary costs of special education used in calculations for the
25 fiscal year. This adjustment is to reflect reductions in special
26 education program operations or services between 1996-97 and
27 subsequent fiscal years. Adjustments for reductions in special

1 education program operations or services shall be made in a manner
2 determined by the department and shall include adjustments for
3 program or service shifts.

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

23 (5) State funds shall be allocated on a total approved cost
24 basis. Federal funds shall be allocated under applicable federal
25 requirements, except that an amount not to exceed \$3,500,000.00 may
26 be allocated by the department each fiscal year for ~~2009-2010 and~~
27 ~~for 2010-2011~~ **AND FOR 2011-2012** to districts, intermediate

1 districts, or other eligible entities on a competitive grant basis
2 for programs, equipment, and services that the department
3 determines to be designed to benefit or improve special education
4 on a statewide scale.

5 (6) From the amount allocated in subsection (1), there is
6 ~~allocated an amount not to exceed \$1,750,000.00 for 2009-2010 and~~
7 an amount not to exceed \$2,200,000.00 for 2010-2011 **AND FOR 2011-**
8 **2012** to reimburse 100% of the net increase in necessary costs
9 incurred by a district or intermediate district in implementing the
10 revisions in the administrative rules for special education that
11 became effective on July 1, 1987. As used in this subsection, "net
12 increase in necessary costs" means the necessary additional costs
13 incurred solely because of new or revised requirements in the
14 administrative rules minus cost savings permitted in implementing
15 the revised rules. Net increase in necessary costs shall be
16 determined in a manner specified by the department.

17 (7) For purposes of ~~this article,~~ **SECTIONS 51A TO 58**, all of
18 the following apply:

19 (a) "Total approved costs of special education" shall be
20 determined in a manner specified by the department and may include
21 indirect costs, but shall not exceed 115% of approved direct costs
22 for section 52 and section 53a programs. The total approved costs
23 include salary and other compensation for all approved special
24 education personnel for the program, including payments for social
25 security and medicare and public school employee retirement system
26 contributions. The total approved costs do not include salaries or
27 other compensation paid to administrative personnel who are not

1 special education personnel as defined in section 6 of the revised
2 school code, MCL 380.6. Costs reimbursed by federal funds, other
3 than those federal funds included in the allocation made under this
4 article, are not included. Special education approved personnel not
5 utilized full time in the evaluation of students or in the delivery
6 of special education programs, ancillary, and other related
7 services shall be reimbursed under this section only for that
8 portion of time actually spent providing these programs and
9 services, with the exception of special education programs and
10 services provided to youth placed in child caring institutions or
11 juvenile detention programs approved by the department to provide
12 an on-grounds education program.

13 (b) Beginning with the 2004-2005 fiscal year, a district or
14 intermediate district that employed special education support
15 services staff to provide special education support services in
16 2003-2004 or in a subsequent fiscal year and that in a fiscal year
17 after 2003-2004 receives the same type of support services from
18 another district or intermediate district shall report the cost of
19 those support services for special education reimbursement purposes
20 under this ~~act.~~ **ARTICLE.** This subdivision does not prohibit the
21 transfer of special education classroom teachers and special
22 education classroom aides if the pupils counted in membership
23 associated with those special education classroom teachers and
24 special education classroom aides are transferred and counted in
25 membership in the other district or intermediate district in
26 conjunction with the transfer of those teachers and aides.

27 (c) If the department determines before bookclosing for a

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

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

1 until the time a claim is paid.

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

16 (8) From the allocation in subsection (1), there is allocated
17 ~~each fiscal year for 2009-2010 and for 2010-2011~~ **ONLY** an amount not
18 to exceed \$15,313,900.00 to intermediate districts. The payment
19 under this subsection to each intermediate district shall be equal
20 to the amount of the 1996-97 allocation to the intermediate
21 district under subsection (6) of this section as in effect for
22 1996-97.

23 (9) A pupil who is enrolled in a full-time special education
24 program conducted or administered by an intermediate district or a
25 pupil who is enrolled in the Michigan schools for the deaf and
26 blind shall not be included in the membership count of a district,
27 but shall be counted in membership in the intermediate district of

1 residence.

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

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

13 (12) From the funds allocated in subsection (1), there is
14 allocated each fiscal year the amount necessary, estimated at
15 ~~\$6,200,000.00 for 2009-2010 and estimated at \$6,600,000.00~~
16 **\$5,000,000.00 for 2010-2011, AND ESTIMATED AT \$6,800,000.00 FOR**
17 **2011-2012,** to pay the foundation allowances for pupils described in
18 this subsection. The allocation to a district under this subsection
19 shall be calculated by multiplying the number of pupils described
20 in this subsection who are counted in membership in the district
21 times ~~the sum of the~~ foundation allowance under section 20 of the
22 pupil's district of residence, ~~plus the amount of the district's~~
23 ~~per pupil allocation under section 20j(2),~~ not to exceed the basic
24 foundation allowance under section 20 for the current fiscal year,
25 or, for a pupil described in this subsection who is counted in
26 membership in a district that is a public school academy or
27 university school, times an amount equal to the amount per

1 membership pupil under section 20(6). The allocation to an
2 intermediate district under this subsection shall be calculated in
3 the same manner as for a district, using the foundation allowance
4 under section 20 of the pupil's district of residence, not to
5 exceed the basic foundation allowance under section 20 for the
6 current fiscal year. ~~, and that district's per pupil allocation~~
7 ~~under section 20j(2).~~ This subsection applies to all of the
8 following pupils:

9 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

4 (f) 100% of the payments under section 56.

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

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

26 Sec. 51c. As required by the court in the consolidated cases
27 known as Durant v State of Michigan, Michigan supreme court docket

no. 104458-104492, from the allocation under section 51a(1), there is allocated each fiscal year ~~for 2009-2010 and for 2010-2011~~ **AND FOR 2011-2012** the amount necessary, estimated at ~~\$702,500,000.00 for 2009-2010 and estimated at \$732,100,000.00~~ **\$635,400,000.00** for 2010-2011 **AND ESTIMATED AT \$669,900,000.00 FOR 2011-2012**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** all available federal funding, estimated at \$74,000,000.00, for special education programs that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. 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.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for ~~2010-2011~~ **2011-2012**:

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

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

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

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

10 Sec. 53a. (1) For districts, reimbursement for pupils
11 described in subsection (2) shall be 100% of the total approved
12 costs of operating special education programs and services approved
13 by the department and included in the intermediate district plan
14 adopted pursuant to article 3 of the revised school code, MCL
15 380.1701 to 380.1766, minus the district's foundation allowance
16 calculated under section 20. ~~and minus the amount calculated for~~
17 ~~the district under section 20j.~~ For intermediate districts,
18 reimbursement for pupils described in subsection (2) shall be
19 calculated in the same manner as for a district, using the
20 foundation allowance under section 20 of the pupil's district of
21 residence, not to exceed the basic foundation allowance under
22 section 20 for the current fiscal year. ~~and under section 20j.~~

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

25 (a) Pupils assigned to a district or intermediate district
26 through the community placement program of the courts or a state
27 agency, if the pupil was a resident of another intermediate

1 district at the time the pupil came under the jurisdiction of the
2 court or a state agency.

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

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

8 (d) Pupils enrolled in a department-approved on-grounds
9 educational program longer than 180 days, but not longer than 233
10 days, at a residential child care institution, if the child care
11 institution offered in 1991-92 an on-grounds educational program
12 longer than 180 days but not longer than 233 days.

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

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

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

23 (5) Not more than \$13,500,000.00 of the allocation for ~~2010-~~
24 ~~2011-2011-2012~~ in section 51a(1) shall be allocated under this
25 section.

26 Sec. 54. Each intermediate district shall receive an amount
27 per pupil for each pupil in attendance at the Michigan schools for

1 the deaf and blind. The amount shall be proportionate to the total
2 instructional cost at each school. Not more than \$1,688,000.00 of
3 the allocation for ~~2010-2011~~**2011-2012** in section 51a(1) shall be
4 allocated under this section.

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

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

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

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

20 (2) From the allocation under section 51a(1), there is
21 allocated ~~an amount not to exceed \$39,281,100.00 for 2009-2010 and~~
22 an amount not to exceed \$36,881,100.00 for ~~2010-2011~~**2011-2012** to
23 reimburse intermediate districts levying millages for special
24 education pursuant to part 30 of the revised school code, MCL
25 380.1711 to 380.1743. The purpose, use, and expenditure of the
26 reimbursement shall be limited as if the funds were generated by
27 these millages and governed by the intermediate district plan

1 adopted pursuant to article 3 of the revised school code, MCL
2 380.1701 to 380.1766. As a condition of receiving funds under this
3 section, an intermediate district distributing any portion of
4 special education millage funds to its constituent districts shall
5 submit for departmental approval and implement a distribution plan.

6 (3) Reimbursement for those millages levied in ~~2008-2009-2010-~~
7 ~~2011~~ shall be made in ~~2009-2010-2011-2012~~ at an amount per ~~2008-~~
8 ~~2009-2010-2011~~ membership pupil computed by subtracting from
9 ~~\$180,600.00-\$174,700.00~~ the ~~2008-2009-2010-2011~~ taxable value
10 behind each membership pupil and multiplying the resulting
11 difference by the ~~2008-2009-2010-2011~~ millage levied. ~~Reimbursement~~
12 ~~for those millages levied in 2009-2010 shall be made in 2010-2011~~
13 ~~at an amount per 2009-2010 membership pupil computed by subtracting~~
14 ~~from \$181,700.00 the 2009-2010 taxable value behind each membership~~
15 ~~pupil and multiplying the resulting difference by the 2009-2010~~
16 ~~millage levied.~~

17 ~~Article 6~~

18 Sec. 61a. (1) From the appropriation in section 11, there is
19 allocated an amount not to exceed \$26,611,300.00 for ~~2010-2011~~
20 ~~2011-2012~~ to reimburse on an added cost basis districts, except for
21 a district that served as the fiscal agent for a vocational
22 education consortium in the 1993-94 school year, and secondary area
23 vocational-technical education centers for secondary-level career
24 and technical education programs according to rules approved by the
25 superintendent. Applications for participation in the programs
26 shall be submitted in the form prescribed by the department. The
27 department shall determine the added cost for each career and

1 technical education program area. The allocation of added cost
2 funds shall be based on the type of career and technical education
3 programs provided, the number of pupils enrolled, and the length of
4 the training period provided, and shall not exceed 75% of the added
5 cost of any program. With the approval of the department, the board
6 of a district maintaining a secondary career and technical
7 education program may offer the program for the period from the
8 close of the school year until September 1. The program shall use
9 existing facilities and shall be operated as prescribed by rules
10 promulgated by the superintendent.

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

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

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

27 (b) "Millage levied" means the millage levied for area

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

6 (c) "Taxable value" means the total taxable value of the
7 districts constituent to an intermediate district or area
8 vocational-technical education program, except that if a district
9 has elected not to come under sections 681 to 690 of the revised
10 school code, MCL 380.681 to 380.690, the membership and taxable
11 value of that district shall not be included in the membership and
12 taxable value of the intermediate district. However, the membership
13 and taxable value of a district that has elected not to come under
14 sections 681 to 690 of the revised school code, MCL 380.681 to
15 380.690, shall be included in the membership and taxable value of
16 the intermediate district if the district meets both of the
17 following:

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

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

26 (2) From the appropriation in section 11, there is allocated
27 an amount not to exceed \$9,000,000.00 each fiscal year for 2009—

1 ~~2010 and for 2010-2011-2011-2012~~ to reimburse intermediate
 2 districts and area vocational-technical education programs
 3 established under section 690(3) of the revised school code, MCL
 4 380.690, levying millages for area vocational-technical education
 5 pursuant to sections 681 to 690 of the revised school code, MCL
 6 380.681 to 380.690. The purpose, use, and expenditure of the
 7 reimbursement shall be limited as if the funds were generated by
 8 those millages.

9 (3) Reimbursement for the millages levied in ~~2008-2009-2010-~~
 10 ~~2011~~ shall be made in ~~2009-2010-2011-2012~~ at an amount per ~~2008-~~
 11 ~~2009-2010-2011~~ membership pupil computed by subtracting from
 12 ~~\$191,000.00-\$190,400.00~~ the ~~2008-2009-2010-2011~~ taxable value
 13 behind each membership pupil and multiplying the resulting
 14 difference by the ~~2008-2009-2010-2011~~ millage levied. ~~Reimbursement~~
 15 ~~for the millages levied in 2009-2010 shall be made in 2010-2011 at~~
 16 ~~an amount per 2009-2010 membership pupil computed by subtracting~~
 17 ~~from \$194,700.00 the 2009-2010 taxable value behind each membership~~
 18 ~~pupil and multiplying the resulting difference by the 2009-2010~~
 19 ~~millage levied.~~

20 ~~Article 7~~

21 Sec. 74. (1) From the amount appropriated in section 11, ~~there~~
 22 ~~is allocated an amount not to exceed \$3,028,500.00 for 2009-2010~~
 23 ~~and there is allocated an amount not to exceed \$2,058,800.00~~
 24 ~~\$2,558,800.00 for 2010-2011~~ **AND AN AMOUNT NOT TO EXCEED**
 25 **\$3,154,600.00 FOR 2011-2012** for the purposes of this section.

26 (2) From the allocation in subsection (1), there is allocated
 27 for each fiscal year the amount necessary for payments to state

1 supported colleges or universities and intermediate districts
2 providing school bus driver safety instruction pursuant to section
3 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
4 payments shall be in an amount determined by the department not to
5 exceed 75% of the actual cost of instruction and driver
6 compensation for each public or nonpublic school bus driver
7 attending a course of instruction. For the purpose of computing
8 compensation, the hourly rate allowed each school bus driver shall
9 not exceed the hourly rate received for driving a school bus.
10 Reimbursement compensating the driver during the course of
11 instruction shall be made by the department to the college or
12 university or intermediate district providing the course of
13 instruction.

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

21 (4) From the funds allocated in subsection (1), there is
22 ~~allocated an amount not to exceed \$1,403,500.00 for 2009-2010 and~~
23 ~~an amount not to exceed \$433,800.00~~ **\$933,800.00** for 2010-2011 **AND**
24 **AN AMOUNT NOT TO EXCEED \$1,529,600.00 FOR 2011-2012** for
25 reimbursement to districts and intermediate districts for costs
26 associated with the inspection of school buses and pupil
27 transportation vehicles by the department of state police as

required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to each affected district in a time and manner determined jointly by the department and the department of state police. The department shall reimburse each district and intermediate district for costs detailed on the statement within 30 days after receipt of the statement. Districts for which services are provided shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

~~Article 8~~

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for ~~2010-~~ ~~2011-2011-2012~~ to the intermediate districts the sum necessary, but not to exceed ~~\$65,376,800.00~~ **\$62,108,000.00**, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for ~~2010-2011-~~ **2011-2012** an amount equal to ~~80%-~~ **95%** of the amount allocated under this subsection for ~~2008-~~ ~~2009-~~ **2010-2011**. Funding provided under this section shall be used to comply with requirements of this ~~act~~ **ARTICLE** and the revised

1 school code that are applicable to intermediate districts, and for
2 which funding is not provided elsewhere in this ~~act~~, **ARTICLE**, and
3 to provide technical assistance to districts as authorized by the
4 intermediate school board.

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

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

20 (4) During a fiscal year, the department shall not increase an
21 intermediate district's allocation under subsection (1) because of
22 an adjustment made by the department during the fiscal year in the
23 intermediate district's taxable value for a prior year. Instead,
24 the department shall report the adjustment and the estimated amount
25 of the increase to the house and senate fiscal agencies and the
26 state budget director not later than June 1 of the fiscal year, and
27 the legislature shall appropriate money for the adjustment in the

1 next succeeding fiscal year.

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

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

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

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

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

18 (e) Comply with section 1230g of the revised school code, MCL
19 380.1230g.

20 (f) Comply with section 761 of the revised school code, MCL
21 380.761.

22 ~~—— (6) If the amount of the allocation to intermediate districts~~
23 ~~under subsection (1) is reduced in a fiscal year after 2010-2011~~
24 ~~from the amount of that allocation for 2010-2011, that reduced~~
25 ~~allocation shall not result in an intermediate district's~~
26 ~~allocation being less than the funding actually received by or paid~~
27 ~~on behalf of the intermediate district for the 1994-95 fiscal year~~

1 ~~under former section 146a(1) and section 147(1), as those sections~~
2 ~~were in effect for the 1994-95 fiscal year.~~

3 ~~Article 9~~

4 Sec. 93. From the general fund money appropriated in section
5 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to
6 exceed ~~\$1,500,000.00~~ **\$1,304,300.00** to the library of Michigan for
7 state aid to libraries payments to help support the provision of
8 the Michigan electronic library in public schools and public
9 libraries. The library of Michigan shall distribute the payments to
10 libraries under this section ~~in an amount equal to 25.0% of the~~
11 ~~allocation each library received under the state aid to libraries~~
12 ~~appropriation enacted under 2009 PA 115.~~ **PURSUANT TO THE STATE AID**
13 **TO PUBLIC LIBRARIES ACT, 1977 PA 89, MCL 397.551 TO 397.576.**

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

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

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

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

27 (d) Create, maintain, and enhance this state's web-based

1 educational portal to provide information to school leaders,
2 teachers, researchers, and the public in compliance with all
3 federal and state privacy laws. Data shall include, but are not
4 limited to, all of the following:

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

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

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

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

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

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

20 (2) Each state department, officer, or agency that collects
21 information from districts, intermediate districts, or
22 postsecondary institutions as required under state or federal law
23 shall make arrangements with the center to ensure that the state
24 department, officer, or agency is in compliance with subsection
25 (1). This subsection does not apply to information collected by the
26 department of treasury under the uniform budgeting and accounting
27 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (3) ~~(5)~~ The center may enter into any interlocal agreements
23 necessary to fulfill its functions.

24 (4) ~~(6)~~ The center shall ensure that the statewide
25 longitudinal data system required under subsection (1)(b) meets all
26 of the following:

27 (a) Includes data at the individual student level from

1 preschool through postsecondary education and into the workforce.

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

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

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

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

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

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

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

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

25 (ii) Contains student-level enrollment, demographic, and
26 program participation information.

27 (iii) Contains student-level information about the points at

1 which students exit, transfer in, transfer out, drop out, or
2 complete education programs.

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

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

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

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

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

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

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

20 (A) Enrollment in remedial coursework.

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

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

26 (5) ~~(7)~~ From the general fund appropriation in section 11,
27 there is allocated an amount not to exceed ~~\$3,621,100.00~~

1 \$5,501,700.00 for ~~2010-2011-2011-2012~~ to the department of
2 technology, management, and budget to support the operations of the
3 center. In addition, from the federal funds appropriated in section
4 11 there is allocated for ~~2010-2011-2011-2012~~ the amount necessary,
5 estimated at ~~\$10,067,800.00 for 2010-2011,~~ \$2,893,200.00, to
6 support the operations of the center **AND TO ESTABLISH A**
7 **LONGITUDINAL DATA SYSTEM AS PROVIDED UNDER THIS SECTION IN**
8 **COMPLIANCE WITH THE ASSURANCE PROVIDED TO THE UNITED STATES**
9 **DEPARTMENT OF EDUCATION IN ORDER TO RECEIVE STATE FISCAL**
10 **STABILIZATION FUNDS.** The center shall cooperate with the state
11 education agency to ensure that this state is in compliance with
12 federal law and is maximizing opportunities for increased federal
13 funding to improve education in this state.

14 (6) ~~(8)~~ From the federal funds allocated in subsection ~~(7)~~,
15 (5), there is allocated for ~~2010-2011-2011-2012~~ an amount not to
16 exceed \$850,000.00 funded from the competitive grants of DED-OESE,
17 title II, educational technology funds for the purposes of this
18 subsection. Not later than November 30 of each fiscal year, the
19 department shall award a single grant to an eligible partnership
20 that includes an intermediate district with at least 1 high-need
21 local school district and the center.

22 ~~— (9) In addition to the amount allocated under subsection (7)~~
23 ~~there is also allocated from the general fund money appropriated in~~
24 ~~section 11 for 2010-2011 an additional amount not to exceed~~
25 ~~\$1,800,000.00 for the purpose of establishing a longitudinal data~~
26 ~~system as provided under this section in compliance with the~~
27 ~~assurance provided to the federal department of education in order~~

1 ~~to receive state fiscal stabilization funds. In addition, there is~~
2 ~~allocated for 2010-2011 from the state school aid fund money~~
3 ~~appropriated under section 11 an amount not to exceed \$8,440,000.00~~
4 ~~to support the efforts of districts to match individual teacher and~~
5 ~~student records. The funds shall be distributed to districts in an~~
6 ~~amount and manner determined by the center.~~

7 (7) ~~(10)~~ From the federal funds allocated in subsection ~~(7)~~,
8 (5), there is allocated for ~~2010-2011~~ **2011-2012** an amount not to
9 exceed \$242,000.00 to support the efforts of postsecondary
10 institutions to comply with the requirements of this state's
11 statewide longitudinal data system. The funds shall be distributed
12 to postsecondary institutions in an amount and manner determined by
13 the center.

14 (8) ~~(11)~~ The center and the department shall work
15 cooperatively to develop a cost allocation plan that pays for
16 center expenses from the appropriate federal fund and state
17 restricted fund revenues.

18 (9) ~~(12)~~ Funds allocated under this section that are not
19 expended in the fiscal year in which they were allocated may be
20 carried forward to a subsequent fiscal year and are appropriated
21 for the purposes for which the funds were originally allocated.

22 (10) ~~(13)~~ The center may bill departments as necessary in
23 order to fulfill reporting requirements of state and federal law.
24 The center may also enter into agreements to supply custom data,
25 analysis, and reporting to other principal executive departments,
26 state agencies, local units of government, and other individuals
27 and organizations. The center may receive and expend funds in

1 addition to those authorized in subsection ~~(7)~~—(5) to cover the
2 costs associated with salaries, benefits, supplies, materials, and
3 equipment necessary to provide such data, analysis, and reporting
4 services.

5 (11) ~~(14)~~—As used in this section:

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

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

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

13 Sec. 98. (1) From the general fund money appropriated in
14 section 11, there is allocated an amount not to exceed
15 \$1,687,500.00 for ~~2010-2011~~—2011-2012 to provide a grant to the
16 Michigan virtual university for the development, implementation,
17 and operation of the Michigan virtual high school; to provide
18 professional development opportunities for educators; and to fund
19 other purposes described in this section. In addition, from the
20 federal funds appropriated in section 11, there is allocated for
21 ~~2010-2011~~—2011-2012 an amount estimated at \$2,700,000.00.

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

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

27 (b) Create statewide instructional models using interactive

1 multimedia tools delivered by electronic means, including, but not
2 limited to, the internet, digital broadcast, or satellite network,
3 for distributed learning at the high school level.

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

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

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

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

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

17 (a) Information technology courses.

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

20 (c) Courses and dual enrollment opportunities.

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

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

24 (f) Special interest courses.

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

27 (4) From the federal funds allocated in subsection (1), there

1 is allocated for ~~2010-2011~~**2011-2012** an amount estimated at
2 \$1,700,000.00 from DED-OESE, title II, improving teacher quality
3 funds for a grant to the Michigan virtual university for the
4 purpose of this subsection. With the approval of the department,
5 the Michigan virtual university shall coordinate the following
6 activities related to DED-OESE, title II, improving teacher quality
7 funds in accordance with federal law:

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

13 (b) Encourage and support the training of teachers and
14 administrators to effectively integrate technology into curricula
15 and instruction.

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

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

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

26 (5) The Michigan virtual university shall offer at least 200
27 hours of online professional development for classroom teachers

1 under this section each fiscal year beginning in 2006-2007 without
2 charge to the teachers or to districts or intermediate districts.

3 (6) From the federal funds appropriated in subsection (1),
4 there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at
5 \$1,000,000.00 from the DED-OESE, title II, educational technology
6 grant funds to support e-learning and virtual school initiatives
7 consistent with the goals contained in the United States national
8 educational technology plan issued in January 2005. These funds
9 shall be used to support activities designed to build the capacity
10 of the Michigan virtual university and shall not be used to
11 supplant other funding. Not later than November 30, 2010, from the
12 funds allocated in this subsection, the department shall award a
13 single grant of \$1,000,000.00 to a consortium or partnership
14 established by the Michigan virtual university that meets the
15 requirements of this subsection. To be eligible for this funding, a
16 consortium or partnership established by the Michigan virtual
17 university shall include at least 1 intermediate district and at
18 least 1 high-need local district. All of the following apply to
19 this funding:

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

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

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

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

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

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

5 (vi) Demonstrated technical expertise and capacity in managing
6 complex technology systems.

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

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

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

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

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

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

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

1 (vi) Develop, support, and maintain the technology
2 infrastructure and related software required to deliver online
3 courses and instructional services to students statewide.

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

10 (8) Not later than December 1 ~~, 2010,~~ **OF EACH FISCAL YEAR**, the
11 Michigan virtual university shall provide a report to the house and
12 senate appropriations subcommittees on state school aid, the state
13 budget director, the house and senate fiscal agencies, and the
14 department that includes at least all of the following information
15 related to the Michigan virtual high school for the preceding state
16 fiscal year:

17 (a) A list of the Michigan schools served by the Michigan
18 virtual high school.

19 (b) A list of online course titles available to Michigan
20 schools.

21 (c) The total number of online course enrollments and
22 information on registrations and completions by course.

23 (d) The overall course completion rate percentage.

24 (e) A summary of DED-OESE, title IIA, teacher quality grant
25 and DED-OESE, title IID, education technology grant expenditures.

26 (f) Identification of unmet educational needs that could be
27 addressed by the Michigan virtual high school.

1 (9) As used in this section:

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

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

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

8 Sec. 99. (1) From the state school aid fund money appropriated
9 in section 11, there is allocated an amount not to exceed
10 \$2,515,000.00 for ~~2010-2011-2011-2012~~ and from the general fund
11 appropriation in section 11, there is allocated an amount not to
12 exceed \$110,000.00 for ~~2010-2011-2011-2012~~ to support the
13 activities and programs of mathematics and science centers and for
14 other purposes as described in this section. In addition, from the
15 federal funds appropriated in section 11, there is allocated for
16 ~~2010-2011-2011-2012~~ an amount estimated at \$5,249,300.00 from DED-
17 OESE, title II, mathematics and science partnership grants.

18 (2) Within a service area designated locally, approved by the
19 department, and consistent with the comprehensive master plan for
20 mathematics and science centers developed by the department and
21 approved by the state board, an established mathematics and science
22 center shall provide 2 or more of the following 6 basic services,
23 as described in the master plan, to constituent districts and
24 communities: leadership, pupil services, curriculum support,
25 community involvement, professional development, and resource
26 clearinghouse services.

27 (3) The department shall not award a state grant under this

1 section to more than 1 mathematics and science center located in a
2 designated region as prescribed in the 2007 master plan unless each
3 of the grants serves a distinct target population or provides a
4 service that does not duplicate another program in the designated
5 region.

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

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

22 (6) From the funds allocated in subsection (1), there is
23 allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed
24 \$750,000.00 in a form and manner determined by the department to
25 those centers able to provide curriculum and professional
26 development support to assist districts in implementing the
27 Michigan merit curriculum components for mathematics and science.

1 Funding under this subsection is in addition to funding allocated
2 under subsection (5).

3 (7) In order to receive state or federal funds under this
4 section, a grant recipient shall allow access for the department or
5 the department's designee to audit all records related to the
6 program for which it receives such funds. The grant recipient shall
7 reimburse the state for all disallowances found in the audit.

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

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

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

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

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

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

(12) ~~(11)~~ 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.

~~Article 10~~

Sec. 104. (1) In order to receive state aid under this ~~act~~, **ARTICLE**, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$40,194,400.00~~ **\$35,194,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at ~~\$3,250,000.00~~ **\$8,250,000.00**, funded from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

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

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

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

9 (5) As used in this section:

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

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

13 Sec. 107. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed \$22,000,000.00 for ~~2010-2011~~
15 **2011-2012** for adult education programs authorized under this
16 section. Funds ~~appropriated~~ **ALLOCATED** under this section are
17 restricted for adult education programs as authorized under this
18 section only. A recipient of funds under this section shall not use
19 those funds for any other purpose.

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

24 (3) To be eligible to be a participant funded under this
25 section, a person shall be enrolled in an adult basic education
26 program, an adult English as a second language program, a general
27 educational development (G.E.D.) test preparation program, a job or

1 employment related program, or a high school completion program,
2 that meets the requirements of this section, and shall meet either
3 of the following, as applicable:

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

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

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

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

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

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

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

20 (ii) Is at least 16 years of age on September 1 of the school
21 year, has been permanently expelled from school under section
22 1311(2) or 1311a of the revised school code, MCL 380.1311 and
23 380.1311a, and has no appropriate alternative education program
24 available through his or her district of residence.

25 (4) Except as otherwise provided in subsection (5), ~~from the~~
26 ~~amount allocated under subsection (1), at least \$21,800,000.00~~ **THE**
27 **MONEY ALLOCATED UNDER THIS SECTION** shall be distributed as follows:

1 (a) For districts and consortia that received payments for
2 ~~2009-2010-2010-2011~~ under this section, the amount allocated to
3 each for ~~2010-2011-2011-2012~~ shall be based on the number of
4 participants served by the district or consortium for ~~2010-2011,~~
5 **2011-2012**, using the amount allocated per full-time equated
6 participant under subsection (7), up to a maximum total allocation
7 under this subsection in an amount equal to ~~100%-100.9%~~ of the
8 amount the district or consortium received for ~~2009-2010-2010-2011~~
9 under this section before any reallocations made for ~~2009-2010~~
10 **2010-2011** under subsection (5).

11 (b) A district or consortium that received funding in ~~2009-~~
12 ~~2010-2010-2011~~ under this section may operate independently of a
13 consortium or join or form a consortium for ~~2010-2011.-2011-2012.~~
14 The allocation for ~~2010-2011-2011-2012~~ to the district or the newly
15 formed consortium under this subsection shall be determined by the
16 department and shall be based on the proportion of the amounts that
17 are attributable to the district or consortium that received
18 funding in ~~2009-2010.-2010-2011.~~ A district or consortium described
19 in this subdivision shall notify the department of its intention
20 with regard to ~~2010-2011-2011-2012~~ by October 1, ~~2010.-2011.~~

21 (c) If a district had a declaration of financial emergency in
22 place under the local government fiscal responsibility act, 1990 PA
23 72, MCL 141.1201 to 141.1291, and that declaration was revoked
24 during 2005, the district may operate a program under this section
25 independently of a consortium or may join or form a consortium to
26 operate a program under this section. The allocation for ~~2010-2011~~
27 **2011-2012** to the district or the newly formed consortium under this

1 subsection shall be determined by the department and shall be based
2 on the proportion of the amounts that are attributable to the
3 district or consortium that received funding in ~~2009-2010-2010-2011~~
4 or, for a district for which a declaration of financial emergency
5 was revoked during 2005, based on the amount the district received
6 under this section using a 3-year average of the 3 most recent
7 fiscal years the district received funding under this section. A
8 district or consortium described in this subdivision shall notify
9 the department of its intention with regard to ~~2010-2011-2011-2012~~
10 by October 1, ~~2010-2011~~.

11 (5) A district that operated an adult education program in
12 ~~2009-2010-2010-2011~~ and does not intend to operate a program in
13 ~~2010-2011-2011-2012~~ shall notify the department by October 1, ~~2010~~
14 ~~2011~~ of its intention. The money intended to be allocated under
15 this section to a district that does not operate a program in ~~2010-~~
16 ~~2011-2011-2012~~ and the unspent money originally allocated under
17 this section to a district or consortium that subsequently operates
18 a program at less than the level of funding allocated under
19 subsection (4) and any other unallocated money under this section
20 shall instead be proportionately reallocated to the other districts
21 described in subsection (4)(a) that are operating an adult
22 education program in ~~2010-2011-2011-2012~~ under this section.

23 ~~—— (6) From the amount allocated under subsection (1), up to a~~
24 ~~maximum of \$200,000.00 shall be allocated for not more than 1 grant~~
25 ~~not to exceed \$200,000.00 for expansion of an existing innovative~~
26 ~~community college program that focuses on educating adults. Grants~~
27 ~~may be used for program operating expenses such as staffing, rent,~~

~~equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:~~

~~—— (a) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities.~~

~~—— (b) Is located off campus in an urban residential setting with documented high poverty and low high school graduation rates.~~

~~—— (c) Provides general educational development (G.E.D.) test preparation courses and workshops.~~

~~—— (d) Provides developmental courses taught by college faculty that prepare students to be successful in college level courses.~~

~~—— (e) Uses learning communities to allow for shared, rather than isolated, learning experiences.~~

~~—— (f) Provides on-site tutoring.~~

~~—— (g) Provides access to up-to-date technology, including personal computers.~~

~~—— (h) Partners with a financial institution to provide financial literacy education.~~

~~—— (i) Assists students in gaining access to financial aid.~~

~~—— (j) Provides on-site academic advising to students.~~

~~—— (k) Provides vouchers for reduced G.E.D. testing costs.~~

~~—— (l) Partners with local agencies to provide referrals for social services as needed.~~

~~—— (m) Enrolls participants as students of the community college.~~

~~—— (n) Partners with philanthropic and business entities to provide capital funding.~~

~~(6) (7) The amount allocated under this section per full-time~~

1 equated participant is \$2,850.00 for a 450-hour program. The amount
2 shall be proportionately reduced for a program offering less than
3 450 hours of instruction.

4 (7) ~~(8)~~—An adult basic education program or an adult English
5 as a second language program operated on a year-round or school
6 year basis may be funded under this section, subject to all of the
7 following:

8 (a) The program enrolls adults who are determined by a
9 department-approved assessment, in a form and manner prescribed by
10 the department, to be below ninth grade level in reading or
11 mathematics, or both, or to lack basic English proficiency.

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

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

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

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

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

26 (i) The participant is assessed as having attained basic
27 English proficiency as determined by a department-approved

1 assessment.

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

7 (8) ~~(9)~~—A general educational development (G.E.D.) test
8 preparation program operated on a year-round or school year basis
9 may be funded under this section, subject to all of the following:

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

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

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

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

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

25 (9) ~~(10)~~—A high school completion program operated on a year-
26 round or school year basis may be funded under this section,
27 subject to all of the following:

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

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

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

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

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

14 (10) ~~(11)~~-A job or employment-related adult education program
15 operated on a year-round or school year basis may be funded under
16 this section, subject to all of the following:

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

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

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

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

6 (11) ~~(12)~~—A funding recipient shall receive payments under
7 this section in accordance with the following:

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

9 (b) Ten percent for completion of the adult basic education
10 objectives by achieving an increase of at least 1 grade level of
11 proficiency in reading or mathematics; for achieving basic English
12 proficiency, as defined by the department in the adult education
13 guidebook; for obtaining a G.E.D. or passage of 1 or more
14 individual G.E.D. tests; for attainment of a high school diploma or
15 passage of a course required for a participant to attain a high
16 school diploma; or for completion of the course and demonstrated
17 proficiency in the academic skills to be learned in the course, as
18 applicable.

19 (12) ~~(13)~~—As used in this section, "participant" means the sum
20 of the number of full-time equated individuals enrolled in and
21 attending a department-approved adult education program under this
22 section, using quarterly participant count days on the schedule
23 described in section 6(7)(b).

24 (13) ~~(14)~~—A person who is not eligible to be a participant
25 funded under this section may receive adult education services upon
26 the payment of tuition. In addition, a person who is not eligible
27 to be served in a program under this section due to the program

1 limitations specified in subsection ~~(8), (9), (10), or (11)~~ **(7)**,
2 **(8), (9), OR (10)** may continue to receive adult education services
3 in that program upon the payment of tuition. The tuition level
4 shall be determined by the local or intermediate district
5 conducting the program.

6 **(14)** ~~(15)~~—An individual who is an inmate in a state
7 correctional facility shall not be counted as a participant under
8 this section.

9 **(15)** ~~(16)~~—A district shall not commingle money received under
10 this section or from another source for adult education purposes
11 with any other funds of the district. A district receiving adult
12 education funds shall establish a separate ledger account for those
13 funds. This subsection does not prohibit a district from using
14 general funds of the district to support an adult education or
15 community education program.

16 **(16)** ~~(17)~~—A district or intermediate district receiving funds
17 under this section may establish a sliding scale of tuition rates
18 based upon a participant's family income. A district or
19 intermediate district may charge a participant tuition to receive
20 adult education services under this section from that sliding scale
21 of tuition rates on a uniform basis. The amount of tuition charged
22 per participant shall not exceed the actual operating cost per
23 participant minus any funds received under this section per
24 participant. A district or intermediate district 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 (17) ~~(18)~~—In order to receive funds under this section, a
2 district shall furnish to the department, in a form and manner
3 determined by the department, all information needed to administer
4 this program and meet federal reporting requirements; shall allow
5 the department or the department's designee to review all records
6 related to the program for which it receives funds; and shall
7 reimburse the state for all disallowances found in the review, as
8 determined by the department.

9 (18) ~~(19)~~—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) ~~(20)~~—As used in this section, "department" means the
14 ~~department of energy, labor, and economic growth~~ **WORKFORCE**
15 **DEVELOPMENT AGENCY.**

16 Sec. 109. (1) Subject to subsection (2), in order to receive
17 funds under this ~~act~~, **ARTICLE**, each district or intermediate
18 district shall provide appropriate instructional services, as
19 determined by the district or intermediate district, to an enrolled
20 pupil who is certified by the pupil's attending physician as having
21 a medical condition that requires the pupil to be hospitalized or
22 confined to his or her home during regular school hours and that is
23 expected to require the hospitalization or confinement for a period
24 longer than 5 school days. The district or intermediate district
25 may provide the services itself or may contract with an
26 intermediate district, a hospital, a treatment center, or another
27 district to provide the services. In choosing a provider for the

1 instructional services, the district or intermediate district shall
2 consider which of those potential providers is best able to deliver
3 the appropriate instructional services. The district or
4 intermediate district shall pay reasonable costs as agreed upon
5 between the district or intermediate district and the provider for
6 services provided to a pupil under this section.

7 (2) A district or intermediate district is required to provide
8 instructional services under subsection (1) to a pupil placed in a
9 hospital, treatment center, or other treatment facility without the
10 district's or intermediate district's prior knowledge only if the
11 district or intermediate district is notified of the pupil's
12 placement by the hospital, treatment center, facility, or the
13 pupil's parent or legal guardian. Upon being notified, the district
14 or intermediate district shall make arrangements to provide
15 instructional services under subsection (1) within 3 school days
16 after being notified.

17 (3) Not later than October 15 of each odd-numbered year, the
18 department shall prepare and distribute **ELECTRONICALLY** to each
19 district and intermediate district ~~a written~~ **AND MAKE AVAILABLE ON**
20 **ITS WEBSITE AN** explanation of the operation of this section and the
21 respective duties of all affected parties. The department shall
22 provide a copy of the explanation **ELECTRONICALLY** to any other
23 person upon request.

24 ~~Article 11~~

25 ~~Article 12~~

26 ~~Article 14~~

27 Sec. 147. The allocation for 2010-2011 for the public school

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

1 ~~school employees' retirement system board if reforms in the public~~
2 ~~school employees' retirement system are enacted and in effect by~~
3 ~~December 31, 2010. 2011-2012.~~ The public school employees'
4 retirement system board shall notify each district and intermediate
5 district by February 28 of each fiscal year of the estimated
6 contribution rate for the next fiscal year.

7 SEC. 147A. FROM THE APPROPRIATION IN SECTION 11, THERE IS
8 ALLOCATED FOR 2011-2012 ONLY AN AMOUNT NOT TO EXCEED
9 \$155,000,000.00 FOR 1-TIME PAYMENTS TO PARTICIPATING DISTRICTS. THE
10 MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-
11 END STATE SCHOOL AID FUND BALANCE FOR 2010-2011. A DISTRICT THAT
12 RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR
13 THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS
14 OWED BY THE DISTRICT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012.
15 THE AMOUNT ALLOCATED TO EACH PARTICIPATING DISTRICT UNDER THIS
16 SECTION SHALL BE BASED ON EACH PARTICIPATING DISTRICT'S PERCENTAGE
17 OF THE TOTAL STATEWIDE PAYROLL FOR ALL PARTICIPATING DISTRICTS FOR
18 THE STATE FISCAL YEAR ENDING SEPTEMBER 30, 2011. AS USED IN THIS
19 SECTION, "PARTICIPATING DISTRICT" MEANS A DISTRICT THAT IS A
20 REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
21 SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,
22 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO
23 THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR
24 SEPTEMBER 2011.

25 SEC. 147B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
26 ALLOCATED AN AMOUNT NOT TO EXCEED \$133,000,000.00 FOR 2011-2012
27 ONLY FOR THE PURPOSES OF THIS SECTION. THE MONEY ALLOCATED IN THIS

1 SECTION REPRESENTS A PORTION OF THE YEAR-END SCHOOL AID FUND
2 BALANCE FOR 2010-2011. MONEY ALLOCATED UNDER THIS SECTION SHALL BE
3 DEPOSITED IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND.

4 (2) THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND IS
5 CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND. THE
6 STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE
7 FOR DEPOSIT INTO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE
8 FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE MPSERS
9 RETIREMENT OBLIGATION REFORM RESERVE FUND. THE STATE TREASURER
10 SHALL CREDIT TO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE
11 FUND INTEREST AND EARNINGS FROM THE MPSERS RETIREMENT OBLIGATION
12 REFORM RESERVE FUND. MONEY IN THE MPSERS RETIREMENT OBLIGATION
13 REFORM RESERVE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN
14 THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AND SHALL NOT
15 LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE
16 DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF THE MPSERS
17 RETIREMENT OBLIGATION REFORM RESERVE FUND FOR AUDITING PURPOSES.

18 (3) IT IS THE INTENT OF THE LEGISLATURE THAT THE SPEAKER OF
19 THE HOUSE OF REPRESENTATIVES OR THE SENATE MAJORITY LEADER, OR
20 BOTH, SHALL CONVENE A WORKGROUP TO EXAMINE RETIREMENT OBLIGATIONS
21 AND POTENTIAL REFORMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
22 RETIREMENT SYSTEM ESTABLISHED UNDER THE PUBLIC SCHOOL EMPLOYEES
23 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408. THE
24 CHAIR OF THE SENATE APPROPRIATIONS COMMITTEE AND CHAIR OF THE HOUSE
25 APPROPRIATIONS COMMITTEE, OR HIS OR HER DESIGNEE, EACH SHALL BE A
26 MEMBER OF THE WORKGROUP, AND THE WORKGROUP SHALL REPORT TO THE
27 SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SENATE MAJORITY

1 LEADER, AS APPLICABLE, BY FEBRUARY 1, 2012, ON REFORMS IDENTIFIED,
 2 TIMELINES FOR IMPLEMENTING REFORMS, AND ESTIMATED COSTS AND SAVINGS
 3 OF THE IDENTIFIED REFORMS.

4 ~~Article 15~~

5 Sec. 152a. (1) As required by the court in the consolidated
 6 cases known as Adair v State of Michigan, Michigan supreme court
 7 docket nos. 137424 and 137453, from the state school aid fund money
 8 appropriated in section 11 there is allocated for ~~2010-2011-2011-~~
 9 ~~2012~~ an amount not to exceed ~~\$25,624,500.00~~ **\$34,064,500.00** to be
 10 used solely for the purpose of paying necessary costs related to
 11 the state-mandated collection, maintenance, and reporting of data
 12 to this state.

13 (2) From the allocation in subsection (1), the department
 14 shall make payments to districts and intermediate districts in an
 15 equal amount per pupil based on the total number of pupils in
 16 membership in each district and intermediate district. The
 17 department shall not make any adjustment to these payments after
 18 the final installment payment under section 17b is made.

19 ~~Article 16~~

20 ~~Article 17~~

21 **ARTICLE II**

22 **STATE AID TO COMMUNITY COLLEGES**

23 **SEC. 201. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS**
 24 **ARTICLE, THE AMOUNTS LISTED IN SUBSECTION (2) ARE APPROPRIATED FOR**
 25 **COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012,**
 26 **FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A**
 27 **SUMMARY OF THE APPROPRIATIONS IN SUBSECTION (2):**

1 (A) THE GROSS APPROPRIATION IS \$283,880,500.00. AFTER
2 DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL
3 TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION
4 IS \$283,880,500.00.

5 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED
6 IN SUBDIVISION (A) ARE AS FOLLOWS:

7 (i) TOTAL FEDERAL REVENUES, \$0.00.

8 (ii) TOTAL LOCAL REVENUES, \$0.00.

9 (iii) TOTAL PRIVATE REVENUES, \$0.00.

10 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$195,880,500.00.

11 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$88,000,000.00.

12 (2) SUBJECT TO SUBSECTION (3), THE AMOUNT APPROPRIATED FOR
13 COMMUNITY COLLEGE OPERATIONS IS \$283,880,500.00, ALLOCATED AS
14 FOLLOWS:

15 (A) ALPENA COMMUNITY COLLEGE, \$4,984,300.00.

16 (B) BAY DE NOC COMMUNITY COLLEGE, \$5,040,200.00.

17 (C) DELTA COLLEGE, \$13,336,200.00.

18 (D) GLEN OAKS COMMUNITY COLLEGE, \$2,320,900.00.

19 (E) GOGEBIC COMMUNITY COLLEGE, \$4,140,500.00.

20 (F) GRAND RAPIDS COMMUNITY COLLEGE, \$16,649,700.00.

21 (G) HENRY FORD COMMUNITY COLLEGE, \$20,145,000.00.

22 (H) JACKSON COMMUNITY COLLEGE, \$11,219,700.00.

23 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$11,522,700.00.

24 (J) KELLOGG COMMUNITY COLLEGE, \$9,047,900.00.

25 (K) KIRTLAND COMMUNITY COLLEGE, \$2,872,900.00.

26 (L) LAKE MICHIGAN COLLEGE, \$4,937,700.00.

27 (M) LANSING COMMUNITY COLLEGE, \$28,651,900.00.

- 1 (N) MACOMB COMMUNITY COLLEGE, \$30,490,300.00.
2 (O) MID MICHIGAN COMMUNITY COLLEGE, \$4,266,800.00.
3 (P) MONROE COUNTY COMMUNITY COLLEGE, \$4,094,000.00.
4 (Q) MONTCALM COMMUNITY COLLEGE, \$2,946,800.00.
5 (R) C.S. MOTT COMMUNITY COLLEGE, \$14,526,400.00.
6 (S) MUSKEGON COMMUNITY COLLEGE, \$8,256,700.00.
7 (T) NORTH CENTRAL MICHIGAN COLLEGE, \$2,886,500.00.
8 (U) NORTHWESTERN MICHIGAN COLLEGE, \$8,430,300.00.
9 (V) OAKLAND COMMUNITY COLLEGE, \$19,455,900.00.
10 (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$6,534,100.00.
11 (X) SCHOOLCRAFT COLLEGE, \$11,477,300.00.
12 (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$6,143,700.00.
13 (Z) WASHTENAW COMMUNITY COLLEGE, \$11,827,300.00.
14 (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$15,425,900.00.
15 (BB) WEST SHORE COMMUNITY COLLEGE, \$2,248,900.00.

16 (3) THE AMOUNT APPROPRIATED IN SUBSECTION (2) FOR COMMUNITY
17 COLLEGE OPERATIONS IS APPROPRIATED FROM THE FOLLOWING:

18 (A) SCHOOL AID FUND, \$195,880,500.00.

19 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$88,000,000.00.

20 SEC. 201A. IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE
21 APPROPRIATIONS FOR THE FISCAL YEAR ENDING ON SEPTEMBER 30, 2013 FOR
22 THE ITEMS LISTED IN SECTION 201. THE FISCAL YEAR 2012-2013
23 APPROPRIATIONS ARE ANTICIPATED TO BE THE SAME AS THOSE FOR FISCAL
24 YEAR 2011-2012, EXCEPT THAT THE AMOUNTS WILL BE ADJUSTED FOR
25 CHANGES IN CASELOAD AND RELATED COSTS, FEDERAL FUND MATCH RATES,
26 ECONOMIC FACTORS, AND AVAILABLE REVENUE. THESE ADJUSTMENTS WILL BE
27 DETERMINED AFTER THE JANUARY 2012 CONSENSUS REVENUE ESTIMATING

1 CONFERENCE.

2 SEC. 202. THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE
3 SUBJECT TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101
4 TO 18.1594.

5 SEC. 203. UNLESS OTHERWISE SPECIFIED, A COMMUNITY COLLEGE
6 RECEIVING APPROPRIATIONS IN SECTION 201 AND THE WORKFORCE
7 DEVELOPMENT AGENCY SHALL USE THE INTERNET TO FULFILL THE REPORTING
8 REQUIREMENTS OF THIS ARTICLE. THIS REQUIREMENT MAY INCLUDE
9 TRANSMISSION OF REPORTS VIA ELECTRONIC MAIL TO THE RECIPIENTS
10 IDENTIFIED FOR EACH REPORTING REQUIREMENT OR IT MAY INCLUDE
11 PLACEMENT OF REPORTS ON AN INTERNET OR INTRANET SITE.

12 SEC. 204. FUNDS APPROPRIATED IN SECTION 201 SHALL NOT BE USED
13 FOR THE PURCHASE OF FOREIGN GOODS OR SERVICES, OR BOTH, IF
14 COMPETITIVELY PRICED AND OF COMPARABLE QUALITY AMERICAN GOODS OR
15 SERVICES, OR BOTH, ARE AVAILABLE. PREFERENCE SHOULD BE GIVEN TO
16 GOODS OR SERVICES, OR BOTH, MANUFACTURED OR PROVIDED BY MICHIGAN
17 BUSINESSES, IF THEY ARE COMPETITIVELY PRICED AND OF COMPARABLE
18 QUALITY. IN ADDITION, PREFERENCE SHOULD BE GIVEN TO GOODS OR
19 SERVICES, OR BOTH, THAT ARE MANUFACTURED OR PROVIDED BY MICHIGAN
20 BUSINESSES OWNED AND OPERATED BY VETERANS, IF THEY ARE
21 COMPETITIVELY PRICED AND OF COMPARABLE QUALITY.

22 SEC. 205. THE PRINCIPAL EXECUTIVE OFFICER OF EACH COMMUNITY
23 COLLEGE RECEIVING APPROPRIATIONS IN SECTION 201 SHALL TAKE ALL
24 REASONABLE STEPS TO ENSURE BUSINESSES IN DEPRIVED AND DEPRESSED
25 COMMUNITIES COMPETE FOR AND PERFORM CONTRACTS TO PROVIDE SERVICES
26 OR SUPPLIES, OR BOTH. EACH PRINCIPAL EXECUTIVE OFFICER SHALL
27 STRONGLY ENCOURAGE FIRMS WITH WHICH THE COMMUNITY COLLEGE CONTRACTS

1 TO SUBCONTRACT WITH CERTIFIED BUSINESSES IN DEPRESSED AND DEPRIVED
2 COMMUNITIES FOR SERVICES OR SUPPLIES, OR BOTH.

3 SEC. 206. THE FUNDS APPROPRIATED IN SECTION 201 ARE
4 APPROPRIATED FOR COMMUNITY COLLEGES WITH FISCAL YEARS ENDING JUNE
5 30, 2012 AND SHALL BE PAID OUT OF THE STATE TREASURY AND
6 DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE COMMUNITY
7 COLLEGES IN 11 MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH,
8 OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16,
9 2011. EACH COMMUNITY COLLEGE SHALL ACCRUE ITS JULY AND AUGUST 2012
10 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2012.
11 HOWEVER, IF A COMMUNITY COLLEGE FAILS TO SUBMIT ALL VERIFIED
12 MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION STRUCTURE
13 DATA FOR SCHOOL YEAR 2010-2011 TO THE WORKFORCE DEVELOPMENT AGENCY
14 BY NOVEMBER 1, 2011, THE MONTHLY INSTALLMENTS SHALL BE WITHHELD
15 FROM THAT COMMUNITY COLLEGE UNTIL THOSE DATA ARE SUBMITTED.

16 SEC. 207. (1) A COMMUNITY COLLEGE SHALL PAY THE EMPLOYER'S
17 CONTRIBUTIONS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
18 SYSTEM CREATED BY THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF
19 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AS A CONDITION OF
20 RECEIVING FUNDS APPROPRIATED UNDER THIS ARTICLE.

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

24 SEC. 208. MONEY APPROPRIATED IN SECTION 201 SHALL NOT BE USED
25 TO PAY FOR THE CONSTRUCTION OR MAINTENANCE OF A SELF-LIQUIDATING
26 PROJECT. A COMMUNITY COLLEGE SHALL COMPLY WITH THE CURRENT USE AND
27 FINANCE REQUIREMENTS OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE

1 (JCOS) FOR ANY CONSTRUCTION, RENOVATION, OR OTHER CAPITAL OUTLAY
2 PROJECTS PURSUANT TO JCOS POLICY. THE APPROPRIATION IN SECTION 201
3 FOR A COMMUNITY COLLEGE THAT FAILS TO COMPLY WITH JCOS REQUIREMENTS
4 SHALL BE REDUCED BY 1% FOR EACH VIOLATION.

5 SEC. 209. (1) FROM THE FUNDS APPROPRIATED IN SECTION 201, EACH
6 COMMUNITY COLLEGE SHALL DEVELOP, POST, AND MAINTAIN, ON A USER-
7 FRIENDLY AND PUBLICLY ACCESSIBLE INTERNET SITE, A COMPREHENSIVE
8 REPORT CATEGORIZING ALL INSTITUTIONAL GENERAL FUND EXPENDITURES
9 MADE BY THE COMMUNITY COLLEGE WITHIN A FISCAL YEAR. THE REPORT
10 SHALL INCLUDE INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS
11 CATEGORIZED BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR
12 EXTERNAL INITIATIVE WITHIN THE COMMUNITY COLLEGE AND BY MAJOR
13 EXPENDITURE CATEGORY, INCLUDING FACULTY AND STAFF SALARIES AND
14 FRINGE BENEFITS, FACILITY-RELATED COSTS, SUPPLIES AND EQUIPMENT,
15 CONTRACTS, AND TRANSFERS TO AND FROM OTHER COMMUNITY COLLEGE FUNDS.
16 THE REPORT SHALL ALSO INCLUDE A LIST OF ALL EMPLOYEE POSITIONS
17 FUNDED PARTIALLY OR WHOLLY THROUGH INSTITUTIONAL GENERAL FUND
18 REVENUE THAT INCLUDES THE POSITION TITLE, NAME, AND ANNUAL SALARY
19 OR WAGE AMOUNT FOR EACH POSITION. THE COMMUNITY COLLEGE SHALL NOT
20 PROVIDE FINANCIAL INFORMATION ON ITS WEBSITE UNDER THIS SECTION IF
21 DOING SO WOULD VIOLATE A FEDERAL OR STATE LAW, RULE, REGULATION, OR
22 GUIDELINE THAT ESTABLISHES PRIVACY OR SECURITY STANDARDS APPLICABLE
23 TO THAT FINANCIAL INFORMATION.

24 (2) EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING
25 INFORMATION TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
26 COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE
27 STATE BUDGET OFFICE BY NOVEMBER 15, 2011, AND POST THAT INFORMATION

1 ON THE INTERNET WEBSITE REQUIRED UNDER SUBSECTION (1):

2 (A) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM
3 TUITION AND FEES.

4 (B) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM
5 STATE APPROPRIATIONS.

6 (C) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM
7 PROPERTY TAXES.

8 (D) BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND REVENUE.

9 (E) BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND
10 EXPENDITURES.

11 SEC. 210. (1) RECOGNIZING THE CRITICAL IMPORTANCE OF EDUCATION
12 IN STRENGTHENING MICHIGAN'S WORKFORCE, THE LEGISLATURE ENCOURAGES
13 THE STATE'S PUBLIC COMMUNITY COLLEGES TO EXPLORE WAYS OF INCREASING
14 COLLABORATION AND COOPERATION WITH 4-YEAR UNIVERSITIES,
15 PARTICULARLY IN THE AREAS RELATED TO TRAINING, INSTRUCTION, AND
16 PROGRAM ARTICULATION.

17 (2) RECOGNIZING THE CENTRAL ROLE OF COMMUNITY COLLEGES IN
18 RESPONDING TO LOCAL EMPLOYMENT NEEDS AND CHALLENGES, COMMUNITY
19 COLLEGES SHALL DEVELOP AND CONTINUE EFFORTS TO COLLABORATE WITH
20 LOCAL EMPLOYERS AND STUDENTS TO IDENTIFY LOCAL EMPLOYMENT NEEDS AND
21 STRATEGIES TO MEET THEM.

22 (3) COMMUNITY COLLEGES ARE ENCOURAGED TO COLLABORATE WITH EACH
23 OTHER ON INNOVATIONS TO IDENTIFY AND MEET LOCAL EMPLOYMENT NEEDS.

24 SEC. 210A. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A
25 PROCESS TO IMPROVE THE TRANSFERABILITY OF CORE COLLEGE COURSES
26 BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A STATEWIDE
27 BASIS. BUILDING OFF OF THE MICHIGAN ASSOCIATION OF COLLEGE

1 REGISTRARS AND ACADEMIC OFFICERS AGREEMENT AND EXISTING
2 ARTICULATION AGREEMENTS IN PLACE BETWEEN INDIVIDUAL INSTITUTIONS,
3 THE COMMITTEE SHALL WORK TO DEVELOP EQUIVALENCY STANDARDS OF CORE
4 COLLEGE COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY THE
5 INSTITUTIONS.

6 (2) THE COMMITTEE SHALL BE COMPOSED OF THE FOLLOWING:

7 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
8 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

9 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY
10 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

11 (C) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE
12 SPEAKER OF THE HOUSE.

13 (D) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE
14 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

15 (E) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MAJORITY
16 LEADER.

17 (F) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MINORITY
18 LEADER.

19 (3) THE COMMITTEE SHALL SUBMIT AN INTERIM PROJECT STATUS
20 REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
21 COMMUNITY COLLEGES AND HIGHER EDUCATION, THE SENATE AND HOUSE
22 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY MARCH 1, 2012.

23 SEC. 211. COMMUNITY COLLEGES SHALL DO THE FOLLOWING:

24 (A) UNDERTAKE ACTIVE MEASURES TO PROMOTE EQUAL OPPORTUNITIES,
25 ELIMINATE DISCRIMINATION, AND FOSTER A DIVERSE STUDENT BODY AND
26 ADMINISTRATION AMONG ALL PEOPLE INCLUDING, BUT NOT LIMITED TO,
27 WOMEN, MINORITIES, SENIORS, VETERANS, AND PEOPLE WITH DISABILITIES.

1 (B) REVIEW, ANALYZE, AND ERADICATE ACTIVITIES THAT MAY TEND TO
2 DISCRIMINATE.

3 SEC. 212. IT IS THE INTENT OF THE LEGISLATURE TO ENCOURAGE
4 COMMUNITY COLLEGE DISTRICTS TO EVALUATE AND PURSUE EFFICIENCY AND
5 COST-CONTAINMENT MEASURES THAT MAXIMIZE STATE FUNDING. COMMUNITY
6 COLLEGES SHALL IDENTIFY PRACTICES THAT INCREASE EFFICIENCIES,
7 INCLUDING, BUT NOT LIMITED TO, ESTABLISHING JOINT VENTURES,
8 CONSOLIDATING SERVICES, UTILIZING PROGRAM COLLABORATIONS,
9 MAXIMIZING EDUCATIONAL BENEFITS THROUGH OPTIMAL CLASS SIZES AND
10 FREQUENCY OF COURSE OFFERINGS, INCREASING WEB-BASED INSTRUCTION,
11 ELIMINATING LOW-ENROLLMENT AND HIGH-COST INSTRUCTIONAL PROGRAMS,
12 USING SELF-INSURANCE, PRACTICING ENERGY CONSERVATION, AND UTILIZING
13 GROUP PURCHASING. EFFICIENCY EFFORTS SHALL ALSO INCLUDE REVIEWING
14 PROPOSED CAPITAL OUTLAY PROJECTS TO INCREASE COORDINATION AND
15 UTILIZATION OF NEW FACILITIES, RENOVATION PROJECTS, AND TECHNOLOGY
16 IMPROVEMENTS.

17 SEC. 213. IT IS THE INTENT OF THE LEGISLATURE THAT COMMUNITY
18 COLLEGES WORK WITH PUBLIC UNIVERSITIES IN THE STATE TO IMPLEMENT
19 STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
20 STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF
21 THE NECESSARY CREDITS. IN DOING SO, THE INSTITUTIONS SHOULD WORK
22 COLLABORATIVELY AND COOPERATIVELY TO REMOVE ADMINISTRATIVE BARRIERS
23 THAT RESULT IN UNDERSTATING THE ACADEMIC ATTAINMENT OF MICHIGAN'S
24 CITIZENS. IT IS THE INTENT OF THE LEGISLATURE THAT BY AUGUST 1,
25 2012, STATEWIDE AGREEMENTS BE IN PLACE BETWEEN COMMUNITY COLLEGES
26 AND PUBLIC UNIVERSITIES THAT ENABLE STUDENTS WHO HAVE EARNED A
27 SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER

1 TO A BACCALAUREATE-GRANTING INSTITUTION BEFORE COMPLETING A DEGREE
2 TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION
3 BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL
4 OF VALUE.

5 SEC. 214. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A COMMON
6 SET OF SCORES USING THE ACT ASSESSMENT TO DETERMINE PLACEMENT IN
7 DEVELOPMENTAL COURSES AT COMMUNITY COLLEGES FOR STUDENTS WHO
8 RECENTLY COMPLETED HIGH SCHOOL. THE COMMITTEE SHALL BE COMPOSED OF
9 THE FOLLOWING:

10 (A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE
11 MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1
12 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.

13 (B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE
14 DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE
15 DESIGNATED BY THE SENATE MINORITY LEADER.

16 (C) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY COLLEGES
17 DESIGNATED BY THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION.

18 (D) FOUR INDIVIDUALS REPRESENTING K-12 EDUCATION, WITH THE
19 SPEAKER OF THE HOUSE, HOUSE MINORITY LEADER, SENATE MAJORITY
20 LEADER, AND SENATE MINORITY LEADER EACH DESIGNATING 1 MEMBER.

21 (2) BY MARCH 1, 2012, THE COMMITTEE CREATED UNDER SUBSECTION
22 (1) SHALL SUBMIT A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS
23 SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL
24 AGENCIES, AND THE STATE BUDGET OFFICE OUTLINING THE PROGRESS TOWARD
25 IMPLEMENTING A COMMON SET OF ACT CUTOFF SCORES FOR PLACEMENT INTO
26 DEVELOPMENTAL EDUCATION AND CREDIT-BEARING COURSES.

27 SEC. 216. (1) IT IS THE INTENT OF THE LEGISLATURE THAT THE

1 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
2 COLLEGES, TOGETHER WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION
3 AND OTHER INTERESTED STAKEHOLDERS, REVIEW ANY STATUTORY MANDATES
4 IMPOSED ON COMMUNITY COLLEGES, INCLUDING THOSE IDENTIFIED BY THE
5 LEGISLATIVE COMMISSION ON STATUTORY MANDATES ESTABLISHED UNDER
6 FORMER CHAPTER 7B OF THE LEGISLATIVE COUNCIL ACT, 1986 PA 268, AND
7 DETERMINE WHETHER THOSE MANDATES ARE NECESSARY FOR THE HEALTH AND
8 SAFETY OF STUDENTS; ARE ESSENTIAL TO THE ACADEMIC INTEGRITY OF THE
9 COMMUNITY COLLEGES; EXCEED ANY APPLICABLE FEDERAL REQUIREMENTS; ARE
10 SUPERFLUOUS TO THE CORE ACADEMIC PROGRAMS OF THE COMMUNITY
11 COLLEGES; AND MATERIALLY IMPACT LOCAL CONTROL AND GOVERNANCE OF THE
12 COLLEGES.

13 (2) THE SENATE AND HOUSE SUBCOMMITTEES ON COMMUNITY COLLEGES
14 SHALL REVIEW THE ESTIMATED COSTS AND BENEFITS OF EACH STATUTORY
15 MANDATE REVIEWED UNDER SUBSECTION (1) AND SHALL REPORT THEIR
16 FINDINGS TO THE STATE BUDGET DIRECTOR.

17 SEC. 217. UNLESS OTHERWISE STATED, ALL DATA ITEMS USED IN
18 DETERMINING STATE AID IN THIS ARTICLE ARE AS DEFINED IN THE "2001
19 MANUAL FOR UNIFORM FINANCIAL REPORTING, MICHIGAN PUBLIC COMMUNITY
20 COLLEGES", WHICH SHALL BE THE BASIS FOR REPORTING DATA, AND THE
21 "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY
22 COLLEGES", AS AMENDED, WHICH SHALL BE USED TO DOCUMENT FINANCIAL
23 NEEDS OF THE COMMUNITY COLLEGES.

24 SEC. 218. A COMMUNITY COLLEGE SHALL NOT INCLUDE IN THE
25 ENROLLMENT DATA REPORTED FOR DETERMINING STATE AID UNDER THIS
26 ARTICLE ANY STUDENT CREDIT HOURS OR STUDENT CONTACT HOURS FOR A
27 STUDENT INCARCERATED IN A MICHIGAN PENAL INSTITUTION. EXCLUSION OF

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

4 SEC. 219. A COMMUNITY COLLEGE RECEIVING FUNDS IN SECTION 201
5 SHALL COOPERATE WITH THE STATE'S EFFORTS TO ESTABLISH A STATEWIDE
6 P-20 EDUCATION LONGITUDINAL DATA SYSTEM TO COMPLY WITH THE STATE
7 FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN RECOVERY AND
8 REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.

9 SEC. 220. (1) THE AUDITOR GENERAL OR A CERTIFIED PUBLIC
10 ACCOUNTANT APPOINTED BY THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE
11 AUDITS OF COMMUNITY COLLEGES AS THE AUDITOR GENERAL CONSIDERS
12 NECESSARY.

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

25 SEC. 221. (1) A COMMUNITY COLLEGE SHALL RETAIN CERTIFIED CLASS
26 SUMMARIES, CLASS LISTS, REGISTRATION DOCUMENTS, AND STUDENT
27 TRANSCRIPTS THAT ARE CONSISTENT WITH THE TAXONOMY OF COURSES. FOR

1 EACH ENROLLMENT PERIOD DURING THE FISCAL YEAR, THESE CERTIFIED
2 DOCUMENTS SHALL IDENTIFY CLEARLY BY COURSE THE NUMBER OF IN-
3 DISTRICT AND OUT-OF-DISTRICT STUDENT CREDIT AND CONTACT HOURS. THE
4 CLASS SUMMARIES AND CLASS LISTS SHALL BE CONSISTENT WITH EACH OTHER
5 AND SHALL INCLUDE THE COURSE PREFIX AND NUMBERS, COURSE TITLE,
6 COURSE CREDIT AND CONTACT HOURS, CREDIT AND CONTACT HOURS GENERATED
7 BY EACH STUDENT, AND ACTIVITY CLASSIFICATIONS CONSISTENT WITH THE
8 TAXONOMY. AN AUDITABLE PROCESS SHALL BE USED BY THE COMMUNITY
9 COLLEGE TO DETERMINE THE UNDUPLICATED HEAD COUNT FOR IN-DISTRICT
10 STUDENTS, OUT-OF-DISTRICT STUDENTS, AND PRISONERS FOR EACH
11 ENROLLMENT PERIOD DURING THE FISCAL YEAR.

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

15 SEC. 222. EACH COMMUNITY COLLEGE SHALL HAVE AN ANNUAL AUDIT OF
16 ALL INCOME AND EXPENDITURES PERFORMED BY AN INDEPENDENT AUDITOR AND
17 SHALL FURNISH THE INDEPENDENT AUDITOR'S MANAGEMENT LETTER AND AN
18 ANNUAL AUDITED ACCOUNTING OF ALL GENERAL AND CURRENT FUNDS INCOME
19 AND EXPENDITURES INCLUDING AUDITS OF COLLEGE FOUNDATIONS TO THE
20 MEMBERS OF THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
21 COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, THE
22 AUDITOR GENERAL, THE WORKFORCE DEVELOPMENT AGENCY, AND THE STATE
23 BUDGET DIRECTOR BEFORE NOVEMBER 15, 2011. IF A COMMUNITY COLLEGE
24 FAILS TO FURNISH THE AUDIT MATERIALS, THE MONTHLY STATE AID
25 INSTALLMENTS SHALL BE WITHHELD FROM THAT COLLEGE UNTIL THE
26 INFORMATION IS SUBMITTED. ALL REPORTING SHALL CONFORM TO THE
27 REQUIREMENTS SET FORTH IN THE "2001 MANUAL FOR UNIFORM FINANCIAL

1 REPORTING, MICHIGAN PUBLIC COMMUNITY COLLEGES". IT IS THE INTENT OF
2 THE LEGISLATURE THAT A COMMUNITY COLLEGE SHALL MAKE THE INFORMATION
3 THE COMMUNITY COLLEGE IS REQUIRED TO PROVIDE UNDER THIS SECTION
4 AVAILABLE TO THE PUBLIC ON ITS INTERNET WEBSITE.

5 SEC. 223. EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING TO
6 THE WORKFORCE DEVELOPMENT AGENCY NO LATER THAN NOVEMBER 1, 2011:

7 (A) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH
8 TERM FOR THE PREVIOUS FISCAL YEAR, USING GUIDELINES AND PROCEDURES
9 DEVELOPED BY THE WORKFORCE DEVELOPMENT AGENCY AND THE MICHIGAN
10 COMMISSION ON INDIAN AFFAIRS.

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

14 SEC. 224. UPON REQUEST, A COMMUNITY COLLEGE SHALL INFORM
15 INTERESTED MICHIGAN HIGH SCHOOLS OF THE AGGREGATE ACADEMIC STATUS
16 OF ITS STUDENTS FOR THE PRIOR ACADEMIC YEAR, IN A MANNER PRESCRIBED
17 BY THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND IN COOPERATION
18 WITH THE MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.

19 SEC. 225. EACH COMMUNITY COLLEGE SHALL REPORT TO THE HOUSE AND
20 SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE
21 WORKFORCE DEVELOPMENT AGENCY BY AUGUST 31, 2011, THE TUITION AND
22 MANDATORY FEES PAID BY A FULL-TIME IN-DISTRICT STUDENT AND A FULL-
23 TIME OUT-OF-DISTRICT STUDENT AS ESTABLISHED BY THE COLLEGE
24 GOVERNING BOARD FOR THE 2010-2011 ACADEMIC YEAR. THIS REPORT SHOULD
25 ALSO INCLUDE THE ANNUAL COST OF ATTENDANCE BASED ON A FULL-TIME
26 COURSE LOAD OF 30 CREDITS. EACH COMMUNITY COLLEGE SHALL ALSO REPORT
27 ANY REVISIONS TO THE REPORTED 2010-2011 ACADEMIC YEAR TUITION AND

1 MANDATORY FEES ADOPTED BY THE COLLEGE GOVERNING BOARD TO THE HOUSE
2 AND SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE
3 WORKFORCE DEVELOPMENT AGENCY WITHIN 15 DAYS OF BEING ADOPTED.

4 SEC. 226. EACH COMMUNITY COLLEGE SHALL REPORT TO THE WORKFORCE
5 DEVELOPMENT AGENCY THE NUMBERS AND TYPE OF ASSOCIATE DEGREES AND
6 OTHER CERTIFICATES AWARDED DURING THE PREVIOUS FISCAL YEAR. THE
7 REPORT SHALL BE MADE NOT LATER THAN NOVEMBER 15, 2011.

8 SEC. 227. FUNDS APPROPRIATED IN SECTION 201 SHALL NOT BE USED
9 TO ENTER INTO A LEASE FOR, OR TO PURCHASE, A VEHICLE ASSEMBLED OR
10 MANUFACTURED OUTSIDE OF THE UNITED STATES IF COMPETITIVELY PRICED
11 AND COMPARABLE QUALITY VEHICLES MADE IN THE STATE OF MICHIGAN OR
12 ELSEWHERE IN THE UNITED STATES OF AMERICA ARE AVAILABLE.

13 SEC. 228. A COMMUNITY COLLEGE SHALL NOT TAKE DISCIPLINARY
14 ACTION AGAINST AN EMPLOYEE FOR COMMUNICATING WITH A MEMBER OF THE
15 LEGISLATURE OR HIS OR HER STAFF.

16 SEC. 229. IT IS THE INTENT OF THE LEGISLATURE THAT EACH
17 COMMUNITY COLLEGE RECEIVING AN APPROPRIATION IN SECTION 201 INCLUDE
18 IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO
19 WHETHER AN APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER
20 OF THE MILITARY, A MEMBER OF THE NATIONAL GUARD OR MILITARY
21 RESERVES, OR THE SPOUSE OR DEPENDENT OF A VETERAN, ACTIVE MEMBER OF
22 THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES,
23 IN ORDER TO MORE QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE
24 AVAILABLE TO THAT APPLICANT. AS USED IN THIS SECTION, "VETERAN"
25 MEANS AN HONORABLY DISCHARGED VETERAN ENTITLED TO EDUCATIONAL
26 ASSISTANCE UNDER THE PROVISIONS OF SECTION 5003 OF THE POST-911
27 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW

1 110-252, 38 USC 3301 TO 3324.

2 SEC. 230. IT IS THE INTENT OF THE LEGISLATURE THAT THE
3 RECOMMENDATIONS AND PERFORMANCE MEASURES DEVELOPED BY THE
4 PERFORMANCE INDICATORS TASK FORCE FORMED PURSUANT TO SECTION 242 OF
5 2005 PA 154 BE REVIEWED AND MORE FULLY IMPLEMENTED FOR DISTRIBUTION
6 OF STATE FUNDING TO COMMUNITY COLLEGES IN FUTURE YEARS.

7 SPECIFICALLY, IT IS THE INTENT OF THE LEGISLATURE THAT THE
8 PERFORMANCE INDICATORS TASK FORCE REVIEW AND IMPLEMENT 1 OR MORE
9 MEASURABLE DATA ITEMS FOR THE LOCAL STRATEGIC VALUE INDICATOR AND
10 REVIEW AND IMPLEMENT 1 OR MORE MEASURABLE DATA ITEMS FOR AN
11 ADMINISTRATIVE COST FORMULA COMPONENT.

12 ARTICLE III

13 STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

14 SEC. 236. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS
15 ARTICLE, THE AMOUNTS LISTED IN SUBSECTIONS (2) TO (5) ARE
16 APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL YEAR ENDING
17 SEPTEMBER 30, 2012, FROM THE FUNDS INDICATED IN THIS SECTION. THE
18 FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN SUBSECTIONS (2) TO
19 (5):

20 (A) THE GROSS APPROPRIATION IS \$1,362,278,400.00. AFTER
21 DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL
22 TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION
23 IS \$1,362,278,400.00.

24 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED
25 IN SUBDIVISION (A) ARE AS FOLLOWS:

26 (i) TOTAL FEDERAL REVENUES, \$98,326,400.00.

27 (ii) TOTAL LOCAL REVENUES, \$0.00.

1 (iii) TOTAL PRIVATE REVENUES, \$0.00.

2 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$200,219,500.00.

3 (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY,
4 \$1,063,732,500.00.

5 (2) AMOUNTS APPROPRIATED FOR PUBLIC UNIVERSITIES ARE AS
6 FOLLOWS:

7 (A) THE APPROPRIATION FOR CENTRAL MICHIGAN UNIVERSITY IS
8 \$68,108,900.00, \$61,431,100.00 FOR OPERATIONS AND \$6,677,800.00 FOR
9 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

10 (i) STATE SCHOOL AID FUND, \$11,284,600.00.

11 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,824,300.00.

12 (B) THE APPROPRIATION FOR EASTERN MICHIGAN UNIVERSITY IS
13 \$64,619,100.00, \$61,319,900.00 FOR OPERATIONS AND \$3,299,200.00 FOR
14 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

15 (i) STATE SCHOOL AID FUND, \$10,706,400.00.

16 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$53,912,700.00.

17 (C) THE APPROPRIATION FOR FERRIS STATE UNIVERSITY IS
18 \$41,324,300.00, \$37,971,600.00 FOR OPERATIONS AND \$3,352,700.00 FOR
19 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

20 (i) STATE SCHOOL AID FUND, \$6,846,800.00.

21 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$34,477,500.00.

22 (D) THE APPROPRIATION FOR GRAND VALLEY STATE UNIVERSITY IS
23 \$52,677,400.00, \$48,431,500.00 FOR OPERATIONS AND \$4,245,900.00 FOR
24 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

25 (i) STATE SCHOOL AID FUND, \$8,727,800.00.

26 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$43,949,600.00.

27 (E) THE APPROPRIATION FOR LAKE SUPERIOR STATE UNIVERSITY IS

1 \$10,789,500.00, \$10,055,100.00 FOR OPERATIONS AND \$734,400.00 FOR
2 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

3 (i) STATE SCHOOL AID FUND, \$1,787,600.00.

4 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,001,900.00.

5 (F) THE APPROPRIATION FOR MICHIGAN STATE UNIVERSITY IS
6 \$293,746,600.00, \$222,796,200.00 FOR OPERATIONS, \$18,324,600.00 FOR
7 TUITION RESTRAINT INCENTIVE, AND \$52,625,800.00 FOR AGRICULTURAL
8 EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES, APPROPRIATED FROM
9 THE FOLLOWING:

10 (i) STATE SCHOOL AID FUND, \$39,949,900.00.

11 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$253,796,700.00.

12 (G) THE APPROPRIATION FOR MICHIGAN TECHNOLOGICAL UNIVERSITY IS
13 \$40,733,600.00, \$37,409,700.00 FOR OPERATIONS AND \$3,323,900.00 FOR
14 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

15 (i) STATE SCHOOL AID FUND, \$6,748,900.00.

16 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$33,984,700.00.

17 (H) THE APPROPRIATION FOR NORTHERN MICHIGAN UNIVERSITY IS
18 \$38,367,400.00, \$36,225,200.00 FOR OPERATIONS AND \$2,142,200.00 FOR
19 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

20 (i) STATE SCHOOL AID FUND, \$6,356,900.00.

21 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$32,010,500.00.

22 (I) THE APPROPRIATION FOR OAKLAND UNIVERSITY IS
23 \$43,145,000.00, \$39,313,500.00 FOR OPERATIONS AND \$3,831,500.00 FOR
24 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

25 (i) STATE SCHOOL AID FUND, \$7,148,400.00.

26 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$35,996,600.00.

27 (J) THE APPROPRIATION FOR SAGINAW VALLEY STATE UNIVERSITY IS

1 \$23,561,500.00, \$21,969,300.00 FOR OPERATIONS AND \$1,592,200.00 FOR
2 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

3 (i) STATE SCHOOL AID FUND, \$3,903,800.00.

4 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$19,657,700.00.

5 (K) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - ANN ARBOR
6 IS \$268,803,300.00, \$254,931,800.00 FOR OPERATIONS AND
7 \$13,871,500.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM
8 THE FOLLOWING:

9 (i) STATE SCHOOL AID FUND, \$44,536,300.00.

10 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$224,267,000.00.

11 (I) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - DEARBORN IS
12 \$21,016,300.00, \$19,627,400.00 FOR OPERATIONS AND \$1,388,900.00 FOR
13 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

14 (i) STATE SCHOOL AID FUND, \$3,482,100.00.

15 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$17,534,200.00.

16 (M) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - FLINT IS
17 \$17,762,400.00, \$16,679,400.00 FOR OPERATIONS AND \$1,083,000.00 FOR
18 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

19 (i) STATE SCHOOL AID FUND, \$2,942,900.00.

20 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$14,819,500.00.

21 (N) THE APPROPRIATION FOR WAYNE STATE UNIVERSITY IS
22 \$182,036,900.00, \$169,209,400.00 FOR OPERATIONS AND \$12,827,500.00
23 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

24 (i) STATE SCHOOL AID FUND, \$30,160,600.00.

25 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$151,876,300.00.

26 (O) THE APPROPRIATION FOR WESTERN MICHIGAN UNIVERSITY IS
27 \$93,168,300.00, \$86,866,700.00 FOR OPERATIONS AND \$6,301,600.00 FOR

1 TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:

2 (i) STATE SCHOOL AID FUND, \$15,436,500.00.

3 (ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$77,731,800.00.

4 (3) THE AMOUNT APPROPRIATED FOR STATE AND REGIONAL PROGRAMS IS
5 \$200,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY
6 AND ALLOCATED AS FOLLOWS:

7 (A) HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION,
8 \$105,000.00.

9 (B) MIDWESTERN HIGHER EDUCATION COMPACT, \$95,000.00.

10 (4) THE AMOUNT APPROPRIATED FOR THE MARTIN LUTHER KING, JR. -
11 CESAR CHAVEZ - ROSA PARKS PROGRAM IS \$2,691,500.00, APPROPRIATED
12 FROM GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:

13 (A) SELECT STUDENT SUPPORT SERVICES, \$1,956,100.00.

14 (B) MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM,
15 \$586,800.00.

16 (C) MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM,
17 \$148,600.00.

18 (5) SUBJECT TO SUBSECTION (6), THE AMOUNT APPROPRIATED FOR
19 GRANTS AND FINANCIAL AID IS \$99,526,400.00, ALLOCATED AS FOLLOWS:

20 (A) STATE COMPETITIVE SCHOLARSHIPS, \$19,861,700.00.

21 (B) TUITION GRANTS, \$31,664,700.00.

22 (C) TUITION INCENTIVE PROGRAM, \$43,800,000.00.

23 (D) ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM, \$1,500,000.00.

24 (E) CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT
25 PROGRAMS, \$1,200,000.00.

26 (F) PROJECT GEAR-UP, \$1,500,000.00.

27 (6) THE MONEY APPROPRIATED IN SUBSECTION (5) FOR GRANTS AND

1 FINANCIAL AID IS APPROPRIATED FROM THE FOLLOWING:

2 (A) FEDERAL REVENUES UNDER SUBPART 4 OF PART A OF TITLE IV OF
3 THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW 89-329, 79 STAT. 1232,
4 \$1,500,000.00.

5 (B) FEDERAL REVENUES UNDER SUBPART 6 OF PART A OF TITLE IV OF
6 THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW 89-329, 79 STAT. 1232,
7 \$1,500,000.00.

8 (C) FEDERAL REVENUES UNDER THE UNITED STATES DEPARTMENT OF
9 EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP
10 PROGRAM, \$1,500,000.00.

11 (D) FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT, TEMPORARY
12 ASSISTANCE FOR NEEDY FAMILIES, \$93,826,400.00.

13 (E) CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT
14 PROGRAM, \$200,000.00.

15 (F) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,000,000.00.

16 SEC. 236A. IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE
17 APPROPRIATIONS FOR THE FISCAL YEAR ENDING ON SEPTEMBER 30, 2013 FOR
18 THE ITEMS LISTED IN SECTION 236. THE FISCAL YEAR 2012-2013
19 APPROPRIATIONS ARE ANTICIPATED TO BE THE SAME AS THOSE FOR FISCAL
20 YEAR 2011-2012, EXCEPT THAT THE AMOUNTS WILL BE ADJUSTED FOR
21 CHANGES IN CASELOAD AND RELATED COSTS, FEDERAL FUND MATCH RATES,
22 ECONOMIC FACTORS, AND AVAILABLE REVENUE. THESE ADJUSTMENTS WILL BE
23 DETERMINED AFTER THE JANUARY 2012 CONSENSUS REVENUE ESTIMATING
24 CONFERENCE.

25 SEC. 237. THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE
26 SUBJECT TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101
27 TO 18.1594.

1 SEC. 237A. AS USED IN THIS ARTICLE, "RESEARCH UNIVERSITY"
2 MEANS A PUBLIC UNIVERSITY CLASSIFIED AS A "DOCTORAL/RESEARCH
3 UNIVERSITY", A "RESEARCH UNIVERSITY (HIGH RESEARCH ACTIVITY)", OR A
4 "RESEARCH UNIVERSITY (VERY HIGH RESEARCH ACTIVITY)" UNDER THE
5 CLASSIFICATION OF INSTITUTIONS OF HIGHER EDUCATION CONDUCTED BY THE
6 CARNEGIE FOUNDATION.

7 SEC. 238. UNLESS OTHERWISE SPECIFIED, PUBLIC UNIVERSITIES
8 RECEIVING APPROPRIATIONS IN SECTION 236 SHALL USE THE INTERNET TO
9 FULFILL THE REPORTING REQUIREMENTS OF THIS ARTICLE. THIS
10 REQUIREMENT MAY INCLUDE TRANSMISSION OF REPORTS VIA ELECTRONIC MAIL
11 TO THE RECIPIENTS IDENTIFIED FOR EACH REPORTING REQUIREMENT, OR IT
12 MAY INCLUDE PLACEMENT OF REPORTS ON AN INTERNET OR INTRANET SITE.

13 SEC. 239. FUNDS APPROPRIATED IN SECTION 236 SHALL NOT BE USED
14 FOR THE PURCHASE OF FOREIGN GOODS OR SERVICES, OR BOTH, IF
15 COMPETITIVELY PRICED AND OF COMPARABLE QUALITY AMERICAN GOODS AND
16 SERVICES, OR BOTH, ARE AVAILABLE. PREFERENCE SHALL BE GIVEN TO
17 GOODS OR SERVICES, OR BOTH, MANUFACTURED OR PROVIDED BY MICHIGAN
18 BUSINESSES IF THEY ARE COMPETITIVELY PRICED AND OF COMPARABLE
19 VALUE. IN ADDITION, PREFERENCE SHALL BE GIVEN TO GOODS OR SERVICES,
20 OR BOTH, THAT ARE MANUFACTURED OR PROVIDED BY MICHIGAN BUSINESSES
21 OWNED AND OPERATED BY VETERANS IF THEY ARE COMPETITIVELY PRICED AND
22 OF COMPARABLE QUALITY.

23 SEC. 239A. IT IS THE INTENT OF THE LEGISLATURE THAT THE FUNDS
24 APPROPRIATED IN SECTION 236 TO STATE INSTITUTIONS OF HIGHER
25 EDUCATION SHALL NOT BE USED TO ENTER INTO A LEASE OR TO PURCHASE A
26 VEHICLE ASSEMBLED OR MANUFACTURED OUTSIDE OF THE UNITED STATES, AND
27 THAT PREFERENCE BE GIVEN TO VEHICLES ASSEMBLED OR MANUFACTURED IN

1 MICHIGAN.

2 SEC. 240. THE PRINCIPAL EXECUTIVE OFFICER OF EACH PUBLIC
3 UNIVERSITY RECEIVING APPROPRIATIONS IN SECTION 236 SHALL TAKE ALL
4 REASONABLE STEPS TO ENSURE THAT BUSINESSES IN DEPRIVED AND
5 DEPRESSED COMMUNITIES COMPETE FOR AND PERFORM CONTRACTS TO PROVIDE
6 SERVICES, SUPPLIES, OR BOTH. EACH PRINCIPAL EXECUTIVE OFFICER SHALL
7 STRONGLY ENCOURAGE FIRMS WITH WHICH THE UNIVERSITY CONTRACTS TO
8 SUBCONTRACT WITH BUSINESSES IN DEPRESSED AND DEPRIVED COMMUNITIES
9 FOR SERVICES, SUPPLIES, OR BOTH.

10 SEC. 241. (1) THE FUNDS APPROPRIATED IN SECTION 236 TO PUBLIC
11 UNIVERSITIES SHALL BE PAID OUT OF THE STATE TREASURY AND
12 DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE INSTITUTIONS
13 IN 11 EQUAL MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR
14 THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16, 2011.
15 EXCEPT FOR WAYNE STATE UNIVERSITY, EACH INSTITUTION SHALL ACCRUE
16 ITS JULY AND AUGUST 2012 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR
17 ENDING JUNE 30, 2012.

18 (2) ALL PUBLIC UNIVERSITIES SHALL SUBMIT HIGHER EDUCATION
19 INSTITUTIONAL DATA INVENTORY (HEIDI) DATA AND ASSOCIATED FINANCIAL
20 AND PROGRAM INFORMATION REQUESTED BY AND IN A MANNER PRESCRIBED BY
21 THE STATE BUDGET DIRECTOR. FOR PUBLIC UNIVERSITIES WITH FISCAL
22 YEARS ENDING JUNE 30, 2011, THESE DATA SHALL BE SUBMITTED TO THE
23 STATE BUDGET DIRECTOR BY OCTOBER 15, 2011. PUBLIC UNIVERSITIES WITH
24 A FISCAL YEAR ENDING SEPTEMBER 30, 2011 SHALL SUBMIT PRELIMINARY
25 HEIDI DATA BY NOVEMBER 15, 2011 AND FINAL DATA BY DECEMBER 15,
26 2011. IF A PUBLIC UNIVERSITY FAILS TO SUBMIT HEIDI DATA AND
27 ASSOCIATED FINANCIAL AID PROGRAM INFORMATION IN ACCORDANCE WITH

1 THIS REPORTING SCHEDULE, THE STATE TREASURER SHALL WITHHOLD THE
2 MONTHLY INSTALLMENTS UNDER SUBSECTION (1) TO THE PUBLIC UNIVERSITY
3 UNTIL THOSE DATA ARE SUBMITTED.

4 SEC. 242. FUNDS RECEIVED BY THE STATE FROM THE FEDERAL
5 GOVERNMENT OR PRIVATE SOURCES FOR THE USE OF A COLLEGE OR
6 UNIVERSITY ARE APPROPRIATED FOR THE PURPOSES FOR WHICH THEY ARE
7 PROVIDED. THE ACCEPTANCE AND USE OF FEDERAL OR PRIVATE FUNDS DO NOT
8 PLACE AN OBLIGATION UPON THE LEGISLATURE TO CONTINUE THE PURPOSES
9 FOR WHICH THE FUNDS ARE MADE AVAILABLE.

10 SEC. 243. A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER THIS
11 ARTICLE SHALL FURNISH ALL PROGRAM AND FINANCIAL INFORMATION THAT IS
12 REQUIRED BY AND IN A MANNER PRESCRIBED BY THE STATE BUDGET DIRECTOR
13 OR THE HOUSE OR SENATE APPROPRIATIONS COMMITTEE.

14 SEC. 244. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236
15 SHALL COOPERATE WITH ALL MEASURES TAKEN BY THE STATE TO ESTABLISH A
16 STATEWIDE P-20 EDUCATION LONGITUDINAL DATA SYSTEM TO COMPLY WITH
17 THE STATE FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN
18 RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.

19 SEC. 245. FROM THE FUNDS APPROPRIATED IN SECTION 236, EACH
20 PUBLIC UNIVERSITY SHALL DEVELOP, POST, AND MAINTAIN, ON A USER-
21 FRIENDLY AND PUBLICLY ACCESSIBLE INTERNET SITE, A COMPREHENSIVE
22 REPORT CATEGORIZING ALL INSTITUTIONAL GENERAL FUND EXPENDITURES
23 MADE BY THE UNIVERSITY WITHIN A FISCAL YEAR. THE REPORT SHALL
24 INCLUDE INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS CATEGORIZED
25 BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR EXTERNAL
26 INITIATIVE WITHIN THE UNIVERSITY AND BY MAJOR EXPENDITURE CATEGORY,
27 INCLUDING FACULTY AND STAFF SALARIES AND FRINGE BENEFITS, FACILITY-

1 RELATED COSTS, SUPPLIES AND EQUIPMENT, CONTRACTS, AND TRANSFERS TO
2 AND FROM OTHER UNIVERSITY FUNDS. THE REPORT SHALL ALSO INCLUDE A
3 LIST OF ALL EMPLOYEE POSITIONS FUNDED PARTIALLY OR WHOLLY THROUGH
4 INSTITUTIONAL GENERAL FUND REVENUE THAT INCLUDES THE POSITION
5 TITLE, NAME, AND ANNUAL SALARY OR WAGE AMOUNT FOR EACH POSITION.
6 THE UNIVERSITY SHALL NOT PROVIDE FINANCIAL INFORMATION ON ITS
7 WEBSITE UNDER THIS SECTION IF DOING SO WOULD VIOLATE A FEDERAL OR
8 STATE LAW, RULE, REGULATION, OR GUIDELINE THAT ESTABLISHES PRIVACY
9 OR SECURITY STANDARDS APPLICABLE TO THAT FINANCIAL INFORMATION.

10 SEC. 251. (1) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 236
11 FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM SHALL BE DISTRIBUTED
12 PURSUANT TO 1964 PA 208, MCL 390.971 TO 390.981.

13 (2) PURSUANT TO SECTION 6 OF 1964 PA 208, MCL 390.976, THE
14 DEPARTMENT OF TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM STATE
15 COMPETITIVE SCHOLARSHIP AWARD PER STUDENT, WHICH SHALL BE NO LESS
16 THAN \$600.00, THAT ENSURES THAT THE AGGREGATE PAYMENTS FOR THE
17 STATE COMPETITIVE SCHOLARSHIP PROGRAM DO NOT EXCEED THE
18 APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE COMPETITIVE
19 SCHOLARSHIP PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT
20 FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT
21 LEAST \$600.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE
22 AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
23 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
24 REGARDING THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO
25 ESTABLISH A \$600.00 MAXIMUM AWARD AMOUNT.

26 (3) THE DEPARTMENT OF TREASURY SHALL IMPLEMENT A PROPORTIONAL
27 COMPETITIVE SCHOLARSHIP MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED

1 LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM.

2 (4) IF A STUDENT WHO RECEIVES AN AWARD UNDER THIS SECTION HAS
3 HIS OR HER TUITION AND FEES PAID UNDER THE MICHIGAN EDUCATIONAL
4 TRUST PROGRAM, PURSUANT TO THE MICHIGAN EDUCATION TRUST ACT, 1986
5 PA 316, MCL 390.1421 TO 390.1442, AND STILL HAS FINANCIAL NEED, THE
6 FUNDS AWARDED UNDER THIS SECTION MAY BE USED FOR EDUCATIONAL
7 EXPENSES OTHER THAN TUITION AND FEES.

8 (5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD
9 PER ELIGIBLE STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL
10 YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE NUMBER OF
11 ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER
12 OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE
13 PROPORTIONAL FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS.

14 (6) VETERANS ADMINISTRATION BENEFITS SHALL NOT BE CONSIDERED
15 IN DETERMINING ELIGIBILITY FOR THE AWARD OF SCHOLARSHIPS UNDER 1964
16 PA 208, MCL 390.971 TO 390.981.

17 SEC. 252. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE
18 STATE TUITION GRANT PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1966
19 PA 313, MCL 390.991 TO 390.997A.

20 (2) TUITION GRANT AWARDS SHALL BE MADE TO ALL ELIGIBLE
21 MICHIGAN RESIDENTS ENROLLED IN UNDERGRADUATE DEGREE PROGRAMS WHO
22 APPLY BEFORE JULY 1, 2011 AND WHO ARE QUALIFIED.

23 (3) PURSUANT TO SECTION 5 OF 1966 PA 313, MCL 390.995, AND
24 SUBJECT TO SUBSECTION (7), THE DEPARTMENT OF TREASURY SHALL
25 DETERMINE AN ACTUAL MAXIMUM TUITION GRANT AWARD PER STUDENT, WHICH
26 SHALL BE NO LESS THAN \$1,512.00, THAT ENSURES THAT THE AGGREGATE
27 PAYMENTS FOR THE TUITION GRANT PROGRAM DO NOT EXCEED THE

1 APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE TUITION GRANT
2 PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT FUNDS ARE
3 AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT LEAST
4 \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND
5 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE
6 AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING
7 THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A
8 \$1,512.00 MAXIMUM AWARD AMOUNT. BY DECEMBER 15, 2011, AND AGAIN BY
9 FEBRUARY 1, 2012, THE DEPARTMENT SHALL ANALYZE THE STATUS OF AWARD
10 COMMITMENTS, SHALL MAKE ANY NECESSARY ADJUSTMENTS, AND SHALL
11 CONFIRM THAT THOSE AWARD COMMITMENTS WILL NOT EXCEED THE
12 APPROPRIATION CONTAINED IN SECTION 236 FOR THE TUITION GRANT
13 PROGRAM. THE DETERMINATION AND ACTIONS SHALL BE REPORTED TO THE
14 STATE BUDGET DIRECTOR AND THE HOUSE AND SENATE FISCAL AGENCIES NO
15 LATER THAN FEBRUARY 15, 2012. IF AWARD ADJUSTMENTS ARE NECESSARY,
16 THE STUDENTS SHALL BE NOTIFIED OF THE ADJUSTMENT BY THE THIRD
17 MONDAY IN FEBRUARY.

18 (4) ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON
19 SEPTEMBER 30, 2012 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR
20 THE TUITION GRANT PROGRAM SHALL NOT LAPSE ON SEPTEMBER 30, 2012,
21 BUT SHALL CONTINUE TO BE AVAILABLE FOR EXPENDITURE FOR TUITION
22 GRANTS PROVIDED IN THE 2012-2013 FISCAL YEAR UNDER A WORK PROJECT
23 ACCOUNT. THE USE OF THESE UNEXPENDED FISCAL YEAR 2011-2012 FUNDS
24 SHALL TERMINATE AT THE END OF THE 2012-2013 FISCAL YEAR.

25 (5) THE DEPARTMENT OF TREASURY SHALL CONTINUE A PROPORTIONAL
26 TUITION GRANT MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN
27 FULL-TIME IN A GIVEN SEMESTER OR TERM.

1 (6) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD
2 PER ELIGIBLE STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL
3 YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE NUMBER OF
4 ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER
5 OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE
6 PROPORTIONAL FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS FOR FISCAL
7 YEAR 2011-2012.

8 (7) THE DEPARTMENT OF TREASURY SHALL NOT AWARD MORE THAN
9 \$3,000,000.00 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 SEC. 253. THE AUDITOR GENERAL MAY AUDIT SELECTED ENROLLMENTS,
15 DEGREES, AND AWARDS AT SELECTED INDEPENDENT COLLEGES AND
16 UNIVERSITIES RECEIVING AWARDS ADMINISTERED BY THE DEPARTMENT OF
17 TREASURY. THE AUDITS SHALL BE BASED UPON DEFINITIONS AND
18 REQUIREMENTS ESTABLISHED BY THE DEPARTMENT OF TREASURY, THE STATE
19 BUDGET DIRECTOR, AND THE SENATE AND HOUSE FISCAL AGENCIES. THE
20 AUDITOR GENERAL SHALL ACCEPT THE FREE APPLICATION FOR FEDERAL
21 STUDENT AID (FAFSA) FORM AS THE STANDARD OF RESIDENCY
22 DOCUMENTATION.

23 SEC. 254. THE SUMS APPROPRIATED IN SECTION 236 FOR THE STATE
24 COMPETITIVE SCHOLARSHIP, TUITION INCENTIVE, TUITION GRANT, AND
25 ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAMS SHALL BE PAID OUT OF THE
26 STATE TREASURY AND SHALL BE DISTRIBUTED TO THE RESPECTIVE
27 INSTITUTIONS UNDER A QUARTERLY PAYMENT SYSTEM AS FOLLOWS: 50% SHALL

1 BE PAID AT THE BEGINNING OF THE STATE'S FIRST FISCAL QUARTER AND
2 50% AT THE BEGINNING OF THE STATE'S SECOND FISCAL QUARTER.

3 SEC. 255. THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS
4 ANALYSIS CRITERIA FOR STUDENTS TO QUALIFY FOR THE STATE COMPETITIVE
5 SCHOLARSHIP PROGRAM AND TUITION GRANT PROGRAM. TO BE CONSISTENT
6 WITH FEDERAL REQUIREMENTS, STUDENT WAGES MAY BE TAKEN INTO
7 CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE AWARD.

8 SEC. 256. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE
9 TUITION INCENTIVE PROGRAM SHALL BE DISTRIBUTED AS PROVIDED IN THIS
10 SECTION AND PURSUANT TO THE ADMINISTRATIVE PROCEDURES FOR THE
11 TUITION INCENTIVE PROGRAM OF THE DEPARTMENT OF TREASURY.

12 (2) AS USED IN THIS SECTION:

13 (A) "PHASE I" MEANS THE FIRST PART OF THE TUITION INCENTIVE
14 ASSISTANCE PROGRAM DEFINED AS THE ACADEMIC PERIOD OF 80 SEMESTER OR
15 120 TERM CREDITS, OR LESS, LEADING TO AN ASSOCIATE DEGREE OR
16 CERTIFICATE.

17 (B) "PHASE II" MEANS THE SECOND PART OF THE TUITION INCENTIVE
18 ASSISTANCE PROGRAM WHICH PROVIDES ASSISTANCE IN THE THIRD AND
19 FOURTH YEAR OF 4-YEAR DEGREE PROGRAMS.

20 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

21 (3) A PERSON SHALL MEET THE FOLLOWING BASIC CRITERIA AND
22 FINANCIAL THRESHOLDS TO BE ELIGIBLE FOR TUITION INCENTIVE BENEFITS:

23 (A) TO BE ELIGIBLE FOR PHASE I, A PERSON SHALL MEET ALL OF THE
24 FOLLOWING CRITERIA:

25 (i) APPLY FOR CERTIFICATION TO THE DEPARTMENT BEFORE GRADUATING
26 FROM HIGH SCHOOL OR COMPLETING THE GENERAL EDUCATION DEVELOPMENT
27 (GED) CERTIFICATE.

1 (ii) BE LESS THAN 20 YEARS OF AGE AT THE TIME OF HIGH SCHOOL
2 GRADUATION OR GED COMPLETION.

3 (iii) BE A UNITED STATES CITIZEN AND A RESIDENT OF MICHIGAN
4 ACCORDING TO INSTITUTIONAL CRITERIA.

5 (iv) BE AT LEAST A HALF-TIME STUDENT, EARNING LESS THAN 80
6 SEMESTER OR 120 TERM CREDITS AT A PARTICIPATING EDUCATIONAL
7 INSTITUTION WITHIN 4 YEARS OF HIGH SCHOOL GRADUATION OR GED
8 CERTIFICATE COMPLETION.

9 (v) REQUEST INFORMATION ON FILING A FAFSA.

10 (B) TO BE ELIGIBLE FOR PHASE II, A PERSON SHALL MEET EITHER OF
11 THE FOLLOWING CRITERIA IN ADDITION TO THE CRITERIA IN SUBDIVISION

12 (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, A PERSON MUST NOT
18 BE INCARCERATED AND MUST BE FINANCIALLY ELIGIBLE AS DETERMINED BY
19 THE DEPARTMENT. A PERSON IS FINANCIALLY ELIGIBLE FOR THE TUITION
20 INCENTIVE PROGRAM IF THAT PERSON WAS MEDICAID ELIGIBLE FOR 24
21 MONTHS WITHIN THE 36 MONTHS BEFORE APPLICATION. CERTIFICATION OF
22 ELIGIBILITY MAY BEGIN IN THE SIXTH GRADE.

23 (4) FOR PHASE I, THE DEPARTMENT SHALL PROVIDE PAYMENT ON
24 BEHALF OF A PERSON ELIGIBLE UNDER SUBSECTION (3). THE DEPARTMENT
25 SHALL REJECT BILLINGS THAT ARE EXCESSIVE OR OUTSIDE THE GUIDELINES
26 FOR THE TYPE OF EDUCATIONAL INSTITUTION.

27 (5) FOR PHASE I, ALL OF THE FOLLOWING APPLY:

1 (A) PAYMENTS FOR ASSOCIATE DEGREE OR CERTIFICATE PROGRAMS
2 SHALL NOT BE MADE FOR MORE THAN 80 SEMESTER OR 120 TERM CREDITS FOR
3 ANY INDIVIDUAL STUDENT AT ANY PARTICIPATING INSTITUTION.

4 (B) FOR PERSONS ENROLLED AT A MICHIGAN COMMUNITY COLLEGE, THE
5 DEPARTMENT SHALL PAY THE CURRENT IN-DISTRICT TUITION AND MANDATORY
6 FEES. FOR PERSONS RESIDING IN AN AREA THAT IS NOT INCLUDED IN ANY
7 COMMUNITY COLLEGE DISTRICT, THE OUT-OF-DISTRICT TUITION RATE MAY BE
8 AUTHORIZED.

9 (C) FOR PERSONS ENROLLED AT A MICHIGAN PUBLIC UNIVERSITY, THE
10 DEPARTMENT SHALL PAY LOWER DIVISION RESIDENT TUITION AND MANDATORY
11 FEES FOR THE CURRENT YEAR.

12 (D) FOR PERSONS ENROLLED AT A MICHIGAN INDEPENDENT, NONPROFIT
13 DEGREE-GRANTING COLLEGE OR UNIVERSITY, OR A MICHIGAN FEDERAL
14 TRIBALLY CONTROLLED COMMUNITY COLLEGE, OR FOCUS: HOPE, THE
15 DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT YEAR AND A PER-
16 CREDIT PAYMENT THAT DOES NOT EXCEED THE AVERAGE COMMUNITY COLLEGE
17 IN-DISTRICT PER-CREDIT TUITION RATE AS REPORTED ON AUGUST 1, FOR
18 THE IMMEDIATELY PRECEDING ACADEMIC YEAR.

19 (6) A PERSON PARTICIPATING IN PHASE II MAY BE ELIGIBLE FOR
20 ADDITIONAL FUNDS NOT TO EXCEED \$500.00 PER SEMESTER OR \$400.00 PER
21 TERM UP TO A MAXIMUM OF \$2,000.00 SUBJECT TO THE FOLLOWING
22 CONDITIONS:

23 (A) CREDITS ARE EARNED IN A 4-YEAR PROGRAM AT A MICHIGAN
24 DEGREE-GRANTING 4-YEAR COLLEGE OR UNIVERSITY.

25 (B) THE TUITION REIMBURSEMENT IS FOR COURSEWORK COMPLETED
26 WITHIN 30 MONTHS OF COMPLETION OF THE PHASE I REQUIREMENTS.

27 (7) THE DEPARTMENT SHALL WORK CLOSELY WITH PARTICIPATING

1 INSTITUTIONS TO DEVELOP AN APPLICATION AND ELIGIBILITY
2 DETERMINATION PROCESS THAT WILL PROVIDE THE HIGHEST LEVEL OF
3 PARTICIPATION AND ENSURE THAT ALL REQUIREMENTS OF THE PROGRAM ARE
4 MET.

5 (8) APPLICATIONS FOR THE TUITION INCENTIVE PROGRAM MAY BE
6 APPROVED AT ANY TIME AFTER THE STUDENT BEGINS THE SIXTH GRADE. IF A
7 DETERMINATION OF FINANCIAL ELIGIBILITY IS MADE, THAT DETERMINATION
8 IS VALID AS LONG AS THE STUDENT MEETS ALL OTHER PROGRAM
9 REQUIREMENTS AND CONDITIONS.

10 (9) EACH INSTITUTION SHALL ENSURE THAT ALL KNOWN AVAILABLE
11 RESTRICTED GRANTS FOR TUITION AND FEES ARE USED PRIOR TO BILLING
12 THE TUITION INCENTIVE PROGRAM FOR ANY PORTION OF A STUDENT'S
13 TUITION AND FEES.

14 (10) THE DEPARTMENT SHALL ENSURE THAT THE TUITION INCENTIVE
15 PROGRAM IS WELL PUBLICIZED AND THAT ELIGIBLE MEDICAID CLIENTS ARE
16 PROVIDED INFORMATION ON THE PROGRAM. THE DEPARTMENT SHALL PROVIDE
17 THE NECESSARY FUNDING AND STAFF TO FULLY OPERATE THE PROGRAM.

18 SEC. 257. TO ENABLE THE LEGISLATURE AND THE STATE BUDGET
19 DIRECTOR TO EVALUATE THE APPROPRIATION NEEDS OF HIGHER EDUCATION,
20 EACH INDEPENDENT COLLEGE AND UNIVERSITY SHALL MAKE AVAILABLE TO THE
21 LEGISLATURE OR STATE BUDGET DIRECTOR, UPON REQUEST, DATA REGARDING
22 GRANTS FOR THE PRECEDING, CURRENT, AND ENSUING FISCAL YEARS.

23 SEC. 258. BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF
24 TREASURY SHALL SUBMIT A REPORT 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 ON ALL STUDENT FINANCIAL AID PROGRAMS FOR WHICH FUNDS ARE

1 APPROPRIATED IN SECTION 236. FOR EACH STUDENT FINANCIAL AID
2 PROGRAM, THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE TOTAL
3 NUMBER OF AWARDS PAID IN THE PRECEDING FISCAL YEAR, THE TOTAL
4 DOLLAR AMOUNT OF THOSE AWARDS, AND THE NUMBER OF STUDENTS RECEIVING
5 AWARDS AND THE TOTAL AMOUNT OF THOSE AWARDS AT EACH ELIGIBLE
6 POSTSECONDARY INSTITUTION. TO THE EXTENT INFORMATION IS AVAILABLE,
7 THE REPORT SHALL ALSO INCLUDE INFORMATION ON THE AVERAGE EXAM
8 PERFORMANCE, HOUSEHOLD INCOME, AND OTHER DEMOGRAPHIC
9 CHARACTERISTICS OF STUDENTS RECEIVING AWARDS UNDER EACH PROGRAM AND
10 HISTORICAL INFORMATION ON THE NUMBER OF AWARDS AND TOTAL AWARD
11 AMOUNTS FOR EACH PROGRAM.

12 SEC. 261. THE UNIVERSITY OF MICHIGAN BIOLOGICAL STATION AT
13 DOUGLAS LAKE IN CHEBOYGAN COUNTY IS REGARDED AS A UNIQUE RESOURCE
14 AND IS DESIGNATED AS A SPECIAL RESEARCH RESERVE. IT IS THE INTENT
15 OF THE LEGISLATURE TO PROTECT AND PRESERVE THE UNIQUE LONG-TERM
16 RESEARCH VALUE AND CAPABILITIES OF THE BIOLOGICAL STATION AREA AND
17 DOUGLAS LAKE. THE LEGISLATURE FURTHER INTENDS THAT NO STATE
18 PROGRAMS OR POLICIES BE DEVELOPED THAT WOULD HAVE A DELETERIOUS
19 IMPACT ON THE RESEARCH VALUE OF DOUGLAS LAKE.

20 SEC. 262. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH
21 PUBLIC UNIVERSITY SHALL DEVELOP POLICIES FOR MINIMIZING THE COST OF
22 TEXTBOOKS AND COURSE MATERIALS USED AT THE UNIVERSITY WHILE
23 MAINTAINING QUALITY OF EDUCATION AND ACADEMIC FREEDOM. THESE
24 POLICIES SHOULD REQUIRE ALL OF THE FOLLOWING:

25 (A) THAT FACULTY MEMBERS SUBMIT LISTS OF REQUIRED TEXTBOOKS
26 AND COURSE MATERIALS FOR UNIVERSITY REVIEW.

27 (B) THAT FACULTY MEMBERS CONSIDER THE LEAST COSTLY PRACTICES

1 IN ASSIGNING TEXTBOOKS AND COURSE MATERIALS, SUCH AS ADOPTING THE
2 LEAST EXPENSIVE EDITION OF A TEXTBOOK AVAILABLE WHEN EDUCATIONAL
3 CONTENT IS COMPARABLE TO A MORE COSTLY EDITION.

4 (C) THAT THE UNIVERSITY REVIEW ANY POTENTIAL FINANCIAL
5 CONFLICT OF INTEREST THAT MAY OCCUR IF A FACULTY MEMBER REQUIRES
6 THE PURCHASE OF ANY TEXTBOOKS OR COURSE MATERIALS HE OR SHE HAS
7 WRITTEN.

8 (2) BY FEBRUARY 1, 2012, EACH PUBLIC UNIVERSITY SHALL SUBMIT A
9 REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON
10 HIGHER EDUCATION AND THE HOUSE AND SENATE FISCAL AGENCIES ON THE
11 POLICIES DEVELOPED PURSUANT TO THIS SECTION.

12 SEC. 263. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR
13 AGRICULTURAL EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES IS
14 \$5,628,100.00 FOR PROJECT GREEN. PROJECT GREEN IS INTENDED TO
15 ADDRESS CRITICAL REGULATORY, FOOD SAFETY, ECONOMIC, AND
16 ENVIRONMENTAL PROBLEMS FACED BY THIS STATE'S PLANT-BASED
17 AGRICULTURE, FORESTRY, AND PROCESSING INDUSTRIES. "GREEN" IS AN
18 ACRONYM FOR GENERATING RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL
19 AND ECONOMIC NEEDS.

20 (2) THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND
21 MICHIGAN STATE UNIVERSITY, IN CONSULTATION WITH AGRICULTURAL
22 COMMODITY GROUPS AND OTHER INTERESTED PARTIES, SHALL DEVELOP
23 PROJECT GREEN AND ITS PROGRAM PRIORITIES.

24 (3) BY SEPTEMBER 30, 2012, MICHIGAN STATE UNIVERSITY SHALL
25 SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
26 SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE HOUSE AND
27 SENATE STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE

1 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR FOR THE PRECEDING
2 SCHOOL FISCAL YEAR REGARDING EXPENDITURES AND PROGRAMMATIC OUTCOMES
3 OF THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE EXTENSION
4 SERVICE. THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO:

5 (A) TOTAL FUNDS EXPENDED BY THE AGRICULTURAL EXPERIMENT
6 STATION AND COOPERATIVE EXTENSION SERVICE IDENTIFIED BY STATE,
7 LOCAL, PRIVATE, FEDERAL, AND UNIVERSITY FUND SOURCES.

8 (B) THE DOLLAR AMOUNT OF EACH PROJECT GREENE PROJECT AND A
9 REVIEW OF EACH PROJECT'S PERFORMANCE AND ACCOMPLISHMENTS.

10 (C) THE DOLLAR AMOUNT OF EACH BIOECONOMY RESEARCH AND
11 DEVELOPMENT PROJECT AND A REVIEW OF EACH PROJECT'S PERFORMANCE AND
12 ACCOMPLISHMENTS.

13 (D) THE DOLLAR AMOUNT AND DESCRIPTION OF ALL OTHER INDIVIDUAL
14 PROGRAMS AND SERVICES PROVIDED BY THE AGRICULTURAL EXPERIMENT
15 STATION AND COOPERATIVE EXTENSION SERVICE AND A REVIEW OF EACH
16 PROJECT'S PERFORMANCE AND ACCOMPLISHMENTS.

17 (E) THE NUMBER OF BUSINESSES CREATED OR THAT HAD INCREASED
18 EMPLOYMENT AND THE NUMBER OF PATENTS GENERATED AS A RESULT OF WORK
19 CONDUCTED BY THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE
20 EXTENSION SERVICE.

21 SEC. 263A. (1) ANNUALLY, IN PARTNERSHIP WITH STAKEHOLDERS OF
22 THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE EXTENSION
23 SERVICE, MICHIGAN STATE UNIVERSITY SHALL DEVELOP A SET OF RESEARCH
24 AND EXTENSION PRIORITIES. AS A PART OF THIS EFFORT, MICHIGAN STATE
25 UNIVERSITY AND THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT,
26 IN PARTNERSHIP WITH THE AGRICULTURE INDUSTRY, SHALL CONVENE A
27 SUMMIT TO SET PRIORITIES FOR RESEARCH AND EXTENSION REGARDING

1 PRODUCTION AGRICULTURE.

2 (2) NOT LATER THAN SEPTEMBER 30, 2012, MICHIGAN STATE
3 UNIVERSITY SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE
4 APPROPRIATIONS SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER
5 EDUCATION, THE HOUSE AND SENATE STANDING COMMITTEES ON AGRICULTURE,
6 THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
7 FOR THE PRECEDING SCHOOL FISCAL YEAR DETAILING, BUT NOT LIMITED TO:

8 (A) TOTAL FUNDS EXPENDED BY THE AGRICULTURAL EXPERIMENT
9 STATION AND BY THE COOPERATIVE EXTENSION SERVICE IDENTIFIED BY
10 STATE, LOCAL, PRIVATE, FEDERAL, AND UNIVERSITY FUND SOURCES.

11 (B) A REVIEW OF MAJOR PROGRAMS WITHIN BOTH THE AGRICULTURAL
12 EXPERIMENT STATION AND THE COOPERATIVE EXTENSION SERVICE WITH
13 SPECIFIC REFERENCE TO ACCOMPLISHMENTS AND IMPACTS.

14 SEC. 264. INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR
15 MICHIGAN STATE UNIVERSITY IS \$80,000.00 FOR THE MICHIGAN FUTURE
16 FARMERS OF AMERICA ASSOCIATION. THIS \$80,000.00 APPROPRIATION SHALL
17 NOT SUPPLANT ANY EXISTING SUPPORT THAT MICHIGAN STATE UNIVERSITY
18 PROVIDES TO THE MICHIGAN FUTURE FARMERS OF AMERICA ASSOCIATION.

19 SEC. 265. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR
20 PUBLIC UNIVERSITY TUITION RESTRAINT INCENTIVES SHALL ONLY BE PAID
21 TO A PUBLIC UNIVERSITY THAT CERTIFIES TO THE STATE BUDGET DIRECTOR
22 BY AUGUST 31, 2011 THAT ITS BOARD DID NOT ADOPT AN INCREASE IN
23 TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS AFTER
24 FEBRUARY 1, 2011 FOR THE 2010-2011 ACADEMIC YEAR AND THAT ITS BOARD
25 WILL NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT
26 UNDERGRADUATE STUDENTS FOR THE 2011-2012 ACADEMIC YEAR THAT IS
27 GREATER THAN THE CALCULATED AVERAGE OF ANNUAL STATEWIDE CHANGES IN

1 TUITION AND FEE RATES FOR ACADEMIC YEARS 2006-2007 THROUGH 2010-
2 2011, AS DETERMINED BY THE STATE BUDGET DIRECTOR. AS USED IN THIS
3 SUBSECTION:

4 (A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY
5 MORE THAN 1/2 OF ALL RESIDENT UNDERGRADUATE STUDENTS AT LEAST ONCE
6 DURING THEIR ENROLLMENT AT A PUBLIC UNIVERSITY. A UNIVERSITY
7 INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF STUDENTS OR
8 COURSES SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE
9 INCREASE APPLIED TO THAT SUBSET WILL NOT CAUSE THE INCREASE IN THE
10 AVERAGE AMOUNT OF BOARD-AUTHORIZED TOTAL TUITION AND FEES PAID BY
11 RESIDENT UNDERGRADUATE STUDENTS IN THE 2011-2012 ACADEMIC YEAR TO
12 EXCEED THE LIMIT ESTABLISHED IN THIS SUBSECTION.

13 (B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF RATES FOR ALL
14 UNDERGRADUATE CLASSES, BASED ON THE HIGHEST BOARD-AUTHORIZED RATE
15 FOR ANY SEMESTER DURING THE ACADEMIC YEAR.

16 (2) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM
17 REPORTING REQUIREMENTS TO ENSURE THAT A PUBLIC UNIVERSITY RECEIVING
18 AN APPROPRIATION UNDER SECTION 236 HAS SATISFIED THE TUITION
19 RESTRAINT REQUIREMENTS OF THIS SECTION. THE STATE BUDGET DIRECTOR
20 SHALL HAVE THE SOLE AUTHORITY TO DETERMINE IF A PUBLIC UNIVERSITY
21 HAS MET THE REQUIREMENTS OF THIS SECTION. INFORMATION REPORTED BY A
22 PUBLIC UNIVERSITY TO THE STATE BUDGET DIRECTOR UNDER THIS
23 SUBSECTION SHALL ALSO BE REPORTED TO THE HOUSE AND SENATE
24 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION AND THE HOUSE AND
25 SENATE FISCAL AGENCIES.

26 (3) IN CONJUNCTION WITH THE UNIFORM REPORTING REQUIREMENTS
27 ESTABLISHED UNDER SUBSECTION (2), EACH PUBLIC UNIVERSITY SHALL ALSO

1 REPORT THE FOLLOWING INFORMATION TO THE HOUSE AND SENATE
2 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND
3 SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY AUGUST 31,
4 2011:

5 (A) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
6 2011-2012 TOTAL GENERAL FUND TUITION AND FEE REVENUE.

7 (B) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
8 2011-2012 TOTAL GENERAL FUND REVENUE.

9 (C) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
10 2011-2012 GENERAL FUND EXPENDITURES FOR STUDENT FINANCIAL AID.

11 (D) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
12 2011-2012 TOTAL GENERAL FUND EXPENDITURES.

13 (E) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR
14 2011-2012 TOTAL FISCAL YEAR EQUATED STUDENT ENROLLMENT.

15 SEC. 266. IT IS THE INTENT OF THE LEGISLATURE THAT, IN
16 SUBSEQUENT BUDGET YEARS, PUBLIC UNIVERSITY OPERATIONS FUNDING
17 APPROPRIATED BY THE LEGISLATURE SHALL BE ALLOCATED TO EACH
18 UNIVERSITY USING A FORMULA DEVELOPED AND ENACTED BY THE
19 LEGISLATURE. SUCH A FORMULA SHALL INCENT UNIVERSITIES TO PROVIDE,
20 IN A COST-EFFECTIVE AND TIMELY MANNER, POSTSECONDARY OPPORTUNITIES
21 FOR STUDENTS THAT ARE BOTH ACCESSIBLE AND AFFORDABLE AND THAT
22 RESULT IN A HIGHLY SKILLED WORKFORCE.

23 SEC. 267. ALL PUBLIC UNIVERSITIES SHALL SUBMIT THE AMOUNT OF
24 TUITION AND FEES ACTUALLY CHARGED TO A FULL-TIME RESIDENT
25 UNDERGRADUATE STUDENT FOR ACADEMIC YEAR 2011-2012 AS PART OF THEIR
26 HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA BY
27 AUGUST 31, 2011. A PUBLIC UNIVERSITY SHALL REPORT ANY REVISIONS FOR

1 ANY SEMESTER OF THE REPORTED ACADEMIC YEAR 2011-2012 TUITION AND
2 FEE CHARGES TO HEIDI WITHIN 15 DAYS OF BEING ADOPTED.

3 SEC. 268. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, IT IS
4 THE INTENT OF THE LEGISLATURE THAT FUNDS BE ALLOCATED FOR UNFUNDED
5 NORTH AMERICAN INDIAN TUITION WAIVER COSTS INCURRED BY PUBLIC
6 UNIVERSITIES UNDER 1976 PA 174, MCL 390.1251 TO 390.1253, FROM THE
7 GENERAL FUND.

8 SEC. 269. FROM THE AMOUNT APPROPRIATED IN SECTION 236 TO
9 CENTRAL MICHIGAN UNIVERSITY FOR OPERATIONS, \$29,700.00 SHALL BE
10 PAID TO SAGINAW CHIPPEWA TRIBAL COLLEGE FOR THE COSTS OF WAIVING
11 TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251
12 TO 390.1253.

13 SEC. 270. FROM THE AMOUNT APPROPRIATED IN SECTION 236 TO LAKE
14 SUPERIOR STATE UNIVERSITY FOR OPERATIONS, \$100,000.00 SHALL BE PAID
15 TO BAY MILLS COMMUNITY COLLEGE FOR THE COSTS OF WAIVING TUITION FOR
16 NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.

17 SEC. 270A. PUBLIC UNIVERSITIES SHALL COORDINATE THEIR
18 PURCHASES OF GOODS AND SERVICES WHENEVER POSSIBLE. THIS MAY
19 INCLUDE, BUT IS NOT LIMITED TO, GROUP PURCHASES FOR VEHICLES,
20 UTILITIES, SUPPLIES, ELECTRONIC EQUIPMENT, MAINTENANCE EQUIPMENT,
21 BOOKS, AND CONTRACTUAL SERVICES. TO THE EXTENT POSSIBLE, THE PUBLIC
22 UNIVERSITIES SHALL USE BOTH THE "MICHIGAN DELIVERING EXTENDED
23 AGREEMENTS LOCALLY" (MIDEAL) PURCHASING SERVICES OF THE STATE
24 DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET THAT MAKES STATE
25 CONTRACTS AVAILABLE TO LOCAL UNITS OF GOVERNMENT, COLLEGES, AND
26 UNIVERSITIES AND THE PURCHASING SERVICES AVAILABLE THROUGH THE
27 STATE'S MEMBERSHIP IN THE MIDWESTERN HIGHER EDUCATION COMPACT

1 (MHEC) . NOT LATER THAN JANUARY 1 OF EACH YEAR, THE PRESIDENTS
2 COUNCIL, STATE UNIVERSITIES OF MICHIGAN SHALL SUBMIT TO THE MEMBERS
3 OF THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER
4 EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
5 BUDGET DIRECTOR A REPORT ON GROUP OR POOLED PURCHASES AND THE
6 SAVINGS ACHIEVED BY THE PUBLIC UNIVERSITIES IN THE PREVIOUS FISCAL
7 YEAR.

8 SEC. 271. BY FEBRUARY 15, 2012, EACH PUBLIC UNIVERSITY
9 RECEIVING FUNDS IN SECTION 236 SHALL SUBMIT A REPORT TO THE HOUSE
10 AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
11 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
12 REGARDING ACADEMIC PROGRAM ACCREDITATION. THE REPORT SHALL INCLUDE
13 A LIST OF ALL INDIVIDUALLY ACCREDITED ACADEMIC PROGRAMS AT THE
14 UNIVERSITY, THE ASSOCIATED ACCREDITING BODIES, AND THE TIME PERIODS
15 FOR WHICH EACH ACCREDITATION IS VALID, AS WELL AS AN ACCOUNTING OF
16 ALL FEES, DUES, AND OTHER DIRECT EXPENDITURES MADE BY THE
17 UNIVERSITY FOR EACH PROGRAM ACCREDITATION PROCESS CONDUCTED IN THE
18 PRIOR YEAR. EXPENDITURE DATA MAY BE REPORTED ON EITHER A CALENDAR
19 YEAR OR FISCAL YEAR BASIS.

20 SEC. 272. BY FEBRUARY 15, 2012, EACH PUBLIC UNIVERSITY
21 RECEIVING FUNDS UNDER SECTION 236 SHALL SUBMIT A REPORT TO THE
22 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
23 THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR
24 REGARDING THE REJECTION OF TRANSFER CREDITS BY THE UNIVERSITY IN
25 THE PRIOR YEAR. THE REPORT SHALL INCLUDE INFORMATION ON THE NUMBER
26 OF CREDITS EARNED BY INCOMING STUDENTS AT OTHER POSTSECONDARY
27 INSTITUTIONS, WITH THE EQUIVALENT OF A LETTER GRADE OF C OR HIGHER,

1 THAT WERE REJECTED BY THE UNIVERSITY FOR TRANSFER, REPORTED BY BOTH
2 ACADEMIC PROGRAM AREA AND PRIOR INSTITUTION, ALONG WITH EXPLANATORY
3 INFORMATION REGARDING THE RATIONALE FOR THE REJECTION OF THE
4 CREDITS. DATA MAY BE REPORTED ON EITHER AN ACADEMIC OR CALENDAR
5 YEAR BASIS.

6 SEC. 273. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC
7 UNIVERSITY SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE
8 APPROPRIATIONS COMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES,
9 AND THE STATE BUDGET DIRECTOR BY OCTOBER 15, 2011, ON THE
10 UNIVERSITY'S EFFORTS TO ACCOMMODATE THE SINCERELY HELD RELIGIOUS
11 BELIEFS OF STUDENTS ENROLLED IN ACCREDITED COUNSELING DEGREE
12 PROGRAMS AT THE UNIVERSITY.

13 SEC. 274. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC
14 UNIVERSITY THAT HAS RECEIVED A DONATION OF HUMAN EMBRYOS THAT IS
15 SUBJECT TO SECTION 27 OF ARTICLE I OF THE STATE CONSTITUTION OF
16 1963, OR THAT IS CONDUCTING ONGOING RESEARCH USING HUMAN EMBRYONIC
17 STEM CELLS DERIVED FROM DONATED HUMAN EMBRYOS PURSUANT TO SECTION
18 27 OF ARTICLE I OF THE STATE CONSTITUTION OF 1963, SHALL SUBMIT A
19 REPORT TO THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY HEALTH BY
20 DECEMBER 1, 2011 THAT INCLUDES ALL OF THE FOLLOWING:

21 (A) THE NUMBER OF HUMAN EMBRYOS AND THE NUMBER OF HUMAN EMBRYO
22 STEM CELL LINES RECEIVED BY THE UNIVERSITY DURING FISCAL YEAR 2010-
23 2011.

24 (B) THE NUMBER OF HUMAN EMBRYOS UTILIZED FOR RESEARCH PURPOSES
25 DURING FISCAL YEAR 2010-2011.

26 (C) THE NUMBER OF HUMAN EMBRYO STEM CELL LINES CREATED FROM
27 THE EMBRYOS RECEIVED DURING FISCAL YEAR 2010-2011.

1 (D) THE NUMBER OF DONATED HUMAN EMBRYOS BEING HELD IN STORAGE
2 BY THE UNIVERSITY AS OF SEPTEMBER 30, 2011.

3 (E) THE NUMBER OF RESEARCH PROJECTS USING HUMAN EMBRYONIC STEM
4 CELLS DERIVED FROM DONATED EMBRYOS BEING CONDUCTED BY THE
5 UNIVERSITY.

6 SEC. 274A. (1) IT IS THE INTENT OF THE LEGISLATURE THAT A
7 PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 NOT PROVIDE HEALTH
8 INSURANCE OR OTHER FRINGE BENEFITS FOR ANY ADULT CORESIDENT OF AN
9 EMPLOYEE OF THE UNIVERSITY WHO IS NOT MARRIED TO OR A DEPENDENT OF
10 THAT EMPLOYEE OR FOR ANY DEPENDENT OF SUCH AN ADULT CORESIDENT.

11 (2) IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC
12 UNIVERSITY RECEIVING FUNDS IN SECTION 236 SUBMIT A REPORT BY
13 DECEMBER 1, 2011 TO THE HOUSE AND SENATE APPROPRIATIONS
14 SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL
15 AGENCIES, AND THE STATE BUDGET DIRECTOR CONTAINING THE NUMBER OF
16 INDIVIDUALS DESCRIBED IN SUBSECTION (1) WHO RECEIVED HEALTH
17 INSURANCE OR OTHER FRINGE BENEFITS PROVIDED BY THE UNIVERSITY IN
18 FISCAL YEAR 2010-2011 AND THE COST TO THE UNIVERSITY OF PROVIDING
19 THOSE BENEFITS.

20 SEC. 275. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH
21 PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION IN SECTION 236 DO ALL
22 OF THE FOLLOWING:

23 (A) MEET THE PROVISIONS OF SECTION 5003 OF THE POST-911
24 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW
25 110-252, 38 USC 3301 TO 3324, INCLUDING VOLUNTARY PARTICIPATION IN
26 THE YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM ESTABLISHED IN
27 THAT ACT IN 38 USC 3317. BY OCTOBER 1 OF EACH YEAR, EACH PUBLIC

1 UNIVERSITY SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
2 SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL
3 AGENCIES, AND THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF
4 MICHIGAN ON WHETHER OR NOT IT HAS CHOSEN TO PARTICIPATE IN THE
5 YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM. IF AT ANY TIME
6 DURING THE FISCAL YEAR A UNIVERSITY PARTICIPATING IN THE YELLOW
7 RIBBON PROGRAM CHOOSES TO LEAVE THE YELLOW RIBBON PROGRAM, IT SHALL
8 NOTIFY THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER
9 EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE PRESIDENTS
10 COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

11 (B) ESTABLISH AN ON-CAMPUS VETERANS' LIAISON TO PROVIDE
12 INFORMATION AND ASSISTANCE TO ALL STUDENT VETERANS.

13 (C) PROVIDE FLEXIBLE ENROLLMENT APPLICATION DEADLINES FOR ALL
14 VETERANS.

15 (D) INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC
16 QUESTION AS TO WHETHER AN APPLICANT FOR ADMISSION IS A VETERAN, AN
17 ACTIVE MEMBER OF THE MILITARY, A MEMBER OF THE NATIONAL GUARD OR
18 MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A VETERAN, ACTIVE
19 MEMBER OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY
20 RESERVES, IN ORDER TO MORE QUICKLY IDENTIFY POTENTIAL EDUCATIONAL
21 ASSISTANCE AVAILABLE TO THAT APPLICANT.

22 (2) AS USED IN THIS SECTION, "VETERAN" MEANS AN HONORABLY
23 DISCHARGED VETERAN ENTITLED TO EDUCATIONAL ASSISTANCE UNDER THE
24 PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS EDUCATIONAL
25 ASSISTANCE ACT OF 2008, TITLE V OF PUBLIC LAW 110-252, 38 USC 3301
26 TO 3324.

27 SEC. 275A. FUNDS APPROPRIATED IN SECTION 236 SHALL NOT BE USED

1 TO PAY FOR THE CONSTRUCTION OR MAINTENANCE OF A SELF-LIQUIDATING
2 PROJECT. A PUBLIC UNIVERSITY SHALL COMPLY WITH THE CURRENT USE AND
3 FINANCE REQUIREMENTS OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE
4 (JCOS) FOR ANY CONSTRUCTION, RENOVATION, OR OTHER CAPITAL OUTLAY
5 PROJECTS PURSUANT TO JCOS POLICY. THE APPROPRIATION IN SECTION 236
6 FOR A PUBLIC UNIVERSITY THAT FAILS TO COMPLY WITH JCOS REPORTING
7 REQUIREMENTS SHALL BE REDUCED BY 1% FOR EACH VIOLATION.

8 SEC. 276. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC
9 UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
10 JR. - CESAR CHAVEZ - ROSA PARKS FUTURE FACULTY PROGRAM THAT IS
11 INTENDED TO INCREASE THE POOL OF ACADEMICALLY OR ECONOMICALLY
12 DISADVANTAGED CANDIDATES PURSUING FACULTY TEACHING CAREERS IN
13 POSTSECONDARY EDUCATION. PREFERENCE MAY NOT BE GIVEN TO APPLICANTS
14 ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
15 INSTITUTIONS SHOULD ENCOURAGE APPLICATIONS FROM APPLICANTS WHO
16 WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE GRADUATE
17 STUDENT AND FACULTY POPULATIONS. EACH PUBLIC UNIVERSITY SHALL APPLY
18 THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE
19 CALCULATION OF APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS
20 ALLOCATED TO THE FUTURE FACULTY PROGRAM.

21 (2) THE PROGRAM SHALL BE ADMINISTERED BY EACH PUBLIC
22 UNIVERSITY IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT
23 AGENCY. THE WORKFORCE DEVELOPMENT AGENCY SHALL USE A GOOD FAITH
24 EFFORT STANDARD TO EVALUATE WHETHER A FELLOWSHIP IS IN DEFAULT.

25 SEC. 277. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC
26 UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
27 JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE DAY PROGRAM THAT IS

1 INTENDED TO INTRODUCE ACADEMICALLY OR ECONOMICALLY DISADVANTAGED
2 SCHOOLCHILDREN TO THE POTENTIAL OF A COLLEGE EDUCATION. PREFERENCE
3 MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR,
4 ETHNICITY, GENDER, OR NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD
5 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
6 ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

7 (2) INDIVIDUAL PROGRAM PLANS OF EACH PUBLIC UNIVERSITY SHALL
8 INCLUDE A BUDGET OF EQUAL CONTRIBUTIONS FROM THIS PROGRAM, THE
9 PARTICIPATING PUBLIC UNIVERSITY, THE PARTICIPATING SCHOOL DISTRICT,
10 AND THE PARTICIPATING INDEPENDENT DEGREE-GRANTING COLLEGE. COLLEGE
11 DAY FUNDS SHALL NOT BE EXPENDED TO COVER INDIRECT COSTS. NOT MORE
12 THAN 20% OF THE UNIVERSITY MATCH SHALL BE ATTRIBUTABLE TO INDIRECT
13 COSTS. EACH PUBLIC UNIVERSITY SHALL APPLY THE PERCENTAGE CHANGE
14 APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF
15 APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS ALLOCATED TO
16 THE COLLEGE DAY PROGRAM.

17 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
18 ADMINISTERED BY EACH PUBLIC UNIVERSITY IN A MANNER PRESCRIBED BY
19 THE WORKFORCE DEVELOPMENT AGENCY.

20 SEC. 278. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE
21 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS SELECT STUDENT
22 SUPPORT SERVICES PROGRAM FOR DEVELOPING ACADEMICALLY OR
23 ECONOMICALLY DISADVANTAGED STUDENT RETENTION PROGRAMS FOR 4-YEAR
24 PUBLIC AND INDEPENDENT EDUCATIONAL INSTITUTIONS IN THIS STATE.
25 PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE,
26 COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD
27 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT

1 ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.

2 (2) AN AWARD MADE UNDER THIS PROGRAM TO ANY 1 INSTITUTION
3 SHALL NOT BE GREATER THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL
4 BE MATCHED ON A 70% 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. 279. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE
8 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS
9 COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM BETWEEN 4-YEAR PUBLIC AND
10 INDEPENDENT COLLEGES AND UNIVERSITIES AND PUBLIC COMMUNITY
11 COLLEGES, WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY
12 OR ECONOMICALLY DISADVANTAGED STUDENTS WHO TRANSFER FROM COMMUNITY
13 COLLEGES INTO BACCALAUREATE PROGRAMS. PREFERENCE MAY NOT BE GIVEN
14 TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR
15 NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM
16 THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE
17 TRANSFER STUDENT POPULATION.

18 (2) THE GRANTS SHALL BE MADE UNDER THE PROGRAM DESCRIBED IN
19 THIS SECTION TO MICHIGAN PUBLIC AND INDEPENDENT COLLEGES AND
20 UNIVERSITIES. AN AWARD TO ANY 1 INSTITUTION SHALL NOT BE GREATER
21 THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70%
22 STATE, 30% COLLEGE OR UNIVERSITY BASIS.

23 (3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
24 ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.

25 SEC. 280. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC
26 UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING,
27 JR. - CESAR CHAVEZ - ROSA PARKS VISITING PROFESSORS PROGRAM WHICH

1 IS INTENDED TO INCREASE THE NUMBER OF INSTRUCTORS IN THE CLASSROOM
2 TO PROVIDE ROLE MODELS FOR ACADEMICALLY OR ECONOMICALLY
3 DISADVANTAGED STUDENTS. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS
4 ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN.
5 PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO
6 WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT
7 POPULATION.

8 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
9 ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.

10 SEC. 281. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 IS
11 FUNDING UNDER THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA
12 PARKS INITIATIVE FOR THE MORRIS HOOD, JR. EDUCATOR DEVELOPMENT
13 PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR
14 ECONOMICALLY DISADVANTAGED STUDENTS WHO ENROLL IN AND COMPLETE K-12
15 TEACHER EDUCATION PROGRAMS AT THE BACCALAUREATE LEVEL. PREFERENCE
16 MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR,
17 ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD
18 ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT
19 ADEQUATELY BE REPRESENTED IN THE TEACHER EDUCATION STUDENT
20 POPULATION.

21 (2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE
22 ADMINISTERED BY EACH STATE-APPROVED TEACHER EDUCATION INSTITUTION
23 IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY.

24 (3) APPROVED TEACHER EDUCATION INSTITUTIONS MAY AND ARE
25 ENCOURAGED TO USE STUDENT SUPPORT SERVICES FUNDING IN COORDINATION
26 WITH THE MORRIS HOOD, JR. FUNDING TO ACHIEVE THE GOALS OF THE
27 PROGRAM DESCRIBED IN THIS SECTION.

1 SEC. 282. EACH INSTITUTION RECEIVING FUNDS UNDER SECTION 278,
2 279, OR 281 SHALL NOTIFY THE WORKFORCE DEVELOPMENT AGENCY BY APRIL
3 15, 2012 AS TO WHETHER IT WILL EXPEND BY THE END OF ITS FISCAL YEAR
4 THE FUNDS RECEIVED UNDER SECTION 278, 279, OR 281. NOTWITHSTANDING
5 THE AWARD LIMITATIONS IN SECTIONS 278 AND 279, THE AMOUNT OF
6 FUNDING REPORTED AS NOT BEING EXPENDED WILL BE REALLOCATED TO THE
7 INSTITUTIONS THAT INTEND TO EXPEND ALL FUNDING RECEIVED UNDER
8 SECTION 278, 279, OR 281.

9 SEC. 283. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE
10 PUBLIC UNIVERSITIES SHALL SYSTEMATICALLY INFORM MICHIGAN HIGH
11 SCHOOLS REGARDING THE ACADEMIC STATUS OF STUDENTS FROM EACH HIGH
12 SCHOOL IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE
13 UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN
14 ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.

15 (2) THE MICHIGAN HIGH SCHOOLS SHALL SYSTEMATICALLY INFORM THE
16 PUBLIC UNIVERSITIES ABOUT THE USE OF INFORMATION RECEIVED UNDER
17 THIS SECTION IN A MANNER PRESCRIBED BY THE MICHIGAN ASSOCIATION OF
18 SECONDARY SCHOOL PRINCIPALS IN COOPERATION WITH THE PRESIDENTS
19 COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

20 SEC. 284. FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE
21 PUBLIC UNIVERSITIES SHALL INFORM MICHIGAN COMMUNITY COLLEGES
22 REGARDING THE ACADEMIC STATUS OF COMMUNITY COLLEGE TRANSFER
23 STUDENTS IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE
24 UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN COMMUNITY
25 COLLEGE ASSOCIATION.

26 SEC. 285. PUBLIC UNIVERSITIES SHALL WORK WITH THE STATE
27 COMMUNITY COLLEGES TO ENCOURAGE THE TRANSFER OF STUDENTS FROM THE

1 COMMUNITY COLLEGES TO THE PUBLIC UNIVERSITIES AND TO FACILITATE THE
2 TRANSFER OF CREDITS FROM THE COMMUNITY COLLEGES TO THE PUBLIC
3 UNIVERSITIES.

4 SEC. 286. IT IS THE INTENT OF THE LEGISLATURE THAT PUBLIC
5 UNIVERSITIES WORK WITH COMMUNITY COLLEGES IN THE STATE TO IMPLEMENT
6 STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
7 STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF
8 THE NECESSARY CREDITS. IN DOING SO, THE INSTITUTIONS SHOULD WORK
9 COLLABORATIVELY AND COOPERATIVELY TO REMOVE ADMINISTRATIVE BARRIERS
10 THAT RESULT IN UNDERSTATING THE ACADEMIC ATTAINMENT OF MICHIGAN'S
11 CITIZENS. IT IS THE INTENT OF THE LEGISLATURE THAT BY AUGUST 1,
12 2012, STATEWIDE AGREEMENTS ARE IN PLACE BETWEEN COMMUNITY COLLEGES
13 AND PUBLIC UNIVERSITIES THAT ENABLE STUDENTS WHO HAVE EARNED A
14 SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER
15 TO A BACCALAUREATE GRANTING INSTITUTION BEFORE COMPLETING A DEGREE
16 TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION
17 BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL
18 OF VALUE.

19 SEC. 289. (1) THE AUDITOR GENERAL SHALL REVIEW HIGHER
20 EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) ENROLLMENT DATA
21 SUBMITTED BY ALL PUBLIC UNIVERSITIES AND MAY PERFORM AUDITS OF
22 SELECTED PUBLIC UNIVERSITIES IF DETERMINED NECESSARY. THE REVIEW
23 AND AUDITS SHALL BE BASED UPON THE DEFINITIONS, REQUIREMENTS, AND
24 UNIFORM REPORTING CATEGORIES ESTABLISHED BY THE STATE BUDGET
25 DIRECTOR IN CONSULTATION WITH THE HEIDI ADVISORY COMMITTEE. THE
26 AUDITOR GENERAL SHALL SUBMIT A REPORT OF FINDINGS TO THE HOUSE AND
27 SENATE APPROPRIATIONS COMMITTEES AND THE STATE BUDGET DIRECTOR NO

1 LATER THAN JULY 1, 2012.

2 (2) STUDENT CREDIT HOURS REPORTS SHALL NOT INCLUDE THE
3 FOLLOWING:

4 (A) STUDENT CREDIT HOURS GENERATED THROUGH INSTRUCTIONAL
5 ACTIVITY BY FACULTY OR STAFF IN CLASSROOMS LOCATED OUTSIDE
6 MICHIGAN, WITH THE EXCEPTION OF INSTRUCTIONAL ACTIVITY RELATED TO
7 STUDY-ABROAD PROGRAMS OR FIELD PROGRAMS.

8 (B) STUDENT CREDIT HOURS GENERATED THROUGH DISTANCE LEARNING
9 INSTRUCTION FOR STUDENTS NOT ELIGIBLE FOR THE PUBLIC UNIVERSITY'S
10 IN-STATE MAIN CAMPUS RESIDENT TUITION RATE. HOWEVER, IN INSTANCES
11 WHERE A STUDENT IS ENROLLED IN DISTANCE EDUCATION AND NON-DISTANCE
12 EDUCATION CREDIT HOURS IN A GIVEN TERM AND THE STUDENT'S NON-
13 DISTANCE EDUCATION ENROLLMENT IS AT A CAMPUS OR SITE LOCATED WITHIN
14 MICHIGAN, STUDENT CREDIT HOURS PER THE STUDENT'S ELIGIBILITY FOR
15 IN-STATE OR OUT-OF-STATE TUITION RATES MAY BE REPORTED.

16 (C) STUDENT CREDIT HOURS GENERATED THROUGH CREDIT BY
17 EXAMINATION.

18 (D) STUDENT CREDIT HOURS GENERATED THROUGH INMATE PRISON
19 PROGRAMS REGARDLESS OF TEACHING LOCATION.

20 (E) STUDENT CREDIT HOURS GENERATED IN NEW DEGREE PROGRAMS
21 AFTER JANUARY 1, 1975, THAT HAVE NOT BEEN SPECIFICALLY AUTHORIZED
22 FOR FUNDING BY THE LEGISLATURE, EXCEPT SPIN-OFF PROGRAMS CONVERTED
23 FROM EXISTING CORE PROGRAMS THAT DO ALL OF THE FOLLOWING:

24 (i) REPRESENT NEW OPTIONS, FIELDS, OR CONCENTRATIONS WITHIN
25 EXISTING PROGRAMS.

26 (ii) ARE CONSISTENT WITH THE CURRENT INSTITUTIONAL ROLE AND
27 MISSION.

1 (iii) ARE ACCOMMODATED WITHIN THE CONTINUING FUNDING BASE OF THE
2 PUBLIC UNIVERSITY.

3 (iv) DO NOT REQUIRE A NEW DEGREE LEVEL BEYOND THAT WHICH THE
4 PUBLIC UNIVERSITY IS CURRENTLY AUTHORIZED TO GRANT WITHIN THAT
5 DISCIPLINE OR FIELD.

6 (v) DO NOT REQUIRE FUNDING FROM THE STATE OTHER THAN THAT
7 PROVIDED BY THE STUDENT CREDIT HOURS GENERATED WITHIN THE PROGRAM,
8 EITHER BEFORE PROGRAM INITIATION OR WITHIN THE FIRST 3 YEARS OF
9 PROGRAM OPERATION.

10 (3) THE AUDITOR GENERAL SHALL PERIODICALLY AUDIT HIGHER
11 EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA AS SUBMITTED BY
12 THE PUBLIC UNIVERSITIES FOR COMPLIANCE WITH THE DEFINITIONS
13 ESTABLISHED BY THE STATE BUDGET DIRECTOR IN CONSULTATION WITH THE
14 HEIDI ADVISORY COMMITTEE FOR THE HEIDI DATABASE.

15 (4) "DISTANCE LEARNING INSTRUCTION" AS USED IN SUBSECTION (2)
16 MEANS INSTRUCTION THAT OCCURS SOLELY IN OTHER THAN A TRADITIONAL
17 CLASSROOM SETTING WHERE THE STUDENT AND INSTRUCTOR ARE IN THE SAME
18 PHYSICAL LOCATION AND FOR WHICH A STUDENT RECEIVES COURSE CREDITS
19 AND IS CHARGED TUITION AND FEES. EXAMPLES OF DISTANCE LEARNING
20 INSTRUCTION ARE INSTRUCTION DELIVERED SOLELY THROUGH THE INTERNET,
21 CABLE TELEVISION, TELECONFERENCE, OR MAIL.

22 SEC. 290. (1) PURSUANT TO SECTION 289(2)(E), PUBLIC
23 UNIVERSITIES MAY ESTABLISH THE FOLLOWING DEGREE PROGRAMS:

24 (A) BACHELOR'S DEGREE PROGRAMS:
25 CENTRAL MICHIGAN UNIVERSITY, ATHLETIC TRAINING, B.S.A.T.
26 GRAND VALLEY STATE UNIVERSITY, COMPREHENSIVE SCIENCE AND ARTS FOR
27 TEACHING (CSAT), B.A./B.S.

1 NORTHERN MICHIGAN UNIVERSITY, FISHERIES AND WILDLIFE MANAGEMENT,
2 B.S.

3 NORTHERN MICHIGAN UNIVERSITY, GERMAN STUDIES, BACCALAUREATE
4 OAKLAND UNIVERSITY, BACHELOR OF LIBERAL STUDIES, B.A.

5 UNIVERSITY OF MICHIGAN-DEARBORN, BIO-ENGINEERING, B.S.E.

6 UNIVERSITY OF MICHIGAN-DEARBORN, INTEGRATED SCIENCE, B.S.

7 UNIVERSITY OF MICHIGAN-FLINT, ECONOMICS, B.S.

8 UNIVERSITY OF MICHIGAN-FLINT, ENERGY AND SUSTAINABLE SYSTEMS, B.S.

9 UNIVERSITY OF MICHIGAN-FLINT, ENGLISH WITH A SPECIALIZATION IN
10 LINGUISTICS, B.A.

11 WAYNE STATE UNIVERSITY, ASTRONOMY, B.A.

12 WAYNE STATE UNIVERSITY, BIOMEDICAL ENGINEERING, B.S.

13 (B) MASTER'S DEGREE PROGRAMS:

14 EASTERN MICHIGAN UNIVERSITY, TEACHING - SECONDARY MATHEMATICS, M.A.

15 MICHIGAN STATE UNIVERSITY, EDUCATION FOR THE HEALTH PROFESSIONS,
16 M.A.

17 MICHIGAN STATE UNIVERSITY, MARKETING RESEARCH, M.S.

18 OAKLAND UNIVERSITY, CLINICAL NURSE LEADERSHIP, M.S.N

19 OAKLAND UNIVERSITY, MASTER OF ARTS COMMUNICATION, M.A.C

20 OAKLAND UNIVERSITY, MECHATRONICS, M.S.

21 UNIVERSITY OF MICHIGAN-ANN ARBOR, ORAL AND MAXILLOFACIAL PATHOLOGY
22 PROGRAM, M.S.

23 UNIVERSITY OF MICHIGAN-FLINT, MASTER OF PUBLIC HEALTH, M.P.H.

24 WAYNE STATE UNIVERSITY, ELECTRIC-DRIVE VEHICLE ENGINEERING, M.S.

25 WESTERN MICHIGAN UNIVERSITY, ENGINEERING (CHEMICAL), M.S.

26 (C) DOCTORAL DEGREE PROGRAMS:

27 CENTRAL MICHIGAN UNIVERSITY, DOCTOR OF MEDICINE, M.D.

1 MICHIGAN TECHNOLOGICAL UNIVERSITY, ENVIRONMENTAL AND ENERGY POLICY,
2 PH.D.

3 MICHIGAN TECHNOLOGICAL UNIVERSITY, GEOPHYSICS, PH.D.

4 OAKLAND UNIVERSITY, DOCTOR OF MEDICINE, M.D.

5 UNIVERSITY OF MICHIGAN-ANN ARBOR, DOCTOR OF NURSING PRACTICE,
6 D.N.P.

7 UNIVERSITY OF MICHIGAN-ANN ARBOR, DOCTORAL DEGREE GRANTING PROGRAM
8 IN CANCER BIOLOGY, DOCTORAL

9 UNIVERSITY OF MICHIGAN-DEARBORN, EDUCATION SPECIALIST, ED.S.

10 UNIVERSITY OF MICHIGAN-FLINT, DOCTOR OF ANESTHESIA PRACTICE,
11 DR.A.P.

12 UNIVERSITY OF MICHIGAN-FLINT, DOCTOR OF OCCUPATIONAL THERAPY,
13 DR.O.T.

14 WESTERN MICHIGAN UNIVERSITY, ENGINEERING AND APPLIED SCIENCES,
15 PH.D.

16 (2) THE LISTING OF DEGREE PROGRAMS IN SUBSECTION (1) DOES NOT
17 CONSTITUTE LEGISLATIVE INTENT TO PROVIDE ADDITIONAL DOLLARS FOR
18 THOSE PROGRAMS.

19 (3) WHEN SUBMITTING THE LISTING OF NEW DEGREE PROGRAMS FOR
20 PURPOSES OF SECTION 289(2)(E), THE PRESIDENTS COUNCIL OF STATE
21 UNIVERSITIES SHALL ALSO PROVIDE A LISTING OF DEGREE PROGRAMS THAT
22 INSTITUTIONS OF HIGHER EDUCATION WILL NO LONGER OFFER IN SUBSEQUENT
23 ACADEMIC YEARS.

24 SEC. 291. THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS
25 OF PUBLIC UNIVERSITIES RECEIVING FUNDS IN SECTION 236 DURING THE
26 FISCAL YEAR ENDING SEPTEMBER 30, 2012 AS THE AUDITOR GENERAL
27 CONSIDERS NECESSARY.

1 SEC. 292. A PUBLIC UNIVERSITY RECEIVING FUNDS UNDER SECTION
2 236 AND ALSO SUBJECT TO THE STUDENT RIGHT-TO-KNOW AND CAMPUS
3 SECURITY ACT, PUBLIC LAW 101-542, 104 STAT. 2381, SHALL MAKE A COPY
4 OF ALL MATERIAL PREPARED PURSUANT TO THE PUBLIC INFORMATION
5 REPORTING REQUIREMENTS UNDER THE CRIME AWARENESS AND CAMPUS
6 SECURITY ACT OF 1990, TITLE II OF THE STUDENT RIGHT-TO-KNOW AND
7 CAMPUS SECURITY ACT, PUBLIC LAW 101-542, 104 STAT. 2381, AVAILABLE
8 IN ELECTRONIC INTERNET FORMAT ON THEIR WEBSITES.

9 SEC. 293. A PUBLIC UNIVERSITY RECEIVING FUNDS UNDER THIS
10 ARTICLE AND ALSO SUBJECT TO THE FAMILY EDUCATIONAL RIGHTS AND
11 PRIVACY ACT (FERPA), 20 USC 1232G, 34 CFR PART 99, SHALL, WHEN
12 REQUESTED, PROVIDE INFORMATION FROM THE RECORDS OF A STUDENT TO ANY
13 PERSON OR PERSONS TO WHOM THE STUDENT HAS AUTHORIZED DISCLOSURE ON
14 A WRITTEN CONSENT FORM PURSUANT TO 34 CFR 99.30.

15 SEC. 294. FOR THE STATE FISCAL YEAR ENDING SEPTEMBER 30, 2012,
16 IN ADDITION TO THE APPROPRIATIONS UNDER SECTION 236, THERE IS
17 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE REVENUE, ON A 1-TIME
18 BASIS ONLY, \$1,900,000.00 FOR THE FOLLOWING PURPOSES:

19 (A) TO EASTERN MICHIGAN UNIVERSITY, FOR THE AUTISM
20 COLLABORATIVE CENTER, \$500,000.00.

21 (B) TO MICHIGAN STATE UNIVERSITY, FOR THE FACILITY FOR RARE
22 ISOTOPE BEAMS, \$1,200,000.00.

23 (C) TO WESTERN MICHIGAN UNIVERSITY, FOR ECONOMIC DEVELOPMENT
24 AND COMMERCIALIZATION, \$200,00.00.

25 ARTICLE IV

26 GENERAL PROVISIONS

27 SEC. 296. (1) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER THIS

1 ACT FROM THE STATE SCHOOL AID FUND FOR A FISCAL YEAR EXCEEDS THE
2 AMOUNT NECESSARY TO FULLY FUND ALLOCATIONS UNDER THIS ACT FROM THE
3 STATE SCHOOL AID FUND, THAT EXCESS AMOUNT SHALL NOT BE EXPENDED IN
4 THAT STATE FISCAL YEAR AND SHALL NOT LAPSE TO THE GENERAL FUND, BUT
5 INSTEAD SHALL BE DEPOSITED INTO THE SCHOOL AID STABILIZATION FUND
6 CREATED IN SECTION 11A.

7 (2) IF THE TOTAL MAXIMUM AMOUNT APPROPRIATED UNDER ALL
8 ARTICLES OF THIS ACT FROM THE STATE SCHOOL AID FUND AND THE SCHOOL
9 AID STABILIZATION FUND EXCEEDS THE AMOUNT AVAILABLE FOR EXPENDITURE
10 FROM THE STATE SCHOOL AID FUND FOR THAT FISCAL YEAR, PAYMENTS UNDER
11 SECTIONS 11F, 11G, 11J, 22A, 26A, 26B, 31D, 31F, 51A(2), 51A(12),
12 51C, 53A, 56, AND 152A SHALL BE MADE IN FULL. IN ADDITION, FOR
13 DISTRICTS BEGINNING OPERATIONS AFTER 1994-95 THAT QUALIFY FOR
14 PAYMENTS UNDER SECTION 22B, PAYMENTS UNDER SECTION 22B SHALL BE
15 MADE SO THAT THE QUALIFYING DISTRICTS RECEIVE THE LESSER OF AN
16 AMOUNT EQUAL TO THE 1994-95 FOUNDATION ALLOWANCE OF THE DISTRICT IN
17 WHICH THE DISTRICT BEGINNING OPERATIONS AFTER 1994-95 IS LOCATED OR
18 \$5,500.00. THE AMOUNT OF THE PAYMENT TO BE MADE UNDER SECTION 22B
19 FOR THESE QUALIFYING DISTRICTS SHALL BE AS CALCULATED UNDER SECTION
20 22A, WITH THE BALANCE OF THE PAYMENT UNDER SECTION 22B BEING
21 SUBJECT TO THE PRORATION OTHERWISE PROVIDED UNDER THIS SUBSECTION
22 AND SUBSECTION (3). IF PRORATION IS NECESSARY, STATE PAYMENTS UNDER
23 EACH OF THE OTHER SECTIONS OF ARTICLE I FROM ALL STATE FUNDING
24 SOURCES, AND STATE APPROPRIATIONS TO COMMUNITY COLLEGES AND PUBLIC
25 UNIVERSITIES UNDER ARTICLES II AND III FROM THE STATE SCHOOL AID
26 FUND, SHALL BE PRORATED IN THE MANNER PRESCRIBED IN SUBSECTION (3)
27 AS NECESSARY TO REFLECT THE AMOUNT AVAILABLE FOR EXPENDITURE FROM

1 THE STATE SCHOOL AID FUND FOR THE AFFECTED FISCAL YEAR. HOWEVER, IF
2 THE DEPARTMENT OF TREASURY DETERMINES THAT PRORATION WILL BE
3 REQUIRED UNDER THIS SUBSECTION, OR IF THE DEPARTMENT OF TREASURY
4 DETERMINES THAT FURTHER PRORATION IS REQUIRED UNDER THIS SUBSECTION
5 AFTER AN INITIAL PRORATION HAS ALREADY BEEN MADE FOR A FISCAL YEAR,
6 THE DEPARTMENT OF TREASURY SHALL NOTIFY THE STATE BUDGET DIRECTOR,
7 AND THE STATE BUDGET DIRECTOR SHALL NOTIFY THE LEGISLATURE AT LEAST
8 30 CALENDAR DAYS OR 6 LEGISLATIVE SESSION DAYS, WHICHEVER IS MORE,
9 BEFORE THE DEPARTMENT REDUCES ANY PAYMENTS UNDER THIS ACT BECAUSE
10 OF THE PRORATION. DURING THE 30-CALENDAR-DAY OR 6-LEGISLATIVE-
11 SESSION-DAY PERIOD AFTER THAT NOTIFICATION BY THE STATE BUDGET
12 DIRECTOR, THE DEPARTMENT SHALL NOT REDUCE ANY PAYMENTS UNDER THIS
13 ACT BECAUSE OF PRORATION UNDER THIS SUBSECTION. THE LEGISLATURE MAY
14 PREVENT PRORATION FROM OCCURRING BY, WITHIN THE 30-CALENDAR-DAY OR
15 6-LEGISLATIVE-SESSION-DAY PERIOD AFTER THAT NOTIFICATION BY THE
16 STATE BUDGET DIRECTOR, ENACTING LEGISLATION APPROPRIATING
17 ADDITIONAL FUNDS FROM THE GENERAL FUND, COUNTERCYCLICAL BUDGET AND
18 ECONOMIC STABILIZATION FUND, STATE SCHOOL AID FUND BALANCE, OR
19 ANOTHER SOURCE TO FUND THE AMOUNT OF THE PROJECTED SHORTFALL.

20 (3) IF PRORATION IS NECESSARY UNDER SUBSECTION (2), THE
21 DEPARTMENT SHALL CALCULATE THE PRORATION IN DISTRICT AND
22 INTERMEDIATE DISTRICT PAYMENTS UNDER ARTICLE I THAT IS REQUIRED
23 UNDER SUBSECTION (2), AND THE DEPARTMENT OF TREASURY SHALL
24 CALCULATE THE PRORATION IN COMMUNITY COLLEGE AND PUBLIC UNIVERSITY
25 PAYMENTS UNDER ARTICLES II AND III THAT IS REQUIRED UNDER
26 SUBSECTION (2), AS FOLLOWS:

27 (A) THE DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL

1 CALCULATE THE PERCENTAGE OF TOTAL STATE SCHOOL AID FUND MONEY THAT
2 IS APPROPRIATED AND ALLOCATED UNDER THIS ACT FOR THE AFFECTED
3 FISCAL YEAR FOR EACH OF THE FOLLOWING:

4 (i) DISTRICTS.

5 (ii) INTERMEDIATE DISTRICTS.

6 (iii) ENTITIES RECEIVING FUNDING FROM THE STATE SCHOOL AID FUND
7 UNDER ARTICLE I OTHER THAN DISTRICTS OR INTERMEDIATE DISTRICTS.

8 (iv) COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT RECEIVE
9 FUNDING FROM THE STATE SCHOOL AID FUND.

10 (B) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION
11 AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE
12 PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (i) FOR DISTRICTS BY
13 REDUCING PAYMENTS TO DISTRICTS. THIS REDUCTION SHALL BE MADE BY
14 CALCULATING AN EQUAL DOLLAR AMOUNT PER PUPIL AS NECESSARY TO
15 RECOVER THIS PERCENTAGE OF THE PRORATION AMOUNT AND REDUCING EACH
16 DISTRICT'S TOTAL STATE SCHOOL AID FROM STATE SOURCES, OTHER THAN
17 PAYMENTS UNDER SECTIONS 11F, 11G, 11J, 22A, 26A, 26B, 31D, 31F,
18 51A(2), 51A(12), 51C, 53A, AND 152A, BY THAT AMOUNT.

19 (C) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION
20 AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE
21 PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (ii) FOR INTERMEDIATE
22 DISTRICTS BY REDUCING PAYMENTS TO INTERMEDIATE DISTRICTS. THIS
23 REDUCTION SHALL BE MADE BY REDUCING THE PAYMENTS TO EACH
24 INTERMEDIATE DISTRICT, OTHER THAN PAYMENTS UNDER SECTIONS 11F, 11G,
25 26A, 26B, 51A(2), 51A(12), 53A, 56, AND 152A, ON AN EQUAL
26 PERCENTAGE BASIS.

27 (D) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION

1 AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE
2 PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (iii) FOR ENTITIES
3 RECEIVING FUNDING FROM THE STATE SCHOOL AID FUND UNDER ARTICLE I
4 OTHER THAN DISTRICTS AND INTERMEDIATE DISTRICTS BY REDUCING
5 PAYMENTS TO THESE ENTITIES. THIS REDUCTION SHALL BE MADE BY
6 REDUCING THE PAYMENTS TO EACH OF THESE ENTITIES, OTHER THAN
7 PAYMENTS UNDER SECTIONS 11J, 26A, AND 26B, ON AN EQUAL PERCENTAGE
8 BASIS.

9 (E) THE DEPARTMENT OF TREASURY SHALL RECOVER A PERCENTAGE OF
10 THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO
11 THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A) (iv) FOR COMMUNITY
12 COLLEGES AND PUBLIC UNIVERSITIES THAT RECEIVE FUNDING FROM THE
13 STATE SCHOOL AID FUND BY REDUCING THAT PORTION OF THE PAYMENTS
14 UNDER ARTICLES II AND III TO THESE COMMUNITY COLLEGES AND PUBLIC
15 UNIVERSITIES THAT IS FROM THE STATE SCHOOL AID FUND ON AN EQUAL
16 PERCENTAGE BASIS.

17 Enacting section 1. (1) In accordance with section 30 of
18 article IX of the state constitution of 1963, total state spending
19 on school aid under article I as amended by this amendatory act and
20 in 2010 PA 217 from state sources for fiscal year 2010-2011 is
21 estimated at \$10,775,902,900.00 and state appropriations for school
22 aid to be paid to local units of government for fiscal year 2010-
23 2011 are estimated at \$10,673,832,600.00; and total state spending
24 on school aid under article I as amended by this amendatory act
25 from state sources for fiscal year 2011-2012 is estimated at
26 \$11,005,741,100.00 and state appropriations for school aid to be
27 paid to local units of government for fiscal year 2011-2012 are

1 estimated at \$10,716,987,100.00.

2 (2) In accordance with section 30 of article IX of the state
3 constitution of 1963, total state spending from state sources for
4 community colleges for fiscal year 2011-2012 under article II as
5 added by this amendatory act is estimated at \$283,880,500.00 and
6 the amount of that state spending from state sources to be paid to
7 local units of government for fiscal year 2011-2012 is estimated at
8 \$283,880,500.00.

9 (3) In accordance with section 30 of article IX of the state
10 constitution of 1963, total state spending from state sources for
11 higher education for fiscal year 2011-2012 under article III as
12 added by this amendatory act is estimated at \$1,263,952,000.00 and
13 the amount of that state spending from state sources to be paid to
14 local units of government for fiscal year 2011-2012 is estimated at
15 \$0.

16 Enacting section 2. Sections 11d, 11p, 20j, 20k, 29, 32c, 41,
17 64, 65, 92, 99i, 99p, 158b, and 166c, of the state school aid act
18 of 1979, 1979 PA 94, MCL 388.1611d, 388.1611p, 388.1620j,
19 388.1620k, 388.1629, 388.1632c, 388.1641, 388.1664, 388.1665,
20 388.1692, 388.1699i, 388.1699p, 388.1758b, and 388.1766c, are
21 repealed effective October 1, 2011.

22 Enacting section 3. (1) Except as otherwise provided in
23 subsection (2), this amendatory act takes effect October 1, 2011.

24 (2) Sections 11, 11m, 22a, 22b, 51a, 51c, and 74 of the state
25 school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m,
26 388.1622a, 388.1622b, 388.1651a, 388.1651c, and 388.1674, as
27 amended by this amendatory act, take effect upon enactment of this

1 amendatory act.