

## THE STATE SCHOOL AID ACT OF 1979

### Act 94 of 1979

AN ACT to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2011, Act 62, Imd. Eff. June 21, 2011.

**Compiler's note:** Sec. 42, as added by Act 207 of 1990, was vetoed by the governor on July 27, 1990.  
Secs. 43, 92, and 111a, as added by Act 118 of 1991, were vetoed by the governor on October 11, 1991.  
Sec. 71a, as added by Act 283 of 1994, was vetoed by the governor on July 9, 1994.  
Secs. 20h, 28b, 56a, and 94a, as added by Act 130 of 1995, were vetoed by the governor on June 30, 1995.  
Secs. 29 and 95a, as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.  
Sec. 11e, as added by Act 372 of 1996, was vetoed by the governor July 3, 1996.  
Sec. 11j, Sec. 11k, and Sec. 31b, as added by Act 339 of 1998, were vetoed by the governor on October 13, 1998.  
Secs. 20k and 34, as added by Act 119 of 1999, were vetoed by the governor on July 19, 1999.  
Secs. 11j and 11l, as added by Act 297 of 2000, were vetoed by the governor on June 26, 2000.  
Secs. 22d, 22e, and 55a, as added by Act 158 of 2003, were vetoed by the governor on August 11, 2003.  
Sec. 77, as added by Act 137 of 2007, was vetoed by the governor on November 8, 2007.  
Secs. 20j, 32c, 57, and 99p, as amended by Act 121 of 2009, were vetoed by the governor on October 19, 2009.  
Secs. 20j, 32c, and 99p, as amended by Act 110 of 2010, and sec. 92, as added by Act 110 of 2010, were vetoed by the governor on July 7, 2010.

In the first sentence of this title, the phrase "the intermediate school districts" should evidently read "intermediate school districts."

*The People of the State of Michigan enact:*

#### ARTICLE I

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

##### **388.1601 Short title.**

Sec. 1. The act shall be known and may be cited as "the state school aid act of 1979".

**History:** 1979, Act 94, Eff. Oct. 1, 1979.

**Compiler's note:** For creation of Michigan public educational facilities authority within department of treasury; transfer of certain powers and duties from Michigan strategic fund and Michigan strategic fund board of directors to Michigan public educational facilities authority and Michigan public educational facilities authority board of trustees; transfer of certain powers and duties of Michigan municipal bond authority and Michigan municipal bond authority board of trustees to Michigan public and educational facilities authority and Michigan public education facilities authority board of trustees, see E.R.O. No. 2002-3, compiled at MCL 12.192 of the Michigan Compiled Laws.

##### **388.1602 Meanings of words and phrases.**

Sec. 2. As used in this article and article IV, the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 2011, Act 62, Eff. Oct. 1, 2011.

##### **388.1603 Definitions; A to D.**

Sec. 3. (1) "Achievement authority" means the education achievement authority, the public body corporate and special authority initially created under section 5 of article III and section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by an interlocal agreement effective August 11, 2011, between the school district of the city of Detroit and the board of regents of eastern Michigan university, a state public university.

(2) "Achievement school" means a public school within the education achievement system operated, managed, authorized, established, or overseen by the achievement authority.

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

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

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

(6) "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided

and the estimated number of pupils from each district who will participate in the educational programs.

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

(8) "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c, and 166b, district also includes the education achievement system.

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

(10) "District superintendent" means the superintendent of a district, the chief administrator of a public school academy, or the chancellor of the achievement authority.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1604 Definitions; E to H.**

Sec. 4. (1) "Education achievement system" means the achievement authority and all achievement schools.

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

(3) "Extended school year" means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory clock hours shall be completed by each pupil not more than 365 calendar days after the pupil's first day of classes for the school year prescribed. The department shall prescribe pupil, personnel, and other reporting requirements for the educational program.

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

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

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

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

### **388.1605 Definitions; I.**

Sec. 5. (1) "Intermediate board" means the governing body of an intermediate district.

(2) "Intermediate district" means an intermediate school district established under part 7 of the revised school code.

(3) "Intermediate superintendent" means the superintendent of an intermediate district.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1606 Additional definitions.**

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

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

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

(4) "Membership", except as otherwise provided in this article, means for a district, a public school academy, the education achievement system, or an intermediate district the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .10 times the final audited count from the supplemental count day for the current school year. A district's, public school academy's, or intermediate district's membership shall be adjusted as provided under section 25e for pupils who enroll in the district, public school academy, or intermediate district after the pupil membership count day. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL

380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance; for the education achievement system, a pupil's participation in an online educational program of the education achievement system or of an achievement school is considered regular daily attendance; and for a district a pupil's participation in an online course as defined in section 21f is considered regular daily attendance. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, the education achievement system, or an intermediate district:

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

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

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

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

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

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

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

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

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

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

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

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

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

(l) To be counted in membership, a pupil shall meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or shall be enrolled under subsection

(3) of that section, and shall be less than 20 years of age on September 1 of the school year except as follows:

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

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

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating homeless pupils.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(y) Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be

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

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

(aa) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department.

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

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

(dd) For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each month that the district operating the program reports that the pupil was enrolled in the program and was in full attendance. However, if the special membership counting provisions under this subdivision and the operation of the other membership counting provisions under this subsection result in a pupil being counted as more than 1.0 FTE in a fiscal year, the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and any portion of an FTE for that pupil that exceeds 1.0 shall instead be paid under section 25f. The district operating the program shall report to the center the number of pupils who were enrolled in the program and were in full attendance for a month not later than the tenth day of the next month. A district shall not report a pupil as being in full attendance for a month unless both of the following are met:

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

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

(5) "Public school academy" means that term as defined in section 5 of the revised school code, MCL 380.5.

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

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

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

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

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

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

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

(i) "At school" means in a classroom, elsewhere on school premises, on a school bus or other

school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Fourth Wednesday in July.

(ii) First Wednesday in October.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to

attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

(11) "School district of the first class", "first class school district", and "district of the first class" mean, for the purposes of this article only, a district that had at least 40,000 pupils in membership for the immediately preceding fiscal year.

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

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

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

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

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

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

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

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

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

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1979, Act 112, Imd. Eff. Oct. 4, 1979;—Am. 1979, Act 209, Imd. Eff. Jan. 10, 1980;—Am. 1980, Act 269, Imd. Eff. Sept. 30, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1981, Act 134, Imd. Eff. Oct. 20, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 218, Imd. Eff. Nov. 16, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1984, Act 253, Imd. Eff. Nov. 29, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1985, Act 144, Imd. Eff. Nov. 4, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 95, Imd. Eff. July 13, 1993;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Sept. 1, 1996;—Am. 1997, Act 93, Imd. Eff. Aug. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 227, Imd. Eff. July 21, 2004;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 150, Imd. Eff. Sept. 30, 2005;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Imd. Eff. Aug. 6, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2009, Act 187, Imd. Eff. Dec. 17, 2009;—Am. 2009, Act 203, Imd. Eff. Jan. 4,

2010;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 199, Imd. Eff. June 26, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2012, Act 465, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** The school district pupil accounting for distribution of state aid rules referred to in subsection (2) became effective August 17, 1984.

Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subdivisions 4(u), 4(w), and 4(x), as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

In subsection (4), as amended by Act 93 of 1997, the following sentences were vetoed by the governor on August 1, 1997: "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .6 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .4 times the final audited count from the supplemental count day for the immediately preceding school year, as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit. The amount of the foundation allowance to be paid on behalf of a pupil in membership is determined under section 20.

Subdivisions (4)(x) and (4)(y), as amended by Act 93 of 1997, were vetoed by the governor on August 1, 1997.

Subdivision (4)(y), as amended by Act 339 of 1998, was vetoed by the governor on October 13, 1998.

In subdivision (4)(y), as amended by Act 297 of 2000, the phrase "2001-2002, and 2002-2003" was vetoed by the governor July 26, 2000.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00.

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

**Administrative rules:** R 340.1 et seq. of the Michigan Administrative Code.

### **388.1606a Supplemental pupil count.**

Sec. 6a. Except as otherwise provided in this act, in addition to the pupil membership count day, there shall be a supplemental pupil count of the number of full-time equated pupils in grades K-12 actually enrolled and in regular daily attendance in a district or intermediate district on the second Wednesday in February or, for a district that is not in session on that day due to conditions not within the control of school authorities, with the

approval of the superintendent, the immediately following day on which the district is in session. For the purposes of this act, the day on which the supplemental pupil count is conducted is the supplemental count day.

**History:** Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

**Compiler's note:** This section, as added by Act 336 of 1993, was originally compiled as MCL 388.1606a[1] to distinguish it from a Sec. 6a added by Act 254 of 1992, which pertained to use of alternate pupil membership count day, that was compiled as MCL 388.1606a prior to its repeal by enacting section 3(b) of Act 283 of 1994, Eff. Oct. 1, 1994.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

### **388.1606b Enrollment of nonresident pupil; counting pupil in membership; adjustment of educating district's pupil count.**

Sec. 6b. (1) A district enrolling a nonresident pupil with the approval of the pupil's district of residence may count the pupil in membership in a school year if the approval of the pupil's district of residence is received before the end of that school year.

(2) If the approval described in subsection (1) is received by the educating district at any time before the end of its school year, the department shall adjust the educating district's pupil count for the pupil membership count day or the supplemental count day of that school year, or both as necessary to ensure that the pupil is counted in membership in the educating district for those pupil counts for which the pupil was enrolled and in attendance.

**History:** Add. 1997, Act 24, Imd. Eff. June 16, 1997.

**Compiler's note:** Former MCL 388.1606b, which pertained to administration of alternative education, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

### **388.1606c, 388.1606d Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed sections pertained to alternative education programs and district as authorizing body for public school academy.

### **388.1607 Expenditures included in costs for school operating purposes.**

Sec. 7. Costs for school operating purposes include all expenditures necessary to carry out the powers and the financial obligations of the district or intermediate district under the revised school code.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2013, Act 97, Eff. Oct. 1, 2013.

### **388.1608 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to furnishing annual pupil dropout rate.

### **388.1608a Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.**

**Compiler's note:** The repealed section pertained to grades K-3 average pupil count.

### **388.1608b Public school academy district code; assignment.**

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

(2) If the department does not assign a district code to a public school academy within the 30-day period described in subsection (1), the district code the department shall use to make payments under this article to the newly authorized public school academy shall be a number that is equivalent to the sum of the last district code assigned to a public school academy located in the same county as the newly authorized public school academy plus 1. However, if there is not an existing public school academy located in the same county as the newly authorized public school academy, then the district code the department shall use to make payments under this article to the newly authorized public school academy shall be a 5-digit number that has the county code in which the public school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the number of public school academies in a county grows to exceed 100, the third digit in this 5-digit number shall then be 7 for the public school academies in excess of 100.

**History:** Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1608c Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to broadband telecommunications infrastructure information.

### **388.1609 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to rules.

### **388.1610 Repealed. 1999, Act 119, Imd. Eff. July 20, 1999.**

**Compiler's note:** The repealed section pertained to disposition of funds under MCL 432.201 to 432.216 to separate account.

### **388.1611 Appropriations.**

Sec. 11. (1) For the fiscal year ending September 30, 2015, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$11,827,097,400.00 from the state school aid fund, the sum of \$18,000,000.00 from the MPERS retirement obligation reform reserve fund created under section 147b, and the sum of \$33,700,000.00 from the general fund. In addition, all other available federal funds are appropriated for the fiscal year ending September 30, 2015.

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

(3) Any general fund allocations under this 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.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2003, Act 236, Imd. Eff. Dec. 29, 2003;—Am. 2004, Act 185, Imd. Eff. July 1, 2004;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 518, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2009, Act 203, Imd. Eff. Jan. 4, 2010;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2010, Act 217, Imd. Eff. Dec. 3, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2012, Act 465, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2013, Act 97, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Imd. Eff. June 24, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Enacting section 1 of Act 191 of 2002 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2002 PA 191, 2001 PA 121, and 2000 PA 297 from state sources for fiscal year 2001-2002 is estimated at \$11,220,561,700.00 and state appropriations to be paid to local units of government for fiscal year 2001-2002 are estimated at \$11,181,789,800.00; and total state spending in this amendatory act and in 2001 PA 121 and 2000 PA 297 from state sources for fiscal year 2002-2003 is estimated at \$11,472,054,900.00 and state appropriations to be paid to local units of government for fiscal year 2002-2003 are estimated at \$11,420,969,500.00."

Enacting section 1 of Act 521 of 2002 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2002 PA 191, 2001 PA 121, and 2000 PA 297 from state sources for fiscal year 2002-2003 is estimated at \$11,490,554,900.00 and state appropriations to be paid to local units of government for fiscal year 2002-2003 are estimated at \$11,439,469,500.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2003-2004 is estimated at \$11,477,080,900.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at \$11,431,369,500.00."

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 236 of 2003 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2003 PA 158 and 2002 PA 521 from state sources for fiscal year 2003-2004 is estimated at \$11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at \$11,274,332,800.00."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of 2007 PA 6 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2006 PA 342 from state sources for fiscal year 2006-2007 is estimated at \$11,596,963,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,492,472,200.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at \$1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at \$1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 110 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,565,511,000.00.

"(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2010-2011 is estimated at \$10,979,765,400.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,854,068,100.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00."

Enacting section 1 of Act 62 of 2011 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I as amended by this amendatory act and in 2010 PA 217 from state sources for fiscal year 2010-2011 is estimated at \$10,775,902,900.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,673,832,600.00; and total state spending on school aid under article I as amended by this amendatory act from state sources for fiscal year 2011-2012 is estimated at \$11,005,741,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,716,987,100.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2011-2012 under article II as added by this amendatory act is estimated at \$283,880,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2011-2012 is estimated at \$283,880,500.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2011-2012 under article III as added by this amendatory act is estimated at \$1,263,952,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2011-2012 is estimated at \$0."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

Enacting section 1 of Act 29 of 2012 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2011 PA 299, and in 2011 PA 62 from state sources for fiscal year 2011-2012 is estimated at \$11,085,976,000.00 and state appropriations to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,963,019,500.00."

Enacting section 1 of Act 201 of 2012 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, as amended by this amendatory act and by 2012 PA 29, 2011 PA 62, and 2011 PA 299, total state spending on school aid from state sources for fiscal year 2011-2012 is estimated at \$11,088,852,800.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,839,921,300.00; and total state spending on school aid from state sources for fiscal year 2012-2013 is estimated at \$11,243,487,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2012-2013 are estimated at \$10,934,991,200.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2012-2013 under article II is estimated at \$294,130,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at \$294,130,500.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2012-2013 under article III of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act, is estimated at \$1,302,194,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at \$0."

Enacting section 1 of Act 465 of 2012 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, as amended by this amendatory act and by 2012 PA 201, total state spending on school aid from state sources for fiscal year 2012-2013 is estimated at \$11,243,645,600.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,935,149,700.00."

Enacting section 1 of Act 60 of 2013 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2012 PA 201, 2012 PA 465, and this amendatory act from state sources for fiscal year 2012-2013 is estimated at \$11,211,014,200.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at \$11,032,518,300.00. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, from state sources for fiscal year 2013-2014 is estimated at \$11,597,382,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,437,124,700.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending on community colleges under article II as amended by 2012 PA 201 and this amendatory act from state sources for fiscal year 2012-2013 is estimated at \$306,630,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at \$306,630,500.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2013-2014 under article II is estimated at \$335,977,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2013-2014 is estimated at \$335,977,600.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2013-2014 under article III is estimated at \$1,333,547,100.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2013-2014 is estimated at \$0.00."

Enacting section 1 of Act 97 of 2013 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by enrolled House Bill No. 4228 of the 97th Legislature and this amendatory act, from state sources for fiscal year 2013-2014 is estimated at \$11,602,282,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,442,024,700.00."

Enacting section 1 of Act 116 of 2014 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under 2013 PA 60, 2013 PA 130, and this amendatory act from state sources for fiscal year 2013-2014 is estimated at \$11,506,132,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,343,224,700.00.

"Enacting section 1 of Act 196 of 2014 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under 2013 PA 60, 2013 PA 130, 2014 PA 116, and this amendatory act from state sources for fiscal year 2013-2014 is estimated at \$11,506,132,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,343,224,700.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article IX as amended by this amendatory act from state sources for fiscal year 2014-2015 is estimated at \$12,062,162,900.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2014-2015 are estimated at \$11,905,777,600.00.

"(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2014-2015 under article II is estimated at \$364,724,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$364,724,900.00.

"(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2014-2015 under article III is estimated at \$1,419,469,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$0."

Enacting section 1 of Act 5 of 2015 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid in article I under 2014 PA 196 and this amendatory act from state sources for fiscal year 2014-2015 is estimated at \$11,878,797,400.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2014-2015 are estimated at \$11,720,149,600.00.

"(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on community colleges in article II under 2014 PA 196 and this amendatory act from state sources for fiscal year 2014-2015 is estimated at \$364,724,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$364,724,900.00.

"(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on higher education in article III under 2014 PA 196 and this amendatory act from state sources for fiscal year 2014-2015 is estimated at \$1,419,469,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$0."

### **388.1611a School aid stabilization fund; creation; deposit; expenditure; investment; money remaining at close of fiscal year; shortfall; full funding.**

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.

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

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

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

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

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

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

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

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

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

**History:** Add. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1611a, which pertained to additional appropriations, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and  
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state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1611b Repealed. 2005, Act 155, Eff. Oct. 1, 2005.**

**Compiler's note:** The repealed section pertained to school aid stabilization fund.

### **388.1611c Repealed. 2004, Act 351, Eff. Oct. 1, 2004.**

**Compiler's note:** The repealed section pertained to deposit to school aid stabilization fund.

### **388.1611d Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to certain deductions from total state school aid and development of service consolidation plan to reduce school operating costs.

### **388.1611e Repealed. 1999, Act 119, Imd. Eff. July 20, 1999.**

**Compiler's note:** The repealed section pertained to payments to plaintiff districts pursuant to Durant v State of Michigan.

### **388.1611f Payments to non-plaintiff districts pursuant to Durant v State of Michigan; payments for fiscal year ending September 30, 2008; submission of waiver resolution; creation of obligation or liability; offer of settlement and compromise; payment date; use of payments; form and substance of resolution; early intervening program.**

Sec. 11f. (1) From the appropriations under section 11, there is allocated for the purposes of this section an amount not to exceed \$32,000,000.00 for the fiscal year ending September 30, 2008. Payments under this section will cease after September 30, 2008. These allocations are for paying the amounts described in subsection (4) to districts and intermediate districts, other than those receiving a lump sum payment under subsection (2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district has or may have in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. The waiver resolution shall be in form and substance as required under subsection (7). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. The amounts described in this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(2) In addition to any other money appropriated under this act, there was appropriated from the state school aid fund an amount not to exceed \$1,700,000.00 for the fiscal year ending September 30, 1999. This appropriation was for paying the amounts described in this subsection to districts and intermediate districts that were not plaintiffs in the consolidated cases known as Durant v State of Michigan; that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district had or may have had in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan; and for which the total amount listed in section 11h and paid under this section was less than \$75,000.00. For a district or intermediate district qualifying for a

payment under this subsection, the entire amount listed for the district or intermediate district in section 11h was paid in a lump sum on November 15, 1998 or on the next business day following that date. The amounts paid under this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(3) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in this section. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(4) The amount paid each fiscal year to each district or intermediate district under subsection (1) shall be 1/20 of the total amount listed in section 11h for each listed district or intermediate district that qualifies for a payment under subsection (1). The amounts listed in section 11h and paid in part under this subsection and in a lump sum under subsection (2) are offers of settlement and compromise to each of these districts or intermediate districts to resolve, in their entirety, any claim or claims that these districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts or intermediate districts listed in section 11h or a waiver of any defense that is or would have been available to the state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(5) The entire amount of each payment under subsection (1) each fiscal year shall be paid on November 15 of the applicable fiscal year or on the next business day following that date.

(6) Funds paid to a district or intermediate district under this section shall be used only for textbooks, electronic instructional material, software, technology, infrastructure or infrastructure improvements, school buses, school security, training for technology, an early intervening program described in subsection (8), or to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section. For intermediate districts only, funds paid under this section may also be used for other nonrecurring instructional expenditures including, but not limited to, nonrecurring instructional expenditures for vocational education, or for debt service for acquisition of technology for academic support services. Funds received by an intermediate district under this section may be used for projects conducted for the benefit of its constituent districts at the discretion of the intermediate board. To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for that debt service.

(7) The resolution to be adopted and submitted by a district or intermediate district under this section and section 11g shall read as follows:

"Whereas, the board of \_\_\_\_\_ (name of district or intermediate district) desires to settle and compromise, in their entirety, any claim or claims that the district (or intermediate district) has or had for violations of section 29 of article IX of the state constitution of 1963, which claim or claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

Whereas, the district (or intermediate district) agrees to settle and compromise these claims for the consideration described in sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for the district (or intermediate district) in section 11h of the state school aid act of 1979, 1979 PA 94, MCL 388.1611h.

Whereas, the board of \_\_\_\_\_ (name of district or intermediate district) is authorized to adopt this resolution.

Now, therefore, be it resolved as follows:

1. The board of \_\_\_\_\_ (name of district or intermediate district) waives any right or interest it may have in any claim or potential claim through September 30, 1997 relating to the amount of funding the district or intermediate district is, or may have been, entitled to receive under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source of state funding, by reason of the application of section 29 of article IX of the state constitution of 1963, which claims or potential claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

2. The board of \_\_\_\_\_ (name of district or intermediate district) directs its secretary to submit a certified copy of this resolution to the state treasurer no later than 5 p.m. eastern standard time on

March 2, 1998, and agrees that it will not take any action to amend or rescind this resolution.

3. The board of \_\_\_\_\_ (name of district or intermediate district) expressly agrees and understands that, if it takes any action to amend or rescind this resolution, the state, its agencies, employees, and agents shall have available to them any privilege, immunity, and/or defense that would otherwise have been available had the claims or potential claims been actually litigated in any forum.

4. This resolution is contingent on continued payments by the state each fiscal year as determined under sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g. However, this resolution shall be an irrevocable waiver of any claim to amounts actually received by the school district or intermediate school district under sections 11f and 11g of the state school aid act of 1979."

(8) An early intervening program that uses funds received under this section shall meet either or both of the following:

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

(b) Shall provide early intervening strategies for pupils in grades K to 3 using school-wide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

**History:** Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 119, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

**388.1611g Allocation; payments for fiscal year ending September 30, 2015; waiver resolution; offers of settlement and compromise; creation of obligation or liability; payment date; use of funds; reduction in number of mills levied for debt service; pledge or assignment of payments; dissolution of district.**

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

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

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

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

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

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

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

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

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

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

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

(7) If a district eligible for payments under this section is dissolved under section 12 of the revised school code, MCL 380.12, the payment otherwise due to the dissolved district under this section shall be paid instead to the intermediate district of the dissolved district. The intermediate district of the dissolved district shall perform any functions and responsibilities of the board and other officers of the dissolved district necessary under this section on behalf of the dissolved district. As used in this subsection, "dissolved district" and "receiving district" mean those terms as defined in section 20.

**History:** Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 97, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

Rendered Thursday, April 30, 2015

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For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

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Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 97 of 2013 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by enrolled House Bill No. 4228 of the 97th Legislature and this amendatory act, from state sources for fiscal year 2013-2014 is estimated at \$11,602,282,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,442,024,700.00."

**388.1611h Amounts to districts for settlement, compromise, and resolution of claims pursuant to Durant v State of Michigan; section not to be construed as admission of liability or waiver of defense.**

Sec. 11h. (1) For the purposes of sections 11f and 11g, the following amounts are offered to each district or intermediate district to settle, compromise, and resolve, in their entirety, any claim or claims that those districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492:

| CODE  | NAME                                   | AMOUNT       |
|-------|----------------------------------------|--------------|
| 02010 | Autrain-Onota Public Schools ...       | \$ 14,622    |
| 02020 | Burt Township School District ...      | \$ 6,744     |
| 02070 | Munising Public Schools ...            | \$ 185,461   |
| 02080 | Superior Central School District ...   | \$ 96,734    |
| 03000 | Allegan Intermediate District ...      | \$ 648,801   |
| 03010 | Plainwell Community Schools ...        | \$ 741,425   |
| 03020 | Otsego Public Schools ...              | \$ 540,058   |
| 03030 | Allegan Public Schools ...             | \$ 926,426   |
| 03040 | Wayland Union Schools ...              | \$ 731,677   |
| 03050 | Fennville Public Schools ...           | \$ 579,056   |
| 03060 | Martin Public Schools ...              | \$ 139,670   |
| 03070 | Hopkins Public Schools ...             | \$ 255,685   |
| 03100 | Hamilton Community Schools ...         | \$ 401,023   |
| 03440 | Ganges School District #4 ...          | \$ 2,201     |
| 04000 | Alpena-Montmorency-Alcona Intermediate | \$ 726,402   |
|       | ...                                    |              |
| 04010 | Alpena Public Schools ...              | \$ 1,042,911 |
| 05010 | Alba Public Schools ...                | \$ 42,367    |
| 05035 | Central Lake Public Schools ...        | \$ 69,082    |

|       |                                            |    |           |
|-------|--------------------------------------------|----|-----------|
| 05040 | Bellaire Public Schools ...                | \$ | 167,614   |
| 05060 | Elk Rapids Schools ...                     | \$ | 357,615   |
| 05065 | Ellsworth Community Schools ...            | \$ | 21,150    |
| 05070 | Mancelona Public Schools ...               | \$ | 285,764   |
| 06010 | Arenac Eastern School District ...         | \$ | 79,078    |
| 06050 | Standish Sterling School District ...      | \$ | 317,341   |
| 07020 | Baraga Township School District ...        | \$ | 216,490   |
| 07040 | L'Anse Area Schools ...                    | \$ | 263,107   |
| 08000 | Barry Intermediate District ...            | \$ | 390,738   |
| 08010 | Delton-Kellogg School District ...         | \$ | 254,518   |
| 08030 | Hastings Area School District ...          | \$ | 615,970   |
| 08050 | Thornapple-Kellogg School District ...     | \$ | 794,355   |
| 09000 | Bay Arenac Intermediate District ...       | \$ | 3,690,121 |
| 09010 | Bay City School District ...               | \$ | 2,957,596 |
| 09030 | Bangor Township Schools ...                | \$ | 690,490   |
| 09090 | Pinconning Area Schools ...                | \$ | 437,605   |
| 10015 | Benzie County Central Schools ...          | \$ | 469,507   |
| 10025 | Frankfort-Elberta Area Schools ...         | \$ | 74,090    |
| 11000 | Berrien Intermediate District ...          | \$ | 4,488,648 |
| 11010 | Benton Harbor Area Schools ...             | \$ | 1,588,343 |
| 11030 | Lakeshore School District ...              | \$ | 505,985   |
| 11160 | Galien Township School District ...        | \$ | 148,305   |
| 11200 | New Buffalo Area School District ...       | \$ | 295,255   |
| 11210 | Brandywine Public School District ...      | \$ | 430,713   |
| 11240 | Berrien Springs Public School District ... | \$ | 1,020,853 |
| 11250 | Eau Claire Public Schools ...              | \$ | 295,326   |
| 11300 | Niles Community School District ...        | \$ | 1,886,362 |
| 11310 | Buchanan Community School District ...     | \$ | 415,327   |
| 11320 | Watervliet School District ...             | \$ | 333,411   |
| 11330 | Coloma Community Schools ...               | \$ | 518,321   |
| 11670 | Hagar Township School District #6 ...      | \$ | 3,558     |
| 12000 | Branch Intermediate District ...           | \$ | 1,591,244 |
| 12010 | Coldwater Community Schools ...            | \$ | 533,753   |
| 12020 | Bronson Community School District ...      | \$ | 100,766   |
| 12040 | Quincy Community School District ...       | \$ | 118,640   |
| 13000 | Calhoun Intermediate District ...          | \$ | 2,099,031 |
| 13010 | Albion Public Schools ...                  | \$ | 682,812   |
| 13020 | Battle Creek Public Schools ...            | \$ | 4,924,981 |
| 13050 | Athens Area Schools ...                    | \$ | 239,614   |
| 13070 | Harper Creek Community Schools ...         | \$ | 737,397   |
| 13080 | Homer Community Schools ...                | \$ | 243,747   |
| 13090 | Lakeview School District ...               | \$ | 672,056   |
| 13095 | Mar Lee School District ...                | \$ | 22,341    |
| 13110 | Marshall Public Schools ...                | \$ | 499,126   |
| 13120 | Pennfield School District ...              | \$ | 295,615   |
| 13130 | Tekonsha Community Schools ...             | \$ | 84,152    |
| 13135 | Union City Community School District ...   | \$ | 261,232   |
| 14000 | Lewis Cass Intermediate District ...       | \$ | 1,156,252 |
| 14010 | Cassopolis Public Schools ...              | \$ | 359,167   |
| 14020 | Dowagiac Union Schools ...                 | \$ | 886,692   |
| 14030 | Edwardsburg Public Schools ...             | \$ | 278,671   |
| 14050 | Marcellus Community Schools ...            | \$ | 133,119   |
| 15000 | Charlevoix Emmet Intermediate District ... | \$ | 2,656,494 |
| 15010 | Beaver Island Community Schools ...        | \$ | 5,291     |
| 15020 | Boyne City Public School District ...      | \$ | 340,838   |
| 15030 | Boyne Falls Public School District ...     | \$ | 46,285    |
| 15060 | East Jordan Public School District ...     | \$ | 124,290   |
| 16000 | Cheboygan Otsego Presque Isle ISD ...      | \$ | 484,651   |

|       |                                             |    |            |
|-------|---------------------------------------------|----|------------|
| 16015 | Cheboygan Area Schools ...                  | \$ | 600,684    |
| 16050 | Inland Lakes School District ...            | \$ | 121,570    |
| 16070 | Mackinaw City Public Schools ...            | \$ | 10,133     |
| 16100 | Wolverine Community School District ...     | \$ | 36,114     |
| 17000 | Eastern Upper Peninsula ISD ...             | \$ | 686,688    |
| 17010 | Sault Ste Marie Area Schools ...            | \$ | 1,375,408  |
| 17050 | Detour Area Schools ...                     | \$ | 91,341     |
| 17090 | Pickford Public Schools ...                 | \$ | 50,020     |
| 17110 | Rudyard Area Schools ...                    | \$ | 167,700    |
| 17140 | Brimley Area Schools ...                    | \$ | 339,116    |
| 17160 | Whitefish Schools ...                       | \$ | 7,565      |
| 18000 | Clare Gladwin Intermediate District ...     | \$ | 824,976    |
| 18010 | Clare Public Schools ...                    | \$ | 283,169    |
| 18020 | Farwell Area Schools ...                    | \$ | 435,856    |
| 18060 | Harrison Community Schools ...              | \$ | 548,716    |
| 19000 | Clinton Intermediate District ...           | \$ | 1,408,672  |
| 19010 | Dewitt Public Schools ...                   | \$ | 460,423    |
| 19070 | Fowler Public Schools ...                   | \$ | 73,794     |
| 19100 | Bath Community Schools ...                  | \$ | 207,492    |
| 19120 | Ovid Elsie Area Schools ...                 | \$ | 421,074    |
| 19125 | Pewamo Westphalia Community Schools ...     | \$ | 123,323    |
| 19140 | St. Johns Public Schools ...                | \$ | 916,394    |
| 20015 | Crawford Ausable Schools ...                | \$ | 400,397    |
| 21000 | Delta Schoolcraft Intermediate District ... | \$ | 751,556    |
| 21010 | Esanaba Area Public Schools ...             | \$ | 970,743    |
| 21025 | Gladstone Area Schools ...                  | \$ | 394,007    |
| 21060 | Rapid River Public Schools ...              | \$ | 95,894     |
| 21065 | Big Bay De Noc School District ...          | \$ | 76,026     |
| 21090 | Bark River Harris School District ...       | \$ | 157,932    |
| 21135 | Mid Peninsula School District ...           | \$ | 70,668     |
| 22000 | Dickinson-Iron Intermediate District ...    | \$ | 886,487    |
| 22010 | Iron Mountain City School District ...      | \$ | 235,977    |
| 22025 | Norway Vulcan Area Schools ...              | \$ | 106,885    |
| 22030 | Breitung Township School District ...       | \$ | 373,341    |
| 22045 | North Dickinson County School District ...  | \$ | 108,610    |
| 23000 | Eaton Intermediate District ...             | \$ | 1,122,375  |
| 23010 | Bellevue Community School District ...      | \$ | 259,295    |
| 23030 | Charlotte Public Schools ...                | \$ | 931,778    |
| 23050 | Eaton Rapids Public Schools ...             | \$ | 933,405    |
| 23060 | Grand Ledge Public Schools ...              | \$ | 1,871,628  |
| 23065 | Maple Valley School District ...            | \$ | 406,606    |
| 23080 | Olivet Community Schools ...                | \$ | 273,708    |
| 23090 | Pottersville Public Schools ...             | \$ | 223,936    |
| 24020 | Harbor Springs School District ...          | \$ | 129,569    |
| 24030 | Littlefield Public School District ...      | \$ | 79,810     |
| 24040 | Pellston Public School District ...         | \$ | 87,279     |
| 24070 | Petoskey Public Schools ...                 | \$ | 324,563    |
| 25000 | Genesee Intermediate District ...           | \$ | 6,300,676  |
| 25010 | Flint City School District ...              | \$ | 18,747,097 |
| 25040 | Mt. Morris Consolidated Schools ...         | \$ | 1,121,625  |
| 25060 | Bendle Public Schools ...                   | \$ | 404,192    |
| 25070 | Genesee School District ...                 | \$ | 231,806    |
| 25100 | Fenton Area Public Schools ...              | \$ | 1,111,528  |
| 25110 | Kearsley Community Schools ...              | \$ | 947,009    |
| 25120 | Flushing Community Schools ...              | \$ | 973,174    |
| 25130 | Atherton Community School District ...      | \$ | 299,766    |
| 25140 | Davison Community Schools ...               | \$ | 1,194,861  |
| 25150 | Clio Area School District ...               | \$ | 861,180    |

|       |                                             |    |            |
|-------|---------------------------------------------|----|------------|
| 25180 | Swartz Creek Community Schools ...          | \$ | 1,281,780  |
| 25200 | Lake Fenton Schools ...                     | \$ | 459,138    |
| 25210 | Westwood Heights School District ...        | \$ | 433,487    |
| 25230 | Bentley Community School District ...       | \$ | 416,919    |
| 25240 | Beecher Community School District ...       | \$ | 1,684,881  |
| 25250 | Linden Community School District ...        | \$ | 693,553    |
| 25260 | Montrose Community Schools ...              | \$ | 803,839    |
| 25280 | Lakeville Community School District ...     | \$ | 821,048    |
| 26010 | Beaverton Rural Schools ...                 | \$ | 401,648    |
| 26040 | Gladwin Community Schools ...               | \$ | 427,002    |
| 27000 | Gogebic Ontonagon Intermediate District ... | \$ | 558,679    |
| 27010 | Bessemer City School District ...           | \$ | 93,392     |
| 27020 | Ironwood Area Schools ...                   | \$ | 358,358    |
| 27060 | Marenisco School District ...               | \$ | 13,053     |
| 27070 | Wakefield Township School District ...      | \$ | 76,782     |
| 27080 | Watersmeet Township School District ...     | \$ | 49,036     |
| 28000 | Traverse Bay Intermediate District ...      | \$ | 4,179,332  |
| 28010 | Traverse City School District ...           | \$ | 2,902,639  |
| 28035 | Buckley Community School District ...       | \$ | 85,755     |
| 28090 | Kingsley Area School ...                    | \$ | 233,898    |
| 29000 | Gratiot-Isabella RESD ...                   | \$ | 470,134    |
| 29010 | Alma Public Schools ...                     | \$ | 694,386    |
| 29020 | Ashley Community Schools ...                | \$ | 74,662     |
| 29040 | Breckenridge Community Schools ...          | \$ | 304,118    |
| 29050 | Fulton Schools ...                          | \$ | 149,274    |
| 29060 | Ithaca Public Schools ...                   | \$ | 471,693    |
| 29100 | St. Louis Public Schools ...                | \$ | 421,142    |
| 30000 | Hillsdale Intermediate District ...         | \$ | 1,766,059  |
| 30010 | Camden Frontier Schools ...                 | \$ | 87,548     |
| 30020 | Hillsdale Community Public Schools ...      | \$ | 391,242    |
| 30030 | Jonesville Community Schools ...            | \$ | 109,455    |
| 30040 | Litchfield Community Schools ...            | \$ | 167,255    |
| 30050 | North Adams-Jerome Public Schools ...       | \$ | 61,387     |
| 30060 | Pittsford Area Schools ...                  | \$ | 202,030    |
| 30070 | Reading Community Schools ...               | \$ | 128,460    |
| 30080 | Waldron Area Schools ...                    | \$ | 98,856     |
| 31000 | Copper Country Intermediate District ...    | \$ | 874,467    |
| 31010 | Hancock Public Schools ...                  | \$ | 177,175    |
| 31020 | Adams Township School District ...          | \$ | 20,756     |
| 31030 | Calumet Public Schools ...                  | \$ | 314,749    |
| 31050 | Chassell Township School District ...       | \$ | 627        |
| 31100 | Osceola Township School District ...        | \$ | 3,877      |
| 31110 | Houghton-Portage Township Schools ...       | \$ | 176,454    |
| 31130 | Lake Linden Hubbell School District ...     | \$ | 98,547     |
| 32000 | Huron Intermediate District ...             | \$ | 1,188,316  |
| 32010 | Bad Axe Public Schools ...                  | \$ | 163,568    |
| 32030 | Caseville Public Schools ...                | \$ | 29,891     |
| 32060 | Harbor Beach Community Schools ...          | \$ | 129,415    |
| 32090 | Owendale Gagetown Area School District      | \$ | 49,577     |
|       | ...                                         |    |            |
| 32130 | Port Hope Community Schools ...             | \$ | 373        |
| 32170 | Ubyly Community Schools ...                 | \$ | 103,432    |
| 33000 | Ingham Intermediate District ...            | \$ | 9,528,160  |
| 33020 | Lansing Public School District ...          | \$ | 13,878,055 |
| 33040 | Dansville Agricultural School ...           | \$ | 231,154    |
| 33060 | Haslett Public Schools ...                  | \$ | 533,512    |
| 33070 | Holt Public Schools ...                     | \$ | 1,436,837  |
| 33100 | Leslie Public Schools ...                   | \$ | 487,249    |

|       |                                            |    |            |
|-------|--------------------------------------------|----|------------|
| 33130 | Mason Public Schools ...                   | \$ | 1,242,161  |
| 33200 | Stockbridge Community Schools ...          | \$ | 538,077    |
| 33220 | Webberville Community Schools ...          | \$ | 160,090    |
| 33230 | Williamston Community Schools ...          | \$ | 286,724    |
| 34000 | Ionia Intermediate District ...            | \$ | 889,225    |
| 34010 | Ionia Public Schools ...                   | \$ | 1,442,559  |
| 34040 | Palo Community School District ...         | \$ | 22,056     |
| 34080 | Belding Area School District ...           | \$ | 590,288    |
| 34090 | Lakewood Public Schools ...                | \$ | 621,134    |
| 34110 | Portland Public School District ...        | \$ | 512,174    |
| 34120 | Saranac Community Schools ...              | \$ | 222,518    |
| 35000 | Iosco Intermediate District ...            | \$ | 746,867    |
| 35010 | Oscoda Area Schools ...                    | \$ | 586,953    |
| 35020 | Hale Area Schools ...                      | \$ | 117,632    |
| 35040 | Whittemore Prescott Area School District   | \$ | 327,352    |
|       | ...                                        |    |            |
| 36015 | Forest Park School District ...            | \$ | 104,179    |
| 36025 | West Iron County School District ...       | \$ | 291,224    |
| 37010 | Mt. Pleasant City School District ...      | \$ | 1,661,159  |
| 37040 | Beal City School ...                       | \$ | 94,455     |
| 37060 | Shepherd Public School District ...        | \$ | 537,492    |
| 38000 | Jackson Intermediate District ...          | \$ | 5,867,626  |
| 38010 | Western School District ...                | \$ | 368,913    |
| 38020 | Vandercook Lake Public Schools ...         | \$ | 182,732    |
| 38040 | Columbia School District ...               | \$ | 272,872    |
| 38050 | Grass Lake Community Schools ...           | \$ | 112,948    |
| 38080 | Concord Community Schools ...              | \$ | 136,334    |
| 38090 | East Jackson Public Schools ...            | \$ | 262,531    |
| 38100 | Hanover Horton Schools ...                 | \$ | 210,862    |
| 38120 | Michigan Center School District ...        | \$ | 254,956    |
| 38130 | Napoleon Community Schools ...             | \$ | 162,981    |
| 38140 | Northwest School District ...              | \$ | 557,439    |
| 38150 | Springport Public Schools ...              | \$ | 112,368    |
| 38170 | Jackson Public Schools ...                 | \$ | 4,007,741  |
| 39000 | Kalamazoo Valley Intermediate District ... | \$ | 2,294,305  |
| 39010 | Kalamazoo City School District ...         | \$ | 4,620,814  |
| 39020 | Climax Scotts Community Schools ...        | \$ | 141,525    |
| 39050 | Galesburg Augusta Community Schools ...    | \$ | 491,658    |
| 39065 | Gull Lake Community Schools ...            | \$ | 664,438    |
| 39130 | Parchment School District ...              | \$ | 413,278    |
| 39160 | Schoolcraft Community Schools ...          | \$ | 278,974    |
| 39170 | Vicksburg Community Schools ...            | \$ | 606,035    |
| 40020 | Forest Area Community School District ...  | \$ | 249,638    |
| 40040 | Kalkaska Public Schools ...                | \$ | 536,507    |
| 41000 | Kent Intermediate District ...             | \$ | 1,018,499  |
| 41010 | Grand Rapids City School District ...      | \$ | 30,052,399 |
| 41020 | Godwin Heights Public Schools ...          | \$ | 776,787    |
| 41025 | Northview Public School District ...       | \$ | 1,463,294  |
| 41026 | Wyoming Public Schools ...                 | \$ | 3,510,038  |
| 41070 | Cedar Springs Public Schools ...           | \$ | 1,194,520  |
| 41080 | Comstock Park Public Schools ...           | \$ | 735,314    |
| 41120 | Godfrey Lee Public School District ...     | \$ | 625,281    |
| 41130 | Grandville Public Schools ...              | \$ | 2,285,726  |
| 41140 | Kelloggsville Public Schools ...           | \$ | 457,811    |
| 41150 | Kent City Community Schools ...            | \$ | 634,852    |
| 41170 | Lowell Area School District ...            | \$ | 1,191,193  |
| 41210 | Rockford Public Schools ...                | \$ | 1,800,045  |
| 41240 | Sparta Area Schools ...                    | \$ | 1,572,479  |

|       |                                           |    |            |
|-------|-------------------------------------------|----|------------|
| 43040 | Baldwin Community Schools ...             | \$ | 301,981    |
| 44000 | Lapeer Intermediate District ...          | \$ | 1,257,237  |
| 44010 | Lapeer Community Schools ...              | \$ | 1,606,732  |
| 44020 | Almont Community Schools ...              | \$ | 195,065    |
| 44050 | Dryden Community Schools ...              | \$ | 123,137    |
| 44060 | Imlay City Community Schools ...          | \$ | 650,688    |
| 44090 | North Branch Area Schools ...             | \$ | 361,607    |
| 45010 | Glen Lake Community School District ...   | \$ | 147,578    |
| 45020 | Leland Public School District ...         | \$ | 74,798     |
| 45040 | Northport Public School District ...      | \$ | 103,011    |
| 46000 | Lenawee Intermediate District ...         | \$ | 3,474,431  |
| 46010 | Adrian City School District ...           | \$ | 1,749,075  |
| 46020 | Addison Community Schools ...             | \$ | 228,919    |
| 46040 | Blissfield Community Schools ...          | \$ | 216,378    |
| 46050 | Britton Macon Area School District ...    | \$ | 48,992     |
| 46060 | Clinton Community Schools ...             | \$ | 156,385    |
| 46070 | Deerfield Public Schools ...              | \$ | 63,324     |
| 46080 | Hudson Area Schools ...                   | \$ | 206,641    |
| 46090 | Madison School District ...               | \$ | 254,199    |
| 46100 | Morenci Area Schools ...                  | \$ | 175,792    |
| 46110 | Onsted Community Schools ...              | \$ | 204,754    |
| 46130 | Sand Creek Community Schools ...          | \$ | 180,402    |
| 46140 | Tecumseh Public Schools ...               | \$ | 564,716    |
| 47000 | Livingston Intermediate District ...      | \$ | 3,740,653  |
| 47010 | Brighton Area Schools ...                 | \$ | 1,608,320  |
| 47030 | Fowlerville Community Schools ...         | \$ | 458,044    |
| 47060 | Hartland Consolidated Schools ...         | \$ | 638,713    |
| 47070 | Howell Public Schools ...                 | \$ | 1,500,542  |
| 47080 | Pinckney Community Schools ...            | \$ | 585,950    |
| 48040 | Tahquamenon Area Schools ...              | \$ | 267,875    |
| 49010 | St. Ignace City School District ...       | \$ | 199,400    |
| 49040 | Les Cheneaux Community School District    | \$ | 79,470     |
| ...   | ...                                       |    |            |
| 49055 | Engadine Consolidated Schools ...         | \$ | 48,728     |
| 49070 | Moran Township School District ...        | \$ | 1,018      |
| 49110 | Mackinac Island Public Schools ...        | \$ | 19,763     |
| 50000 | Macomb Intermediate School ...            | \$ | 20,272,402 |
| 50030 | Roseville Community Schools ...           | \$ | 2,720,948  |
| 50040 | Anchor Bay School District ...            | \$ | 1,402,309  |
| 50050 | Armada Area Schools ...                   | \$ | 511,195    |
| 50070 | Clintondale Community Schools ...         | \$ | 1,493,807  |
| 50080 | Chippewa Valley Schools ...               | \$ | 2,743,571  |
| 50130 | Lakeview Public Schools ...               | \$ | 1,303,122  |
| 50170 | New Haven Community Schools ...           | \$ | 443,394    |
| 50180 | Richmond Community Schools ...            | \$ | 714,909    |
| 50190 | Romeo Community Schools ...               | \$ | 1,416,793  |
| 51000 | Manistee Intermediate District ...        | \$ | 805,187    |
| 51020 | Bear Lake School District ...             | \$ | 68,270     |
| 51045 | Kaleva Norman - Dickson Schools ...       | \$ | 143,635    |
| 51060 | Onkama Consolidated Schools ...           | \$ | 10,726     |
| 51070 | Manistee Area Public Schools ...          | \$ | 309,900    |
| 52000 | Marquette Alger Intermediate District ... | \$ | 931,342    |
| 52015 | N.I.C.E. Community Schools ...            | \$ | 487,900    |
| 52040 | Gwinn Area Community Schools ...          | \$ | 686,265    |
| 52090 | Negaunee Public Schools ...               | \$ | 360,838    |
| 52100 | Powell Township School District ...       | \$ | 26,655     |
| 52110 | Republic Michigamme Schools ...           | \$ | 111,822    |
| 52160 | Wells Township School District ...        | \$ | 4,936      |

|       |                                              |    |           |
|-------|----------------------------------------------|----|-----------|
| 52170 | Marquette City School District ...           | \$ | 1,176,918 |
| 52180 | Ishpeming Public School District ...         | \$ | 369,755   |
| 53000 | Mason Lake Intermediate District ...         | \$ | 1,418,466 |
| 53010 | Mason County Central School District ...     | \$ | 270,895   |
| 53020 | Mason County Eastern School District ...     | \$ | 100,000   |
| 53030 | Freesoil Community School District ...       | \$ | 28,616    |
| 53040 | Ludington Area School District ...           | \$ | 553,370   |
| 54000 | Mecosta Osceola Intermediate District ...    | \$ | 1,144,797 |
| 54010 | Big Rapids Public Schools ...                | \$ | 301,222   |
| 54025 | Chippewa Hills School District ...           | \$ | 603,473   |
| 54040 | Morley Stanwood Community Schools ...        | \$ | 298,110   |
| 55000 | Menominee Intermediate District ...          | \$ | 596,813   |
| 55010 | Carney Nadeau Public Schools ...             | \$ | 36,825    |
| 55100 | Menominee Area Public Schools ...            | \$ | 410,849   |
| 55115 | North Central Area Schools ...               | \$ | 79,050    |
| 55120 | Stephenson Area Public Schools ...           | \$ | 146,858   |
| 56000 | Midland Intermediate District ...            | \$ | 778,082   |
| 56020 | Bullock Creek School District ...            | \$ | 815,270   |
| 56030 | Coleman Community School District ...        | \$ | 405,291   |
| 56050 | Meridian Public Schools ...                  | \$ | 847,821   |
| 57010 | Falmouth Elementary School District ...      | \$ | 11,423    |
| 57020 | Lake City Area School District ...           | \$ | 144,279   |
| 57030 | McBain Agricultural School District ...      | \$ | 148,767   |
| 58000 | Monroe Intermediate District ...             | \$ | 5,938,669 |
| 58020 | Airport Community School District ...        | \$ | 968,294   |
| 58030 | Bedford Public School District ...           | \$ | 814,625   |
| 58050 | Dundee Community Schools ...                 | \$ | 290,343   |
| 58070 | Ida Public School District ...               | \$ | 904,674   |
| 58080 | Jefferson Schools-Monroe County ...          | \$ | 1,122,705 |
| 58090 | Mason Consolidated School District ...       | \$ | 404,108   |
| 58100 | Summerfield School District ...              | \$ | 196,514   |
| 58110 | Whiteford Agricultural School District ...   | \$ | 171,481   |
| 59000 | Montcalm Area Intermediate District ...      | \$ | 2,405,905 |
| 59020 | Carson City Crystal Area School District ... | \$ | 248,985   |
| 59045 | Montabella Community School District ...     | \$ | 235,193   |
| 59070 | Greenville Public Schools ...                | \$ | 937,756   |
| 59080 | Tri County Area Schools ...                  | \$ | 309,365   |
| 59090 | Lakeview Community Schools ...               | \$ | 317,348   |
| 59125 | Central Montcalm Public Schools ...          | \$ | 488,104   |
| 59150 | Vestaburg Community Schools ...              | \$ | 142,375   |
| 60010 | Atlanta Community Schools ...                | \$ | 102,771   |
| 60020 | Hillman Community Schools ...                | \$ | 89,566    |
| 61000 | Muskegon Intermediate District ...           | \$ | 1,704,192 |
| 61010 | Muskegon City School District ...            | \$ | 7,333,232 |
| 61020 | Muskegon Heights School District ...         | \$ | 1,665,615 |
| 61060 | Mona Shores School District ...              | \$ | 924,108   |
| 61065 | Oakridge Public Schools ...                  | \$ | 516,766   |
| 61080 | Fruitport Community Schools ...              | \$ | 1,340,081 |
| 61120 | Holton Public Schools ...                    | \$ | 404,703   |
| 61180 | Montague Area Public Schools ...             | \$ | 353,974   |
| 61190 | Orchard View Schools ...                     | \$ | 835,211   |
| 61210 | Ravenna Public Schools ...                   | \$ | 289,731   |
| 61220 | Reeths Puffer Schools ...                    | \$ | 1,362,629 |
| 61230 | North Muskegon Public Schools ...            | \$ | 104,428   |
| 61240 | Whitehall School District ...                | \$ | 566,527   |
| 62000 | Newaygo Intermediate District ...            | \$ | 2,002,463 |
| 62040 | Fremont Public School District ...           | \$ | 413,415   |
| 62050 | Grant Public School District ...             | \$ | 408,836   |

|       |                                           |    |           |
|-------|-------------------------------------------|----|-----------|
| 62060 | Hesperia Community School District ...    | \$ | 258,339   |
| 62070 | Newaygo Public School District ...        | \$ | 808,680   |
| 62080 | Pineview School District ...              | \$ | 6,754     |
| 62090 | White Cloud Public Schools ...            | \$ | 326,623   |
| 62470 | Big Jackson School District ...           | \$ | 4,683     |
| 63080 | Bloomfield Hills School District ...      | \$ | 6,277,282 |
| 63090 | Clarenceville School District ...         | \$ | 1,050,868 |
| 63110 | Oxford Area Community School District ... | \$ | 1,064,497 |
| 63130 | Hazel Park City School District ...       | \$ | 4,502,785 |
| 63180 | Brandon School District ...               | \$ | 1,573,574 |
| 63190 | Clarkston Community School District ...   | \$ | 2,599,329 |
| 63210 | Holly Area School District ...            | \$ | 1,652,532 |
| 63250 | Oak Park City School District ...         | \$ | 2,742,617 |
| 63300 | Waterford School District ...             | \$ | 7,891,782 |
| 64000 | Oceana Intermediate District ...          | \$ | 459,987   |
| 64040 | Hart Public School District ...           | \$ | 492,658   |
| 64070 | Pentwater Public School District ...      | \$ | 50,550    |
| 64080 | Shelby Public Schools ...                 | \$ | 308,687   |
| 64090 | Walkerville Rural Community Schools ...   | \$ | 178,928   |
| 65045 | West Branch-Rose City Area Schools ...    | \$ | 597,592   |
| 66045 | Ewen-Trout Creek Consolidated Schools ... | \$ | 125,613   |
| 66050 | Ontonagon Area Schools ...                | \$ | 117,972   |
| 66070 | White Pine School District ...            | \$ | 38,434    |
| 67020 | Evart Public Schools ...                  | \$ | 222,644   |
| 67050 | Marion Public Schools ...                 | \$ | 120,994   |
| 67055 | Pine River Area Schools ...               | \$ | 210,897   |
| 67060 | Reed City Area Public Schools ...         | \$ | 225,449   |
| 68010 | Mio Au Sable Schools ...                  | \$ | 188,436   |
| 68030 | Fairview Area School District ...         | \$ | 53,298    |
| 69020 | Gaylord Community Schools ...             | \$ | 361,967   |
| 69030 | Johannesburg-Lewiston Schools ...         | \$ | 302,444   |
| 69040 | Vanderbilt Area School ...                | \$ | 78,924    |
| 70000 | Ottawa Intermediate District ...          | \$ | 3,134,623 |
| 70040 | Allendale Public School District ...      | \$ | 304,155   |
| 70120 | Coopersville Public School District ...   | \$ | 547,307   |
| 70175 | Jenison Public Schools ...                | \$ | 1,174,903 |
| 70190 | Hudsonville Public School District ...    | \$ | 642,115   |
| 70300 | Spring Lake Public School District ...    | \$ | 654,764   |
| 71050 | Onaway Area Community School District     | \$ | 62,371    |
| ...   |                                           |    |           |
| 71060 | Posen Cons School District ...            | \$ | 89,023    |
| 71080 | Rogers City Area Schools ...              | \$ | 98,801    |
| 72000 | C O O R Intermediate District ...         | \$ | 1,535,012 |
| 72010 | Gerrish Higgins School District ...       | \$ | 315,748   |
| 73000 | Saginaw Intermediate District ...         | \$ | 3,752,177 |
| 73010 | Saginaw City School District ...          | \$ | 9,709,110 |
| 73030 | Carrollton School District ...            | \$ | 757,628   |
| 73080 | Buena Vista School District ...           | \$ | 774,237   |
| 73110 | Chesaning Union Schools ...               | \$ | 586,935   |
| 73170 | Birch Run Area School District ...        | \$ | 442,083   |
| 73180 | Bridgeport-Saulding Community Schools ... | \$ | 947,910   |
| 73200 | Freeland Community School District ...    | \$ | 245,297   |
| 73210 | Hemlock Public School District ...        | \$ | 463,950   |
| 73230 | Merrill Community School District ...     | \$ | 313,949   |
| 73240 | St. Charles Community Schools ...         | \$ | 217,281   |
| 73255 | Swan Valley School District ...           | \$ | 404,732   |
| 74000 | St. Clair Intermediate District ...       | \$ | 2,495,753 |
| 74010 | Port Huron Area School District ...       | \$ | 5,768,925 |

|       |                                              |    |           |
|-------|----------------------------------------------|----|-----------|
| 74030 | Algonac Community School District ...        | \$ | 683,103   |
| 74040 | Capac Community School District ...          | \$ | 637,134   |
| 74100 | Marysville Public School District ...        | \$ | 541,674   |
| 74120 | Memphis Community Schools ...                | \$ | 236,433   |
| 74130 | Yale Public Schools ...                      | \$ | 364,744   |
| 75000 | St. Joseph Intermediate District ...         | \$ | 1,557,997 |
| 75010 | Sturgis Public School District ...           | \$ | 667,172   |
| 75020 | Burr Oak Community School District ...       | \$ | 31,806    |
| 75030 | Centreville Public Schools ...               | \$ | 239,843   |
| 75040 | Colon Community School District ...          | \$ | 136,247   |
| 75050 | Constantine Public School District ...       | \$ | 295,041   |
| 75060 | Mendon Community School District ...         | \$ | 220,774   |
| 75070 | White Pigeon Community School District       | \$ | 166,233   |
| ...   |                                              |    |           |
| 75080 | Three Rivers Community Schools ...           | \$ | 903,838   |
| 75100 | Nottawa Community School ...                 | \$ | 30,147    |
| 76000 | Sanilac Intermediate District ...            | \$ | 694,073   |
| 76060 | Brown City Community School District ...     | \$ | 174,912   |
| 76070 | Carsonville-Port Sanilac School District ... | \$ | 93,165    |
| 76080 | Croswell Lexington Community Schools ...     | \$ | 410,871   |
| 76090 | Deckerville Community School District ...    | \$ | 118,766   |
| 76140 | Marlette Community Schools ...               | \$ | 284,291   |
| 76180 | Peck Community School District ...           | \$ | 35,198    |
| 76210 | Sandusky Community School District ...       | \$ | 308,221   |
| 77010 | Manistique Area Schools ...                  | \$ | 310,466   |
| 78000 | Shiawassee RESD ...                          | \$ | 3,184,986 |
| 78020 | Byron Area Schools ...                       | \$ | 191,551   |
| 78030 | Durand Area Schools ...                      | \$ | 540,453   |
| 78040 | Laingsburg Community School District ...     | \$ | 114,818   |
| 78060 | Morrice Area Schools ...                     | \$ | 85,394    |
| 78070 | New Lothrop Area Public School District ...  | \$ | 105,582   |
| 78080 | Perry Public School District ...             | \$ | 273,749   |
| 78100 | Corunna Public School District ...           | \$ | 454,571   |
| 78110 | Owosso Public Schools ...                    | \$ | 885,887   |
| 79000 | Tuscola Intermediate District ...            | \$ | 1,095,027 |
| 79010 | Akron Fairgrove Schools ...                  | \$ | 76,917    |
| 79020 | Caro Community Schools ...                   | \$ | 476,124   |
| 79030 | Cass City Public Schools ...                 | \$ | 250,135   |
| 79080 | Kingston Community School District ...       | \$ | 27,113    |
| 79090 | Mayville Community School District ...       | \$ | 267,475   |
| 79100 | Millington Community Schools ...             | \$ | 258,045   |
| 79110 | Reese Public Schools ...                     | \$ | 164,035   |
| 79145 | Unionville Sebewaing Area Schools ...        | \$ | 98,025    |
| 79150 | Vassar Public Schools ...                    | \$ | 271,839   |
| 80000 | Van Buren Intermediate District ...          | \$ | 3,864,085 |
| 80010 | South Haven Public Schools ...               | \$ | 619,864   |
| 80020 | Bangor Public Schools ...                    | \$ | 246,071   |
| 80040 | Covert Public Schools ...                    | \$ | 179,845   |
| 80050 | Decatur Public Schools ...                   | \$ | 214,070   |
| 80090 | Bloomington Public School District ...       | \$ | 303,179   |
| 80110 | Gobles Public School District ...            | \$ | 145,320   |
| 80120 | Hartford Public School District ...          | \$ | 475,713   |
| 80130 | Lawrence Public School District ...          | \$ | 94,596    |
| 80140 | Lawton Community School District ...         | \$ | 190,087   |
| 80150 | Mattawan Consolidated School District ...    | \$ | 312,724   |
| 80160 | Paw Paw Public School District ...           | \$ | 301,501   |
| 81000 | Washtenaw Intermediate District ...          | \$ | 2,724,063 |
| 81040 | Chelsea School District ...                  | \$ | 518,995   |

|       |                                              |    |             |
|-------|----------------------------------------------|----|-------------|
| 81050 | Dexter Community School District ...         | \$ | 962,834     |
| 81070 | Lincoln Consolidated School District ...     | \$ | 1,492,337   |
| 81080 | Manchester Community School District ...     | \$ | 472,632     |
| 81100 | Milan Area Schools ...                       | \$ | 572,621     |
| 81120 | Saline Area School District ...              | \$ | 1,624,108   |
| 81140 | Whitmore Lake Public School District ...     | \$ | 496,133     |
| 81150 | Willow Run Community Schools ...             | \$ | 2,071,518   |
| 82000 | Wayne Intermediate District ...              | \$ | 8,287,172   |
| 82010 | Detroit City School District ...             | \$ | 118,608,866 |
| 82040 | Dearborn Heights School District #7 ...      | \$ | 849,305     |
| 82045 | Melvindale Allen Park Schools ...            | \$ | 836,448     |
| 82050 | Garden City School District ...              | \$ | 5,839,085   |
| 82060 | Hamtramck Public Schools ...                 | \$ | 1,734,517   |
| 82070 | Highland Park City Schools ...               | \$ | 1,875,555   |
| 82080 | Inkster City School District ...             | \$ | 1,252,453   |
| 82090 | Lincoln Park Public Schools ...              | \$ | 2,194,776   |
| 82110 | Redford Union School District ...            | \$ | 5,630,439   |
| 82120 | River Rouge City Schools ...                 | \$ | 885,742     |
| 82130 | Romulus Community Schools ...                | \$ | 2,366,586   |
| 82150 | Taylor School District ...                   | \$ | 6,396,657   |
| 82160 | Wayne-Westland Community School District ... | \$ | 14,003,645  |
| 82170 | Wyandotte City School District ...           | \$ | 3,732,656   |
| 82180 | Flat Rock Community Schools ...              | \$ | 549,211     |
| 82240 | Westwood Community Schools ...               | \$ | 1,762,599   |
| 82250 | Ecorse Public School District ...            | \$ | 656,734     |
| 82340 | Huron School District ...                    | \$ | 1,302,779   |
| 82405 | Southgate Community School District ...      | \$ | 1,037,284   |
| 82430 | Van Buren Public Schools ...                 | \$ | 3,312,445   |
| 83000 | Wexford Missaukee Intermediate District ...  | \$ | 1,625,243   |
| 83010 | Cadillac Area Public Schools ...             | \$ | 468,432     |
| 83060 | Manton Consolidated Schools ...              | \$ | 118,182     |
| 83070 | Mesick Consolidated School District ...      | \$ | 88,208      |

(2) This section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts designated in this section in any litigation or future litigation with a district or intermediate district. In addition, this section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute a waiver of any defense that is or would have been available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

**History:** Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

**Compiler's note:** In the above table, the entry for "Bridgeport-Saulding Community Schools" should evidently read "Bridgeport-Spaulling Community Schools."

### **388.1611i Borrowing money and issuing bonds.**

Sec. 11i. (1) In addition to any other authority granted under law, an eligible district or intermediate district may borrow from the Michigan municipal bond authority created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1077, an amount equal to 1/2 of the amount listed for the district or intermediate district in section 11h, in anticipation of the receipt of the payments appropriated under section 11g, and may authorize by resolution of its governing body and issue its bonds to evidence its obligations to the Michigan municipal bond authority on the terms and with those provisions as are provided by resolution of the board of the district or intermediate district and as are acceptable to the Michigan municipal bond authority if the bonds are accompanied by an opinion of bond counsel acceptable to the Michigan municipal bond authority to the effect that the interest on the bonds is excluded from gross income for federal income tax purposes. For the purposes of this section, an eligible district or intermediate district is a district or intermediate district, other than a district or intermediate district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g and that notifies the department of treasury not later than 5 p.m. eastern daylight time on June 30, 1998, in the form and manner prescribed by the department of

treasury, that the district or intermediate district will borrow money and issue bonds under this section or is a district, other than a district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g, that has a membership of less than 2,000 full-time equated pupils, that has not submitted to the department of treasury a letter stating its intent not to borrow from the Michigan municipal bond authority, and that notified the department of treasury not later than 5 p.m. eastern daylight time on July 14, 1998, in the form and manner prescribed by the department of treasury, that the district will borrow money and issue bonds under this section. A district or intermediate district may pledge and assign to the Michigan municipal bond authority, as security for the bonds, all of the payments appropriated to it under section 11g but may not otherwise pledge or assign those payments. Bonds issued under this section are not subject to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3.

(2) Proceeds of bonds issued under this section shall be made available to districts and intermediate districts on or after November 15, 1998. Each district and intermediate district shall use proceeds of bonds issued by it under this section only for a purpose for which bonds may be issued under section 1351a of the revised school code, MCL 380.1351a.

(3) Bonds issued under this section do not constitute a general obligation or debt of a district or intermediate district within the meaning of any constitutional or statutory debt limitation.

(4) This section shall be construed as cumulative authority for the exercise of the powers granted in this section and shall not be construed to repeal any existing law. The purpose of this section is to create full and complete additional and alternate methods for the exercise of existing powers, and the powers conferred by this section are not affected or limited by any other statute or by any charter or incorporating document.

(5) A pledge made by a district or intermediate district under this section is valid and binding from the time the pledge is made. The revenue or other money pledged under this section and thereafter received by a district or intermediate district is immediately subject to the lien of the pledge without physical delivery of the revenue or money or any further act. The lien of such a pledge is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district, irrespective of whether that party has notice of the pledge. The resolution or any other instrument by which a pledge is created is not required to be filed or recorded in order to establish and perfect a lien or security interest in the property pledged.

(6) Bonds issued under this section are not in any way a debt or liability of this state; do not create or constitute any indebtedness, liability, or obligation of this state; are not and do not constitute a pledge of the faith and credit of this state; and shall contain on their face a statement to that effect.

**History:** Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

### **388.1611j School loan bond redemption fund; allocation.**

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

**History:** Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at \$1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at \$1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1611k School loan revolving fund; appropriation; definition.**

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

**History:** Add. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1611k, which pertained to project grants to districts, was repealed by Act 111 of 2001, Imd. Eff. Sept. 28, 2001.

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

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Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1611m Fiscal year cash-flow borrowing costs; allocation.**

Sec. 11m. From the appropriation in section 11, there is allocated for 2014-2015 an amount not to exceed \$3,000,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

**History:** Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2010, Act 217, Imd. Eff. Dec. 3, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1611n Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to 21st century schools fund.

### **388.1611p Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to allocation from federal funds.

### **388.1611q Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to additional federal education jobs funding.

### **388.1611r Distressed districts emergency grant fund.**

Sec. 11r. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$4,000,000.00 to be deposited into the distressed districts emergency grant fund created under this section for the purpose of funding grants under this section.

(2) The distressed districts emergency grant fund is created as a separate account within the state school aid fund. The state treasurer may receive money or other assets from any source for deposit into the distressed districts emergency grant fund. The state treasurer shall direct the investment of the distressed districts emergency grant fund and shall credit to the distressed districts emergency grant fund interest and earnings from the fund.

(3) Subject to subsection (4), a district is eligible to receive a grant from the distressed districts emergency

grant fund if either of the following applies:

(a) The district has adopted a resolution authorizing the voluntary dissolution of the district approved by the state treasurer under section 12 of the revised school code, MCL 380.12, but the dissolution has not yet taken effect under that section.

(b) The district is a receiving district under section 12 of the revised school code, MCL 380.12, and the district enrolls pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, in the immediately preceding school year.

(4) A district receiving funds under section 20g is not eligible to receive funds under this section.

(5) The amount of a grant under this section shall be determined by the state treasurer after consultation with the superintendent of public instruction, but shall not exceed the estimated amount of remaining district costs in excess of available revenues, including, but not limited to, payroll, benefits, retirement system contributions, pupil transportation, food services, special education, building security, and other costs necessary to allow the district to operate schools directly and provide public education services until the end of the current school fiscal year. For a district that meets the eligibility criteria under subsection (3)(b), the amount of the grant shall be determined in the same manner as transition costs under section 20g.

(6) Before disbursing funds under this section, the state treasurer shall notify the house and senate appropriations subcommittees on school aid and the house and senate fiscal agencies. The notification shall include, but not be limited to, the district receiving funds under this section, the amount of the funds awarded under this section, an explanation of the district conditions that necessitate funding under this section, and the intended use of funds disbursed under this section.

(7) Money in the distressed districts emergency grant fund at the close of a fiscal year shall remain in the distressed districts emergency grant fund and shall not lapse to the state school aid fund or to the general fund.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1611t Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to legislative intent to change name of state school aid fund to comprehensive education fund.

### **388.1611u Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to legislative intent to examine funding structure.

### **388.1612 Appropriations for fiscal year ending September 30, 2016; adjustment of amounts.**

Sec. 12. It is the intent of the legislature to appropriate and allocate for the fiscal year ending September 30, 2016 the same amounts of money from the same sources for the same purposes as are appropriated and allocated under this article for the fiscal year ending September 30, 2015, as adjusted for changes in pupil membership, taxable values, special education costs, interest costs, retirement costs, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1612, which pertained to aggregate unequalized revenue, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

### **388.1613 Apportionments and limitations of apportionments; basis; counting pupil membership and professionals.**

Sec. 13. Except as otherwise provided in this act, the apportionments and limitations of the apportionments made under this act shall be made on the membership and number of teachers and other professionals approved by the superintendent employed as of the pupil membership count day of each year and on the taxable value and the operating millage of each district for the calendar year. In addition, a district maintaining school during the entire year, as provided in section 1561 of the revised school code, MCL 380.1561, shall count memberships and educational personnel pursuant to rules promulgated by the superintendent and shall report to the center as required by state and federal law.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 95, Imd. Eff. July 13, 1993;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides: "Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

### **388.1614 Defective data; duties of department.**

Sec. 14. If the data from an intermediate district or district upon which a statement of the amount to be disbursed or paid are determined to be defective or incomplete, making it impracticable to ascertain the apportionment to be disbursed or paid, the department shall withhold the amount of the apportionment that cannot be ascertained until the department is able to ascertain by the best evidence available the facts upon which the ratio and amount of the apportionment depend, and then shall make the apportionment accordingly.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

### **388.1615 Apportionment of deficiency; state aid overpayments to districts; deduction due to adjustment as result of audit or incorrect payment; audits; funding expenditures caused by write-off of prior year accruals; additional appropriation.**

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

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

(3) If, based on an audit by the department or the department's designee or because of new or updated information received by the department, the department determines that the amount paid to a district or intermediate district under this article for the current fiscal year or a prior fiscal year was incorrect, the department shall make the appropriate deduction or payment in the district's or intermediate district's allocation in the next apportionment after the adjustment is finalized. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the incorrect amount was paid. If the district does not receive an allocation for the fiscal year or if the allocation is not sufficient to pay the amount of any deduction, the amount of any deduction otherwise applicable shall be satisfied from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211, as determined by the department.

(4) The department may conduct audits, or may direct audits by designee of the department, for the current fiscal year and the immediately preceding 3 fiscal years of all records related to a program for which a district or intermediate district has received funds under this article.

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

(6) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for

2014-2015 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2012, Act 286, Imd. Eff. Aug. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1616 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to allowance greater than actual amounts paid prohibited.

### **388.1617 Repealed. 1992, Act 148, Eff. Aug. 1, 1992.**

**Compiler's note:** The repealed section pertained to amount to be distributed in installments to districts.

### **388.1617a Withholding payment district or intermediate district entitled to receive; extent; plan for financing outstanding obligation defaulted upon by district or intermediate district; use of amounts withheld; agreement assigning or pledging payment; effect of emergency manager or deficit elimination plan; indebtedness of state not created; "trustee of a pooled arrangement" defined; approval or disapproval of trust.**

Sec. 17a. (1) The department may withhold all or part of any payment that a district or intermediate district is entitled to receive under this article to the extent the withholdings are a component part of a plan, developed and implemented pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or other statutory authority, for financing an outstanding obligation upon which the district or intermediate district defaulted or for other financial obligations of the district or intermediate district. Amounts withheld shall be used to pay, on behalf of the district or intermediate district, unpaid amounts or subsequently due amounts, or both, of principal and interest on the outstanding obligation upon which the district or intermediate district defaulted.

(2) The state treasurer may withhold all or part of any payment that a district or intermediate district is entitled to receive under this article to the extent authorized or required under section 15 of the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1935, the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or other statutory authority.

(3) Under an agreement entered into by a district or intermediate district assigning all or a portion of the payment that it is eligible to receive under this article to the Michigan finance authority or to the trustee of a pooled arrangement or pledging the amount for payment of an obligation it incurred with the Michigan finance authority or with the trustee of a pooled arrangement, the state treasurer shall transmit to the Michigan finance authority or a trustee designated by the Michigan finance authority or to the trustee of a pooled arrangement or other designated depository the amount of the payment that is assigned or pledged under the agreement.

(4) If a district or intermediate district for which an emergency manager is in place under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or that has an approved deficit elimination plan or an approved enhanced deficit elimination plan under section 102, enters into or has entered into an agreement described in subsection (3) pursuant to section 1225(2) of the revised school code, MCL 380.1225, whether the obligation was issued before or after the effective date of this subsection, the portion of state school aid paid or to be paid on behalf of the district or intermediate district directly to the Michigan finance authority, or to a trustee designated by the Michigan finance authority, for the sole purpose of paying the principal of and interest on the obligation is subject to a lien and trust that is a statutory lien and trust, paramount and superior to all other liens and interests of any kind, for the sole purpose of paying the principal of and interest on the obligation. The statutory lien and trust applies to the state school aid received or to be received by the Michigan finance authority, or trustee designated by the Michigan finance authority, on behalf of the district or intermediate district, immediately upon the later of the effective date of this subsection or the time when the state school aid is allocated to the district or intermediate district, but is subject to any subsequent reduction of the state school aid allocation by operation of law or executive order. The lien and trust imposed by this section with respect to state school aid has a priority as established in the agreement, except that the agreement shall not impair any existing lien and trust previously created pursuant to this section, including any lien and trust applicable to a multi-year repayment agreement under section 1225 of the revised school code, MCL 380.1225. Except as otherwise provided in this subsection, the lien and trust created under this subsection for the benefit of holders of the obligation issued pursuant to this section is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district that has issued the obligation secured by a pledge of state school aid pursuant to this section, regardless of whether that party has notice of the pledge. A pledge made pursuant to this section for the benefit of the holders of obligations or others is perfected without delivery, recording, or notice. The state school aid paid or to be paid on behalf of a district or intermediate district to the Michigan finance authority, or trustee designated by the Michigan finance authority, shall be held in trust for the sole benefit of the holders of the obligation issued pursuant to this section or section 1225 of the revised school code, MCL 380.1225, and is exempt from being levied upon, taken, sequestered, or applied toward paying the debts or liabilities of the district or intermediate district other than for payment of the obligation to which the lien applies. However, nothing in this subsection alters the ability of the state treasurer to withhold state school aid from a district or intermediate district as provided by law.

(5) Notwithstanding the payment dates prescribed by this article for distributions under this article, the state treasurer may advance all or part of a payment that is dedicated for distribution or for which the appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement entered into by a district or intermediate district and the Michigan finance authority, the payment that the district or intermediate district is eligible to receive has been assigned to or pledged for payment of an obligation it incurred with the Michigan finance authority.

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

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

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

**History:** Add. 1983, Act 37, Imd. Eff. May 10, 1983;—Am. 1985, Act 142, Eff. Jan. 13, 1986;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2002, Act 71, Imd. Eff. Mar. 15, 2002;—Am. 2005, Act 95, Imd. Eff. July 20, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2012, Act 2, Imd. Eff. Feb. 7, 2012;—Am. 2013, Act 97, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to

Rendered Thursday, April 30, 2015

local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

**388.1617b Amounts to be distributed in installments to districts; electronic files; payments; warrant; adjustments; grant payments; installment schedule; advance release of funds.**

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare electronic files of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the electronic files to the state treasurer, and the state treasurer shall pay the installments on each of those dates or, if the date is not a business day, on the next business day following that date. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/11. A district or intermediate district shall accrue the payments received in July and August to the school fiscal year ending the immediately preceding June 30.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the electronic files and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the electronic files. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise provided in this act, grant payments to districts and intermediate districts under this act shall be paid according to the installment schedule under subsection (1).

(4) Upon the written request of a district or intermediate district and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the state budget director, may authorize an advance release of funds due a district or intermediate district under this act. An advance authorized under this subsection shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.

**History:** Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2005, Act 150, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at \$1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at \$1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

**388.1617c Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to grant payments.

**388.1618 Applying money received under article; determining reasonableness of expenditures; withholding apportionment for violation; availability of budget revisions on website; reports; submission of annual comprehensive financial data; Michigan public school accounting manual chart of accounts; filing special education actual cost report**

**and transportation expenditure report; review and update of pupil accounting and pupil auditing manuals; retention of property by public school academy; failure to comply with subsections (4), (5), (6), and (7); report on online learning per-pupil costs; report on vendor type of online courses; definition.**

Sec. 18. (1) Except as provided in another section of this article, each district or other entity shall apply the money received by the district or entity under this article to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under sections 22a and 22b or received by an intermediate district under section 81 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient.

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

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

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

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

(A) Salaries and wages.

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

(C) Retirement benefit costs.

(D) All other personnel costs.

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

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

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

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

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

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

(v) The district's written policy governing procurement of supplies, materials, and equipment.

(vi) The district's written policy establishing specific categories of reimbursable expenses, as described in section 1254(2) of the revised school code, MCL 380.1254.

(vii) Either the district's accounts payable check register for the most recent school fiscal year or a statement of the total amount of expenses incurred by board members or employees of the district that were reimbursed by the district for the most recent school fiscal year.

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

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

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

(g) Any deficit elimination plan or enhanced deficit elimination plan the district was required to submit under this article.

(h) Identification of all credit cards maintained by the district as district credit cards, the identity of all individuals authorized to use each of those credit cards, the credit limit on each credit card, and the dollar limit, if any, for each individual's authorized use of the credit card.

(i) Costs incurred for each instance of out-of-state travel by the school administrator of the district that is fully or partially paid for by the district and the details of each of those instances of out-of-state travel, including at least identification of each individual on the trip, destination, and purpose.

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

(4) For the purposes of determining the reasonableness of expenditures, whether a district or intermediate district has received the proper amount of funds under this article, and whether a violation of this article has occurred, all of the following apply:

(a) The department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually, and at such other times as determined by the department, at the expense of the district or intermediate district, as applicable. The audits must be performed by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. A district or intermediate district shall retain these records for the current fiscal year and from at least the 3 immediately preceding fiscal years.

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

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

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

(e) All of the following shall be done not later than November 15, 2014 for reporting 2013-2014 data during 2014-2015, and not later than November 1 for reporting the prior fiscal year data for all subsequent fiscal years:

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

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

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

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

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

(5) By November 15, 2014 for 2014-2015 and by November 1 for all subsequent fiscal years, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

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

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

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

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

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

(11) Not later than November 1, 2014, if a district or intermediate district offers online learning under section 21f, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the online learning by vendor type. The report shall include at least all of the following information concerning the operation of online learning for the school fiscal year ending June 30, 2014:

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

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

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

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

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

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

(g) The total cost to enroll a student in the program. This cost shall be reported on a per-pupil, per-course, per-semester or trimester basis by vendor type. The total shall include costs broken down by cost for content development, content licensing, training, online instruction and instructional support, personnel, hardware and software, payment to each online learning provider, and other costs associated with operating online learning.

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

(12) Not later than March 31, 2015, the department shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report summarizing the per pupil costs by vendor type of online courses available under section 21f.

(13) As used in subsections (11) and (12), "vendor type" means the following:

(a) Online courses provided by the Michigan virtual university.

(b) Online courses provided by a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551.

(c) Online courses provided by third party vendors not affiliated with a Michigan public school.

(d) Online courses created and offered by a district or intermediate district.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 414, Eff. Jan. 1, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2014, Act 476, Eff. Mar. 31, 2015;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1618a Grant funds to be expended by end of school year; effect of funds not expended; return of unexpended funds.**

Sec. 18a. Grant funds awarded and allotted to a district, intermediate district, or other entity, unless otherwise specified in this act, shall be expended by the grant recipient before the end of the school fiscal year immediately following the fiscal year in which the funds are received. If a grant recipient does not expend the funds received under this act before the end of the fiscal year in which the funds are received, the grant recipient shall submit a report to the department not later than November 1 after the fiscal year in which the funds are received indicating whether it expects to expend those funds during the fiscal year in which the report is submitted. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the funds are received.

**History:** Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

### **388.1618b Property of public school academy to be transferred to this state.**

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

(a) The public school academy has been ineligible to receive funding under this article for 18 consecutive months.

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

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

(2) A public school academy corporation shall initiate the process of transferring property to this state as required under subsection (1) within 30 days after the occurrence of the event that triggers the process under subsection (1).

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

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

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

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

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

**Compiler's note:** Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

**388.1618c Contract between public school academy, achievement authority, or achievement school and third party.**

Sec. 18c. Any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy, the achievement authority, or an achievement school receiving funds under this act and a third party does not constitute an obligation, either general, special, or moral, of this state or of an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, shall not be pledged for the payment of any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy, the achievement authority, or an achievement school.

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

**388.1618d Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to claim of debt or financial obligation.

**388.1619 Compliance with state and federal reporting requirements; report of graduation and dropout rates; educational personnel; information relating to safety practices and criminal incidents; failure to comply with requirements; list of school or district accountability designations; appeal of determination; publication of list; legislative intent to implement statewide standard reporting requirements.**

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

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

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

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

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

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

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

intermediate district updates its education data reporting system, whichever is later.

**History:** Add. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Eff. Oct. 1, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** For transfer of powers, duties, functions, and responsibilities of the department of education regarding educational reports to the center for educational performance and information by type II transfer, see E.R.O. No. 2000-6, compiled at MCL 388.996 of the Michigan compiled laws.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1619a-388.1619c Repealed. 1990, Act 207, Eff. Oct. 1, 1990.**

**Compiler's note:** Section 3 of Act 207 of 1990 purported to repeal MCL 388.1619a to 388.1619d. However, MCL 388.1619d, as added by Act 197 of 1989, did not take effect pursuant to the terms of subsection (3) of that section.

The repealed sections pertained to core curriculum, school improvement, and standards for accreditation.

### **388.1620 Foundation allowance; calculations; allocations; pupil membership factor, revenue adjustment factor, and index; definitions.**

Sec. 20. (1) For 2014-2015, both of the following apply:

(a) The basic foundation allowance is \$8,099.00.

(b) The minimum foundation allowance is \$7,126.00.

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

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

(a) Except as otherwise provided in this subdivision, for a district that had a foundation allowance for the immediately preceding state fiscal year that was equal to the minimum foundation allowance for the immediately preceding state fiscal year, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the difference between the basic foundation allowance for the current state fiscal year and basic foundation allowance for the immediately preceding state fiscal year minus \$10.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year. For the purposes of this subdivision, for 2014-2015, the minimum foundation allowance for the immediately

preceding state fiscal year shall be considered to be \$7,076.00. For 2014-2015, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding state fiscal year but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for 2013-2014 plus \$50.00.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for 2014-2015 in an amount equal to the basic foundation allowance for 2014-2015.

(c) For a district that had a foundation allowance for the immediately preceding state fiscal year that was greater than the basic foundation allowance for the immediately preceding state fiscal year, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

(e) For a district that received a payment under section 22c as that section was in effect for 2013-2014, the district's 2013-2014 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2013-2014 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2013-2014 under section 22c as that section was in effect for 2013-2014.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the local portion of the district's foundation allowance divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable value per membership pupil of property in the receiving district used for the purposes of this subsection does not include the taxable value of property within the geographic area of the dissolved district.

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

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

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

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

(8) 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 lesser of the sum of the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts plus \$100.00 or the highest foundation allowance among the original or affected districts. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district.

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

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

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

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

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

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible

for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

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

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

(14) As used in this section:

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

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

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

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

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

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

(g) "Local portion of the district's foundation allowance" means an amount that is equal to the difference between (the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills) and (the quotient of the product of the captured assessed valuation under tax increment financing acts times the district's certified mills divided by the district's membership excluding special education pupils).

(h) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, local school operating revenue does not include school operating taxes levied within the geographic area of the dissolved district.

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

(j) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year and [(the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year minus \$10.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year]. For the purposes of this subdivision, for 2014-2015, the minimum foundation allowance for the immediately preceding state fiscal year shall be considered to be \$7,076.00. For 2014-2015, the maximum public school academy allocation is \$7,218.00.

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

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

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

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

(o) "School operating purposes" means the purposes included in the operation costs of the district as

prescribed in sections 7 and 18 and purposes authorized under section 1211 of the revised school code, MCL 380.1211.

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

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

(r) "Taxable value per membership pupil" means taxable value, as certified by the county treasurer and reported to the department, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

**History:** Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 172, Imd. Eff. June 17, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 141, Eff. Jan. 1, 2004;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 120, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2008, Act 561, Imd. Eff. Jan. 16, 2009;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 97, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** The words "1/3 of" in subsection (20)(a)(i)(Q), as amended by Act 283 of 1994, were vetoed by the governor on July 9, 1994.

The last sentence of subsection (9), and subsections (18) and (19), as amended by Act 360 of 1994, were vetoed by the governor on December 22, 1994.

Subsection (11), as amended by Act 130 of 1995, was vetoed by the governor on June 30, 1995.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (20), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003. The text of subsection (20) set forth above in this section (MCL 388.1620) derives from Act 141 of 2003. In the veto message accompanying her veto of certain items in Enrolled House Bill 4401 (Act 158 of 2003), the governor stated, "I have vetoed amendatory language in Section 20(20) that stops the annual \$15 million supplemental payment to Detroit Public Schools at the end of fiscal year 2003. Existing language clearly indicates that this supplemental funding is intended to continue as long as the reform board remains in place. I intend to honor that commitment."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Subsection (25), as amended by Act 110 of 2010, was vetoed by the governor on July 7, 2010.

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1620a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to determination of district's combined state and local revenue per membership pupil.

### **388.1620b Repealed. 2000, Act 297, Eff. Oct. 1, 2000.**

**Compiler's note:** The repealed section pertained to allocation for 1998-99.

### **388.1620c Repealed. 1997, Act 142, Imd. Eff. Nov. 19, 1997.**

**Compiler's note:** The repealed section pertained to additional payments to districts and public school academies for 1997-98.

### **388.1620d Requirements for final determination under MCL 388.1620 and former section 388.1620a.**

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

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

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

**History:** Add. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Subsection (2), as amended by Act 300 of 1996, was vetoed by the governor on June 19, 1996.

Sec. 20d, as amended by Act 372 of 1996, was vetoed by the governor on July 3, 1996.

Subdivision (c), as amended by Act 93 of 1997, was vetoed by the governor on August 1, 1997.

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1620e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to state portion of district's foundation allowance.

### **388.1620f Allocations; eligibility for funding; proration of payments.**

Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$6,000,000.00 for 2014-2015 for payments to eligible districts under this section. A district is eligible for funding under this section if the district received a payment under this section as it was in effect for 2013-2014. A district was eligible for funding in 2013-2014 if the sum of the following was less than \$5.00:

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

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

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

(2) The amount allocated to each eligible district under this section is an amount per membership pupil equal to the amount per membership pupil the district received in 2013-2014.

(3) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal per-pupil basis.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1620f, which pertained to allocation to instructional program operated by public university was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

### **388.1620g Transition costs relating to pupils enrolled in dissolved district.**

Sec. 20g. (1) From the money appropriated under section 11, there is allocated an amount not to exceed \$2,200,000.00 for 2014-2015 for grants to eligible districts that first received payments under this section in 2013-2014 for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). Payments under this section shall continue for a total of 4 fiscal years following the dissolution of a district, after which the payments shall cease.

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

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

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

**History:** Add. 2013, Act 97, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014

**Compiler's note:** Former MCL 388.1620g, which pertained to additional payments for 1995-96, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

### **388.1620j, 388.1620k Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed sections pertained to foundation allowance supplemental payments and reduction in district's state school aid.

### **388.1620h, 388.1620i Repealed. 1997, Act 93, Eff. Oct. 1, 1997.**

**Compiler's note:** The repealed sections pertained to payments for special education pupils for 1995-96 and funding for districts experiencing large pupil membership growth.

### **388.1621, 388.1621a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to school improvement plans, annual education report, accreditation, and core curriculum; employability skills assessment programs; and allocations to districts.

### **388.1621b Support for pupil attending postsecondary institution.**

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 22a or 22b to support the attendance of a district pupil who is an eligible student at an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, by paying eligible charges on behalf of the district pupil as required under those acts.

(2) A district is not required to pay transportation costs, parking costs, or activity fees on behalf of an

eligible student for attendance at an eligible postsecondary institution as described in subsection (1).

(3) A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and may use local school operating revenue for that purpose. An eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the district is required to pay under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and that are not paid by the district. As used in this subsection, "local school operating revenue" means that term as defined in section 20.

(4) As used in this section, "eligible student" and "eligible postsecondary institution" mean those terms as defined in section 3 of the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903, as applicable.

**History:** Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1996, Act 161, Eff. July 1, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

### **388.1621c Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to counting certain funds and payments for purposes of MCL 388.1621(5).

### **388.1621d Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to reorganization planning grant.

### **388.1621e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to allocations to districts.

### **388.1621f Online courses; definitions.**

Sec. 21f. (1) A pupil enrolled in a district in any of grades 6 to 12 is eligible to enroll in an online course as provided for in this section.

(2) With the consent of the pupil's parent or legal guardian, a district shall enroll an eligible pupil in up to 2 online courses as requested by the pupil during an academic term, semester, or trimester. Unless the pupil is newly enrolled in the district, the request for online course enrollment must be made in the academic term, semester, trimester, or summer preceding the enrollment. A district may not establish additional requirements that would prohibit a pupil from taking an online course. If a pupil has demonstrated previous success with online courses and the school leadership and the pupil's parent or legal guardian determine that it is in the best interest of the pupil, a pupil may be enrolled in more than 2 online courses in a specific academic term, semester, or trimester. Consent of the pupil's parent or legal guardian is not required if the pupil is at least age 18 or is an emancipated minor.

(3) An eligible pupil may enroll in an online course published in the pupil's educating district's catalog of online courses described in subsection (7)(a) or the statewide catalog of online courses maintained by the Michigan virtual university pursuant to section 98.

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

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

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

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

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

(d) The pupil does not possess the prerequisite knowledge and skills to be successful in the online course

or has demonstrated failure in previous online coursework in the same subject.

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

(f) The cost of the online course exceeds the amount identified in subsection (8), unless the pupil's parent or legal guardian agrees to pay the cost that exceeds this amount.

(g) The online course enrollment request does not occur within the same timelines established by the district for enrollment and schedule changes for regular courses.

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

(7) To offer or provide an online course under this section, a district or intermediate district shall do all of the following:

(a) Provide the Michigan virtual university with the course syllabus in a form and method prescribed by the Michigan virtual university for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan virtual university.

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

(c) Not later than October 1, 2014, provide the Michigan virtual university with the number of enrollments in each online course the district or intermediate district offered to pupils pursuant to this section in the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each online course.

(8) For a pupil enrolled in 1 or more online courses published in the pupil's educating district's catalog of online courses under subsection (7) or in the statewide catalog of online courses maintained by the Michigan virtual university, the district shall use foundation allowance or per pupil funds calculated under section 20 to pay for the expenses associated with the online course or courses. The district shall pay 80% of the cost of the online course upon enrollment and 20% upon completion as determined by the district. A district is not required to pay toward the cost of an online course an amount that exceeds 8.33% of the minimum foundation allowance for the current fiscal year as calculated under section 20.

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

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

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

(12) The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under this section shall not be transferred under the pupil transfer process under section 25e.

(13) As used in this section:

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

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

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

(ii) The online course content outline.

(iii) The online course required assessments.

(iv) The online course prerequisites.

(v) Expectations for actual instructor contact time with the online learning pupil and other

pupil-to-instructor communications.

- (vi) Academic support available to the online learning pupil.
  - (vii) The online course learning outcomes and objectives.
  - (viii) The name of the institution or organization providing the online content.
  - (ix) The name of the institution or organization providing the online instructor.
  - (x) The course titles assigned by the district or intermediate district and the course titles and course codes from the national center for education statistics (NCES) school codes for the exchange of data (SCED).
  - (xi) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.
  - (xii) The results of the online course quality review using the guidelines and model review process published by the Michigan virtual university.
- (c) "Online learning pupil" means a pupil enrolled in 1 or more online courses.
- (d) "Primary district" means the district that enrolls the pupil and reports the pupil as a full-time equated pupil for pupil membership purposes.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 130 of 2013 provides:  
"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1622 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to allocations to districts.

### **388.1622a Allocation for 2014-2015 for school operating purposes; payment to district and qualifying public school academy; definitions.**

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$5,380,000,000.00 for 2014-2015 for payments to districts and qualifying public school academies to guarantee each district and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. 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 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

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

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between

the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, ad valorem property tax revenue captured under tax increment financing acts do not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts.

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

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

(5) Except as otherwise provided in this subsection, for a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district.

(6) Payments under this section are subject to section 25f.

(7) As used in this section:

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

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

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

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

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

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

(g) "Homestead", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in

section 1211 of the revised school code, MCL 380.1211.

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

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

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

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

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

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

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

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, mills do not include mills within the geographic area of the dissolved district.

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

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2010, Act 217, Imd. Eff. Dec. 3, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2013, Act 97, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00

and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

**388.1622b Allocation for 2014-2015; discretionary nonmandated payments; duties of district; purchase and support of payroll, human resources, and software; payments for litigation costs; claim of unfunded constitutional requirement; escrowed funds as work project; purpose; final determination; expedited review of claim by local claims review board; removal to court of appeals; payment provisions; "title XIX" defined; payments subject to MCL 388.1625f.**

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$3,434,000,000.00 for 2014-2015 for discretionary nonmandated payments to districts under this section. 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 51c in order to fully fund those calculated allocations for the same fiscal year.

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

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

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

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

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

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

(e) Comply with section 21f.

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

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

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

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

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

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

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

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

(12) Payments under this section are subject to section 25f.

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

**Compiler's note:** In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and an amount not to exceed \$2,845,000,000.00 for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503,

Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1622c Equity payments to districts having less than certain foundation allowance.**

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

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1622c, which pertained to equity payments to certain districts, was repealed by Act 137 of 2007, Imd. Eff. Nov. 8, 2007.

### **388.1622d Supplemental payments to rural districts.**

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

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

- (a) Operates grades K to 12.
- (b) Has fewer than 250 pupils in membership.
- (c) Each school building operated by the district meets at least 1 of the following:
  - (i) Is located in the Upper Peninsula at least 30 miles from any other public school building.
  - (ii) Is located on an island that is not accessible by bridge.

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

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

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

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

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

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

**History:** Add. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

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### **388.1622e Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to additional payments to eligible districts.

### **388.1622f Incentive payments to districts meeting best practices; requirements; definitions; submission of false information; allocation of unexpended amounts.**

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

(2) The amount of the incentive payment under this section is an amount equal to \$50.00 per pupil. A district shall receive an incentive payment under this section if the district satisfies at least 7 of the following requirements not later than June 1, 2015:

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

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

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

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

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

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

(e) The district provides to parents and community members a dashboard or report card demonstrating the district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the district for fiscal year 2014-2015 and fiscal year 2015-2016, a listing of all debt service obligations, detailed by project, including anticipated fiscal year 2014-2015 payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

(i) Graduation and dropout rates.

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

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

(iv) Elementary and middle school MEAP scores.

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

(vi) General fund balance.

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

(f) The district complies with a method of compensation for teachers and school administrators that includes job performance and accomplishments as a significant factor in determining compensation, as required under section 1250 of the revised school code, MCL 380.1250.

(g) The district's collective bargaining agreements, including, but not limited to, appendices, addenda, letters of agreement, or any other documents reflecting agreements with collective bargaining representatives, do not contain any provisions pertaining to, relating to, or that are otherwise contrary to the prohibited subjects of bargaining enumerated in section 15(3) of 1947 PA 336, MCL 423.215.

(h) The district implements a comprehensive guidance and counseling program.

(i) The district offers pupils in grades K to 8 the opportunity to complete coursework or other learning experiences that are substantially equivalent to 1 credit in a language other than English.

(3) If the department determines that a district has intentionally submitted false information in order to qualify for an incentive payment under this section, the district forfeits an amount equal to the amount it

received under this section from its total state school aid for 2015-2016.

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

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1622g Competitive assistance grants to districts and intermediate districts; transition costs associated with consolidation of operations or services; application process; priority.**

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

(2) Funds received under this section may be used for reimbursement of transition costs associated with the consolidation of operations or services between 2 or more districts, intermediate districts, or other local units of government, the consolidation or sharing of technology and data operations or services between 50 or more districts or 5 or more intermediate districts, or the consolidation of districts or intermediate districts. Grant funding shall be available for consolidations that occur on or after June 1, 2014. The department shall develop an application process and method of grant distribution. The department shall give priority to applicants that propose including at least 1 of the following statewide activities:

(a) A comprehensive, research-based academic early warning indicator and dropout prevention solution.

(b) A data-driven system for identifying early reading challenges and establishing individual reading development plans for every student by the end of grade 3.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1622h Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to distressed district school transition grants.

### **388.1622i Technology infrastructure grant program to districts or intermediate districts.**

Sec. 22i. (1) From the funds appropriated in section 11, there is allocated for 2013-2014 an amount not to exceed \$45,000,000.00 and there is allocated for 2014-2015 an amount not to exceed \$41,500,000.00 for the technology infrastructure grant program for districts or intermediate districts on behalf of their constituent districts. Funds received under this subsection shall be used for the development or improvement of a district's technology infrastructure, the shared services consolidation of technology and data, and hardware in preparation for the planned implementation in 2014-2015 of online assessments.

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

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

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

(b) Provides at least all of the following:

(i) One-to-one mobile devices.

(ii) Laptop or desktop computers for each classroom.

(iii) On- and off-campus filtering.

(iv) Wireless networks and peripherals.

(v) Wireless audio equipment.

- (vi) Operating software.
- (vii) Instructional software.
- (viii) Repairs and replacements.
- (ix) Professional development.
- (x) Ongoing support.

(4) The funds allocated under subsection (1) are a work project appropriation. Any unexpended funds for 2013-2014 are carried forward into 2014-2015 and any unexpended funds for 2014-2015 are carried forward into 2015-2016. The purpose of the work project is to continue to implement the projects described under this section. The estimated completion date of the work project is September 30, 2016.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Imd. Eff. June 24, 2014

### **388.1622j Incentive payments for student academic performance.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Calculate a statewide average for all districts operating a high school of the linear regression of the percentage of high school pupils testing as proficient in all tested subject areas on state assessments of high school pupils on school year over the 4-year period ending with the 2012-2013 school year, as adjusted for changes in cut scores most recently adopted for the Michigan merit examination as the base year for all comparisons.

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

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

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1622k Repealed. 2014, Act 196, Eff. Oct. 1, 2014.**

**Compiler's note:** The repealed section pertained to allocation for competitive student-centric grants to eligible districts.

### **388.1623 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to instructional programs offered by public universities.

### **388.1623a Dropout recovery program.**

Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the special membership counting provisions of section 6(4)(ff) and the hours and day of pupil instruction exemption under section 101(12) if the dropout recovery program meets all of the following:

(a) Enrolls only eligible pupils.

(b) Provides an advocate. An advocate may serve in that role for more than 1 pupil but no more than 50

pupils. An advocate may be employed by the district or may be provided by an education management organization that is partnering with the district. Before an individual is assigned to be an advocate for a pupil in the dropout recovery program, the district shall comply with sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

- (c) Develops a written learning plan.
  - (d) Monitors the pupil's progress against the written learning plan.
  - (e) Requires each pupil to make satisfactory monthly progress, as defined by the district under subsection (2).
  - (f) Reports the pupil's progress results to the partner district at least monthly.
  - (g) The program may be operated on or off a district school campus, but may be operated using distance learning online only if the program provides a computer and internet access for each eligible pupil participating in the program.
  - (h) Is operated throughout the entire calendar year.
  - (i) If the district partners with an education management organization for the program, the education management organization has a dropout recovery program partnership relationship with at least 1 other district.
- (2) A district operating a dropout recovery program under this section shall adopt a definition of satisfactory monthly progress that is consistent with the definition of that term under subsection (3).
- (3) As used in this section:
- (a) "Advocate" means an adult available to meet in person with assigned pupils, as needed, to conduct social interventions, to proctor final examinations, and to provide academic and social support to pupils enrolled in the district's dropout recovery program.
  - (b) "Education management organization" means a private provider that operates 1 or more other dropout recovery programs that meet the requirements of this section in partnership with 1 or more districts.
  - (c) "Eligible pupil" means a pupil who has been expelled from school under the mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a local policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a pupil who was previously a dropout, or a pupil who is determined by the district to be at risk of dropping out.
  - (d) "Satisfactory monthly progress" means an amount of progress that is measurable on a monthly basis and that, if continued for a full 12 months, would result in the same amount of academic credit being awarded to the pupil as would be awarded to a general education pupil completing a full school year. Satisfactory monthly progress may include a lesser required amount of progress for the first 2 months a pupil participates in the program.
  - (e) "Written learning plan" means a written plan developed in conjunction with the advocate that includes the plan start and end dates, courses to be taken, credit to be earned for each course, teacher of record for each course, and advocate name and contact information.

**History:** Add. 2012, Act 465, Imd. Eff. Dec. 28, 2012.

**Compiler's note:** Former MCL 388.1623a, which pertained to schools of choice, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

### **388.1623b, 388.1623c Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to grants for "tec-choices" programs and grants to public universities.

### **388.1623d Repealed. 1994, Act 360, Eff. June 30, 1995;—1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to alternative public school established and operated by intermediate school district.

### **388.1623e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to prohibited funding to public school academies.

### **388.1624 Allocation for 2014-2015; payments for educating students assigned by court or department of human services; definitions; funding for department-approved on-grounds educational program; special education pupils funded under MCL 388.1653a.**

Sec. 24. (1) From the appropriation in section 11, there is allocated for 2014-2015 an amount not to exceed \$8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

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

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

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

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

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

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Subsection (3) of Sec. 24, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Subsection (3) of Sec. 24, as amended by Act 212 of 1986, reads as follows:

"(3) Special education pupils funded under section 53 shall not be counted under this section."

In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... ."

In subsection (2), as amended by Act 297 of 2000, the last sentence "In addition, a district or intermediate district that received funds under this subsection for 1998-99 for an on-grounds educational program that is longer than 181 days but not longer than 233 days shall continue to receive funds under this section for subsequent fiscal years for that program" was vetoed by the governor July 26, 2000.

In the first and second sentences of subsection (1), as amended by Act 121 of 2001, the phrases "and for 2002-2003" and "and \$8,900,000.00 for 2002-2003" were vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to

local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1624a Allocations for 2014-2015; payments to intermediate districts for pupils placed in juvenile justice service facilities.**

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed \$2,195,500.00 for 2014-2015 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

**History:** Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1624a, which pertained to counting pupils residing in nonoperating districts attached to operating districts, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1624b Parents or legal guardian residing in different districts; enrollment of child.**

Sec. 24b. For the purposes of this act, without regard to whether a parent or legal guardian has custody of the child, if a child's parents, or a child's parent or parents and the child's legal guardian, reside in different districts and if the child meets the applicable age requirements, the child may enroll in a district in which either of the child's parents resides, or in which the child's legal guardian resides. When a child described in this section enrolls in a district under this section, that district is the child's district of residence for the purposes of this act.

**History:** Add. 1996, Act 372, Eff. Sept. 1, 1996.

### **388.1624c Allocations for 2014-2015; payments to districts for pupils enrolled in youth challenge program.**

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

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

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

**History:** Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1625 Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to enrollment of pupil after pupil membership count day and changes in calculation of state school aid.

### **388.1625a Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to payment of amounts to educating districts.

### **388.1625b Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to applicability of section to educating district not first class.

### **388.1625c Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to educating district of first class.

### **388.1625d Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to alternative education programs and strict discipline academies.

### **388.1625e Pupil membership transfer application and transfer process; duties of department; calculation changes; providing information; report; pupil enrolled in online courses; definitions.**

Sec. 25e. (1) The pupil membership transfer application and pupil transfer process administered by the center under this section shall be used for processing pupil transfers.

(2) If a pupil counted in membership for the pupil membership count day transfers from a district or intermediate district to enroll in another district or intermediate district after the pupil membership count day and before the supplemental count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating district or intermediate district, the educating district or intermediate district may report the enrollment and attendance information to the center through the pupil transfer process within 30 days after the transfer or within 30 days after the pupil membership count certification date, whichever is later. Pupil transfers may be submitted no earlier than the first day after the certification deadline for the pupil membership count day and before the supplemental count day. Upon receipt of the transfer information under this subsection indicating that a pupil has enrolled and is in attendance in an educating district or intermediate district as described in this subsection, the pupil transfer process shall do the following:

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

(b) Notify both the pupil auditing staff of the intermediate district in which the educating district is located and the pupil auditing staff of the intermediate district in which the district that previously enrolled the pupil is located. The pupil auditing staff shall investigate a representative sample based on required audit sample sizes in the pupil auditing manual and may deny the pupil membership transfer.

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

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

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

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

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

(5) If a pupil enrolls in an educating district or intermediate district as described in subsection (2), the district or intermediate district in which the pupil is counted in membership or another educating district or intermediate district that received an adjustment in its membership calculation under subsection (3), if any, and the educating district or intermediate district shall provide to the center and the department all information they require to comply with this section.

(6) Not later than December 1, 2014, the center in conjunction with the department shall report to the legislature data related to the implementation of this section, including, but not limited to, the number of transfer transactions and the net change in pupil memberships in 2013-2014 by district and intermediate district.

(7) The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under section 21f shall not be counted or transferred under the pupil transfer process under this section.

(8) As used in this section:

(a) "Educating district or intermediate district" means the district or intermediate district in which a pupil

enrolls after the pupil membership count day or after an adjustment was made in another district's or intermediate district's membership calculation under this section due to the pupil's enrollment and attendance.

(b) "Pupil" means that term as defined under section 6 and also children receiving early childhood special education programs and services.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1625f Payments to strict discipline academies.**

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$2,000,000.00 for 2014-2015 for payments to strict discipline academies established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under this section and for the purposes described in subsection (5).

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

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

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

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

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

(5) If the operation of the special membership counting provisions under section 6(4)(dd) and the other membership counting provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid under this section in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(6) If the funds allocated under this section are insufficient to fully fund the adjustments under subsections (4) and (5), payments under this section shall be prorated on an equal per-pupil basis.

(7) Payments to districts under this section shall be made according to the payment schedule under section 17b.

**History:** Add. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1626 Receipt or reduction of funds by district or intermediate district.**

Sec. 26. A district or intermediate district receiving money pursuant to 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, shall have its funds received under section 22b, 56, or 62 reduced by an amount equal to the added local money.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 25, Imd. Eff. Apr. 5, 1983;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1990, Act 355, Imd. Eff. Dec. 26, 1990;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

### **388.1626a Reimbursements to districts and intermediate districts under MCL 125.2692; time of allocations.**

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed \$26,300,000.00 for 2014-2015 to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2014. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

**History:** Add. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2003, Act 236, Imd. Eff. Dec. 29, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 236 of 2003 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2003 PA 158 and 2002 PA 521 from state sources for fiscal year 2003-2004 is estimated at \$11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at \$11,274,332,800.00."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid

under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1626b Payments in lieu of tax obligation under MCL 324.2154; prorated payments to districts, intermediate districts, and community college districts.**

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

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

**History:** Add. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2012, Act 465, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1626c Promise zone fund.**

Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$293,100.00 for 2014-2015 to the promise zone fund created in subsection (3).

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

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

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

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

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

**History:** Add. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.  
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1, 2014.

**388.1627, 388.1628 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to allocations to districts and districts in which military air bases are closed.

**388.1628a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to transitional allocations to closed federal military installations.

**388.1629 Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to declining enrollment assistance.

**388.1631 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to comprehensive compensatory education programs.

\*\*\*\*\* 388.1631a THIS SECTION IS AMENDED EFFECTIVE IF THE CONDITION IN ENACTING SECTION 1 OF ACT 476 OF 2014 IS MET: See 388.1631a.amended \*\*\*\*\*

**388.1631a Funding to eligible districts, public school academies, and education achievement system; number of pupils meeting criteria for free breakfast, lunch, or milk; child and adolescent health centers; hearing and vision screenings; report; audit; implementation of schoolwide reform; consolidated or dissolved district; "at-risk pupil" defined; at-risk pupil reading at grade 3 level; "total at risk pupils" defined; anti-bullying or crisis intervention program.**

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2014-2015 an amount not to exceed \$317,695,500.00 for payments to eligible districts, eligible public school academies, and the education achievement system for the purposes of ensuring that pupils are proficient in reading by the end of grade 3 and that high school graduates are career and college ready and for the purposes under subsections (6) and (7).

(2) For a district or public school academy, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (6) or (7), the sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, must be less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

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

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

breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (3), or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.

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

(6) From the funds allocated under subsection (1), there is allocated for 2014-2015 an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

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

(8) Each district or public school academy receiving funds under this section and the education achievement system shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include a brief description of each program conducted or services performed by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of human services to verify matching funds for the temporary assistance for needy families program. If a district or public school academy or the education achievement system does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

(10) Subject to subsections (5), (6), and (7), a district may use up to 100% of the funds it receives under this section to implement schoolwide reform in schools with 40% or more of their pupils identified as at-risk pupils by providing supplemental instructional or noninstructional services consistent with the school improvement plan.

(11) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar

amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (3).

(12) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. In addition, if a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that meet the income eligibility criteria for free breakfast, lunch, or milk, as described under subsection (3), enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

(13) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets any of the following criteria:

(a) Is a victim of child abuse or neglect.

(b) Is a pregnant teenager or teenage parent.

(c) Has a family history of school failure, incarceration, or substance abuse.

(d) For pupils for whom the results of the Michigan merit examination have been received, is a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading, writing, mathematics, science, or social studies components of the most recent Michigan merit examination for which results for the pupil have been received.

(e) For pupils in grades K-3, is a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

(f) The pupil is enrolled in a priority or priority-successor school, as defined in the elementary and secondary education act of 2001 flexibility waiver approved by the United States department of education.

(g) The pupil did not achieve a score of at least proficient on 2 or more state-administered assessments for English language arts, mathematics, science, or social studies.

(h) For high school pupils in grades not assessed by the state, the pupil did not receive a satisfactory score on 2 or more end-of-course examinations that are aligned with state standards in English language arts, mathematics, science, or social studies. For middle school pupils in grades not assessed by the state, the pupil did not receive a satisfactory score on 2 or more end-of-semester or end-of-trimester examinations that are aligned with state standards in science or social studies. For pupils in the elementary grades in grades and subjects not assessed by the state, the pupil did not receive a satisfactory score or did not have a satisfactory outcome on 2 or more interim assessments in English language arts, mathematics, science, or social studies.

(i) In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:

(i) The pupil is eligible for free breakfast, lunch, or milk.

(ii) The pupil is absent more than 10% of enrolled days or 10 school days during the school year.

(iii) The pupil is homeless.

(iv) The pupil is a migrant.

(v) The pupil is an English language learner.

(vi) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.

(vii) The pupil did not complete high school in 4 years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.

(14) Beginning in 2014-2015, if a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are reading at grade level by the end of grade 3 as measured by the state assessment and demonstrate to the satisfaction of the department improvement over 3 consecutive years in the percentage of at-risk pupils that are career- and college-ready as measured by the pupil's score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:

(a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not reading at grade level by the end of grade 3, and the district, public school academy, or the education achievement system shall

expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 reading levels.

(b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(15) As used in subsection (14), "total at risk pupils" means the sum of the number of pupils in grade 3 that are not reading at grade level by the end of third grade and the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

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

**History:** Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 593, Imd. Eff. Jan. 5, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 121, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003 an amount not to exceed \$319,095,200.00" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

\*\*\*\*\* 388.1631a.amended THIS AMENDED SECTION IS EFFECTIVE IF THE CONDITION IN ENACTING SECTION 1 OF ACT 476 OF 2014 IS MET \*\*\*\*\*

**388.1631a.amended Funding to eligible districts, public school academies, and education achievement system; purposes; additional appropriations; number of pupils meeting criteria for free breakfast, lunch, or milk; child and adolescent health centers; hearing and vision screenings; report; audit; implementation of schoolwide reform; consolidated or dissolved district; "at-risk pupil" defined; at-risk pupil reading at grade 3 level; "total at risk pupils" defined; anti-bullying or crisis intervention program.**

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2014-2015 an amount not to exceed \$317,695,500.00 for payments to eligible districts, eligible public school academies, and the education achievement system for the purposes of ensuring that pupils are proficient in reading by the end of grade 3 and that high school graduates are career and college ready and for the purposes under subsections (6) and (7). In addition to the appropriations under section 11, an additional amount not to exceed \$40,000,000.00 is appropriated from the state school aid fund for 2014-2015 for the purposes of this section.

(2) For a district or public school academy, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (6) or (7), the sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, must be less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

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

(4) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), (7), or (10). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (3), or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.

(5) A district or public school academy that receives funds under this section and that operates a school

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

(6) From the funds allocated under subsection (1), there is allocated for 2014-2015 an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

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

(8) Each district or public school academy receiving funds under this section and the education achievement system shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include a brief description of each program conducted or services performed by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of human services to verify matching funds for the temporary assistance for needy families program. If a district or public school academy or the education achievement system does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

(10) Subject to subsections (5), (6), and (7), a district may use up to 100% of the funds it receives under this section to implement schoolwide reform in schools with 40% or more of their pupils identified as at-risk pupils by providing supplemental instructional or noninstructional services consistent with the school improvement plan.

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

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

described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. In addition, if a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that meet the income eligibility criteria for free breakfast, lunch, or milk, as described under subsection (3), enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

(13) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets any of the following criteria:

(a) Is a victim of child abuse or neglect.

(b) Is a pregnant teenager or teenage parent.

(c) Has a family history of school failure, incarceration, or substance abuse.

(d) For pupils for whom the results of the Michigan merit examination have been received, is a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading, writing, mathematics, science, or social studies components of the most recent Michigan merit examination for which results for the pupil have been received.

(e) For pupils in grades K-3, is a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

(f) The pupil is enrolled in a priority or priority-successor school, as defined in the elementary and secondary education act of 2001 flexibility waiver approved by the United States department of education.

(g) The pupil did not achieve a score of at least proficient on 2 or more state-administered assessments for English language arts, mathematics, science, or social studies.

(h) For high school pupils in grades not assessed by the state, the pupil did not receive a satisfactory score on 2 or more end-of-course examinations that are aligned with state standards in English language arts, mathematics, science, or social studies. For middle school pupils in grades not assessed by the state, the pupil did not receive a satisfactory score on 2 or more end-of-semester or end-of-trimester examinations that are aligned with state standards in science or social studies. For pupils in the elementary grades in grades and subjects not assessed by the state, the pupil did not receive a satisfactory score or did not have a satisfactory outcome on 2 or more interim assessments in English language arts, mathematics, science, or social studies.

(i) In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:

(i) The pupil is eligible for free breakfast, lunch, or milk.

(ii) The pupil is absent more than 10% of enrolled days or 10 school days during the school year.

(iii) The pupil is homeless.

(iv) The pupil is a migrant.

(v) The pupil is an English language learner.

(vi) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.

(vii) The pupil did not complete high school in 4 years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.

(14) Beginning in 2014-2015, if a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are reading at grade level by the end of grade 3 as measured by the state assessment and demonstrate to the satisfaction of the department improvement over 3 consecutive years in the percentage of at-risk pupils that are career- and college-ready as measured by the pupil's score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:

(a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not reading at grade level by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 reading levels.

(b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system

shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(15) As used in subsection (14), "total at risk pupils" means the sum of the number of pupils in grade 3 that are not reading at grade level by the end of third grade and the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on each of the individual subject areas on the college entrance examination portion of the Michigan merit examination under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

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

**History:** Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 593, Imd. Eff. Jan. 5, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 121, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2014, Act 476, Eff. (pending).

**Compiler's note:** In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003 an amount not to exceed \$319,095,200.00" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

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(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

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"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 476 of 2014 provides:

"Enacting section 1. Section 31a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631a, as amended by this amendatory act, does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

### **388.1631b Year-round instructional program; grants to at-risk districts.**

Sec. 31b. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$2,000,000.00 for 2013-2014 for grants to at-risk districts for implementing a year-round instructional program for at least 1 of its schools.

(2) The department shall select districts for grants under this section from among applicant districts that meet both of the following:

(a) The district meets 1 or both of the following:

(i) Is eligible in 2013-2014 for the community eligibility option for free and reduced price lunch under 42 USC 1759a.

(ii) At least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(b) The board of the district has adopted a resolution stating that the district will implement for the first time a year-round instructional calendar that will begin in 2014-2015 for at least 1 school operated by the district and committing to providing the year-round instructional calendar in each of those schools for at least 3 school years.

(3) A district seeking a grant under this section shall apply to the department in the form and manner prescribed by the department not later than May 1, 2014. The department shall select districts for grants and make notification not later than June 1, 2014.

(4) The department shall award grants under this section on a competitive basis, but shall give priority based solely on consideration of the following criteria:

(a) Giving priority to districts with lower general fund balances as a percent of revenues.

(b) Giving priority to districts that operate at least 1 school that has been identified by the department as either a priority school or a focus school.

(c) Ensuring that grant funding includes both rural and urban districts.

(5) The amount of a grant under this section to any 1 district shall not exceed \$750,000.00.

(6) A grant payment under this section to a district shall be used for necessary modifications to instructional facilities and other nonrecurring costs of preparing for the operation of a year-round instructional program as approved by the department.

(7) A district receiving a grant under this section is not required to provide more than the minimum number of days and hours of pupil instruction prescribed under section 101, but shall spread at least those minimum amounts of pupil instruction over the entire year in each of its schools in which a year-round instructional calendar is implemented. The district shall commit to providing the year-round instructional calendar in each of those schools for at least 3 school years.

(8) For a district receiving a grant under this section, excessive heat is considered to be a condition not within the control of school authorities for the purpose of days or hours being counted as days or hours of pupil instruction under section 101(4).

(9) Notwithstanding section 17b, grant payments to districts under this section shall be paid on a schedule determined by the department.

**History:** Add. 2014, Act 116, Imd. Eff. Apr. 11, 2014.

**Compiler's note:** Former MCL 388.1631b, which pertained to amounts appropriated for costs relating to enrollment in prekindergarten, development kindergarten, or similar class, was repealed by Act 342 of 2006, Eff. Oct. 1, 2006.

### **388.1631c Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed section pertained to pupils whose parent or parents are incarcerated.

### **388.1631d Reimbursement to districts providing school lunch programs.**

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

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

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch

program in a fiscal year.

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

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

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

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

**History:** Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1631e Repealed. 2004, Act 351, Eff. Oct. 1, 2004.**

**Compiler's note:** The repealed section pertained to reimbursement for cost of providing breakfast.

### **388.1631f School breakfast program costs; reimbursement payments.**

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

providing breakfast.

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

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

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

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

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

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

**History:** Add. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

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### **388.1631g Repealed. 2015, Act 5, Imd. Eff. Mar. 10, 2015.**

**Compiler's note:** The repealed section pertained to allocation for contract with provider to provide online, research-based, secure, personal health and nutrition education software platform in sample of pilot schools.

### **388.1632 Repealed. 2008, Act 268, Eff. Oct. 1, 2008.**

**Compiler's note:** The repealed section pertained to additional state school aid fund revenue.

### **388.1632a Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to funding for all students achieve program.

### **388.1632b Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to early childhood investment corporation.

### **388.1632c Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to grants for community-based collaborative prevention services.

**388.1632d Great start readiness programs; competitive grant payments; evaluation; comprehensive part-day, school-day, or GSRP/head start blended programs; application for funding; form and manner; contract with public or private for-profit or nonprofit providers; retention of funds for administrative services; household income; contract process; contract with community-based providers for percentage of total slot allocation; submission of satisfactory evidence; report; definitions; tuition rate sliding scale; great start readiness reserve fund; reimbursement of transportation costs.**

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

(2) Funds allocated under subsection (1) shall be allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.

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

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

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

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

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

(d) Physical and dental health and developmental screening services for all program participants.

(e) Referral services for families of program participants to community social service agencies, including mental health services, as appropriate.

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

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

(h) Participation in a school readiness advisory committee convened as a workgroup of the great start collaborative that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee annually shall review and make recommendations regarding the program components listed in this subsection. The advisory committee also shall make recommendations to the great start collaborative regarding other community services designed to improve all children's school readiness.

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

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

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

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

(b) Except as otherwise provided in this subdivision, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the

federal poverty level. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income.

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

(i) Teachers possessing proper training. A lead teacher must have a valid teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's degree in child development or early child development with specialization in preschool teaching. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

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

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

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

(7) For a grant recipient that enrolls pupils in a GSRP/head start blended program, the grant recipient shall ensure that all head start and GSRP policies and regulations are applied to the blended slots, with adherence to the highest standard from either program, to the extent allowable under federal law.

(8) An intermediate district or consortium of intermediate districts receiving a grant under this section shall designate an early childhood coordinator, and may provide services directly or may contract with 1 or more districts or public or private for-profit or nonprofit providers that meet all requirements of subsection (4).

(9) Funds received under this section may be retained for administrative services as follows:

(a) For the portion of the total grant amount for which services are provided directly by an intermediate district or consortium of intermediate districts, the intermediate district or consortium of intermediate districts may retain an amount equal to not more than 7% of that portion of the grant amount.

(b) For the portion of the total grant amount for which services are contracted, the intermediate district or consortium of intermediate districts receiving the grant may retain an amount equal to not more than 2% of that portion of the grant amount and the subrecipients engaged by the intermediate district to provide program services may retain for administrative services an amount equal to not more than 5% of that portion of the grant amount.

(10) An intermediate district or consortium of intermediate districts may expend not more than 2% of the total grant amount for outreach, recruiting, and public awareness of the program.

(11) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the

child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, the grant recipient may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income.

(12) An intermediate district or consortium of intermediate districts receiving a grant under this section shall allow parents of eligible children who are residents of the intermediate district or within the consortium to choose a program operated by or contracted with another intermediate district or consortium of intermediate districts and shall pay to the educating intermediate district or consortium the per-child amount attributable to each child enrolled pursuant to this sentence, as determined under section 39.

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total slot allocation. The intermediate district or consortium shall report to the department, in a manner prescribed by the department, a detailed list of community-based providers by provider type, including private for-profit, private nonprofit, community college or university, head start grantee or delegate, and district or intermediate district, and the number and proportion of its total slot allocation allocated to each provider as subrecipient. If the intermediate district or consortium is not able to contract for at least 30% of its total slot allocation, the grant recipient shall notify the department and, if the department verifies that the intermediate district or consortium attempted to contract for at least 30% of its total slot allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocated slots as provided under this section. To be able to use this exemption, the intermediate district or consortium shall demonstrate to the department that the intermediate district or consortium increased the percentage of its total slot allocation for which it contracts with a community-based provider and the intermediate district or consortium shall submit evidence satisfactory to the department, and the department must be able to verify this evidence, demonstrating that the intermediate district or consortium took measures to contract for at least 30% of its total slot allocation as required under this subsection, including, but not limited to, at least all of the following measures:

(a) The intermediate district or consortium notified each licensed child care center located in the service area of the intermediate district or consortium at least twice regarding the center's eligibility to participate. One of these notifications may be made electronically, but at least 1 of these notifications shall be made via hard copy through the United States mail. At least 1 of these notifications shall be made within 7 days after the intermediate district or consortium receives notice from the department of its slot allocations.

(b) The intermediate district or consortium provided to each licensed child care center located in the service area of the intermediate district or consortium information regarding great start readiness program requirements and a description of the application and selection process for community-based providers.

(c) The intermediate district or consortium provided to the public and to participating families a list of community-based great start readiness program subrecipients with a great start to quality rating of at least 3 stars.

(14) If an intermediate district or consortium of intermediate districts receiving a grant under this section fails to submit satisfactory evidence to demonstrate its effort to contract for at least 30% of its total slot allocation, as required under subsection (1), the department shall reduce the slots allocated to the intermediate district or consortium by a percentage equal to the difference between the percentage of an intermediate district's or consortium's total slot allocation awarded to community-based providers and 30% of its total slot allocation.

(15) In order to assist intermediate districts and consortia in complying with the requirement to contract with community-based providers for at least 30% of their total slot allocation, the department shall do all of the following:

(a) Ensure that a great start resource center or the department provides each intermediate district or consortium receiving a grant under this section with the contact information for each licensed child care

center located in the service area of the intermediate district or consortium by March 1 of each year.

(b) Provide, or ensure that an organization with which the department contracts provides, a community-based provider with a validated great start to quality rating within 90 days of the provider's having submitted a request and self-assessment.

(c) Ensure that all intermediate district, district, community college or university, head start grantee or delegate, private for-profit, and private nonprofit providers are subject to a single great start to quality rating system. The rating system shall ensure that regulators process all prospective providers at the same pace on a first-come, first-served basis and shall not allow 1 type of provider to receive a great start to quality rating ahead of any other type of provider.

(d) Not later than November 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (10) and report to the legislature a list by intermediate district or consortium with the number and percentage of each intermediate district's or consortium's total slot allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, head start grantee or delegate, and district or intermediate district.

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

(17) As used in this section:

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

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

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

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

(19) The great start readiness reserve 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. Money available in the great start readiness reserve fund may not be expended for 2014-2015 unless transferred by the legislature not later than December 15, 2014 to the allocation under subsection (1) for great start readiness programs. Money in the great start readiness reserve fund shall be expended only for purposes for which state school aid fund money may be expended. The state treasurer shall direct the investment of the great start readiness reserve fund. The state treasurer shall credit to the great start readiness reserve fund interest and earnings from fund investments. Money in the great start readiness reserve fund at the close of a fiscal year shall remain in the great start readiness reserve fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(20) From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, 2014, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection shall be the lesser of the projected transportation budget or \$150.00 multiplied by the number of slots funded for the program under this section. If the amount allocated under this subsection is insufficient to fully reimburse the transportation costs for all programs that provide transportation and submit the required information, the reimbursement shall be prorated in an equal amount per slot funded. Payments shall be made to the intermediate district that is the fiscal agent for each program, and the intermediate district shall then reimburse the program provider for transportation costs as prescribed

under this subsection.

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In the first and last sentences of subsection (1), as amended by Act 121 of 2001, the phrases “and 2002-2003” and “and for 2002-2003” were vetoed by the governor September 28, 2001.

In subsection (2), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00.”

Enacting section 1 of Act 342 of 2006 provides:

“Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00.”

Enacting section 1 of Act 137 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00.”

Enacting section 1 of Act 268 of 2008 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00.”

Enacting section 1 of Act 121 of 2009 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00.”

### **388.1632e Repealed. 2008, Act 268, Eff. Oct. 1, 2008.**

**Compiler's note:** The repealed section pertained to funding under MCL 388.1632d.

### **388.1632f Repealed. 2005, Act 155, Eff. Oct. 1, 2005.**

**Compiler's note:** The repealed section pertained to read, education, and develop youth kits.

### **388.1632g Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to kindergarten entry status assessment.

### **388.1632h Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.**

**Compiler's note:** The repealed section pertained counseling services.

### **388.1632i Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to May 2002 revenue estimating conference.

### **388.1632j Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to programs for parents with young children.

### **388.1632k Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.**

**Compiler's note:** The repealed section pertained to before- or after-school programs.

### **388.1632l Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to establishment of diverse interagency committee to review applications for competitive grants under MCL 388.1632d.

**388.1632m Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed section pertained to providing preschool children with a book each month.

**388.1632n Repealed. 2010, Act 110, Eff. Oct. 1, 2010.**

**Compiler's note:** The repealed section pertained to statewide before-or-after school programs.

**388.1632p Early childhood funding; block grants; local great start collaborative and parent coalition; workgroups; report; carrying over unexpended funds.**

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

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

- (a) Children born healthy.
- (b) Children healthy, thriving, and developmentally on track from birth to third grade.
- (c) Children developmentally ready to succeed in school at the time of school entry.
- (d) Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade.

(3) Each local great start collaborative and parent coalition shall convene workgroups to make recommendations about community services designed to achieve the outcomes described in subsection (2) and to ensure that its local great start system includes the following supports for children from birth through age 8:

- (a) Physical health.
- (b) Social-emotional health.
- (c) Family supports and basic needs.
- (d) Parent education and child advocacy.
- (e) Early education and care.

(4) Not later than December 1 of each year, each intermediate district shall provide a report to the department detailing the activities actually provided during the immediately preceding school year and the families and children actually served. The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies not later than February 15 of each year.

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

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1632r Race to the top – early learning challenge grant.**

Sec. 32r. (1) In addition to the funds appropriated under section 11, for 2013-2014 only, there is appropriated the amount of the federal funding awarded to this state under sections 14005, 14006, and 14013 of title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, for the race to the top - early learning challenge grant, estimated at \$51,737,500.00.

(2) The department shall use the funds appropriated under this section solely for the purposes of increasing the number of low-income and disadvantaged infants, toddlers, and preschoolers enrolled in high-quality early learning programs and shall spend the funds in accordance with the state's application for the funds, as approved by the United States department of education in December 2013. Activities funded under this section shall focus on the following objectives:

- (a) Increase access for children with high needs to high-quality learning programs.
- (b) Increase opportunities for licensed and unlicensed subsidized home care providers to improve the quality of their programs.
- (c) Improve families' engagement in their children's early learning and development.
- (d) Expand on efforts to identify and promote children's physical, social, and emotional health.
- (e) Increase professional development opportunities for early learning care providers.
- (f) Develop an early learning data system to monitor and evaluate quality standards of individual programs.

The department shall ensure that data reported under the data system are reported in the aggregate and do not identify individuals. This data system shall be maintained only as long as there is federal funding available for expenditure under this section.

(3) The funds appropriated under this section are to be spent over 4 years and shall be considered a work project appropriation. Any unexpended funds for 2013-2014 are carried forward into 2014-2015. The purpose of the work project is as described under subsection (2). The estimated completion date of the work project is September 30, 2018.

**History:** Add. 2014, Act 116, Imd. Eff. Apr. 11, 2014.

**388.1633 Repealed. 2006, Act 342, Eff. Oct. 1, 2006.**

**Compiler's note:** The repealed section pertained to allocation to assist in transition from governance by a school reform board to governance by an elected school board.

**388.1634 Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed section pertained to appropriation of funds for 2006-2007.

**388.1634a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to achievement incentive grants.

**388.1635 Repealed. 2001, Act 121, Imd. Eff. Sept. 28, 2001.**

**Compiler's note:** The repealed section pertained to family opportunity project.

**388.1636, 388.1636a Repealed. 2000, Act 297, Eff. Oct. 1, 2000.**

**Compiler's note:** The repealed sections pertained to comprehensive compensatory programs to improve readiness and achievement of educationally disadvantaged children, and grants for community based collaborative prevention services.

**388.1637 Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to eligibility of district for allocation under MCL 388.1632d.

**388.1637a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to conditions in which requirements of MCL 388.1637(h) are considered met.

**388.1638 Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to number of prekindergarten children in need of special readiness assistance.

**388.1639 Receipt of funds under MCL 388.1632d; application; submission of implementation plan for approval; calculation of prekindergarten children construed to be in need of special readiness assistance; initial allocation; distribution in decreasing order of concentration of eligible children; allocation of remaining funds; supplementary child care; priority in funding; additional eligible children.**

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

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

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

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

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

(2) After notification of funding allocations, an applicant receiving funds under section 32d shall also submit an implementation plan for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the applicant complies with the program components established by the department pursuant to section 32d.

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

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

(5) If funds allocated for eligible applicants or to the great start readiness reserve fund under section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of children each district within the applicant's service area served in the immediately preceding fiscal year or the number of children the applicant indicates it will be able to serve under subsection (1)(c), whichever is less, minus the number of children for which the applicant received funding in subsection (4) by \$3,625.00.

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

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

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

**History:** Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Rendered Thursday, April 30, 2015

Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1639a Allocation of federal funds; definitions.**

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

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

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

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

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

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

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

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

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

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

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

(a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS – center for disease control, AIDS funding.

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

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

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

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

(5) As used in this section:

- (a) "DED" means the United States department of education.
- (b) "DED-OESE" means the DED office of elementary and secondary education.
- (c) "DED-OVAE" means the DED office of vocational and adult education.
- (d) "HHS" means the United States department of health and human services.
- (e) "HHS-ACF" means the HHS administration for children and families.

**History:** Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at \$1,052,305,700.00 .00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at \$1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

The second sentence of subsection (1)(m), and subsections (1)(m)(i), (ii), and (iii), as amended by Act 121 of 2009, were vetoed by the governor on October 19, 2009.

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

### **388.1640 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to children in need of special readiness assistance.

### **388.1641 Pupils of limited English-speaking ability; allocation for instructional programs.**

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed \$1,200,000.00 each fiscal year for 2013-2014 and for 2014-2015 to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per-pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Imd. Eff. June 24, 2014.

**Compiler's note:** Former MCL 388.1641, which pertained to instructions for pupils of limited English-speaking ability, was repealed by Act 62 of 2011, Eff. Oct. 1, 2011.

### **388.1641a Repealed. 2007, Act 92, Imd. Eff. Oct. 1, 2007.**

**Compiler's note:** The repealed section pertained to instruction for pupils of limited English-speaking ability.

### **388.1643 Updating teacher certification tests.**

Sec. 43. From the general fund money appropriated in section 11, there is allocated to the department for 2014-2015 an amount not to exceed \$1,800,000.00 for updating teacher certification tests. The department shall use these funds to update the set of teacher certification tests, including content-specific and subject-relevant tests, to reflect current education standards by not later than September 30, 2016.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1645-388.1648 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to school health education curriculum, school dropout prevention programs, gifted and talented pupil programs, and nonresidential alternative juvenile rehabilitation programs.

### **388.1651 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils with handicaps.

### **388.1651a Allocations for reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils eligible for special education programs; allocation of state and federal funds; reimbursement; shortfall; adjustments; total approved costs; rights, benefits, and tenure of transferred personnel; refund; foundation allowance; order of expenditures; responsibility for added costs for pupil enrolled in public school academy which is outside intermediate school district where pupil resides.**

Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$914,946,100.00 for 2014-2015 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 for 2014-2015, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. 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 funds allocated under subsection (1), there is allocated the amount necessary, estimated at \$251,800,000.00 for 2014-2015, for payments toward reimbursing districts and intermediate 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. Allocations under this subsection shall be made as follows:

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

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

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

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

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

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$2,200,000.00 for 2014-2015 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

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

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and Medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6

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

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

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

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

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

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

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

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

(11) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at \$4,000,000.00 for 2014-2015, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that

is a public school academy, times an amount equal to the amount per membership pupil under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

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

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

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 518, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 90, Imd. Eff. Apr. 4, 2006;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2010, Act 217, Imd. Eff. Dec. 3, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1651b Funding; compliance with rules.**

Sec. 51b. A district or intermediate district shall not receive funds under section 51a unless the district or intermediate district complies with rules promulgated under article 3 of the revised school code, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws.

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1651c Reimbursement for percentage of special education and special education transportation costs.**

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for 2014-2015 the amount necessary, estimated at \$606,000,000.00, 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.

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22,

2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at \$11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1651d Federally funded special education programs and services; distribution; payment schedule; "DED-OSERS" defined.**

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for 2014-2015, all available federal funding, estimated at \$74,000,000.00, for special education programs and services 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 2014-2015:

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

(b) An amount estimated at \$14,000,000.00 for preschool grants (Public Law 94-142), funded from

DED-OSERS, handicapped preschool incentive funds.

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

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

**History:** Add. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1652 Special education programs and services; reimbursement; limitation.**

Sec. 52. Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51a(1), but not to exceed 75% of the total approved costs of operating special education programs and services approved by the department and included or applying for inclusion in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, for special education pupils other than those programs funded under section 53a, and of the costs of summer programs and services and the costs of providing room and board for special education pupils, as approved by the department. If the state financed proportion of reimbursement of the necessary costs of a special education activity or service required by article 3 of the revised school code, MCL 380.1701 to 380.1766, which is in addition to or different from the special education activities or services required under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state financed proportion of the necessary costs of that activity or service in 1978-79, the portion of the amount appropriated shall be increased to reimburse that activity or service accordingly.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

### **388.1653 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to special education programs and services.

**388.1653a Special education programs and services; reimbursement of total approved costs; limitation; costs of transportation; allocation.**

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

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

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

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

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

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

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

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

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

(5) Not more than \$10,500,000.00 of the allocation for 2014-2015 in section 51a(1) shall be allocated under this section.

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1653a, which pertained to competitive contract bidding process to provide education services to emotionally impaired pupils, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1654 Intermediate district to receive amount for pupil attending Michigan schools for the deaf and blind.**

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

**History:** Add. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1654a Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to lending library at central Michigan university.

### **388.1654b Repealed. 2007, Act 137, Imd. Eff. Nov. 8, 2007.**

**Compiler's note:** The repealed section pertained to a conductive learning center.

### **388.1654c Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to availability of newsline electronically.

### **388.1655 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to allocation to west Michigan center for autism spectrum disorders at Grand Valley state university.

### **388.1656 Definitions; reimbursement to intermediate districts levying millages for special education; limitation; distribution plan; computation; payments.**

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

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

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

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

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$37,758,100.00 for 2014-2015 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2013-2014 shall be made in 2014-2015 at an amount per 2013-2014 membership pupil computed by subtracting from \$172,200.00 the 2013-2014 taxable value behind each membership pupil and multiplying the resulting difference by the 2013-2014 millage levied.

(4) The amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).

(5) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110,

Imd. Eff. July 8, 2010;—Am. 2010, Act 217, Imd. Eff. Dec. 3, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00."

### **388.1657 Repealed. 2010, Act 110, Eff. Oct. 1, 2010.**

**Compiler's note:** The repealed section pertained to deduction of amount from total state school aid and agreement by district with department to develop school consolidation plan.

### **388.1657a Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed section pertained to international baccalaureate diploma program or international baccalaureate middle years program.

### **388.1658 Special education transportation services; basis.**

Sec. 58. Allocations to districts and intermediate districts under section 51a for providing special education transportation services shall be based on data reported by the districts and intermediate districts for the current school year.

**History:** Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

### **388.1661 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to reimbursement for vocational-technical education programs.

### **388.1661a Career and technical education programs; added cost; administration and reimbursement; integration of Michigan merit curriculum content standards.**

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

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

(3) In addition to the funds allocated in subsection (1), from the appropriation in section 11, there is allocated an amount not to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate districts for area career and technical education centers for the purpose of integrating the Michigan merit curriculum content standards under sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b, into state-approved career and technical education instructional programs for the purpose of awarding academic credit. The department shall determine the allocation to each career and technical education center in a manner that provides for maximum integration of Michigan merit curriculum content standards statewide.

**History:** Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Subsection (3), as amended by Act 121 of 2009, was vetoed by the governor on October 19, 2009.

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1662 Definitions; vocational-technical education; limitation; payments.**

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

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

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

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

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

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

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,190,000.00 for 2014-2015 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2013-2014 shall be made in 2014-2015 at an amount per 2013-2014 membership pupil computed by subtracting from \$188,100.00 the 2013-2014 taxable value behind each membership pupil and multiplying the resulting difference by the 2013-2014 millage levied.

(4) The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

(5) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Imd. Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2011, Act 299, Imd. Eff. Dec. 22, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In the first sentence of subsection (2), as amended by Act 121 of 2001, the phrase "and an amount not to exceed \$11,330,000.00 for 2002-2003" was vetoed by the governor September 28, 2001.

In the first sentence of subsection (4), as amended by Act 121 of 2001, the phrase "and an amount not to exceed \$1,470,000.00 for

2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at \$10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,701,332,600.00."

### **388.1663 Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.**

**Compiler's note:** The repealed section pertained to Michigan manufacturing technology program.

### **388.1664 Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to middle college focused on health sciences.

### **388.1664a Repealed. 2014, Act 196, Eff. Oct. 1, 2014.**

**Compiler's note:** The repealed section pertained to statewide transfer or articulation agreements.

### **388.1664b Support attendance of district pupils.**

Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$1,750,000.00 for 2014-2015 for supplemental payments to districts that support the attendance of district pupils in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance of district pupils in a concurrent enrollment program if the district meets the requirements under subsection (3).

(2) To be eligible for payments under this section for supporting the attendance of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid

by the district.

(b) Enter into a written agreement with a postsecondary institution before the enrollment of district pupils.

(c) Agree to pay all eligible charges pursuant to section 21b.

(d) Award high school credit for the postsecondary course if the pupil successfully completes the course.

(3) To be eligible for payments under this section for pupils enrolled in a concurrent enrollment program, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

(b) Enter into a written agreement with a postsecondary institution establishing the concurrent enrollment program before the enrollment of district pupils in a postsecondary course through the postsecondary institution.

(c) Ensure that the course is taught by either a high school teacher or postsecondary faculty pursuant to standards established by the postsecondary institution with which the district has entered into a written agreement to operate the concurrent enrollment program.

(d) Ensure that the written agreement provides that the postsecondary institution agrees not to charge the pupil for any cost of the program.

(e) Ensure that the course is taught in the local district or intermediate district.

(f) Ensure that the pupil is awarded both high school and college credit upon successful completion of the course as outlined in the agreement with the postsecondary institution.

(4) Funds shall be awarded to eligible districts under this section in the following manner:

(a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing course in which a pupil enrolls during the 2014-2015 school year as described under either subsection (2) or (3).

(b) An additional payment of \$30.00 per pupil per course identified in subdivision (a), if the pupil successfully completes, and is awarded both high school and postsecondary credit for, the course during the 2014-2015 school year.

(5) A district requesting payment under this section shall submit an application to the department in the form and manner prescribed by the department. Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1664c Analysis of current career readiness education system; study; report.**

Sec. 64c. (1) From the general fund money appropriated in section 11, there is allocated to the department for 2014-2015 an amount not to exceed \$250,000.00 for a study under this section. The department shall commission an independent third party to conduct a study and prepare a report analyzing the state's current career readiness education system.

(2) The purpose of the study under this section shall be to research current high school and postsecondary curricula and facilities and develop recommendations for the implementation of a statewide system to support career pathways that lead to education and training opportunities to lessen the existing talent gap in the state.

(3) The study under this section shall, at a minimum, include recommendations that address at least all of the following:

(a) Identification of redundancy of roles, programs, and capital infrastructure among public schools, intermediate districts, community colleges, and universities in providing high-skilled degrees and credentials and make recommendations to better coordinate those roles, programs, and facilities.

(b) Development of a statewide strategy and related policies that will result in more coordinated and expedited pathways for students to obtain high-skilled college degrees and credentials, regardless of point of entry.

(c) Proposed metrics that can be used to measure this state's success toward achieving the desired outcomes.

(d) Identification of specific barriers for students and potential ways to address those barriers.

(4) The department shall ensure that educators and the business community are solicited for their input as part of the study.

(5) The report summarizing the results of the study under this section shall be presented to the department no later than September 30, 2015.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1664d Information technology education opportunities; contract; request for proposals;**

**work project; completion date.**

Sec. 64d. (1) From the general fund money appropriated in section 11, there is allocated to the department for 2013-2014 the amount of \$3,900,000.00 for a contract with a single provider to provide information technology education opportunities to high school, career academy, and community college students. The provider shall allow participating students and faculty to achieve broad-based information technology certifications and college credit. The provider shall make available through districts, intermediate districts, career academies, and community colleges instruction on information technology skills and competencies that are essential for the workplace and that are requested by employers. The department shall use a competitive request for proposals process for the contract, and the request for proposals shall include, but not be limited to, all of the following requirements:

- (a) A curriculum based on research, information technology, and skill development.
- (b) Online access to the curriculum.
- (c) Instructional software for classroom and student use.
- (d) Certification of skills and competencies in a broad base of information technology-related skill areas.
- (e) Professional development for faculty.
- (f) Deployment and program support, including, but not limited to, integration with current curriculum standards.
- (g) Methods for students to earn college credit.

(2) The department shall ensure that the request for proposals under subsection (1) is delivered to all community colleges in this state. If a community college or group of community colleges submits a proposal, before making a decision to award a contract under this section to any provider that is not a community college or group of community colleges, the department shall provide to the community college or group of community colleges an interactive response to the proposal.

(3) The funds appropriated under this section are to be spent over 3 years and shall be considered a work project appropriation. Any unexpended funds for 2013-2014 are carried forward into 2014-2015. The purpose of the work project is as described under subsection (1). The estimated completion date of the work project is September 30, 2017.

**History:** Add. 2014, Act 116, Imd. Eff. Apr. 11, 2014.

**388.1665 Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to precollege programs in engineering and sciences.

**388.1666 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to job training and development programs.

**388.1667 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to Michigan career preparation system grants.

**388.1668 Repealed. 2004, Act 351, Eff. Oct. 1, 2004.**

**Compiler's note:** The repealed section pertained to Michigan career preparation system.

**388.1671, 388.1672 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to transportation services funding and aid.

**388.1673 Repealed. 1986, Act 212, Eff. Oct. 1, 1986.**

**Compiler's note:** The repealed section pertained to transportation programs and procurement of school buses.

**388.1674 School bus driver safety instruction; cost of instruction and driver compensation; nonspecial education auxiliary services transportation; inspection costs.**

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,316,500.00 for 2014-2015 for the purposes of this section.

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

course of instruction.

(3) From the allocation in subsection (1), there is allocated for 2014-2015 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this article for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed \$1,691,500.00 for 2014-2015 for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil 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 an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount of the reimbursement on behalf of each district and intermediate district for costs detailed on the statement within 45 days after receipt of the statement. The designated intermediate district 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.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2011, Act 62, Imd. Eff. June 21, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill..."

In subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1674a Conversion of buses from diesel fuel to natural gas; pilot project.**

Sec. 74a. From the school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$3,000,000.00 for 2014-2015 for a pilot project providing grants to districts to convert buses from diesel fuel to natural gas. In order to be eligible for a grant, a district shall provide the department with information on the cost of fuel for the converted buses, expressed in dollars per mile driven. Grants to eligible districts shall not exceed \$8,000.00 per bus converted, with a maximum grant per district not to exceed \$30,000.00. Districts seeking grants under this section shall apply to the department not later than November 1, 2014. The department shall rank order all districts that apply for grants based on miles driven in the previous school year, and shall award grants to districts with the highest number of miles driven, until all funding is awarded.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1675 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to nonspecial education auxiliary services transportation.

### **388.1676 Funding for transporting nonpublic school students.**

Sec. 76. If a district received money in 1993-94 attributable to nonspecial education transportation under former section 71 and that money was included in calculating the district's combined state and local revenue per membership pupil in 1993-94 under section 20(21), as that section was in effect for 1994-95, then the district shall use funding as calculated under section 20 as the funding for transporting nonpublic school students as required under section 1321 of the revised school code, MCL 380.1321.

**History:** Add. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007.

**Compiler's note:** Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

### **388.1681 Allocations to intermediate districts; amounts; expanded professional development opportunities for teachers; consolidated, annexed, or attached districts; duties of intermediate district; best practices incentive payment.**

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for 2014-2015 to the intermediate districts the sum necessary, but not to exceed \$67,115,000.00 to provide state aid to intermediate districts under this section.

(2) From the allocation in subsection (1), there is allocated for 2014-2015 an amount not to exceed \$65,108,000.00 for allocations to each intermediate district in an amount equal to 104.8% of the amount allocated to the intermediate district under this subsection for 2013-2014. Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

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

(4) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment. From the allocation in subsection (1), there is allocated \$7,000.00 for purposes of this subsection for 2012-2013, for 2013-2014, and for 2014-2015, after which the payment under this subsection will cease.

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

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person

who is trained in pupil accounting and auditing procedures, rules, and regulations.

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

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

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

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

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

(6) From the allocation in subsection (1), there is allocated an amount not to exceed \$2,000,000.00 for 2014-2015 for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to 3.1% of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate district satisfies at least 5 of the following requirements not later than June 1, 2015:

(a) The intermediate district enters into an agreement with the department to comply with all of the following:

(i) If the intermediate district developed a service consolidation plan in 2013-2014, implement the service consolidation plan in 2014-2015 and report to the department not later than February 1, 2015 on the intermediate district's progress in implementing the service consolidation plan.

(ii) If the intermediate district did not develop a service consolidation plan in 2012-2013 or 2013-2014, develop a service consolidation plan in 2014-2015 to reduce operating costs that is in compliance with guidelines that were developed by the department for former section 11d as that section was in effect for 2010-2011.

(iii) Make the intermediate district's service consolidation plan publicly available on the intermediate district's website.

(b) The intermediate district has obtained competitive bids on the provision of 1 or more noninstructional services for the intermediate district or its constituent districts with a value of at least \$50,000.00. The unfunded accrued liability costs for retirement and other benefits shall be excluded from the intermediate district's current costs for the purpose of comparing competitive bids to the current costs of providing services.

(c) The intermediate district develops a technology plan in accordance with department policy on behalf of all constituent districts within the intermediate district that integrates technology into the classroom and prepares teachers to use digital technologies as part of the instructional program of each of its constituent districts. An intermediate district that developed a technology plan in 2012-2013 or 2013-2014 shall continue to implement that technology plan in 2014-2015.

(d) The intermediate district provides to parents and community members a dashboard or report card demonstrating the intermediate district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the intermediate district for 2014-2015 and 2015-2016, a listing of all debt service obligations, detailed by project, including anticipated 2014-2015 payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

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

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

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

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

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

(e) The intermediate district works in a consortium with 1 or more other intermediate districts and the center to develop local information management system requirements and bid specifications that result in a recommended model information system that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data among districts, intermediate districts, and the center. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.

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

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Subsection (3) of Sec. 81, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Sec. 81, as amended by Act 212 of 1986, did not have a subsection (3).

Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subsection (3) of Sec. 81, as amended by Act 118 of 1991, was vetoed by the governor on October 11, 1991. Subsection (3) of Sec. 81, as amended by Act 207 of 1990, is set forth in the text of Sec. 81 above.

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrases "and for 2002-2003" and "and not to exceed \$95,028,100.00 for 2002-2003" were vetoed by the governor September 28, 2001.

The fourth sentence of subsection (1), as amended by Act 121 of 2001, and which read "Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2002-2003 an amount equal to 103.1% of the amount of funding actually received by the intermediate district under this subsection for 2001-2002.", was vetoed by the governor September 28, 2001.

In the second sentence of subsection (3), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

In the first sentence of subsection (5), as amended by Act 121 of 2001, the phrase "and an amount not to exceed \$940,000.00 for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

**388.1681a Repealed. 1988, Act 318, Eff. Oct. 1, 1988.**

**Compiler's note:** The repealed section pertained to reduction of allocations.

**388.1682 Repealed. 2014, Act 196, Eff. Oct. 1, 2014.**

**Compiler's note:** The repealed section pertained to model intervening program for grades K to 3.

**388.1683 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to educational media centers.

**388.1684 Repealed. 1991, Act 118, Imd. Eff. Oct. 11, 1991.**

**Compiler's note:** The repealed section pertained to instructional services to homebound or hospitalized pupils.

**388.1685 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to allocations for intermediate school districts.

**388.1686 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to regular nonspecial education educational programs in residential child care institutions for court placed pupils.

**388.1690 Repealed. 1992, Act 148, Eff. Oct. 1, 1992.**

**Compiler's note:** The repealed section pertained to allocations for innovative and diversified educational programs and for pilot school-level building program.

**388.1691 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to long-range school improvement plans, annual education report, and core curriculum.

**388.1691a Cessation of pilot intermediate district schools of choice program; enrollment of nonresident pupil in district.**

Sec. 91a. If a district allowed a nonresident pupil to enroll in the district under a pilot intermediate district schools of choice program under former section 91, the district shall continue to allow that pupil to enroll in the district until the pupil graduates from high school even if the district ceases to participate in the pilot intermediate district schools of choice program or the program is discontinued.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995.

**388.1691b Repealed. 2000, Act 297, Eff. Oct. 1, 2000.**

**Compiler's note:** The repealed section pertained to enrollment of nonresident pupil in district.

**388.1691c Transfer student; eligibility to participate in interscholastic athletic competition.**

Sec. 91c. A pupil who transfers to a district other than the pupil's district of residence under an intermediate district schools of choice pilot program under former section 91 is ineligible to participate in interscholastic athletic competition for a period of 1 semester from the date the pupil transfers.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

**388.1692 Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to allocation to Saginaw Valley state university.

**388.1692a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to basic skills development program.

### **388.1693 Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** Former MCL 388.1693, which pertained to alternative education programs for school-age expectant parents and school-age parents and their children, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

The repealed section pertained to allocation to library of Michigan to support Michigan electronic library in public schools and public libraries.

### **388.1694 Advanced placement and international baccalaureate programs.**

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for 2014-2015 an amount not to exceed \$250,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs.

(2) From the funds allocated under this section, the department shall award funds to cover all or part of the costs of advanced placement test fees or international baccalaureate test fees for low-income pupils who take an advanced placement or an international baccalaureate test. Payments shall not exceed \$20.00 per test completed.

(3) The department shall only award funds under this section if the department determines that all of the following criteria are met:

(a) Each pupil for whom payment is made meets eligibility requirements of the federal advanced placement test fee program under section 1701 of the no child left behind act of 2001, Public Law 107-110.

(b) The tests are administered by the college board, the international baccalaureate organization, or another test provider approved by the department.

(c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each test for which payment is made.

(4) The department shall establish procedures for awarding funds under this section.

(5) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

**History:** Add. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1694, which pertained to technical assistance to districts for school accreditation purposes, was repealed by Act 158 of 2003, Eff. Oct. 1, 2003.

### **388.1694a Center for educational performance and information.**

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

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

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

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

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

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

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

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

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

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

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

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

- (3) The center may enter into any interlocal agreements necessary to fulfill its functions.
- (4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:
- (a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.
  - (b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.
  - (c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.
  - (d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.
  - (e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.
  - (f) Ensures the reasonable quality, validity, and reliability of data contained in the system.
  - (g) Provides this state with the ability to meet federal and state reporting requirements.
  - (h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:
    - (i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.
    - (ii) Contains student-level enrollment, demographic, and program participation information.
    - (iii) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.
    - (iv) Has the capacity to communicate with higher education data systems.
  - (i) For data elements related to preschool through grade 12 only, meets all of the following:
    - (i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.
    - (ii) Contains student-level transcript information, including information on courses completed and grades earned.
    - (iii) Contains student-level college readiness test scores.
  - (j) For data elements related to postsecondary education only:
    - (i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:
      - (A) Enrollment in remedial coursework.
      - (B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.
    - (ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.
- (5) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$12,022,800.00 for 2014-2015 to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for 2014-2015 the amount necessary, estimated at \$193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system as provided under this section in compliance with the assurance provided to the United States department of education in order to receive state fiscal stabilization funds. The center shall cooperate with the department to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.
- (6) From the funds allocated in subsection (5), there is allocated for 2014-2015 an amount not to exceed \$850,000.00 for competitive grants to support collaborative efforts on the P-20 longitudinal data system. All of the following apply to grants awarded under this subsection:
- (a) The center shall award competitive grants to eligible intermediate districts or a consortium of intermediate districts based on criteria established by the center.
  - (b) Activities funded under the grant shall support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.
  - (c) An applicant that received a grant under this subsection for the immediately preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

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

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

(9) As used in this section:

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

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

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 180, Imd. Eff. Oct. 3, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 73, Imd. Eff. July 9, 2009;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2009, Act 203, Imd. Eff. Jan. 4, 2010;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** In subsection (1), as amended by Act 121 of 2001, the phrase "and an amount not to exceed \$2,519,000.00 for 2002-2003" was vetoed by the governor September 28, 2001.

For transfer of powers, duties, functions, and responsibilities of the database for educational performance and information to the center for educational performance and information by type II transfer, see E.R.O. No. 2000-6, compiled at MCL 388.996 of the Michigan compiled laws.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Sec. 94a, as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

For transfer of a position on the center for educational performance and information advisory committee designated for a representative of the department of career development to the director of the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at \$11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

### **388.1695 Repealed. 2014, Act 196, Eff. Oct. 1, 2014.**

**Compiler's note:** The repealed section pertained to professional development for principals and assistant principals.

### **388.1695a Educator evaluation reserve fund.**

Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the educator evaluation reserve fund. The state treasurer shall direct the investment of the educator evaluation reserve fund. The state treasurer shall credit to the educator evaluation reserve fund interest and earnings from the educator evaluation reserve fund.

(3) Money in the educator evaluation reserve fund at the close of the fiscal year shall remain in the educator evaluation reserve fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the educator evaluation reserve fund for auditing purposes.

(4) From the appropriations in section 11, there is allocated to the educator evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the state school aid fund and an amount not to exceed \$2,700,000.00 from the general fund. Subject to subsections (5) and (6), the department shall expend the money in the educator evaluation reserve fund for implementing evaluation systems for public school teachers and school administrators.

(5) Funds in the educator evaluation reserve fund shall not be expended unless House Bill Nos. 5223 and 5224 of the 97th Legislature are enacted into law.

(6) Funds in the educator evaluation reserve fund shall not be expended unless the state budget office has approved the department's spending plan.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1696 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to golden apple awards.

### **388.1697 Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.**

**Compiler's note:** The repealed section pertained to teacher technology initiative.

### **388.1698 Michigan virtual university; Michigan virtual learning research institute; Michigan virtual school; online course offerings; home-schooled or nonpublic school student; report; advisory group; submission of budget; definitions.**

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$7,387,500.00 for 2014-2015 for the purposes described in this section.

(2) The Michigan virtual university shall operate the Michigan virtual learning research institute. The Michigan virtual learning research institute shall do all of the following:

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

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

(ii) Research, design, and recommend digital education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.

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

(iv) Based on pupil completion and performance data reported to the department or the center for educational performance and information from cyber schools and other online course providers operating in this state, analyze the effectiveness of online learning delivery models in preparing pupils to be college- and career-ready and publish a report that highlights enrollment totals, completion rates, and the overall impact on pupils. The report shall be submitted to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department not later than December 1, 2015.

(v) Before August 31, 2015, provide an extensive professional development program to at least 500 educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of digital learning into curricula and instruction. Not later than December 1, 2015, the

Michigan virtual learning research institute shall submit a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department on the number and percentage of teachers, school administrators, and school board members who have received professional development services from the Michigan virtual university. The report shall also identify barriers and other opportunities to encourage the adoption of digital learning in the public education system.

(vi) Identify and share best practices for planning, implementing, and evaluating online and blended education delivery models with intermediate districts, districts, and public school academies to accelerate the adoption of innovative education delivery models statewide.

(b) Provide leadership for this state's system of digital learning education by doing the following activities:

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

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

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

(iv) In collaboration with the department and interested colleges and universities in this state, support implementation and improvements related to effective digital learning instruction.

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

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

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

(viii) Research and establish an internet-based platform that educators can use to create student-centric learning tools and resources and facilitate a user network that assists educators in using the platform. As part of this initiative, the Michigan virtual university shall work collaboratively with districts and intermediate districts to establish a plan to make available online resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(ix) Create and maintain a public statewide catalog of online learning courses being offered by all public schools in this state. The Michigan virtual learning research institute shall identify and develop a list of nationally recognized best practices for online learning and use this list to support reviews of online course vendors, courses, and instructional practices. The Michigan virtual learning research institute shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent districts. The Michigan virtual learning research institute shall review the online course offerings of the Michigan virtual university, and make the results from these reviews available to the public as part of the statewide catalog. The Michigan virtual learning research institute shall ensure that the statewide catalog is made available to the public on the Michigan virtual university website and shall allow the ability to link it to each district's website as provided for in section 21f. Beginning in 2014-2015, the statewide catalog shall also contain all of the following:

(A) The number of enrollments in each online course in the immediately preceding school year.

(B) The number of enrollments that earned 60% or more of the total course points for each online course in the immediately preceding school year.

(C) The completion rate for each online course.

(x) Collaborate with key stakeholders to examine the need and process for incorporating registration, payment services, and transcript functionality to the statewide catalog.

(xi) Collaborate with key stakeholders to examine district level accountability and teacher effectiveness issues related to online learning under section 21f and make findings and recommendations publicly available.

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

(4) If the course offerings are included in the statewide catalog of online courses under subsection (2)(b)(ix), the Michigan virtual school operated by the Michigan virtual university may offer online course offerings, including, but not limited to, all of the following:

(a) Information technology courses.

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

(c) Courses and dual enrollment opportunities.

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

- (e) General education development test preparation courses for adjudicated youth.
- (f) Special interest courses.
- (g) Professional development programs for teachers, school administrators, other school employees, and school board members.

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

(6) Not later than December 1 of each fiscal year, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan virtual school for the preceding state fiscal year:

- (a) A list of the districts served by the Michigan virtual school.
- (b) A list of online course titles available to districts.
- (c) The total number of online course enrollments and information on registrations and completions by course.
- (d) The overall course completion rate percentage.

(7) The governor may appoint an advisory group for the Michigan virtual learning research institute established under subsection (2). The members of the advisory group shall serve at the pleasure of the governor and shall serve without compensation. The purpose of the advisory group is to make recommendations to the governor, the legislature, and the president and board of the Michigan virtual university that will accelerate innovation in this state's education system in a manner that will prepare elementary and secondary students to be career and college ready and that will promote the goal of increasing the percentage of citizens of this state with high-quality degrees and credentials to at least 60% by 2025.

(8) Not later than November 1, 2014, the Michigan virtual university shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a detailed budget for the 2014-2015 fiscal year that includes a breakdown on its projected costs to deliver online educational services to districts and a summary of the anticipated fees to be paid by districts for those services. Beginning in 2013-2014, not later than February 1, the Michigan virtual university shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a breakdown on its actual costs to deliver online educational services to districts and a summary of the actual fees paid by districts for those services based on audited financial statements for the immediately preceding fiscal year.

(9) As used in this section:

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

(b) "Cyber school" means a full-time instructional program of online courses for pupils that may or may not require attendance at a physical school location.

(c) "Digital learning" means instruction delivered via a web-based educational delivery system that uses various information technologies to provide a structured learning environment, including online and blended learning instructional methods.

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

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1698, which pertained to professional development programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1698a Repealed. 2010, Act 110, Eff. Oct. 1, 2010.**

**Compiler's note:** The repealed section pertained to allocation for 21st century learning environment.

### **388.1698b Repealed. 2007, Act 92, Imd. Eff. Oct. 1, 2007.**

**Compiler's note:** The repealed section pertained to freedom to learn program.

### **388.1698c Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed section pertained to web-based practice assessment and classroom remediation program.

### **388.1699 Mathematics and science centers.**

Sec. 99. (1) From the funds appropriated in section 11, there is allocated for 2014-2015 an amount not to exceed \$2,750,000.00 from the state school aid fund and an amount not to exceed \$475,000.00 from the general fund to support the activities and programs of mathematics and science centers and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2014-2015 an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

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

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

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

(5) Allocations under this section to support the activities and programs of mathematics and science

centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in the immediately preceding fiscal year shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for the immediately preceding fiscal year. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for 2014-2015 an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) From the general fund money allocated in subsection (1), there is allocated for 2014-2015 an amount not to exceed \$100,000.00 to the Michigan STEM partnership, to be used to administer the grant process under this subsection. From the general fund money allocated in subsection (1), there is allocated for 2014-2015 an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to award competitive grants to organizations conducting student-focused, project-based programs and competitions, either in the classroom or extracurricular, in science, technology, engineering, and mathematics subjects such as, but not limited to, robotics, coding, and design-build-test projects, from pre-kindergarten through college level. Funding under this subsection is in addition to funding allocated under subsection (5) and shall be used for connecting mathematics and science centers for science, technology, engineering, and mathematics purposes and to support the goals of the Michigan STEM partnership. A program receiving funds under section 99h may not receive funds under this subsection.

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

(9) Not later than September 30, 2018, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

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

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

(12) Not later than July 1 of each year, a mathematics and science center that receives funds under this section shall report to the department in a form and manner prescribed by the department on the following performance measures:

(a) Statistical change in pre- and post-assessment scores for students who enrolled in mathematics and science activities provided to districts by the mathematics and science center.

(b) Statistical change in pre- and post-assessment scores for teachers who enrolled in professional development activities provided by the mathematics and science center.

(13) 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.

**History:** Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Subsections (5), (7), and (8), as amended by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

Subsections (7), (8), (9), and (10), as amended by Act 93 of 1997, were vetoed by the governor August 1, 1997.

In subsection (1), as amended by Act 121 of 2001, the phrases "and an amount not to exceed \$9,784,500.00 for 2002-2003" and "and an amount not to exceed \$596,000.00 for 2002-2003" were vetoed by the governor September 28, 2001.

In the first sentence of subsection (7), as amended by Act 121 of 2001, the phrase "and 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated

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by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1699a Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to mathematics and science centers.

### **388.1699b Training program for science, technology, engineering, and mathematics (STEM) instruction.**

Sec. 99b. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$330,000.00 for 2014-2015 for grants to districts to support professional development for teachers in a department-approved training program for science, technology, engineering, and mathematics (STEM) instruction.

(2) Any district may apply for funding under this section for 2014-2015 by a date determined by the department. Beginning in 2014-2015, in awarding grants, the department shall give priority, in a form and manner determined by the department, to applicant districts with teachers who have not previously received training in programs funded under this section.

(3) For a training program to be approved by the department for the purposes of this section, the program shall meet all of the following criteria:

(a) Utilizes an integrative STEM approach to content organization and delivery. The integrative STEM approach shall include content derived from science, technology, engineering, and mathematics.

(b) Offers evidence that the program outcomes address mathematics, science, and technological literacy standards in an exploratory middle school or high school offering.

(c) Offers evidence that the program positively influences student career choices along STEM career paths and increases student engagement through peer-reviewed research.

(d) Presents evidence of the periodic improvement of the curriculum.

(e) Utilizes outcome measures for teacher professional development.

(f) Provides peer-reviewed evidence that the program is effective with disadvantaged students and those with language barriers.

(4) The department shall award grants to districts in an amount determined by the department, but not to exceed \$3,200.00 per participant.

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

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1699b, which pertained to amounts allocated for middle school mathematics initiative, amounts allocated to intermediate districts, funds to improve MEAP mathematics assessment, and eligibility of intermediate school districts for continued funding, was repealed by Act 342 of 2006, Eff. Oct. 1, 2006.

**388.1699c Repealed. 2008, Act 268, Eff. Oct. 1, 2008.**

**Compiler's note:** The repealed section pertained to middle school mathematics initiative.

**388.1699d Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed section pertained to purchase of automated external defibrillators.

**388.1699e Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to allocation to districts having reduced foundation allowance.

**388.1699f, 388.1699g Repealed. 2007, Act 6, Imd. Eff. Apr. 30, 2007.**

**Compiler's note:** The repealed sections pertained to school building security mapping and expansion of school-based crisis intervention project.

**388.1699h FIRST program.**

Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$2,000,000.00 for 2014-2015 for competitive grants to districts that provide pupils in grades 7 to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) robotics.

(2) A district applying for a FIRST tech challenge or FIRST robotics competition program grant shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership for the purposes of the FIRST program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the FIRST robotics program.

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team, distributed as follows:

(i) Not more than 500 stipends for coaches of high school teams, including existing teams.

(ii) Not more than 100 stipends for coaches of middle school or junior high teams, including existing teams.

(iii) If the requests for stipends exceed the numbers of stipends allowed under subparagraphs (i) and (ii), and if there is funding remaining unspent under subdivisions (b) and (c), the department shall use that remaining unspent funding for grants to districts to pay for additional stipends in a manner that expands the geographical distribution of teams.

(b) Grants to districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at FIRST tech challenge and FIRST robotics competitions. Each grant recipient shall provide a local match from other private or local funds for the funds received under this subdivision equal to at least 50% of the costs of participating in an event. The department shall set maximum grant amounts under this subdivision in a manner that maximizes the number of teams that will be able to receive funding.

(c) Grants to districts for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

(4) The funds allocated under this section are a work project appropriation, and any unexpended funds for 2014-2015 are carried forward into 2015-2016. The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, 2017.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014

**Compiler's note:** Former MCL 388.1699h, which pertained to FIRST robotics competitions, was repealed by Act 137 of 2007, Imd. Eff. Nov. 8, 2007.

**388.1699i Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to allocation to expand school-based crisis intervention project.

**388.1699j, 388.1699k Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed sections pertained to allocations to certain pilot projects and allocations to districts financing operating deficits.

**388.1699n Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to districts entering cooperative arrangements with community colleges.

**388.1699p Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to cultural, art, or music resources.

**388.1701 Eligibility to receive state aid; submission of number of pupils enrolled and in regular daily attendance; certification of data; noncompliance; withholding state aid; falsification; pupil instruction; minimum number of hours or days; requirements; guidelines; waiver; counting number of hours of qualifying teacher professional development; "qualifying professional development" defined; applicability of subsections (3) and (8) to cyber school or dropout recovery program; "eligible pupil" defined; review of waiver standards.**

Sec. 101. (1) To be eligible to receive state aid under this article, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the sixth Wednesday after the pupil membership count day and not later than the sixth Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this article shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this article, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this article shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsections (11) and (12), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. Beginning in 2014-2015, the required minimum number of days of pupil instruction is 175. However, all of the following apply to these requirements:

(i) If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of July 1, 2013, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement. If a district entered into a collective bargaining agreement on or after July 1, 2013 and if that collective bargaining agreement did not provide for at least 175 days of pupil instruction beginning in 2014-2015, then the department shall withhold from the district's total state school aid an amount equal to 5% of the funding the district receives in 2014-2015 under sections 22a and 22b.

(ii) A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(b) Beginning in 2016-2017, the required minimum number of days of pupil instruction is 180. If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of the effective date of the amendatory act that added this subdivision, and if that school calendar is not in compliance with this subdivision, then this subdivision does not apply to that district until after the expiration of that collective bargaining agreement. A district may apply for a waiver under subsection (9)

from the requirements of this subdivision.

(c) Except as otherwise provided in this article, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours and days of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6).

(d) Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction.

(e) If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of October 19, 2009, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(f) Except as otherwise provided in subdivisions (g) and (h), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(g) If a district adds 1 or more days of pupil instruction to the end of its instructional calendar for a school year to comply with subdivision (a) because the district otherwise would fail to provide the required minimum number of days of pupil instruction even after the operation of subsection (4) due to conditions not within the control of school authorities, then subdivision (f) does not apply for any day of pupil instruction that is added to the end of the instructional calendar. Instead, for any of those days, if the district does not have at least 60% of the district's membership in attendance on that day, the district shall receive state aid in that proportion of 1/180 that the actual percentage of attendance bears to the specified percentage. For any day of pupil instruction added to the instructional calendar as described in this subdivision, the district shall report to the department the percentage of the district's membership that is in attendance, in the form and manner prescribed by the department.

(h) At the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent may grant a waiver from the requirements of subdivision (f). The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (f) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements:

(i) The district offers the minimum hours of pupil instruction as required under this section.

(ii) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(iii) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(i) All of the following apply to a waiver granted under subdivision (h):

(i) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(ii) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(j) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 6 days or the equivalent number of hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 6 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities

such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following have occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this article that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(i) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsections (11) and (12), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). Pupils enrolled in a department-approved alternative education program under this subsection

shall be reported to the center in a form and manner determined by the center. All of the following apply to a waiver granted under this subsection:

(a) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(b) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(10) Until 2014-2015, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides for the counting of up to 38 hours of qualifying professional development for teachers as pupil instruction is in effect for employees of a district as of July 1, 2013, then until the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually specified number of hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan virtual school. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Integrating technology into classroom instruction.

(e) Maintaining teacher certification.

(11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a.

(12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout recovery program that meets the requirements of section 23a. As used in this subsection, "eligible pupil" means that term as defined in section 23a.

(13) Beginning in 2013, at least every 2 years the superintendent shall review the waiver standards set forth in the pupil accounting and auditing manuals to ensure that the waiver standards and waiver process continue to be appropriate and responsive to changing trends in online learning. The superintendent shall solicit and consider input from stakeholders as part of this review.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 142, Imd. Eff. July 15, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 476, Imd. Eff. June 27, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 127, Imd. Eff. June 3, 2004;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 41, Imd. Eff. June 7, 2005;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2009, Act 203, Imd. Eff. Jan. 4, 2010;—Am. 2010, Act 110, Imd. Eff. July 8, 2010;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2012, Act 516, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 29, Imd. Eff. May 16, 2013;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Imd. Eff. June 24, 2014.

**Compiler's note:** The last sentence of subsection (4), as amended by Act 180 of 1996, which provided "However, for 1995-96 only, for a school district at or above townline 16, the first 5 days for which pupil instruction is not provided because of conditions described in this subsection shall be counted as days of pupil instruction." was vetoed by the governor on April 22, 1996.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

**Administrative rules:** R 340.1 et seq. of the Michigan Administrative Code.

### **388.1701a Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** Former MCL 388.1701a, which pertained to extended school year, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

The repealed section pertained to enrollment of individual who has dropped out of another district.

### **388.1702 Deficit budget or operating deficit prohibited; release of withheld state aid payments; report; amount of permissible deficit; monthly monitoring report; plan to eliminate deficit; "deficit fund balance" defined.**

Sec. 102. (1) A district or intermediate district receiving money under this article shall not adopt or operate under a deficit budget, and a district or intermediate district shall not incur an operating deficit in a fund during a school fiscal year. A district or intermediate district that has an existing deficit fund balance, that incurs a deficit fund balance in the most recently completed school fiscal year, or that adopts a current year budget that projects a deficit fund balance shall not be allotted or paid a further sum under this article until the district or intermediate district submits to the department for approval a budget for the current school fiscal year and a plan to eliminate the district's or intermediate district's deficit not later than the end of the second school fiscal year after the deficit was incurred or the budget projecting a deficit was adopted. Withheld state aid payments shall be released after the department approves the deficit elimination plan and ensures that the budget for the current school fiscal year is balanced. After the department approves a district's or intermediate district's deficit elimination plan, the district or intermediate district shall post the deficit elimination plan on the district's or intermediate district's website.

(2) Not later than March 1 of each year, the department shall prepare a report of deficits incurred or projected by districts and intermediate districts in the immediately preceding fiscal year and the progress made in reducing those deficits and submit the report to the standing committees of the legislature responsible for K-12 education legislation, the appropriations subcommittees of the legislature responsible for K-12 education appropriations, the house and senate fiscal agencies, the state treasurer, and the state budget director. The department also shall submit quarterly interim reports concerning the progress made by districts and intermediate districts in reducing those deficits. On a quarterly basis, the superintendent of public instruction shall publicly present those reports to the appropriations subcommittees of the legislature responsible for K-12 education appropriations.

(3) The amount of the permissible deficit for each school fiscal year shall not exceed the amount of state aid reduced by an executive order during that school fiscal year.

(4) A district or intermediate district that has an existing deficit fund balance, that incurs a deficit fund balance in the most recently completed school fiscal year, or that adopts a current year budget that projects a deficit fund balance shall submit to the department a monthly monitoring report on revenue and expenditures in a form and manner prescribed by the department and shall post these reports on its website.

(5) If a district or intermediate district is not able to comply with the provisions of this section, the district or intermediate district shall submit to the department a plan to eliminate its deficit. Upon approval of the plan submitted, the superintendent of public instruction may continue allotment and payment of funds under this article, extend the period of time in which a district or intermediate district has to eliminate its deficit, and set special conditions that the district or intermediate district must meet during the period of the extension. After the department approves a district's or intermediate district's deficit elimination plan under this subsection, the district or intermediate district shall post the deficit elimination plan on the district's or intermediate district's website.

(6) For the purposes of this section, "deficit fund balance" means that term as defined in the Michigan

public school accounting manual published by the department.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1979, Act 138, Imd. Eff. Nov. 7, 1979;—Am. 1980, Act 52, Imd. Eff. Mar. 27, 1980;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 136, Imd. Eff. Apr. 27, 1982;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 55, Imd. Eff. May 16, 1983;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

**Compiler's note:** Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

### **388.1703 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to pupil to teacher ratio.

### **388.1704 Compliance with state and federal law; inclusion of item analysis in MEAP results; distribution of federal funds; payment schedule determined by department; online reporting tool to provide student-level assessment data; summative assessment system; definitions.**

Sec. 104. (1) In order to receive state aid under this 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 2014-2015 an amount not to exceed \$41,394,400.00 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 2014-2015 an amount estimated at \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and 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.

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

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

(5) From the allocation in subsection (1), there is allocated an amount not to exceed \$8,500,000.00 for the following purposes:

(a) Converting existing student assessments to online assessments.

(b) Providing paper and pencil test versions to districts not prepared to implement online assessments.

(c) Expanding writing assessments to additional grade levels.

(d) Providing an increased number of constructed response test questions so that pupils can demonstrate higher-order skills such as problem solving and communicating reasoning.

(6) From the allocation in subsection (1), there is allocated an amount not to exceed \$3,200,000.00 for the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

(7) From the allocation in subsection (1), there is allocated an amount not to exceed \$3,000,000.00 for the purpose of implementing a summative assessment system pursuant to section 104c.

(8) As used in this section:

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

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

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

**History:** Add. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 112, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 29, Imd. Eff. Feb. 24, 2012;—  
Rendered Thursday, April 30, 2015

Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1704, which pertained to student portfolios, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

### **388.1704a Repealed. 2009, Act 121, Imd. Eff. Oct. 19, 2009.**

**Compiler's note:** The repealed section pertained to state assessments to high school pupils.

### **388.1704b Michigan merit examination.**

Sec. 104b. (1) In order to receive state aid under this article, a district shall comply with this section and shall administer the Michigan merit examination to pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section.

(2) For the purposes of this section, the department of technology, management, and budget shall contract with 1 or more providers to develop, supply, and score the Michigan merit examination. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading, and science and are used by colleges and universities in this state for entrance or placement purposes. This shall include 1 or more writing components.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply at least reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions. The department of technology, management, and budget and the superintendent shall ensure that any test or tests selected under this subdivision have all the components necessary to allow a pupil to be eligible to receive the results of a nationally recognized evaluation of workforce readiness if the pupil's test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the no child left behind act of 2001, Public Law 107-110.

(3) In addition to all other requirements of this section, all of the following apply to the Michigan merit examination:

(a) The department of technology, management, and budget and the superintendent shall ensure that any contractor used for scoring the Michigan merit examination supplies an individual report for each pupil that will identify for the pupil's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The department of technology, management, and budget and the superintendent shall ensure that any contractor used for scoring, developing, or processing the Michigan merit examination meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the

capability maturity model developed by the software engineering institute of Carnegie Mellon university for the first year the Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3 of the capability maturity model for subsequent years.

(c) The department of technology, management, and budget and the superintendent shall ensure that any contract for scoring, administering, or developing the Michigan merit examination includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent shall ensure that the Michigan merit examination meets all of the following:

(i) Is designed to test pupils on grade level content expectations or course content expectations, as appropriate, in all subjects tested.

(ii) Complies with requirements of the no child left behind act of 2001, Public Law 107-110.

(iii) Is consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American psychological association.

(iv) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent shall ensure that the question is excluded from scoring.

(4) A district shall include on each pupil's high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil's scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination, including scaling and merging of test items for the different subject area components. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes the scoring for each subject area and indicates the scaled score ranges for each subject area.

(6) The Michigan merit examination shall be administered in each district during the last 12 weeks of the district's school year. The superintendent shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate at least the pupil's scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the scores to pupils, parents, and schools, the superintendent shall provide standards-specific, meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

(7) A district shall administer the complete Michigan merit examination to a pupil only once and shall not administer the complete Michigan merit examination to the same pupil more than once. If a pupil does not take the complete Michigan merit examination in grade 11, the district shall administer the complete Michigan merit examination to the pupil in grade 12. If a pupil chooses to retake the college entrance examination component of the Michigan merit examination, as described in subsection (2)(a), the pupil may do so through the provider of the college entrance examination component and the cost of the retake is the responsibility of the pupil unless all of the following are met:

(a) The pupil has taken the complete Michigan merit examination.

(b) The pupil did not qualify for a Michigan promise grant under section 6 of the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's performance on the complete Michigan merit examination.

(c) The pupil meets the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(d) The pupil has applied to the provider of the college entrance examination component for a scholarship or fee waiver to cover the cost of the retake and that application has been denied.

(e) After taking the complete Michigan merit examination, the pupil has not already received a free retake of the college entrance examination component paid for either by this state or through a scholarship or fee waiver by the provider.

(8) The superintendent shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for pupils to answer all test questions on the

Michigan merit examination does not exceed 8 hours if the superintendent determines that sufficient alignment to applicable Michigan merit curriculum content standards can be achieved within that time limit.

(9) A district shall provide accommodations to a pupil with disabilities for the Michigan merit examination, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or providers of the Michigan merit examination and the superintendent shall mutually agree upon the accommodations to be provided under this subsection.

(10) To the greatest extent possible, the Michigan merit examination shall be based on grade level content expectations or course content expectations, as appropriate. Not later than July 1, 2008, the department shall identify specific grade level content expectations to be taught before and after the middle of grade 11, so that teachers will know what content will be covered within the Michigan merit examination.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a district administers the Michigan merit examination under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(12) In contracting under subsection (2), the department of management and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(13) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(14) For a pupil enrolled in a middle college program, other than a middle college operated as a shared educational entity or a specialized shared educational entity, if the pupil receives at least 50% of his or her instruction at the high school while in grade 11, the Michigan merit examination shall be administered to the pupil at the high school at which the pupil receives high school instruction, and the department shall include the pupil's scores on the Michigan merit examination in the scores for that high school for all purposes for which a school's or district's results are reported. The department shall allow the middle college program to use a 5-year graduation rate for determining adequate yearly progress. As used in this subsection, "middle college" means a program consisting of a series of courses and other requirements and conditions, including an early college or other program created under a memorandum of understanding, that allows a pupil to graduate from high school with both a high school diploma and a certificate or degree from a community college or state public university.

(15) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

**History:** Add. 2004, Act 593, Imd. Eff. Jan. 5, 2005;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

**388.1704c State assessments as condition for receipt of state aid; MEAP assessments in English language arts and mathematics; summative assessment system; interim assessments; waiver or amendment to existing waiver for federal approval; "English**

**language arts" defined.**

Sec. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments described in this section.

(2) For the purposes of this section, the department shall develop for use in the spring of 2014-2015 new Michigan education assessment program (MEAP) assessments in English language arts and mathematics. These assessments shall be aligned to state standards.

(3) For the purposes of this section, the department shall implement beginning in the 2015-2016 school year a summative assessment system that is proven to be valid and reliable for administration to pupils as provided under this subsection. The summative assessment system shall meet all of the following requirements:

(a) The summative assessment system shall measure student proficiency on the current state standards, shall measure student growth for consecutive grade levels in which students are assessed in the same subject area in both grade levels, and shall be capable of measuring individual student performance.

(b) The summative assessments for English language arts and mathematics shall be administered to all public school pupils in grades 3 to 10, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.

(c) The summative assessments for science shall be administered to all public school pupils in at least grades 4 and 7, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.

(d) The summative assessments for social studies shall be administered to all public school pupils in at least grades 5 and 8, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.

(e) The content of the summative assessments shall be aligned to state standards.

(f) The pool of questions for the summative assessments shall be subject to a transparent review process for quality, bias, and sensitive issues involving educator review and comment. The department shall post samples from tests or retired tests featuring questions from this pool for review by the public.

(g) The summative assessment system shall ensure that students, parents, and teachers are provided with reports that convey individual student proficiency and growth on the assessment and that convey individual student domain-level performance in each subject area, including representative questions, and individual student performance in meeting state standards.

(h) The summative assessment system shall be capable of providing, and the department shall ensure that students, parents, teachers, administrators, and community members are provided with, reports that convey aggregate student proficiency and growth data by teacher, grade, school, and district.

(i) The summative assessment system shall ensure the capability of reporting the available data to support educator evaluations.

(j) The summative assessment system shall ensure that the reports provided to districts containing individual student data are available within 60 days after completion of the assessments.

(k) The assessments shall be capable of being implemented statewide in a fully operational manner no later than the 2015-2016 school year.

(l) The summative assessment system shall ensure that access to individually identifiable student data meets all of the following:

(i) Is in compliance with 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974.

(ii) Except as may be provided for in an agreement with a vendor to provide assessment services, as necessary to support educator evaluations pursuant to subdivision (i), or for research or program evaluation purposes, is available only to the student; to the student's parent or legal guardian; and to a school administrator or teacher, to the extent that he or she has a legitimate educational interest.

(m) The summative assessment system shall ensure that the assessments are pilot tested before statewide implementation.

(n) The summative assessment system shall ensure that assessments are designed so that the maximum total combined length of time that schools are required to set aside for a pupil to answer all test questions on all assessments that are part of the system for the pupil's grade level does not exceed that maximum total combined length of time for the previous statewide assessment system or 9 hours, whichever is less. This subdivision does not limit the amount of time a district may allow a pupil to complete a test.

(o) The total cost of executing the summative assessment system statewide each year, including, but not limited to, the cost of contracts for administration, scoring, and reporting, shall not exceed an amount equal to

2 times the cost of executing the previous statewide assessment after adjustment for inflation.

(4) To begin the process required under subsection (3), not later than September 1, 2014, the department shall issue a request for proposals for the summative assessment system described in that subsection.

(5) This section does not prohibit districts from adopting interim assessments.

(6) The department shall seek a waiver or amendment to an existing waiver for federal approval of the assessment framework under this section and shall notify the United States department of education about the provisions of this section and take necessary steps to assure the United States department of education that this state is on track to develop and implement a summative assessment system as required by federal law.

(7) As used in this section, "English language arts" means that term as defined in section 104b.

**History:** Add. 2014, Act 196, Imd. Eff. June 24, 2014.

### **388.1705 Counting nonresident pupils in membership; application for enrollment; procedures.**

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing within the same intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents in that grade, school, or program:

(i) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(ii) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing within the same intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program:

(i) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing within the same intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(ii) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of

each nonresident applicant who is accepted for enrollment that the applicant has been accepted for enrollment in the grade, school, or program and of the procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing within the same intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing within the same intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing within the same intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing within the same intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(6) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing within the same intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district

shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

**History:** Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

**Compiler's note:** Former MCL 388.1705, which pertained to age of pupils counted in membership, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

### **388.1705a Repealed. 2006, Act 342, Eff. Oct. 1, 2006.**

**Compiler's note:** The repealed section pertained to counting nonresident pupils in membership.

### **388.1705b Intermediate district operating under pilot schools of choice program.**

Sec. 105b. If an intermediate district is operating under an intermediate district pilot schools of choice program established under former section 91 or as described in section 91a, the intermediate district and its

constituent districts are exempt from section 105.

**History:** Add. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

### **388.1705c Enrollment by nonresident applicants residing in district located in a contiguous intermediate district.**

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a district located in a contiguous intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing in a district located in a contiguous intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents under this section, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(i) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(ii) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing in a district located in a contiguous intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program under this section:

(i) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(ii) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment under this section that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(3) If a district determines during the first semester or trimester of a school year that it has positions

available for enrollment of a number of nonresidents residing in a district located in a contiguous intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing in a district located in a contiguous intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll under this section in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing in a district located in a contiguous intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing in a district located in a contiguous intermediate district may limit the number of those nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant under this section.

(6) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant under this section if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant under this section if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing in a district located in a contiguous intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school

graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance under this section in a school, grade, or program does not exceed the positions available for nonresident pupils under this section in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing in a district located in a contiguous intermediate district eligible for acceptance under this section exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant under this section, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) In order for a district or intermediate district to enroll pursuant to this section a nonresident pupil who resides in a district located in a contiguous intermediate district and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the enrolling district shall have a written agreement with the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. The written agreement shall include, but is not limited to, an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil. The written agreement shall address how the agreement shall be amended in the event of significant changes in the costs or level of special education programs or services required by the pupil.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(22) This section is repealed if the final decision of a court of competent jurisdiction holds that any portion of this section is unconstitutional, ineffective, invalid, or in violation of federal law.

(23) As used in this section, "district located in a contiguous intermediate district" means a district located in an intermediate district that is contiguous to the intermediate district in which a pupil's district of residence is located.

**History:** Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

### **388.1706 Pupils not counted in membership.**

Sec. 106. A pupil enrolled in a public school program organized under federal or state supervision and in which the teaching costs are fully subsidized from federal or state funds shall not be counted in membership.

**History:** 1979, Act 94, Eff. Oct. 1, 1979.

### **388.1707 Adult education programs.**

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$22,000,000.00 for 2014-2015 for adult education programs authorized under this section. Funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

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

(3) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job- or employment-related program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job- or employment-related program through a referral by an employer or by a Michigan workforce agency.

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the 10 prosperity regions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. The department shall ensure that the funds allocated under this subsection for 2014-2015 will provide services in 2014-2015 to at least the same number of individuals as the number of individuals who were enrolled in programs funded under this section in 2013-2014. For 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2015-2016, 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). For 2016-2017, 100% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the factors in subdivisions (a), (b), and (c). The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States census bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States census bureau.

(c) Five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 18 or older who lack basic English language proficiency that resides in each of

the prosperity regions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States census bureau.

(5) To be an eligible fiscal agent, an intermediate district must agree to do the following in a form and manner determined by the department:

(a) Distribute funds to adult education programs in a prosperity region as described in this section.

(b) Collaborate with education advisory groups of the workforce development boards located in the prosperity region to develop a regional strategy that aligns adult education programs and services into an efficient and effective delivery system for adult education learners.

(c) Collaborate with education advisory groups of the workforce development boards located in the prosperity region to create a local process and criteria that will identify eligible adult education providers to receive funds allocated under this section based on location, demand for services, and cost to provide instructional services. All local processes, criteria, and provider determinations must be approved by the department before funds may be distributed to the fiscal agent.

(d) Report adult education program and participant data and information as prescribed by the department.

(6) The amount allocated under this section per full-time equated participant shall not exceed \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (11) until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(ii) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, shall administer a G.E.D. practice test to determine the individual's potential for success on the G.E.D. test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant obtains the G.E.D.

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job- or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the department-approved assessment policy.

(c) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by department-approved assessment instruments.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) Seventy-five percent for enrollment of eligible participants.

(b) Twenty-five percent for participant completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; for enrollment in a postsecondary institution, or for entry into or retention of employment, as applicable.

(12) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (7), (8), (9), or (10) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(13) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(14) A funding recipient shall not commingle money received under this section or from another source for adult education purposes with any other funds and shall establish a separate ledger account for funds received under this section. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(15) A funding recipient receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A funding recipient may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A funding recipient may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

(16) In order to receive funds under this section, a funding recipient shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(17) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

(18) As used in this section:

(a) "Department" means the Michigan strategic fund.

(b) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local process described in subsection (5)(c) and approved by the department.

(c) "Participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

**History:** Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—  
Rendered Thursday, April 30, 2015

Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1707, which pertained to adult education programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

In subdivision (3)(a), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

In subdivision (3)(b), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (16), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00.”

Enacting section 1 of Act 342 of 2006 provides:

“Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00.”

For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Enacting section 1 of Act 137 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00.”

Enacting section 1 of Act 268 of 2008 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00.

“Enacting section 1 of Act 121 of 2009 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00.”

Enacting section 1 of Act 130 of 2013 provides:

“Enacting section 1. This amendatory act takes effect October 1, 2013.”

### **388.1707a Repealed. 2004, Act 351, Eff. Oct. 1, 2004.**

**Compiler's note:** The repealed section pertained to family resource center curriculum blue ribbon study committee.

### **388.1707b Repealed. 2005, Act 155, Eff. Oct. 1, 2005.**

**Compiler's note:** The repealed section pertained to adult learning system pilot project.

### **388.1707c, 388.1707d Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to literacy project grants and adult education categorical grants.

### **388.1707e Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to adult education programs.

### **388.1707f Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to adult education programs.

### **388.1708 Repealed. 2004, Act 351, Eff. Oct. 1, 2004.**

**Compiler's note:** The repealed section pertained to adult learning programs.

### **388.1709 Providing appropriate instructional services to pupil requiring hospitalization or confinement at home.**

Sec. 109. (1) Subject to subsection (2), in order to receive funds under this article, each district or intermediate district shall provide appropriate instructional services, as determined by the district or intermediate district, to an enrolled pupil who is certified by the pupil's attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days. The district or intermediate district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section.

(2) A district or intermediate district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district's or intermediate district's prior knowledge only if the district or intermediate district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd-numbered year, the department shall prepare and distribute electronically to each district and intermediate district and make available on its website an explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation electronically to any other person upon request.

**History:** Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 2011, Act 62, Eff. Oct. 1, 2011.

### **388.1711 Tuition rates; computation; uniformity.**

Sec. 111. A district having tuition pupils enrolled on the pupil membership count day of each year may charge the district of residence an amount for tuition that does not exceed the tuition rate computed under section 1401 of the revised school code, MCL 380.1401. The rate charged by a district shall be uniform within each category of tuition pupils enrolled in the district. However, for a tuition pupil who resides in a K-5, K-6, or K-8 district and who is enrolled in a grade not offered by the pupil's district of residence, the tuition rate charged to the pupil's district of residence shall not exceed the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district, whichever is greater.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 4, Imd. Eff. Mar. 27, 1985;—Am. 1986, Act 97, Imd. Eff. May 14, 1986;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1995;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:** In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... ."

### **388.1712 Full-day kindergarten; tuition or fee prohibited.**

Sec. 112. A district receiving funds under this act shall not charge tuition or any other fee for full-day kindergarten for a pupil who is eligible to enroll in the district.

**History:** Add. 1997, Act 93, Eff. Oct. 1, 1997.

### **388.1713 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to pupils residing in juvenile or detention home and attending school by court direction.

### **388.1716 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to American Indian pupils.

### **388.1717 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to charging legal amount of tuition as requirement for allotment or payment.

**388.1718 Conditions for allotment or payment; failure to pay full amount; remittance; deduction from school aid.**

Sec. 118. (1) Subject to subsection (3), a district shall not be allotted or paid a sum under this act unless that district pays the agreed-upon amount of tuition or other payment for pupils educated outside the boundaries of the pupil's district of residence.

(2) A district that sends pupils to 1 or more districts, that is legally liable for the payment of the amount described in subsection (1), and that fails to pay that amount in full before April 1 of each year shall remit the full amount owed to the receiving district before making any other financial expenditure or commitment for the next school fiscal year.

(3) The department shall not deduct any amount from a district's state school aid pursuant to this section unless the receiving district demonstrates to the satisfaction of the department, not later than April 30 of the same fiscal year, that the liable district has not paid the required amount as described in subsection (2).

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1995, Act 130, Eff. Oct. 1, 1995.

**388.1721 Valuation of district; adjustments.**

Sec. 121. (1) The valuation of a whole or fractional district shall be the total taxable value of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the taxable value of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under 1953 PA 189, MCL 211.181 to 211.182, and the value of property used to calculate the state payment in lieu of taxes on state purchased property under section 2153 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2153. Adjustments to this taxable value shall be made for all of the following:

(a) State tax tribunal decisions.

(b) Court decisions.

(c) Local board of review adjustments made after the state tax commission determination.

(d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.

(e) The requirements of this act.

(2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

**388.1721a Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to state education tax.

**388.1722 Deducting valuation of property from valuation of district; condition; credit as lien; payment of school aid fund.**

Sec. 122. The valuation of property assessed under Act No. 189 of the Public Acts of 1953, as amended, being sections 211.181 to 211.182 of the Michigan Compiled Laws, shall be deducted from the total valuation of a district if school taxes levied against the property are not collected from the lessee or user of the property. The credit so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 336, Eff. Oct. 1, 1994.

**388.1724 Reducing valuation of district when taxes paid under certain conditions; credits as lien against district; payment to school aid fund; implementation of subsection (2).**

Sec. 124. (1) If taxes levied for operating purposes against property constituting at least 5% of the

valuation of a district are paid under protest and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

(2) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are not paid by a single bankrupt debtor that files for reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. 1101 to 1174, and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected. This subsection shall be implemented upon verification by the department that the district has taken proper action to attempt to secure payment of taxes by the bankrupt debtor.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1987, Act 17, Imd. Eff. Apr. 24, 1987;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

### **388.1743-388.1744a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to amounts allocated to eligible districts, allocations to applicants sustaining SEV reduction due to listing of forest land, deductions of amounts, and sources of revenue.

### **388.1745 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to state share of desegregation costs.

### **388.1746 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed section pertained to social security and medicare obligations.

### **388.1746a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to payments to districts for social security and medicare.

### **388.1747 Allocations to public school employees' retirement system; contribution rates.**

Sec. 147. (1) The allocation for 2014-2015 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the 2014-2015 fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 33.41%, with 25.78% paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 32.33%, with 24.70% paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 31.82%, with 24.19% paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 28.59%, with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 29.10%, with 21.47% paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 28.59%, with 20.96% paid directly by the employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 32.90%, with 25.27% paid directly by the employer.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980

PA 300, MCL 38.1301 to 38.1408.

(4) The contribution rates in subsection (2) reflect an amortization period of 24 years for 2014-2015. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

**History:** Add. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2007, Act 6, Imd. Eff. Apr. 30, 2007;—Am. 2007, Act 92, Imd. Eff. Oct. 1, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

"Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

"Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at \$1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at \$1,044,700,000.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1747a Payments to participating districts; use; purpose; "participating district" defined.**

Sec. 147a. From the appropriation in section 11, there is allocated for 2014-2015 an amount not to exceed \$100,000,000.00 for payments to participating districts. A district that receives money under this section shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this section shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this section, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2013, Act 130, Imd. Eff. Oct. 9, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

### **388.1747b MPSERS retirement obligation reform reserve fund; creation; investment; interest**

**and earnings.**

Sec. 147b. (1) The MPSERS retirement obligation reform reserve fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the MPSERS retirement obligation reform reserve fund. The state treasurer shall direct the investment of the MPSERS retirement obligation reform reserve fund. The state treasurer shall credit to the MPSERS retirement obligation reform reserve fund interest and earnings from the MPSERS retirement obligation reform reserve fund.

(3) Money available in the MPSERS retirement obligation reform reserve fund shall not be expended without a specific appropriation.

(4) Money in the MPSERS retirement obligation reform reserve fund at the close of the fiscal year shall remain in the MPSERS retirement obligation reform reserve fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the MPSERS retirement obligation reform reserve fund for auditing purposes.

(5) If the contributions described in section 43e of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1343e, as that section was added by 2010 PA 75, are determined by a final order of a court of competent jurisdiction for which all rights of appeal have been exhausted to be constitutional and if the order for preliminary injunction in case no. 10-45-MM issued on July 13, 2010 is lifted, the money placed in a separate interest bearing account as a result of implementing the preliminary injunction shall be deposited into the MPSERS retirement obligation reform reserve fund created in this section to be used solely for health care unfunded accrued liabilities.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

**388.1747c Payments to participating entities of retirement system; rate cap per pupil; publication and posting on website; definitions.**

Sec. 147c. (1) From the appropriation in section 11, there is allocated for 2014-2015 an amount not to exceed \$658,400,000.00 from the state school aid fund, and there is appropriated for 2014-2015 an amount not to exceed \$18,000,000.00 from the MPSERS retirement obligation reform reserve fund, for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for 2014-2015 an amount not to exceed \$500,000.00 for payments to district libraries that are participating entities of the Michigan public school employees' retirement system.

(2) For 2014-2015, the amounts allocated under subsection (1) are estimated to provide an average MPSERS rate cap per pupil amount of \$449.00 and are estimated to provide a rate cap per pupil for districts ranging between \$4.00 and \$2,056.00.

(3) Payments made under this section for 2014-2015 shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(4) The amount allocated to each participating entity under this section shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this section shall use the funds solely for the purpose of retirement contributions as specified in subsection (5).

(5) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (4) to the retirement system in a form, manner, and time frame determined by the retirement system.

(6) Funds allocated under this section should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(7) Not later than October 20, 2014, the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(8) As used in this section:

(a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this section divided by the district's pupils in membership.

(b) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school

employees' retirement system for the applicable fiscal year.

(c) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(d) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 116, Imd. Eff. Apr. 11, 2014;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

### **388.1747d Payments to participating entities; limitation; basis; use of funds; form, manner, and time frame; use of payments by retirement system; definitions.**

Sec. 147d. (1) From the appropriation in section 11, there is allocated for 2014-2015 only an amount not to exceed \$19,634,500.00 for payments to participating entities.

(2) The amount allocated to each participating entity under this section shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year. A participating entity that receives funds under this section shall use the funds solely for purposes of this section.

(3) Each participating entity receiving funds under this section shall forward an amount equal to the sum of the amount allocated under this section and the amount allocated under section 147c to the retirement system in a form, manner, and time frame prescribed by the retirement system.

(4) Payments under this section shall be used by the retirement system specifically for the payment or prepayment of the final years or partial years of any additional costs to the retirement system due to the operation of section 81b of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, without regard to the amortization of those costs under section 81b(5) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, and in a manner and form as determined by the office of retirement services.

(5) As used in this section:

(a) "Participating entity" means a district, intermediate district, community college, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(b) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

### **388.1748, 388.1749 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed sections pertained to grant to Detroit compact for comprehensive school, business, government, and community partnership, and Michigan partnership for new education.

### **388.1749a, 388.1749c, Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to dropout prevention program and Detroit compact for comprehensive school, business, government, and community partnerships.

### **388.1751 Statement of taxable value; report by tax tribunal.**

Sec. 151. (1) The treasurer of each county shall furnish to the department, on or before August 1 of each year following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, using forms furnished by the department. On or before May 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the immediately preceding year of each district and fraction of a district within the county, using forms furnished by the department. On or before October 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the years after 1993 of each district and fraction of a district within the county, using forms furnished by the department. The reports required by this subsection shall also contain the amount of ad valorem taxable value captured for school operating taxes under tax increment financing acts.

(2) Not later than the tenth day of each month, the tax tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779, shall report to the department the changes in taxable value for tax years after 1993 that are not reported to the department under subsection (1) and that are caused by tax tribunal decisions in the immediately preceding month for property that is a principal residence or qualified agricultural property, as defined in section 1211 of the revised school code, MCL 380.1211, and for property that is not a principal residence or qualified agricultural property, in each district and intermediate district. The report shall also contain the amount of taxable value captured under a tax increment financing plan described in subsection (1)

for school operating tax purposes.

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

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

**Compiler's note:** Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

### **388.1752 Reports for determination of allocation of funds; information; reports of educational progress.**

Sec. 152. Except for reports due on other dates specified in this act, each district and intermediate district shall furnish to the center or the department, as applicable, before the first Monday in November of each year those reports the department considers necessary for the determination of the allocation of funds under this act. In order to receive funds under this act, each district and intermediate district shall also furnish to the center or the department, as applicable, the information the department considers necessary for the administration of this act, including information necessary to determine compliance with article 16, and for the provision of reports of educational progress to the senate and house committees responsible for education, the senate and house appropriations subcommittees responsible for appropriations to school districts, the senate and house fiscal agencies, and the state budget director, as appropriate. This section does not require a district or intermediate district to submit any information to both the center and the department.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

### **388.1752a Costs related to state-mandated collection, maintenance, and reporting of data; payments.**

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for 2014-2015 an amount not to exceed \$38,000,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

**History:** Add. 2010, Act 217, Imd. Eff. Dec. 3, 2010;—Am. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Former MCL 388.1752a, which pertained to estimates of full-time equated K-12 and part-time membership, was repealed by Act 130 of 1995, Imd. Eff. June 30, 1995.

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00."

### **388.1753 Furnishing information to legislative fiscal agencies.**

Sec. 153. Each district and intermediate district shall furnish to the legislative fiscal agencies of the state legislature information the agencies require on forms prepared and furnished by the agencies, relative to the expenditure of funds appropriated and allocated under this act.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980.

### **388.1754 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.**

**Compiler's note:** The repealed section pertained to names and post office addresses of treasurers, presidents, and secretaries of boards.

### **388.1755 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to certifications as to nonresident pupils.

### **388.1756, 388.1757 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.**

**Compiler's note:** The repealed sections pertained to informing legislators of amounts received and study of suspended or expelled students.

### **388.1758 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.**

**Compiler's note:** The repealed section pertained to furnishing information for preparation of district pupil retention report.

### **388.1758a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to reports on suspended and expelled pupils.

### **388.1758b Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained to report by district receiving federal aid.

### **388.1758c Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to reports on grants or contracts.

### **388.1759 Repealed. 1993, Act 175, Eff. Oct. 1, 1993.**

**Compiler's note:** The repealed section pertained to special report including membership data.

### **388.1761 Violation as misdemeanor; penalty.**

Sec. 161. A school official or member of a board or other person who neglects or refuses to do or perform an act required by this act or who violates or knowingly permits or consents to the violation of this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not more than \$1,500.00, or both. This penalty is in addition to all other financial penalties otherwise specified in this article.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1761a False report; court order.**

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section 6(6)(f) knowing the report to be false for the purpose of having a pupil counted in membership in a district under section 6(6)(f), as part of the restitution ordered under section 30 of chapter XIIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in his or her district of residence.

**History:** Add. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

### **388.1762 Failure to file reports; forfeiture of funds.**

Sec. 162. A district or intermediate district that fails through the negligence of school officials to file reports pursuant to this act shall forfeit that proportion of funds to which the district or intermediate district

otherwise would be entitled under this act as the delay in the reports bears to a school year consisting of the required minimum number of days and hours, as prescribed in section 1284 of the revised school code, being section 380.1284 of the Michigan Compiled Laws, for the district or intermediate district.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1763 Prohibited conduct; deduction; notice; misdemeanor; penalty.**

Sec. 163. (1) Except as provided in the revised school code, the board of a district or intermediate district shall not permit any of the following:

(a) A noncertificated teacher to teach in an elementary or secondary school or in an adult basic education or high school completion program.

(b) A noncertificated counselor to provide counseling services to pupils in an elementary or secondary school or in an adult basic education or high school completion program.

(2) Except as provided in the revised school code, a district or intermediate district employing teachers or counselors not legally certificated shall have deducted the sum equal to the amount paid the teachers or counselors for the period of noncertificated or illegal employment. Each intermediate superintendent shall notify the department of the name of the noncertificated teacher or counselor, and the district employing that individual and the amount of salary the noncertificated teacher or counselor was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing a nonapproved noncertificated teacher or counselor in violation of this section and knowingly continues to employ that teacher or counselor, the school official is guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each incidence. This penalty is in addition to all other financial penalties otherwise specified in this article.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00."

### **388.1763a Enrollment of homeless child; definition.**

Sec. 163a. (1) A district shall allow a homeless child who is residing in the district to enroll in the district in accordance with state law and with subtitle B of title VII of the Stewart B. McKinney homeless assistance act, Public Law 100-77, 42 U.S.C. 11431 to 11435.

(2) As used in this section, "homeless child" means a school-age child who is homeless, as defined in section 103 of title I of Public Law 100-77, 42 U.S.C. 11302, or who is the child of a homeless individual, as defined in 42 U.S.C. 11302.

**History:** Add. 1994, Act 283, Eff. Oct. 1, 1994.

### **388.1764 Forfeiture of amount equal to expenditure for cars or chauffeurs.**

Sec. 164. A district or intermediate district shall forfeit an amount to which the district or intermediate district otherwise would be entitled under this act equal to the district's or intermediate district's expenditures in the immediately preceding school fiscal year for purchasing, leasing, or renting cars for board members for use within district or intermediate district boundaries, and for chauffeurs for board members or administrators.

**History:** Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1764a Receipt by school administrator of monetary payment in lieu of unused vacation or personal leave.**

Sec. 164a. A district or intermediate district shall not allow a school administrator to receive a monetary payment in lieu of unused vacation or personal leave for the purpose of increasing the school administrator's retirement benefits. If a district or intermediate district violates this section in a fiscal year, the district or intermediate district forfeits from its funds due under this act for that fiscal year an amount equal to the salary of the district's or intermediate district's superintendent for that fiscal year.

**History:** Add. 1994, Act 283, Eff. Oct. 1, 1994.

### **388.1764b Payment or reimbursement of board member expenses.**

Sec. 164b. (1) The board of a district or intermediate district shall not pay an expense incurred by a member of the board unless the payment is in compliance with section 1254 of the revised school code, being section 380.1254 of the Michigan Compiled Laws.

(2) In addition to the requirements of section 1254 of the revised school code, the board of a district or intermediate district shall not approve reimbursement of an expense incurred by a board member unless 1 or both of the following conditions is met:

(a) The board, by a majority vote of its members at an open meeting, approved reimbursement of the specific expense before the expense was incurred.

(b) The expense is consistent with a policy adopted by the board, by a majority vote of its members at a regular board meeting, establishing specific categories of reimbursable expenses and the board, by a majority vote of its members at an open meeting, approved the reimbursement before it is actually paid.

(3) Records of all payments under this section shall be open to the public.

(4) A violation of this section is punishable under section 161.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1764c Purchase of foreign goods or services; preference.**

Sec. 164c. A district or intermediate district shall not use funds appropriated under this act to purchase foreign goods or services, or both, if American goods or services, or both, are available and are competitively priced and of comparable quality. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2008, Act 268, Eff. Oct. 1, 2008;—Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009.

**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."

### **388.1764d Adoption, implementation, or issuance of certain policies, practices, or statements; prohibition.**

Sec. 164d. A district or intermediate district shall not expend funds received under this act to adopt or implement a policy or practice, or to make or issue any public statement or directive, that has the effect of any of the following:

(a) Denies to a student of a particular state university access to the district or intermediate district for student teaching purposes solely because the student is enrolled in that state university.

(b) Prevents the hiring of a graduate of a particular state university solely because the individual graduated from that state university.

(c) Discourages or prohibits a counselor employed by the district or intermediate district from recommending a particular state university to a pupil of the district or intermediate district for reasons other than the suitability of the state university's educational offerings for the particular pupil.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995.

### **388.1764e Student teaching; employment discrimination prohibited.**

Sec. 164e. If a district or an employee of a district discriminates against a person engaging in or seeking to engage in student teaching in the district because the state university in which the person is enrolled serves as the authorizing body for 1 or more public school academies, the district forfeits an amount equal to 10% of the funds due to the district under this act.

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1764f Procurement of diesel fuel.**

Sec. 164f. The intermediate board of an intermediate district, the board of a district, or the board of directors of a public school academy may use funds appropriated under this article to enter into a swap, hedge, derivative, or similar agreement in connection with the procurement of diesel fuel. However, not more than 25% of a district's, public school academy's, or intermediate district's annual diesel fuel budget may be procured in the manner allowed under this section.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1765 Reimbursement by entity in contractual shared time agreement.**

Sec. 165. If an individual or private entity receives payment or consideration from a district or intermediate district as a result of involvement in a contractual shared time agreement and if memberships attributable to that agreement are subsequently disallowed by the department, the individual or entity shall reimburse to the district or intermediate district the full amount of the payment or consideration received. The attorney general may take any action necessary to enforce the reimbursement required under this section.

**History:** Add. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:** Former MCL 388.1765, which pertained to forfeiture of apportionments, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

### **388.1766 Dispensing or distributing family planning or drug or device, dispensing prescriptions for family planning drug, or making referrals for abortion; forfeiture.**

Sec. 166. A district in which a school official, member of a board, or other person dispenses or otherwise distributes a family planning drug or device in a public school in violation of section 1507 of the revised school code, being section 380.1507 of the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.

**History:** Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1766a Instruction in reproductive health or other sex education; complaint process.**

Sec. 166a. (1) In order to avoid forfeiture of state aid under subsection (2), the board of a district or intermediate district providing reproductive health or other sex education instruction under section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, or under any other provision of law, shall ensure that all of the following are met:

(a) That the district or intermediate district does not provide any of the instruction to a pupil who is less than 18 years of age unless the district or intermediate district notifies the pupil's parent or legal guardian in advance of the instruction and the content of the instruction, gives the pupil's parent or legal guardian a prior opportunity to review the materials to be used in the instruction, allows the pupil's parent or legal guardian to observe the instruction, and notifies the pupil's parent or legal guardian in advance of his or her rights to observe the instruction and to have the pupil excused from the instruction.

(b) That, upon the written request of a pupil's parent or legal guardian or of a pupil if the pupil is at least age 18, the pupil shall be excused, without penalty or loss of academic credit, from attending class sessions in which the instruction is provided.

(c) That the sex education instruction includes age-appropriate information clearly informing pupils at 1 or more age-appropriate grade levels that having sex or sexual contact with an individual under the age of 16 is a crime punishable by imprisonment, and that 1 of the other results of being convicted of this crime is to be listed on the sex offender registry on the internet for up to 25 years.

(2) If a parent or legal guardian of a pupil enrolled in a district or intermediate district believes that the district or intermediate district has violated this section or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, he or she may file a complaint with the superintendent or chief administrator of the district or intermediate district in which the pupil is enrolled. Upon receipt of the complaint, the superintendent or chief administrator of the district or intermediate district shall investigate the complaint and, within 30 days after the date of the complaint, provide a written report of his or her findings to the parent or legal guardian who filed the complaint and to the superintendent of public instruction. If the investigation reveals that 1 or more violations have occurred, the written report shall contain a description of each violation and of corrective action the district or intermediate district will take to correct the situation to ensure that there is no further violation. The district or intermediate district shall take the corrective action described in the written report within 30 days after the date of the written report.

(3) If a parent who has filed a complaint with a district under subsection (2) believes that the district is still

not in compliance with law based on the findings made by the superintendent or chief administrator of the district, the parent may appeal the findings to the intermediate district in which the district is located. If there is an appeal to an intermediate district under this subsection, the intermediate superintendent of the intermediate district shall investigate the complaint and, within 30 days after the date of the appeal, provide a written report of his or her findings to the parent or legal guardian who filed the appeal and to the superintendent of public instruction. If the investigation by the intermediate superintendent reveals that 1 or more violations have occurred, the intermediate superintendent in consultation with the local district shall develop a plan for corrective action for the district to take to correct the situation to ensure that there is no further violation, and shall include this plan for corrective action with the written report provided to the parent or legal guardian and the superintendent of public instruction. The district shall take the corrective action described in the plan within 30 days after the date of the written report.

(4) If a parent who has filed a complaint with an intermediate district under subsection (2) or a parent who has filed an appeal with an intermediate district under subsection (3) believes that the district or intermediate district is still not in compliance with law based on the findings made by the intermediate superintendent of the intermediate district, the parent may appeal the findings to the department. If there is an appeal to the department under this subsection, the department shall investigate the complaint and, within 90 days after the date of the appeal, provide a written report of its findings to the parent or legal guardian who filed the appeal, to the superintendent of public instruction, and to the district and intermediate district. If the department finds 1 or more violations as a result of its investigation, then all of the following apply:

(a) The department shall develop a plan for corrective action for the district or intermediate district to take to correct the situation to ensure that there is no further violation, and shall include this plan for corrective action with the written report provided to the parent or legal guardian, the superintendent of public instruction, and the district or intermediate district. The district or intermediate district shall take the corrective action described in the plan within 30 days after the date of the written report.

(b) In addition to withholding the percentage of state school aid forfeited by the district or intermediate district under subsection (5), the department may assess a fee to the district or intermediate district that committed the violation in an amount not to exceed the actual cost to the department of conducting the investigation and making the reports required under this subsection.

(5) If an investigation conducted by the department under subsection (4) reveals that a district or intermediate district has committed 1 or more violations of this section or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, the district or intermediate district shall forfeit an amount equal to 1% of its total state school aid allocation under this act.

(6) The department, with the approval of the superintendent of public instruction, shall establish a reasonable process for a complainant to appeal to the department under subsection (4). The process shall not place an undue burden on the complainant, the district or intermediate district, or the department.

(7) The department shall track the number of complaints and appeals it receives under this section for the 2004-2005 school year and, not later than the end of that school year, shall submit a report to the standing committees and appropriations subcommittees of the legislature having jurisdiction over education legislation and state school aid that details the number and nature of those complaints and appeals and the cost to the department of handling them.

**History:** Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 166, Imd. Eff. June 24, 2004.

### **388.1766b Minor enrolled in nonpublic school or home school; dual enrollment; state school aid; requirements; "eligible other district" defined; minor as part-time pupil; reply by district.**

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district, public school academy, or intermediate district in any curricular offering that is provided by the district, public school academy, or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are offered to full-time pupils in the minor's grade level or age group during regularly scheduled school hours.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school or who resides within the district and is being home-schooled from also enrolling the minor in the district in a curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection

only if all of the following apply:

(a) Either of the following:

(i) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(ii) If the nonpublic school has submitted a written request to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the instruction is instead provided by an eligible other district. This subparagraph does not require a nonpublic school to submit more than 1 request to the district in which the nonpublic school is located for that district to provide instruction under this subsection, and does not require a nonpublic school to submit an additional request to the district in which the nonpublic school is located for that district to provide additional instruction under this subsection beyond the instruction requested in the original request, before having the instruction provided by an eligible other district. A public school academy that is located in the district in which the nonpublic school is located or in an other eligible district also may provide instruction under this subparagraph under the same conditions as an eligible other district. As used in this subparagraph, "eligible other district" means a district that is located in the same intermediate district as the district in which the nonpublic school is located or is located in an intermediate district that is contiguous to that intermediate district.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

(c) The instruction is scheduled to occur during the regular school day.

(d) The instruction is provided directly by a certified teacher at the district or public school academy or at an intermediate district.

(e) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district or public school academy during the regular school day at a public school site.

(f) The curricular offering is restricted to nonessential elective courses for pupils in grades 1 to 12.

(3) A minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

(4) A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the instruction for each portion of instruction included in the request.

**History:** Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2008, Act 219, Imd. Eff. July 16, 2008;—Am. 2010, Act 110, Eff. Oct. 1, 2010;—Am. 2010, Act 204, Imd. Eff. Oct. 12, 2010;—Am. 2012, Act 130, Imd. Eff. May 15, 2012.

**Compiler's note:** Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00."

### **388.1766c Repealed. 2011, Act 62, Eff. Oct. 1, 2011.**

**Compiler's note:** The repealed section pertained access to instructional supplies

### **388.1766d Cyber school; salary or compensation information; nondisclosure agreement prohibited.**

Sec. 166d. (1) A school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, or an educational management organization with which the cyber school has a contract, shall not require an employee, a former employee, or an individual doing work for the cyber school as an independent contractor or as an employee of the educational management organization or another third party to sign an agreement that he or she will not disclose salary or other compensation information.

(2) A school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, that violates subsection (1) or that is party to a contract with an educational management organization that violates subsection (1) shall forfeit from its state aid under this act an amount equal to 2% of its total state aid.

**History:** Add. 2010, Act 110, Eff. Oct. 1, 2010.

**Compiler's note:** Former MCL 388.1766d, which pertained to health care coverage for abortion services, was repealed by Act 191 of

**388.1766e Construction of new building, or addition to or repair or renovation of existing building; use of competitive bid process.**

Sec. 166e. Before entering into a contract in an amount in excess of \$15,000.00 for any materials, supplies, or equipment or a contract in an amount in excess of \$15,000.00 for construction of a new building, or addition to or repair or renovation of an existing building, the board of a district of the first class, or any other purchasing authority within a district of the first class, shall obtain sealed competitive bids, and the district shall award such a contract using this competitive bid process. This section does not prohibit a district from making a public request for proposals before requesting bids and does not prohibit a district from awarding a contract based on a combination of price, quality, and service factors. A school official or member of a school board or other person who neglects or refuses to do or perform an act required by this section, or who violates or knowingly permits or consents to a violation of this section, is guilty of a misdemeanor punishable by a fine of not more than \$500.00, or imprisonment for not more than 3 months, or both.

**History:** Add. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2008, Act 268, Eff. Oct. 1, 2008.

**Compiler's note:** Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00."

**388.1767 Plan for compliance with MCL 380.1177 and 333.9209; report of immunization status; districts subject to subsection (4); failure to comply with section.**

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2014-2015, who enrolled in grade 7 in the district or intermediate district for the first time, between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2014-2015, of pupils who enrolled in grade 7 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils, as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils who enrolled in the district or intermediate district for the first time.

(3) Each district or intermediate district shall again report to the local health department in which it is located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2014-2015, who enrolled in grade 7 in the district or intermediate district for the first time, between January 1 of the immediately preceding fiscal year and December 31 of the current fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2014-2015, of pupils who enrolled in grade 7 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils, as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils who enrolled in the district or intermediate district for the first time. If the department of community health is not able to report to the department by March 31 because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

**History:** Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 89, Imd. Eff. May 1, 2000;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006;—Am. 2013, Act 122, Imd. Eff. Oct. 1, 2013.

**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00."

Enacting section 1 of Act 122 of 2013 provides:

"Enacting section 1. This amendatory act takes effect July 1, 2013."

### **388.1767a Repealed. 1995, Act 130, Eff. Oct. 1, 1995.**

**Compiler's note:** The repealed section pertained to funds held in escrow.

### **388.1768 Access to records; audit.**

Sec. 168. In order to receive funds under this article, a district, intermediate district, grant recipient, contractor, or other entity that directly or indirectly receives funds under this article shall allow access for the department or the department's designee to audit all records related to a program for which it receives funds under this article or has received funds under this article for any of the 3 immediately preceding fiscal years. The district, intermediate district, grant recipient, contractor, or other entity shall reimburse the state for all disallowances found in any audit conducted under this article.

**History:** Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1768a Removing or contracting to remove asbestos.**

Sec. 168a. In order to receive funds under this act, a district or intermediate district shall not remove asbestos, or contract for the removal of asbestos, from an educational facility unless the removal is required under Act No. 51 of the Public Acts of 1993, being sections 388.861 to 388.864 of the Michigan Compiled Laws.

**History:** Add. 1993, Act 175, Eff. Oct. 1, 1993.

### **388.1769 State aid to public school academies.**

Sec. 169. In order for a public school academy to receive state aid under this act, the public school academy shall demonstrate to the satisfaction of the department that the public school academy has made a good faith effort to advertise, throughout the entire area of the intermediate district in which the public school academy is located, that the academy is enrolling students and the procedures for applying for enrollment. The department shall not make any payments to a public school academy until the public school academy supplies evidence satisfactory to the department demonstrating compliance with this section. If a public school academy is a successor to a nonpublic school and more than 75% of the pupils enrolled in the public school academy during its first school year of operation were previously enrolled in that nonpublic school, there is a rebuttable presumption that the public school academy did not make the good faith effort required under this section.

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:** Former MCL 388.1769, which pertained to purchasing foreign goods or services, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

### **388.1769a Michigan schools for the deaf and blind; information about residential programs; interference with right or ability prohibited; educational placement options.**

Sec. 169a. (1) A board member, official, or employee of a district or intermediate district shall not interfere

with the right or ability of the Michigan schools for the deaf and blind to provide information about the residential program among parents and guardians of pupils or residents of the district or intermediate district.

(2) Upon determining that a pupil is deaf or hard of hearing, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan coalition for deaf and hard of hearing persons, on educational placement options for deaf and hard of hearing children.

(3) Upon determining that a pupil is blind, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan federation for the blind, on educational placement options for blind children.

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:** Former MCL 388.1769a, which pertained to reports, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

### **388.1769b Contract in which board member has conflict of interest; abstention from voting.**

Sec. 169b. A board member of a district, intermediate district, public school academy, or public school academy corporation shall abstain from voting on any contract in which the board member has a conflict of interest.

**History:** Add. 1996, Act 300, Eff. Oct. 1, 1996.

### **388.1771 Repeal of MCL 388.1401 to 388.1572; certain references considered references to former act.**

Sec. 171. (1) Act No. 90 of the Public Acts of 1977, as amended, being sections 388.1401 to 388.1572 of the Compiled Laws of 1970, is repealed.

(2) A reference to a section or subsection of this act applicable to a fiscal year ending before October 1, 1979, shall be considered a reference to the section, subsection, or provision of former Act No. 90 of the Public Acts of 1977 or former Act No. 258 of the Public Acts of 1972, governing the same subject matter, as determined by the department.

**History:** 1979, Act 94, Eff. Oct. 1, 1979.

### **388.1771a Repealed. 1984, Act 239, Eff. Oct. 1, 1984.**

**Compiler's note:** The repealed section pertained to revised method of distributing general membership aid.

### **388.1772 Effective date.**

Sec. 172. This act shall take effect October 1, 1979.

**History:** 1979, Act 94, Eff. Oct. 1, 1979.

## **ARTICLE II**

### **STATE AID TO COMMUNITY COLLEGES**

#### **388.1801 Appropriations; community colleges.**

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, 2015, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is \$364,724,900.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is \$364,724,900.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, \$364,724,900.00.

(v) State general fund/general purpose money, \$0.00.

(2) Subject to subsection (3), the amount appropriated for community college operations is \$307,191,300.00, allocated as follows:

(a) The appropriation for Alpena Community College is \$5,390,700.00, \$5,236,500.00 for operations and \$154,200.00 for performance funding.

(b) The appropriation for Bay de Noc Community College is \$5,419,500.00, \$5,279,300.00 for operations and \$140,200.00 for performance funding.

(c) The appropriation for Delta College is \$14,498,900.00, \$14,063,500.00 for operations and \$435,400.00 for performance funding.

(d) The appropriation for Glen Oaks Community College is \$2,516,100.00, \$2,441,500.00 for operations and \$74,600.00 for performance funding.

(e) The appropriation for Gogebic Community College is \$4,451,400.00, \$4,330,300.00 for operations and \$121,100.00 for performance funding.

(f) The appropriation for Grand Rapids Community College is \$17,947,500.00, \$17,454,900.00 for operations and \$492,600.00 for performance funding.

(g) The appropriation for Henry Ford Community College is \$21,623,800.00, \$21,060,000.00 for operations and \$563,800.00 for performance funding.

(h) The appropriation for Jackson College is \$12,087,300.00, \$11,758,200.00 for operations and \$329,100.00 for performance funding.

(i) The appropriation for Kalamazoo Valley Community College is \$12,503,100.00, \$12,122,500.00 for operations and \$380,600.00 for performance funding.

(j) The appropriation for Kellogg Community College is \$9,813,500.00, \$9,522,000.00 for operations and \$291,500.00 for performance funding.

(k) The appropriation for Kirtland Community College is \$3,167,700.00, \$3,055,700.00 for operations and \$112,000.00 for performance funding.

(l) The appropriation for Lake Michigan College is \$5,342,900.00, \$5,178,100.00 for operations and \$164,800.00 for performance funding.

(m) The appropriation for Lansing Community College is \$30,877,600.00, \$30,023,700.00 for operations and \$853,900.00 for performance funding.

(n) The appropriation for Macomb Community College is \$32,816,600.00, \$31,931,200.00 for operations and \$885,400.00 for performance funding.

(o) The appropriation for Mid Michigan Community College is \$4,682,000.00, \$4,517,900.00 for operations and \$164,100.00 for performance funding.

(p) The appropriation for Monroe County Community College is \$4,492,900.00, \$4,342,600.00 for operations and \$150,300.00 for performance funding.

(q) The appropriation for Montcalm Community College is \$3,226,700.00, \$3,121,200.00 for operations and \$105,500.00 for performance funding.

(r) The appropriation for C.S. Mott Community College is \$15,686,100.00, \$15,247,100.00 for operations and \$439,000.00 for performance funding.

(s) The appropriation for Muskegon Community College is \$8,901,000.00, \$8,653,500.00 for operations and \$247,500.00 for performance funding.

(t) The appropriation for North Central Michigan College is \$3,172,400.00, \$3,064,400.00 for operations and \$108,000.00 for performance funding.

(u) The appropriation for Northwestern Michigan College is \$9,078,800.00, \$8,825,300.00 for operations and \$253,500.00 for performance funding.

(v) The appropriation for Oakland Community College is \$21,123,300.00, \$20,483,100.00 for operations and \$640,200.00 for performance funding.

(w) The appropriation for St. Clair County Community College is \$7,061,600.00, \$6,860,100.00 for operations and \$201,500.00 for performance funding.

(x) The appropriation for Schoolcraft College is \$12,513,700.00, \$12,112,200.00 for operations and \$401,500.00 for performance funding.

(y) The appropriation for Southwestern Michigan College is \$6,576,400.00, \$6,404,300.00 for operations and \$172,100.00 for performance funding.

(z) The appropriation for Washtenaw Community College is \$13,077,300.00, \$12,610,800.00 for operations and \$466,500.00 for performance funding.

(aa) The appropriation for Wayne County Community College is \$16,727,600.00, \$16,194,300.00 for operations and \$533,300.00 for performance funding.

(bb) The appropriation for West Shore Community College is \$2,414,900.00, \$2,349,800.00 for operations and \$65,100.00 for performance funding.

(3) The amount appropriated in subsection (2) for community college operations is \$307,191,300.00, appropriated from the state school aid fund.

(4) From the appropriations described in subsection (1), subject to section 207a, the amount appropriated for fiscal year 2014-2015 to offset certain fiscal year 2014-2015 retirement contributions is \$1,733,600.00, appropriated from the state school aid fund.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is \$52,300,000.00, appropriated from the state school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is \$3,500,000.00, appropriated from the state school aid fund.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2012, Act 465, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

### **388.1801a Appropriations for fiscal year ending September 30, 2016; adjustment of amounts.**

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the items listed in section 201. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the amounts will be adjusted for changes in retirement costs, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1801b Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to appropriation to participating community colleges of retirement system.

### **388.1802 Appropriations subject to MCL 18.1101 to 18.1594.**

Sec. 202. All appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1802a Definitions.**

Sec. 202a. As used in this article:

(a) "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(b) "Participating college" means a community college that is a reporting unit of the retirement system and that reports employees to the retirement system for the state fiscal year.

(c) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(d) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(e) "Workforce development agency" means the workforce development agency of the Michigan strategic fund.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1803 Reporting requirements; use of internet.**

Sec. 203. Unless otherwise specified, a community college that receives appropriations in section 201 and the workforce development agency shall use the internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an internet or intranet site.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1804 Goods or services provided by Michigan businesses; preference.**

Sec. 204. Funds appropriated in section 201 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses that are owned and operated by veterans, if they are competitively priced and of comparable quality.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1805 Businesses in deprived and depressed communities; contracts.**

Sec. 205. The principal executive officer of each community college that receives appropriations in section 201 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each principal executive officer shall strongly encourage businesses with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1806 Monthly installments.**

Sec. 206. The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, 2015 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2014. Each community college shall accrue its July and August 2015 payments to its institutional fiscal year ending June 30, 2015. However, if the state budget director determines that a community college failed to submit all verified Michigan community colleges activities classification structure data for school year 2013-2014 to the workforce development agency by November 1, 2014, or failed to submit its longitudinal data system data set for school year 2013-2014 to the center for educational performance and information under section 219, the state treasurer shall withhold the monthly installments from that community college until those data are submitted. The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1807 Payment of employer's contribution to Michigan public school employees' retirement system; payment to more than 1 fund prohibited.**

Sec. 207. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408. This payment is a condition of receiving funds appropriated under this article.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1807a Allocations; use; basis.**

Sec. 207a. All of the following apply to the allocation of the appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for the fiscal year ending September 30, 2015.

(b) The amount allocated to each participating community college under section 201(4) shall be based on each participating college's total payroll covered by the retirement system-covered payroll for all participating colleges for fiscal year 2013-2014.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1807b Payments to community colleges as participating entities of retirement system.**

Sec. 207b. All of the following apply to the allocation of the appropriations described in section 201(5) for payments to community colleges that are participating entities of the retirement system:

(a) The amount of a payment under section 201(5) shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(b) The amount allocated to each community college under section 201(5) shall be based on each community college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subdivision shall use the funds solely for the purpose of retirement contributions under section 201(5).

(c) Each participating college that receives funds under section 201(5) shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1807c Allocation to community colleges described in MCL 125.2692.**

Sec. 207c. All of the following apply to the allocation of the appropriations described in section 201(6) to community colleges described in section 12(3) of the Michigan renaissance zone act, MCL 125.2692:

(a) The amount allocated to each community college under section 201(6) shall be based on that community college's proportion of total revenue lost by community colleges in fiscal year 2013-2014 as a result of the exemption of property under the Michigan renaissance zone act.

(b) The appropriations described in section 201(6) shall be made to each eligible community college within

60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts of tax revenue lost by each eligible community college in fiscal year 2013-2014 under section 12 of the Michigan renaissance zone act, MCL 125.2692.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1808 Self-liquidating projects; compliance with JCOS requirements.**

Sec. 208. A community college shall not use money appropriated in section 201 to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with section 238 of the management and budget act, 1984 PA 431, MCL 18.1238, and with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy. The appropriation in section 201 for a community college that fails to comply with JCOS requirements shall be reduced by 1% for each violation.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1809 Information to be available on website; icon badge; determination of compliance with section; report.**

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following school fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

- (a) The annual operating budget and subsequent budget revisions.
- (b) A link to the most recent "Activities Classification Structure Data Book and Companion".
- (c) General fund revenue and expenditure projections for fiscal year 2014-2015 and fiscal year 2015-2016.
- (d) A listing of all debt service obligations, detailed by project, anticipated fiscal year 2014-2015 payment of each project, and total outstanding debt.
- (e) The estimated cost to the community college resulting from the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.
- (f) Links to all of the following for the community college:
  - (i) The current collective bargaining agreement for each bargaining unit.
  - (ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee of the community college.
  - (iii) Audits and financial reports for the most recent fiscal year for which they are available.
  - (iv) A copy of the board of trustees resolution regarding compliance with best practices for the local strategic value component described in section 230(2).

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college's homepage. The size of the icon may be reduced to 150 x 150 pixels.

(3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college's monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.

(4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on the internet website required under subsection (1):

- (a) Budgeted fiscal year 2014-2015 general fund revenue from tuition and fees.
- (b) Budgeted fiscal year 2014-2015 general fund revenue from state appropriations.
- (c) Budgeted fiscal year 2014-2015 general fund revenue from property taxes.
- (d) Budgeted fiscal year 2014-2015 total general fund revenue.
- (e) Budgeted fiscal year 2014-2015 total general fund expenditures.
- (5) By November 15 of each year, a community college shall report the following information to the center for educational performance and information and post the information on its website under the budget transparency icon badge:
  - (a) Opportunities for earning college credit through the following programs:
    - (i) State approved career and technical education or a tech prep articulated program of study.

(ii) Direct college credit or concurrent enrollment.

(iii) Dual enrollment.

(iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the community college offers, all of the following information:

(i) The number of high school students participating in the program.

(ii) The number of school districts that participate in the program with the community college.

(iii) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(iv) The total cost to the community college to operate the program.

(v) The cost per credit hour for the course or courses in the program.

(vi) The location where the course or courses in the program are held.

(vii) Instructional resources offered to the program instructors.

(viii) Resources offered to the student in the program.

(ix) Transportation services provided to students in the program.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1810 Collaboration and cooperation with 4-year universities, local employers, and students; equivalency standards.**

Sec. 210. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages each community college to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges are encouraged to work with universities to develop equivalency standards of core college courses and identify equivalent courses offered by postsecondary institutions.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1810a Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to transferability of core college courses between community colleges and public universities.

### **388.1810b Transferability of college courses; implementation of agreements among community colleges and universities; report.**

Sec. 210b. (1) It is the intent of the legislature that the Michigan association of collegiate registrars and admissions officers implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former section 210a.

(2) It is the intent of the legislature that the Michigan association of collegiate registrars and admissions officers, the Michigan community college association, and the presidents council, state universities of Michigan shall together submit an implementation update report to the senate and house appropriations subcommittees on community colleges and higher education, the senate and house fiscal agencies, and the state budget director by March 1, 2015.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1811 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to duties of community colleges.

### **388.1812 Cost-containment measures and efficiencies.**

Sec. 212. It is the intent of the legislature to encourage community college districts to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation, and utilizing group purchasing.

Community colleges shall also review proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1813 Statewide reverse transfer agreements.**

Sec. 213. It is the intent of the legislature that community colleges work with public universities in the state to implement statewide reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. These statewide agreements shall enable students who have earned a significant number of credits at a community college and transferred to a baccalaureate-granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1814 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to developmental courses and common set of scores to determine placement.

### **388.1816 Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to legislative intent to review statutory mandates.

### **388.1817 Workforce development agency; duties; activities classification structure advisory committee.**

Sec. 217. (1) The workforce development agency shall do all of the following:

(a) Establish, maintain, and coordinate the state community college database commonly known as the "activities classification structure" or "ACS" database.

(b) Collect data concerning community colleges and community college programs in this state, including data required by law.

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

(d) Develop model data collection policies, including, but not limited to, policies that ensure the privacy of any individual student data. Privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state policymakers and community college officials to make informed policy decisions.

(f) Assist community colleges in complying with audits under this section or federal law.

(2) There is created within the workforce development agency the activities classification structure advisory committee. The committee shall provide advice to the director of the workforce development agency regarding the management of the state community college database, including, but not limited to:

(a) Determining what data are necessary to collect and maintain to enable state and community college officials to make informed policy decisions.

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

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

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

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

(f) Establishing and maintaining policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring that the data are made available to state policymakers and citizens of this state in the most useful format possible.

(h) Addressing other matters as determined by the director of the workforce development agency or as required by law.

(3) The activities classification structure advisory committee created in subsection (2) shall consist of the following members:

(a) One representative from the house fiscal agency, appointed by the director of the house fiscal agency.

(b) One representative from the senate fiscal agency, appointed by the director of the senate fiscal agency.

(c) One representative from the workforce development agency, appointed by the director of the workforce development agency.

(d) One representative from the state budget office, appointed by the state budget director.

(e) One representative from the governor's policy office, appointed by that office.

(f) Four representatives of the Michigan community colleges association, appointed by the president of the

association. From the groupings of community colleges given in table 17 of the activities classification structure report described in subsection (4), the association shall appoint 1 representative each from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.

(4) The activities classification structure advisory committee shall review the existing activities classification structure report, data, definitions, processes, and other items as needed and publish an initial report on their findings and recommendations by July 30, 2015. This report shall be submitted to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the director of the workforce development agency, the state budget director, and the Michigan community colleges association.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1818 Credit hours of student incarcerated in Michigan penal institution; exclusion from enrollment data.**

Sec. 218. Community colleges shall not include in the enrollment data reported for determining state aid under this article any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this article for the same individuals for whom reimbursement is provided by the state correctional system.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1819 Statewide P-20 education longitudinal data system; inclusion of information from each community college.**

Sec. 219. By June 30 of each year, each community college shall provide its longitudinal data system data set for the preceding academic year to the center for educational performance and information for inclusion in the statewide P-20 education longitudinal data system described in section 94a.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1820 Performance audits.**

Sec. 220. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(2) Within 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the workforce development agency, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1821 Document retention.**

Sec. 221. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) A community college shall retain all contracts between the community college and agencies that reimburse the community college for the costs of instruction for audit purposes.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1822 Independent audit.**

Sec. 222. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the workforce development agency, and the state budget director.

before November 15 of each year. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". It is the intent of the legislature that a community college shall make the information the community college is required to provide under this section available to the public on its internet website.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1823 Report to workforce development agency.**

Sec. 223. Each community college shall report the following to the workforce development agency no later than November 1 of each year:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the workforce development agency and the department of civil rights.

(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1824 Aggregate academic status of students; use of P-20 longitudinal data system.**

Sec. 224. A community college shall use the P-20 longitudinal data system to inform interested Michigan high schools and the public of the aggregate academic status of its students for the previous academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals. Community colleges shall cooperate with the center for educational performance and information to maintain a systematic approach for accomplishing this work.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

#### **388.1825 Tuition and mandatory fees; report; cost of attendance; revisions.**

Sec. 225. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the workforce development agency by August 31, 2014, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2014-2015 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2014-2015 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the workforce development agency within 15 days of being adopted.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

#### **388.1826 Associate degrees and certificates; report to workforce development agency.**

Sec. 226. Each community college shall report to the workforce development agency the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15 of each year.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1827 Vehicles manufactured outside United States.**

Sec. 227. A community college shall not use funds appropriated in section 201 to enter into a lease for, or to purchase, a vehicle assembled or manufactured outside of the United States if competitively priced and comparable quality vehicles made in the state of Michigan or elsewhere in the United States of America are available.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1828 Communication of employee with member of legislature or staff.**

Sec. 228. A community college shall not take disciplinary action against an employee for communicating with a member of the legislature or the legislator's staff.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1829 Applicant as veteran, current member of armed forces, or spouse or dependent; question; review of in-district tuition issue; "veteran" defined.**

Sec. 229. (1) It is the intent of the legislature that each community college that receives an appropriation in

section 201 include in its admission application process a specific question as to whether an applicant for admission has ever served or is currently serving in the United States armed forces or is the spouse or dependent of an individual who has served or is currently serving in the United States armed forces, in order to more quickly identify potential educational assistance available to that applicant.

(2) It is the intent of the legislature that each public community college that receives an appropriation in section 201 shall work with the house and senate community college subcommittees, the Michigan community college association, and veterans groups to review the issue of in-district tuition for veterans of this state when determining tuition rates and fees.

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1829a Capital projects.**

Sec. 229a. Included in the fiscal year 2014-2015 appropriations for the department of technology, management, and budget are appropriations to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

- (a) Alpena Community College, \$485,400.00.
- (b) Bay de Noc Community College, \$636,600.00.
- (c) Delta College, \$2,842,800.00.
- (d) Glen Oaks Community College, \$123,300.00.
- (e) Gogebic Community College, \$16,900.00.
- (f) Grand Rapids Community College, \$1,792,400.00.
- (g) Henry Ford Community College, \$1,030,800.00.
- (h) Jackson College, \$1,787,300.00.
- (i) Kalamazoo Valley Community College, \$1,471,000.00.
- (j) Kellogg Community College, \$521,400.00.
- (k) Kirtland Community College, \$364,000.00.
- (l) Lake Michigan College, \$340,900.00.
- (m) Lansing Community College, \$610,100.00.
- (n) Macomb Community College, \$1,316,600.00.
- (o) Mid Michigan Community College, \$1,117,300.00.
- (p) Monroe County Community College, \$1,266,500.00.
- (q) Montcalm Community College, \$973,700.00.
- (r) C.S. Mott Community College, \$1,808,000.00.
- (s) Muskegon Community College, \$198,500.00.
- (t) North Central Michigan College, \$117,600.00.
- (u) Northwestern Michigan College, \$1,308,600.00.
- (v) Oakland Community College, \$466,300.00.
- (w) St. Clair County Community College, \$357,000.00.
- (x) Schoolcraft College, \$1,550,300.00.
- (y) Southwestern Michigan College, \$231,100.00.
- (z) Washtenaw Community College, \$1,680,600.00.
- (aa) Wayne County Community College, \$1,466,000.00.
- (bb) West Shore Community College, \$578,600.00.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1829b Repealed. 2014, Act 196, Eff. Oct. 1, 2014.**

**Compiler's note:** The repealed section pertained to providing accurate information on student educational outcomes in employment market.

### **388.1830 Community college operations; performance funding; distribution; formula; meeting best practice measures; resolution; categories of best practices.**

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year 2014-2015 for performance funding is distributed based on the following formula:

- (a) Allocated proportionate to fiscal year 2013-2014 base appropriations, 50%.
- (b) Based on contact hour equated students, 10%.
- (c) Based on administrative costs, 7.5%.
- (d) Based on a weighted degree formula as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.

(e) Based on the local strategic value component, as developed in cooperation with the Michigan community college association and described in subsection (2), 15%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, 2014, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year 2013-2014 operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

(3) For purposes of subsection (2), the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:

(a) For Category A, economic development and business or industry partnerships, the following:

(i) The community college has active partnerships with local employers including hospitals and health care providers.

(ii) The community college provides customized on-site training for area companies, employees, or both.

(iii) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.

(iv) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.

(v) The community college has active partnerships with local or regional workforce and economic development agencies.

(b) For Category B, educational partnerships, the following:

(i) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

(ii) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or science Olympiad.

(iii) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.

(iv) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, general education development certificate preparation and testing, or recruiting, advising, or orientation activities specific to adults.

(v) The community college has active partnerships with regional 4-year colleges and universities to promote successful transfer, such as articulation, 2+2, or reverse transfer agreements or operation of a university center.

(c) For Category C, community services, the following:

(i) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.

(ii) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.

(iii) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.

(iv) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiums, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.

(v) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.

ARTICLE III  
STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

**388.1836 Higher education; appropriations; summary.**

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, 2015, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is \$1,516,496,300.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is \$1,516,496,300.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$97,026,400.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, \$206,567,900.00.

(v) State general fund/general purpose money, \$1,212,902,000.00.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is \$79,115,000.00, \$73,540,100.00 for operations and \$5,574,900.00 for performance funding.

(b) The appropriation for Eastern Michigan University is \$71,771,100.00, \$67,275,400.00 for operations and \$4,495,700.00 for performance funding.

(c) The appropriation for Ferris State University is \$49,087,000.00, \$45,636,500.00 for operations and \$3,450,500.00 for performance funding.

(d) The appropriation for Grand Valley State University is \$63,136,000.00, \$57,823,500.00 for operations and \$5,312,500.00 for performance funding.

(e) The appropriation for Lake Superior State University is \$12,782,500.00, \$12,231,000.00 for operations and \$551,500.00 for performance funding.

(f) The appropriation for Michigan State University is \$324,038,100.00, \$249,597,800.00 for operations, \$14,831,300.00 for performance funding, \$32,027,900.00 for MSU AgBioResearch, and \$27,581,100.00 for MSU extension.

(g) The appropriation for Michigan Technological University is \$45,923,100.00, \$43,473,800.00 for operations and \$2,449,300.00 for performance funding.

(h) The appropriation for Northern Michigan University is \$44,277,200.00, \$41,741,400.00 for operations and \$2,535,800.00 for performance funding.

(i) The appropriation for Oakland University is \$48,364,100.00, \$45,651,600.00 for operations and \$2,712,500.00 for performance funding.

(j) The appropriation for Saginaw Valley State University is \$27,610,200.00, \$25,991,000.00 for operations and \$1,619,200.00 for performance funding.

(k) The appropriation for University of Michigan – Ann Arbor is \$295,174,100.00, \$279,232,700.00 for operations and \$15,941,400.00 for performance funding.

(l) The appropriation for University of Michigan – Dearborn is \$23,689,300.00, \$22,510,400.00 for operations and \$1,178,900.00 for performance funding.

(m) The appropriation for University of Michigan – Flint is \$21,337,700.00, \$19,938,200.00 for operations and \$1,399,500.00 for performance funding.

(n) The appropriation for Wayne State University is \$190,519,800.00, \$183,398,300.00 for operations and \$7,121,500.00 for performance funding.

(o) The appropriation for Western Michigan University is \$102,742,000.00, \$97,279,000.00 for operations and \$5,463,000.00 for performance funding.

(3) The amount appropriated in subsection (2) for public universities is appropriated from the following:

(a) State school aid fund, \$200,019,500.00.

(b) State general fund/general purpose money, \$1,199,547,700.00.

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is \$2,446,200.00, appropriated from the state school aid fund.

(5) For fiscal year 2014-2015 only, in addition to the amount appropriated under subsection (4), \$4,002,200.00 is appropriated for Michigan public school employees' retirement system reimbursement, appropriated from the state school aid fund.

(6) The amount appropriated for state and regional programs is \$2,295,000.00 appropriated from general fund/general purpose money and allocated as follows:

- (a) College access program, \$2,000,000.00.
- (b) Higher education database modernization and conversion, \$200,000.00.
- (c) Midwestern higher education compact, \$95,000.00.

(7) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

- (a) Select student support services, \$1,956,100.00.
- (b) Michigan college/university partnership program, \$586,800.00.
- (c) Morris Hood, Jr. educator development program, \$148,600.00.

(8) Subject to subsection (9), the amount appropriated for grants and financial aid is \$105,494,200.00, allocated as follows:

- (a) State competitive scholarships, \$18,361,700.00.
- (b) Tuition grants, \$33,532,500.00.
- (c) Tuition incentive program, \$48,500,000.00.
- (d) Children of veterans and officer's survivor tuition grant programs, \$1,400,000.00.
- (e) Project GEAR-UP, \$3,200,000.00.
- (f) North American Indian tuition waivers, \$500,000.00.

(9) The money appropriated in subsection (8) for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States department of education, office of elementary and secondary education, GEAR-UP program, \$3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, \$93,826,400.00.

(c) Contributions to children of veterans tuition grant program, \$100,000.00.

(d) State general fund/general purpose money, \$8,367,800.00.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 5, Imd. Eff. Mar. 10, 2015.

### **388.1836a Appropriations for fiscal year ending September 30, 2016; intent of legislature.**

Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the items listed in section 236. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the amounts will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1836b Federal contingency funds.**

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year 2014-2015 an amount not to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1836c State building authority rent.**

Sec. 236c. In addition to the funds appropriated for fiscal year 2014-2015 in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year 2014-2015 for state building authority rent, totaling an estimated \$124,825,300.00, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

- (a) Central Michigan University, \$9,103,200.00.
- (b) Eastern Michigan University, \$4,861,700.00.
- (c) Ferris State University, \$6,252,200.00.
- (d) Grand Valley State University, \$4,252,500.00.
- (e) Lake Superior State University, \$1,112,900.00.
- (f) Michigan State University, \$16,101,200.00.

- (g) Michigan Technological University, \$7,444,600.00.
- (h) Northern Michigan University, \$8,016,400.00.
- (i) Oakland University, \$10,969,800.00.
- (j) Saginaw Valley State University, \$9,777,400.00.
- (k) University of Michigan - Ann Arbor, \$9,159,200.00.
- (l) University of Michigan - Dearborn, \$6,296,200.00.
- (m) University of Michigan - Flint, \$2,855,000.00.
- (n) Wayne State University, \$13,679,800.00.
- (o) Western Michigan University, \$14,943,200.00.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1837 Appropriations subject to MCL 18.1101 to 18.1594.**

Sec. 237. All of the appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1837a Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to definition of "research facility."

### **388.1837b "Workforce development agency" defined.**

Sec. 237b. As used in this article, the term "workforce development agency" means the workforce development agency of the Michigan strategic fund.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1838 Reporting requirements; use of internet.**

Sec. 238. Unless otherwise specified, a public university receiving appropriations in section 236 shall use the internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1839 Purchase of goods or services; preference.**

Sec. 239. A public university shall not use funds appropriated in section 236 for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1839a Vehicles manufactured outside United States.**

Sec. 239a. It is the intent of the legislature that public universities shall not use funds appropriated in section 236 to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1840 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to deprived and depressed communities.

### **388.1841 Payments; monthly installments; HEIDI data and associated financial and program information.**

Sec. 241. (1) Subject to section 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2014. Except for Wayne State University, each institution shall accrue its July and August 2015 payments to its institutional fiscal year ending June 30, 2015.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, 2014, these data shall be submitted to the

state budget director by October 15, 2014. Public universities with a fiscal year ending September 30, 2014 shall submit preliminary HEIDI data by November 15, 2014 and final data by December 15, 2014. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1842 Federal or private funds; use.**

Sec. 242. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation on the legislature to continue the purposes for which the funds are made available.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1843 Furnishing program and financial information.**

Sec. 243. Each public university that receives funds under this article shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1844 Statewide P-20 longitudinal data system; development, operation, and maintenance.**

Sec. 244. A public university receiving funds in section 236 shall cooperate with all measures taken by the state to develop, operate, and maintain the statewide P-20 longitudinal data system described in section 94a. If the state budget director finds that a university has not complied with this section, the state budget director is authorized to withhold the monthly installments provided to that university under section 236 until he or she finds the university has complied with this section.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1845 Public transparency website; "best practice" measures; dashboard or report card; icon badge; determination of compliance with section; report.**

Sec. 245. (1) A public university shall maintain a public transparency website available through a link on its website homepage. The public university shall update this website within 30 days after the university's governing board adopts its annual operating budget for the next academic year, or after the governing board adopts a subsequent revision to that budget.

(2) The website required under subsection (1) shall include all of the following concerning the public university:

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

(b) A summary of current expenditures for the most recent fiscal year for which they are available, expressed as pie charts in the following 2 categories:

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

(A) Earnings and wages.

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

(C) Retirement benefit costs.

(D) All other personnel costs.

(ii) A chart of all current expenditures the public university reported as part of its higher education institutional data inventory data under section 241(2), broken into the same subcategories in which it reported those data.

(c) Links to all of the following for the public university:

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

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

(iii) Audits and financial reports for the most recent fiscal year for which they are available.

(iv) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall include all material prepared pursuant to

the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

(d) A list of all positions funded partially or wholly through institutional general fund revenue that includes the position title and annual salary or wage amount for each position.

(e) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.

(f) A listing of all debt service obligations, detailed by project, anticipated fiscal year payment for each project, and total outstanding debt for the current fiscal year.

(g) The institution's policy regarding the transferability of core college courses between community colleges and the university.

(h) A listing of all community colleges that have entered into reverse transfer agreements with the university.

(3) On the website required under subsection (1), a public university shall provide a dashboard or report card demonstrating the university's performance in several "best practice" measures. The dashboard or report card shall include at least all of the following for the 3 most recent academic years for which the data are available:

(a) Enrollment.

(b) Student retention rate.

(c) Six-year graduation rates.

(d) Number of Pell grant recipients and graduating Pell grant recipients.

(e) Geographic origination of students, categorized as in-state, out-of-state, and international.

(f) Faculty to student ratios and total university employee to student ratios.

(g) Teaching load by faculty classification.

(h) Graduation outcome rates, including employment and continuing education.

(4) For statewide consistency and public visibility, public universities must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent with other documents on each university's website.

(5) The state budget director shall determine whether a public university has complied with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.

(6) By November 15 of each year, a public university shall report the following information to the center for educational performance and information and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(i) State approved career and technical education or a tech prep articulated program of study.

(ii) Direct college credit or concurrent enrollment.

(iii) Dual enrollment.

(iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the public university offers, all of the following information:

(i) The number of high school students participating in the program.

(ii) The number of school districts that participate in the program with the public university.

(iii) Whether a university professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(iv) The total cost to the public university to operate the program.

(v) The cost per credit hour for the course or courses in the program.

(vi) The location where the course or courses in the program are held.

(vii) Instructional resources offered to the program instructors.

(viii) Resources offered to the student in the program.

(ix) Transportation services provided to students in the program.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1846 Michigan public school employees' retirement system reimbursement; allocation to participating public university; definition.**

Sec. 246. (1) The funds appropriated in section 236 for Michigan public school employees' retirement system reimbursement shall be allocated to each participating public university under this section based on

each participating public university's percentage of the total combined payrolls of the universities' employees who are members of the retirement system and who were hired before January 1, 1996 and the universities' employees who would have been members of the retirement system on or after January 1, 1996, but for the enactment of 1995 PA 272 for all public universities that are participating public universities for the immediately preceding state fiscal year. Payments shall be made in a form and manner determined by the office of retirement services. A public university that receives money under this section shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the university.

(2) As used in this section, "participating public university" means a public university that is a reporting unit of the Michigan public school employees' retirement system under the public school employees' retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that pays contributions to the Michigan public school employees' retirement system for the state fiscal year.

**History:** Add. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1851 State competitive scholarship award.**

Sec. 251. (1) Payments of the amounts included in section 236 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury shall determine an actual maximum state competitive scholarship award per student, which shall be not less than \$575.00, that ensures that the aggregate payments for the state competitive scholarship program do not exceed the appropriation contained in section 236 for the state competitive scholarship program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least \$575.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a \$575.00 maximum award amount.

(3) The department of treasury shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(4) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(5) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(6) Veterans administration benefits shall not be considered in determining eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1852 State tuition grant program.**

Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who are qualified and who apply before July 1 of each year for the next academic year.

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (7) and (8), the department of treasury shall determine an actual maximum tuition grant award per student, which shall be no less than \$1,512.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 236 for the state tuition grant program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least \$1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a \$1,512.00 maximum award amount. If the department determines that sufficient funds are available to establish a maximum award amount equal to at least \$1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the maximum award amount established and the projected amount of any projected year-end appropriation balance based on that maximum award amount. By December 15, and again by February 18 of each fiscal year, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program.

The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(4) Any unexpended and unencumbered funds remaining on September 30, 2015 from the amounts appropriated in section 236 for the tuition grant program for fiscal year 2014-2015 shall not lapse on September 30, 2015, but shall continue to be available for expenditure for tuition grants provided in the 2015-2016 fiscal year under a work project account. The use of these unexpended fiscal year 2014-2015 funds shall terminate at the end of the 2015-2016 fiscal year.

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for that fiscal year.

(7) Except as provided in subsection (4), the department of treasury shall not award more than \$3,200,000.00 in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department.

(8) The department of treasury shall not award tuition grants to otherwise eligible students enrolled in an independent college or university that does not report, in a form and manner directed by and satisfactory to the department of treasury, by August 31 of each year, beginning with August 31, 2015, all of the following:

(a) The number of students in the most recently completed academic year that received a state tuition grant and successfully completed a program or graduated.

(b) The number of students in the most recently completed academic year that received a state tuition grant and took a remedial education class.

(c) The number of students in the most recently completed academic year that received a Pell grant and successfully completed a program or graduated.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1853 Audit of enrollments, degrees, and awards at independent colleges and universities.**

Sec. 253. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards that are administered by the department of treasury. The audits shall be based upon definitions and requirements established by the department of treasury, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1854 State competitive scholarship, tuition incentive, and tuition grant programs; payments.**

Sec. 254. The sums appropriated in section 236 for the state competitive scholarship, tuition incentive, and tuition grant programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows: 50% shall be paid at the beginning of the state's first fiscal quarter, 30% during the state's second fiscal quarter, 10% during the state's third fiscal quarter, and 10% during the state's fourth fiscal quarter.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1855 Needs analysis criteria.**

Sec. 255. The department of treasury shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, the department of treasury may take student wages into consideration when determining the amount of the award.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1856 Tuition incentive program.**

Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the

department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) An individual shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, an individual shall meet all of the following criteria:

(i) Apply for certification to the department any time after he or she begins the sixth grade but before August 31 of the school year in which he or she graduates from high school or before completing a general education development certificate.

(ii) Be less than 20 years of age at the time he or she graduates from high school with a diploma or certificate of completion or completes a general education development certificate.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or completion of a general education development certificate.

(v) Request information on filing a FAFSA.

(vi) Must meet the satisfactory academic progress policy of the educational institution he or she attends.

(b) To be eligible for phase II, an individual shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, an individual must not be incarcerated and must be financially eligible as determined by the department. An individual is financially eligible for the tuition incentive program if he or she was eligible for Medicaid from the state of Michigan for 24 months within the 36 months before application. The department shall accept certification of Medicaid eligibility only from the department of human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade. As used in this subdivision, "incarcerated" does not include detention of a juvenile in a state-operated or privately operated juvenile detention facility.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student

meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1857 Availability of data.**

Sec. 257. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and future fiscal years.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1858 Student financial aid programs; report.**

Sec. 258. By February 15 of each year, the department of treasury shall post to its publicly available website a report for the preceding fiscal year on all student financial aid programs for which funds are appropriated in section 236. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on household income and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1859 College access program.**

Sec. 259. The funds appropriated in section 236 for the college access program shall be used for efforts to support college access. The department of treasury shall administer these funds. Allowable uses include the following:

(a) Michigan college access network operations, programming, and services to local college access networks.

(b) Local college access networks, which are community-based college access/success partnerships committed to increasing the college participation and completion rates within geographically defined communities through a coordinated strategy.

(c) Michigan college access portal, an online 1-stop portal to help students and families plan and apply for college.

(d) Public awareness and outreach campaigns to encourage low-income and first-generation students to take necessary steps toward college and to assist students and families in completing a timely and accurate free application for federal student aid.

(e) Subgrants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school students in navigating the postsecondary planning and enrollment process.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1861 University of Michigan biological station at Douglas Lake.**

Sec. 261. The University of Michigan biological station at Douglas Lake in Cheboygan County is considered a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1862 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to policies to minimize cost of textbooks and course materials.

### **388.1862a Review of textbook and course materials.**

Sec. 262a. (1) It is the intent of the legislature that each public university shall develop policies for reviewing required textbook and course materials with the goal of minimizing the cost of textbooks and course materials used at the university while maintaining quality of education and academic freedom. These

policies should require all of the following:

- (a) That faculty members submit lists of required textbooks and course materials for university review.
  - (b) That faculty members consider the least costly practices in assigning textbooks and course materials, such as adopting the least expensive edition of a textbook available when educational content is comparable to a more costly edition.
  - (c) That the university review any potential financial conflict of interest that may occur if a faculty member requires the purchase of any textbooks or course materials he or she has written.
  - (d) That the university review required textbooks and course materials to ensure that least costly practices are being utilized, such as adopting the least expensive edition of a textbook available when educational content is comparable to a more costly edition.
- (2) By February 1 of each year, each public university shall submit a report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies on the policies developed under this section.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1863 Project GREEN.**

Sec. 263. (1) Included in the appropriation in section 236 for fiscal year 2014-2015 for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in section 236 for MSU extension is \$2,645,200.00 for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and rural development and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1863a MSU AgBioResearch and MSU extension; report.**

Sec. 263a. (1) Not later than September 30 of each year, Michigan State University shall submit a report on MSU AgBioResearch and MSU extension to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding academic fiscal year.

(2) The report required under subsection (1) shall include all of the following:

(a) Total funds expended by MSU AgBioResearch and by MSU extension service identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU extension and MSU AgBioResearch. It is the intent of the legislature that the following metric goals will be used to evaluate the impacts of those programs:

(i) Increasing the number of agriculture and food-related firms collaborating with and using services of research and extension faculty and staff by 3% per year.

(ii) Increasing the number of individuals utilizing MSU extension's educational services by 5% per year.

(iii) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(iv) Increasing the sector's total economic impact from today's \$71,000,000,000.00 to \$100,000,000,000.00.

(v) Doubling Michigan's agricultural exports from \$1,750,000,000.00 to \$3,500,000,000.00.

(vi) Increasing jobs in the food and agriculture sector by 10%.

(vii) Improving access by Michigan consumers to healthy foods by 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEN expenditures and the impact of those expenditures.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1864 Michigan future farmers of America association.**

Sec. 264. Included in the appropriation in section 236 for fiscal year 2014-2015 for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 allocation

shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1865 Public university tuition restraint incentives; payment conditions; definitions; uniform reporting requirements.**

Sec. 265. (1) Payments under section 265a for performance funding shall only be made to a public university that certifies to the state budget director by August 31, 2014 that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, 2013 for the 2013-2014 academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the 2014-2015 academic year that is greater than 3.2%. As used in this subsection:

(a) Subject to subdivision (c), "fee" means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university. A university increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the 2014-2015 academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates for all undergraduate classes, based on an average of the rates authorized by the university board and actually charged to students, deducting any uniformly-rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year.

(c) For purposes of subdivision (a), for a public university that compels resident undergraduate students to be covered by health insurance as a condition to enroll at the university, "fee" includes the annual amount a student is charged for coverage by the university-affiliated group health insurance policy if he or she does not provide proof that he or she is otherwise covered by health insurance. This subdivision does not apply to limited subsets of resident undergraduate students to be covered by health insurance for specific reasons other than general enrollment at the university.

(2) The state budget director shall implement uniform reporting requirements to ensure that a public university receiving a payment under section 265a for performance funding has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1865a Performance funding; payments; unpaid amounts; report; distribution formula; score; "Carnegie classification" defined.**

Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal year 2014-2015 for performance funding shall be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, 2014 that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community colleges or has made a good-faith effort to enter into reverse transfer agreements.

(b) The university does not and will not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements when making a determination as to whether those credits may be used by the student toward completion of a university degree or certificate program.

(c) The university participates in the Michigan transfer network created as part of the Michigan association of collegiate registrars and admissions officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September 17, 2014, regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more

requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

(a) Proportional to each university's share of total operations funding appropriated in fiscal year 2010-2011, 50.0%.

(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.

(c) Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral/research universities, research universities (high research activity), or research universities (very high research activity) only, 5.6%.

(d) Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 33.3%.

(5) For purposes of determining the score of a university under subsection (4)(d), each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the 2015-2016 state fiscal year, a university classified as improving is assigned a score of 1.

(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) For purposes of this section, "Carnegie classification" shall mean the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie foundation for the advancement of teaching.

**History:** Add. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1866 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to public university operations funding.

### **388.1867 Amount of tuition and fees; submission as part of HEIDI data.**

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2014-2015 as part of their higher education institutional data inventory (HEIDI) data by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year 2014-2015 tuition and fee charges to HEIDI within 15 days of being adopted.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1868 North American Indian tuition waiver costs; allocation; adjustment; report.**

Sec. 268. (1) For the fiscal year ending September 30, 2014, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

(2) Appropriations in section 236(8)(f) for North American Indian tuition waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for amounts included in university operations appropriations. If funds are insufficient to support the entire cost of waivers, amounts shall be prorated.

(3) By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding fiscal year that includes, but is not limited to, all of the following information for each postsecondary institution:

(a) The total number of waiver applications.

(b) The total number of waivers granted and the monetary value of each waiver.

(c) The number of students who withdraw from classes.

(d) The number of students who successfully complete a degree or certificate program and the 6-year graduation rate.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1869 Payment to Saginaw Chippewa Tribal College; costs of waiving tuition for North American Indians.**

Sec. 269. For fiscal year 2014-2015, from the amount appropriated in section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1870 Payment to Bay Mills Community College; costs of waiving tuition for North American Indians.**

Sec. 270. For fiscal year 2014-2015 from the amount appropriated in section 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1870a Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to coordination of goods and services.

**388.1871 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to academic program accreditation.

**388.1871a Unionization or decertification of union; use of funds for instructional activity prohibited.**

Sec. 271a. It is the intent of the legislature that a public university that receives funds under section 236 shall not knowingly and directly use any portion of those funds to offer any instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union.

**History:** Add. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1872 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to rejection of transfer credits by university.

**388.1872a Rejection of transfer credits; report by public university.**

Sec. 272a. By February 15, of each year, each public university receiving funds under section 236 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the rejection of transfer credits by the university in the prior year. The report shall include information on the number of credits earned by incoming resident students at other postsecondary institutions in this state, with the equivalent of a letter grade of C or higher, that were rejected by the university for transfer, reported by both academic program area and prior institution, along with explanatory information regarding the rationale for the rejection of the credits. Data may be reported on either an academic or calendar year basis.

**History:** Add. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1873 Religious beliefs of students enrolled in accredited counseling degree programs; accommodation.**

Sec. 273. It is the intent of the legislature that each public university shall submit a report to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director by October 15, 2014, on the university's efforts to accommodate the sincerely held religious beliefs of students enrolled in accredited counseling degree programs at the university.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

**388.1873a Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to use of funds to benefit nonprofit workers training center.

**388.1874 Organizations conducting human embryonic stem cell derivation; report of information to director of department of community health.**

Sec. 274. It is the intent of the legislature that public and private organizations that conduct human embryonic stem cell derivation subject to section 27 of article I of the state constitution of 1963 will provide information to the director of the department of community health by December 1, 2014 that includes all of the following:

(a) Documentation that the organization conducting human embryonic stem cell derivation is conducting its activities in compliance with the requirements of section 27 of article I of the state constitution of 1963 and all relevant national institutes of health guidelines pertaining to embryonic stem cell derivation.

(b) A list of all human embryonic stem cell lines submitted by the organization to the national institutes of health for inclusion in the human embryonic stem cell registry before and during fiscal year 2013-2014, and the status of each submission as approved, pending approval, or review completed but not yet accepted.

(c) Number of human embryonic stem cell lines derived and not submitted for inclusion in the human embryonic stem cell registry, before and during fiscal year 2013-2014.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1874a Health insurance or fringe benefits for unmarried adult coresident or dependent; prohibition; report; legislative intent.**

Sec. 274a. (1) It is the intent of the legislature that a public university that receives funds in section 236 not provide health insurance or other fringe benefits for any adult coresident of an employee of the university who is not married to or a dependent of that employee or for any dependent of such an adult coresident.

(2) It is the intent of the legislature that each public university receiving funds in section 236 submit a report by December 1, 2014 to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director containing the number of individuals described in subsection (1) who received health insurance or other fringe benefits provided by the university in fiscal year 2013-2014 and the cost to the university of providing those benefits.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1875 Veterans and active military duty personnel; educational assistance; duties of public university; definition.**

Sec. 275. (1) It is the intent of the legislature that each public university that receives an appropriation in section 236 do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the yellow ribbon GI education enhancement program established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan on whether or not it has chosen to participate in the yellow ribbon GI education enhancement program. If at any time during the fiscal year a university participating in the yellow ribbon program chooses to leave the yellow ribbon program, it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan.

(b) Establish an on-campus veterans' liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(d) Include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the national guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the national guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant.

(e) Consider all veterans residents of this state for determining their tuition rates and fees.

(f) Waive enrollment fees for all veterans.

(2) By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the department of military and veterans affairs regarding services provided specifically to veterans and active military duty personnel, including, but not limited to, the services described in subsection (1).

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1875a Construction or maintenance of self-liquidating project; finance requirements.**

Sec. 275a. Funds appropriated in section 236 shall not be used by a public university to pay for the construction or maintenance of a self-liquidating project. A public university shall comply with section 238 of

the management and budget act, 1984 PA 431, MCL 18.1238, and with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy. The appropriation in section 236 for a public university that fails to comply with JCOS reporting requirements shall be reduced by 1% for each violation.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1876 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks future faculty program.**

Sec. 276. (1) Included in the appropriation for fiscal year 2014-2015 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each public university in a manner prescribed by the workforce development agency. The workforce development agency shall use a good faith effort standard to evaluate whether a fellowship is in default.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1877 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college day program.**

Sec. 277. (1) Included in the appropriation for fiscal year 2014-2015 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the workforce development agency.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1878 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks select student support services program.**

Sec. 278. (1) Included in section 236 for fiscal year 2014-2015 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the workforce development agency.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1879 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college/university partnership program.**

Sec. 279. (1) Included in section 236 for fiscal year 2014-2015 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of

academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the workforce development agency.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1880 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks visiting professors program.**

Sec. 280. (1) Included in the appropriation for fiscal year 2014-2015 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the workforce development agency.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1881 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks initiative for Morris Hood, Jr. educator development program.**

Sec. 281. (1) Included in the appropriation for fiscal year 2014-2015 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the workforce development agency.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1882 Institutions receiving funds under MCL 388.1878, 388.1879, or 388.1881; notification of expenditure of funds.**

Sec. 282. Each institution receiving funds under section 278, 279, or 281 shall notify the workforce development agency by April 15, of each year as to whether it will expend by the end of its fiscal year the funds received under section 278, 279, or 281. Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

### **388.1883 Academic status of students from each high school.**

Sec. 283. (1) From the amount appropriated in section 236, the public universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals. Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.

(2) Michigan high schools shall systematically inform the public universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

#### **388.1884 Academic status of community college transfer students.**

Sec. 284. From the amount appropriated in section 236, the public universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association. Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2014, Act 196, Eff. Oct. 1, 2014.

#### **388.1885 Transfer of students from community colleges to public universities; encouragement; facilitation.**

Sec. 285. Public universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the public universities and to facilitate the transfer of credits from the community colleges to the public universities.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1886 Statewide reverse transfer agreements.**

Sec. 286. It is the intent of the legislature that public universities work with community colleges in the state to implement statewide reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. It is the intent of the legislature that these statewide agreements shall enable students who have earned a significant number of credits at a community college and transfer to a baccalaureate granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

#### **388.1889 Auditor general; duties; "distance learning instruction" defined.**

Sec. 289. (1) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data submitted by all public universities under section 241 and may perform audits of selected public universities if determined necessary. The audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director in consultation with the HEIDI advisory committee. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1 of each year an audit takes place.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the public university's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs created on or after January 1, 1975 and before January 1, 2013, that were not specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs, and student credit hours generated in any new degree programs created after January 1, 2013, that are specifically excluded from reporting by the legislature under this section.

(3) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the internet, cable television, teleconference, or mail.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

#### **388.1890 New degree programs.**

Sec. 290. By March 1 of each year, the presidents council, state universities of Michigan shall provide a

listing of new degree programs for which enrollment information will be reported to HEIDI under sections 241 and 289, as well as a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years, to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012;—Am. 2013, Act 60, Eff. Oct. 1, 2013.

### **388.1891 Performance audits.**

Sec. 291. The auditor general may conduct performance audits of public universities receiving funds in section 236 as the auditor general considers necessary.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1892 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to student right-to-know and crime awareness.

### **388.1893 Authorized disclosure; written consent.**

Sec. 293. A public university that receives funds under this article and also subject to the family educational rights and privacy act, 20 USC 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any individual or individuals to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011;—Am. 2012, Act 201, Eff. Oct. 1, 2012.

### **388.1893a Repealed. 2013, Act 60, Eff. Oct. 1, 2013.**

**Compiler's note:** The repealed section pertained to state building authority rent.

### **388.1894 Repealed. 2012, Act 201, Eff. Oct. 1, 2012.**

**Compiler's note:** The repealed section pertained to one-time basis appropriation.

## **ARTICLE IV GENERAL PROVISIONS**

### **388.1896 Excess funds; proration.**

Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(2) If the total maximum amount appropriated under all articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (3). If proration is necessary, state payments under each of the other sections of article I from all state funding sources, and state appropriations to community colleges and public universities under articles II and III from the state school aid fund, shall be prorated in the manner prescribed in subsection (3) 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.

(3) If proration is necessary under subsection (2), the department shall calculate the proration in district and intermediate district payments under article I that is required under subsection (2), and the department of treasury shall calculate the proration in community college and public university payments under articles II and III that is required under subsection (2), as follows:

(a) The department and the department of treasury shall calculate the percentage of total state school aid fund money that is appropriated and allocated under this act for the affected fiscal year for each of the following:

(i) Districts.

(ii) Intermediate districts.

(iii) Entities receiving funding from the state school aid fund under article I other than districts or intermediate districts.

(iv) Community colleges and public universities that receive funding from the state school aid fund.

(b) The department shall recover a percentage of the proration amount required under subsection (2) 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), 51c, 53a, and 152a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (2) 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 (2) that is equal to the percentage calculated under subdivision (a)(iii) for entities receiving funding from the state school aid fund under article I 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.

(e) The department of treasury shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(iv) for community colleges and public universities that receive funding from the state school aid fund by reducing that portion of the payments under articles II and III to these community colleges and public universities that is from the state school aid fund on an equal percentage basis.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011.