

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1612c Consolidation and infrastructure fund; grants for consolidation of services identified in a feasibility study under MCL 388.1611x; infrastructure emergencies.

Sec. 12c.

(1) From the school consolidation and infrastructure fund created under section 11x, there is allocated for 2023-2024 only an amount not to exceed \$135,000,000.00 for grants to districts and intermediate districts to support the initial costs related to the consolidation or the consolidation of services identified in the feasibility study or analysis conducted under section 11x.

(2) From the amount allocated in subsection (1), an amount not to exceed \$25,000,000.00 may be awarded by the department to districts and intermediate districts to support districts experiencing infrastructure emergencies. All of the following apply to emergency infrastructure funding under this subsection:

(a) Districts and intermediate districts must apply for the funding in a form and manner prescribed by the department. A district or intermediate district applying for funding under this subsection is not required to complete a feasibility study or analysis described in section 11x or a facility condition assessment described in section 11y.

(b) Before funding may be awarded to a district or intermediate district that applied under this subsection, the superintendent must submit a request for the funding in writing to the state treasurer and the state budget director that contains all of the following information:

(i) A description of the emergency nature of the funding.

(ii) The scope of the funding request.

(iii) The estimated cost of the funding request.

(iv) Any other information requested by the state treasurer or the state budget director regarding the funding request.

(c) The state treasurer and the state budget director shall evaluate the information received under subdivision (b) and determine whether the funding will be used for an eligible purpose as described in this subsection and whether the district or intermediate district has access to other funds that could be utilized before emergency funding is made available.

(d) If the state treasurer and state budget director provide written concurrence to the superintendent that funding will be utilized in accordance with this subsection, the department may award emergency funding to the district or intermediate district that applied for funding.

(e) Funding awarded under this subsection may be utilized only on emergency infrastructure needs that threaten the immediate health and safety of students and staff in the district or intermediate district and prevent or obstruct the use of a building or portion of a building for learning.

(f) The state budget director shall notify the house and senate appropriations subcommittees on K to 12 school aid and the house and senate fiscal agencies of awards made under this subsection within 30 days of funding being distributed to a district or intermediate district.

(3) Except as otherwise provided in this section, to be eligible for funding under this section, a district or intermediate district must apply for the funding in a form and manner prescribed by the department. An intermediate district may apply for funding on behalf of a district if the intermediate district is providing the consolidated services. An application described in this subsection must include all of the following:

(a) An assurance that the district or intermediate district was included in a feasibility study or analysis conducted under section 11x.

(b) An assurance that the consolidation or the consolidated service or services being funded were included as a recommendation in a feasibility study or analysis conducted under section 11x.

(c) A brief description of how the district or intermediate district plans to implement changes, as outlined in a feasibility study or analysis conducted under section 11x, where possible.

(d) An assurance that the district or intermediate district will submit to the department an annual report documenting the estimated savings produced as a result of the consolidation or the consolidation of services.

(e) A budget of the estimated first-year costs associated with the consolidation or the consolidation of services, in the form and manner prescribed by the department.

(4) Except as otherwise provided in this section, if funding under this section is insufficient to fully fund all applicants, the department shall do either of the following:

(a) Ensure that awards under this section are determined based upon a competitive grant process.

(b) Distribute funds under this section on a prorated or other equitable basis as determined by the department.

(5) Except for funding received under subsection (2) and except as otherwise provided in this section, each intermediate district that receives funding under this section and also received funding under section 11x for 2022-2023 shall, in consultation with its constituent districts that receive funds under this section, submit a report to the

department by not later than June 30, 2025. Except for funding received under subsection (2) and except as otherwise provided in this section, each district that receives funding under this section and also received funding under section 11x that is separate from the funding received by its intermediate district for 2022-2023 shall submit a report to the department by not later than June 30, 2025. The report must include all of the following information regarding the consolidation or consolidation of services supported by funding under this section, in the form and manner prescribed by the department:

- (a) The amount previously spent on each consolidation or consolidation of service in the prior fiscal year.
- (b) The number of students impacted by the consolidation or the consolidation of service.
- (c) The vendors, third-party entities, or other educational entities used for consolidation or to consolidate the service or services.
- (d) The impact on student learning attributable to money reallocated as a result of the consolidation or consolidated service or services.
- (e) A total of cost savings produced as a result of the consolidation or the consolidation of services, in the form and manner prescribed by the department.
- (6) The funds allocated under this section for 2023-2024 are a work project appropriation, and any unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work project is to continue to award grants for consolidation or the consolidation of services. The estimated completion date of the work project is September 30, 2027.
- (7) As used in this section, "constituent district" means that term as defined in section 3 of the revised school code, MCL 380.3.

History: Add. 2023, Act 103, Eff. Oct. 1, 2023 ;-- Am. 2023, Act 320, Eff. Feb. 13, 2024 ;-- Am. 2024, Act 120, Imd. Eff. July 23, 2024